

AUGUST 2019

PRE ELECTION REPORT

LOCAL ELECTIONS ARE HERE

A PRUDENT DISTRICT DIRECTION

Connecting VISION TO ACTION:
[Council's commitment to you]

THE 4 WELLBEINGS & what Council is doing about them

Reflections: WHAT HAS BEEN DELIVERED

AUGUST 2019

ROTORUA LAKES COUNCIL
Te kaunihera o ngā roto o Rotorua



“

This report is intended to stimulate debate and assist you in asking questions about the future of our district.

”



CONTENT HIGHLIGHTS

MIHI WELCOME

“

Whakataka Te Hau Ki Te Uru
Whakataka Te Hau Ki Te Tonga
Kia Mākinakina Ki Uta
Kia Mātaratara Ki Tai
Kia Hī Ake Ana Te Atākura
He Tio
He Huka
He Hau Hū
Tihe Mauri Ora!

Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a sharpened air.
A touch of frost
A promise of a glorious day
It is life!

”

WHAT'S IN THIS REPORT

The Pre-election report focuses on how the Council is performing, including the current financial position and key spending issues for the coming years.

It provides historic information for the past three years, an overview of the current election year and the Council's planned financial position for the next three years. It also outlines Council's broader financial goals, which are included in its 2018-28 Long-term Plan.



What Council has delivered in the past three years.

Basis of Preparation

A Pre-election report is a requirement under the Local Government Act 2002 Section 99a.

This Pre-election Report is supported by information previously published in Council's Long-term Plan, Annual Plans and Annual Reports and reflects the policies, strategies and decisions of the council at that time.



Key place making projects for the next few years.

As required by law, the report is prepared by the Chief Executive independently of the Mayor and Councillors.

Audit of information

The Pre-election report is not required to be independently audited. However much of the information in it is drawn directly from reports that have been audited by independent auditors.



Auditing of the information looking back on the most recent financial year (2018/19) is underway but not yet completed at the time of publication.



GEOFF WILLIAMS
CHIEF EXECUTIVE

To achieve this, major community investment is going into the Museum, the Lakefront, Whakarewarewa Forest and the Sir Howard Morrison Performing Arts Centre.

These four key projects alone amount to a \$127.6 million investment \$73.5 million (58%) of which is funded by Central Government, funding agencies, trusts and entrepreneurs.

This level of outside investment demonstrates Rotorua is seen as a district on the move and a place for significant investment.

As well as strong plans for projects that promote growth and improve levels of service, the council is also committed to ensuring current assets are well maintained, safe and fit for purpose, now and well into the future. In Council's 2018-28 Long-term Plan 50% of the \$486 million total capital budget is dedicated to replacement of existing infrastructure and amenities, for example upgrades to the city wastewater treatment plant, jetties and boat ramps, stormwater, parks and shared paths.

We must also be financially prudent and ensure the council is positioned to respond to unforeseen circumstances like natural disasters.

At the peak of planned borrowing the council will still have approximately \$100 million available to respond in an emergency.

Council has maintained an AA- credit rating from Fitch International three years running.

This rating represents a strong institutional framework, resilient financial performance, and a commitment to sound capital expenditure management, set within clear policy guidelines that are based on rigorous planning and consultation.

Challenges remain and some have come about as a result of the district's growth and economic success.

MĀ TE MAHITUTUKI

WORKING TOGETHER WE WILL SUCCEED

CHIEF EXECUTIVE'S MESSAGE

On 12 October Rotorua residents will vote for a Mayor, Councillors and Community Board members.

This is your democratic opportunity to participate in local government and help shape our district's future.

As Chief Executive of Rotorua Lakes Council it is my responsibility to provide this report to you.

The purpose of the Pre-election Report under the Local Government Act is to enable informed debate around the opportunities and challenges this council is facing.

This information may also encourage some of you to stand for a leadership role in our district.

Vision 2030 remains our blueprint to position Rotorua as a place people choose to live, work, play and invest and drives everything council does.

Following the 2016 elections a vision refresh reflected on the need to respond to growth while retaining and enhancing Rotorua's key strengths and opportunities. Change and progress in Rotorua is not happening by chance and further transformational change is needed to drive successful outcomes for the benefit of all Rotorua residents.

During the next three years our strategy will need to focus on a response to challenges such as housing availability, the next stage for inner city revitalisation and safety, climate change mitigation and adaptation, and the reintroduction into local government of the four wellbeings (social, cultural, environmental and economic).

This report also provides information to help answer questions the community has about the district's future and the council organisation.

- Should Council invest in public infrastructure to ensure Rotorua continues to attract people and business?
- Is Council's planned level of investment prudent and sustainable?
- Are our rating levels higher than elsewhere?
- Is debt sustainable?
- Why is growth important?

Your vote will determine the future direction and leaders of the district.

- Geoff Williams



TE AKA MAURI

Library and Children's health hub

- LGNZ Excellence Award for Service Delivery and Asset Management 2018
- Highly Commended – SOLGM Excellence Awards – Collaborative Government Action 2019
- BERL Award for Collaborative Government Action focusses on community benefits achieved through Council working with other local or central government agencies 2019

The creation of Te Aka Mauri represents a national, if not global first, in that it successfully co-locates Rotorua's library service with the local District Health Board's children's health hub.

The project was initiated through the DHB's desire to use central government funds to create a centrally accessible non-hospital environment for whanau and children, in the hope that this might reduce some of the worst "non-attendance" rates being reported for children in the country.

At the same time, Rotorua Lakes Council needed to upgrade the city library building, with particular attention to be paid to watertight issues and earthquake strengthening.

The DHB and Council agreed to co-locate both services under one roof.

REFLECTIONS: WHAT HAS BEEN DELIVERED



This project is a touch of brilliance and we can only hope that other areas of the country will follow your lead.

Chloe Wright - Wright Family Foundation



The DHB agreed to become an anchor tenant of the refurbished city library building, and on this basis, Council approved the required capital expenditure as part of its 2015-25 long term planning process.

The name Te Aka Mauri was gifted to Rotorua's unique library and child health hub to reflect the collective vision of the project and the nature of the services within. Te Aka Mauri has exceeded expectations with high attendance rates for child health services and at library events.



Library activity:

- 1949** Attendees to special events, launches and presentations
 - 2370** Children through pre-school programmes
 - 2213** Children participated in the Holiday Programme
 - 3243** Children have attended Makerspace Lego sessions
 - 1849** Students attended Makerspace sessions to Jan 18 to Jan 19
 - 2470** Registrations for Spark Jump - highest out of all NZ libraries
 - 544** Registrations for Spark Jump - highest out of all NZ libraries
 - 970** Registrations for Spark Jump - highest out of all NZ libraries
 - 1160** Registrations for Spark Jump - highest out of all NZ libraries
 - 37** Registrations for Spark Jump - highest out of all NZ libraries
- = Feb to Jul 2018
● = Aug 2018 to Jan 2019

PROJECT - \$12.3 MILLION CONSTRUCTION

Funding/Partners:

Council - \$8.5 million
LDHB - \$3.8 million

An additional \$1.2 million has been received from sponsors who contributed towards the outcomes being sought by the DHB and Council.

Sponsors:

- \$277,000 - Wright Family Foundation
- \$125,000 - Tompkins Wake
- \$40,000 - Pukeroa Oruawhata
- \$40,000 - Ngati Whakaue Education Endowment Trust Board
- \$100,000 - Unison
- \$17,800 - The Southern Trust
- \$68,700 - Friends of the Rotorua District Library
- \$263,100 - NZ Community Trust
- \$5,000 - Bupa
- \$40,000 - Francis Moss Boord Trust
- \$50,000 - Rotorua Energy Charitable Trust
- \$35,000 - Abodo / Donelley Sawmillers Ltd
- \$130,000 - BayTrust
- \$5,000 - Holland Beckett
- \$5,000 - Rotomā No 1 Incorporation



FARMERS MARKET

INNER CITY REVITALISATION HAS BEEN A PRIORITY OF COUNCIL SINCE 2013 AND THE FOCUS TO DATE HAS BEEN ON IMPROVING SAFETY, ROADING AND FOOTPATHS, ACTIVITY AND THE LOOK OF THE CBD.

TE MANAWA

Creating a vibrant city centre which attracts people and activities is a goal of the district's Vision 2030, and has included creating a new space in the very heart of the inner city, Te Manawa. Development of this space was finished in October 2017, creating a new shared space including slow-moving vehicles and opportunities for residents and businesses. The area has been created with Rotorua's strong culture in mind and was gifted the name Te Manawa, reflecting the "beating hearts" of Te Arawa and the area's position at the heart of the inner city.

Carvings depicting Hinemoa and Tutanekai were restored by their original carver and now adorn the two remaining pillars.

The project has benefited the inner city by providing:

1. More public open space
2. Clearer, prioritised pedestrian routes
3. Shared space zones east and west
4. Flexible spaces for relaxing and events
5. Mix of paved, lawn and garden surfaces
6. Improved spaces for cafes to open out on to
7. Safe pedestrian and through-vehicle routes
8. No loss of parking spaces

TE MANAWA WINNER LGNZ EXCELLENCE AWARD:
BEST PRACTICE CONTRIBUTION TO LOCAL ECONOMIC DEVELOPMENT

FARMERS MARKET STARTS

In October 2016, The Rotorua Farmers Market launched during the city's tulip festival. This market is different to other offerings in the district with a focus on locally grown produce and pantry items, demonstrating the concept of manaakitanga (hospitality and sharing) and with a distinctly Rotorua flavour.

Locally grown produce and pantry items such as pickles, jams and artisan breads feature at the market and one-off stalls are available for the likes of community groups and individuals to sell produce.

Inner city revitalisation has been a priority of Council since 2013 and the focus to date has been on improving safety, roading and footpaths, activity and the look of the CBD. The district's Spatial Plan has identified the need for more work to be done to encourage building improvements, development of more inner city living and encourage tourism accommodation to move into the CBD. Read about some of the next steps for inner city revitalisation on page 25.

TE MANAWA OPENING CELEBRATIONS



KAI AT THE FARMERS MARKET

TE ARAWA PARTNERSHIP WITH TE TATAU O TE ARAWA

New Zealand's first bilingual (Reorua) city

Te Tatau o Te Arawa led the initiative with support from Council and Te Puni Kōkiri. A strong culture is a key element of what makes our district special; our commitment to becoming a bilingual city acknowledges the history and whakapapa of our district, and reinforces our reputation as a heartland of Māori culture.

Māori language speed sign unveiled in Rotorua

Rotorua's first te reo speed sign was erected at the southern gateway into Rotorua and was unveiled in September 2018. The project was supported by roading authority NZTA and also heralded the start of Te Wiki o Te Reo Māori (Māori Language Week).

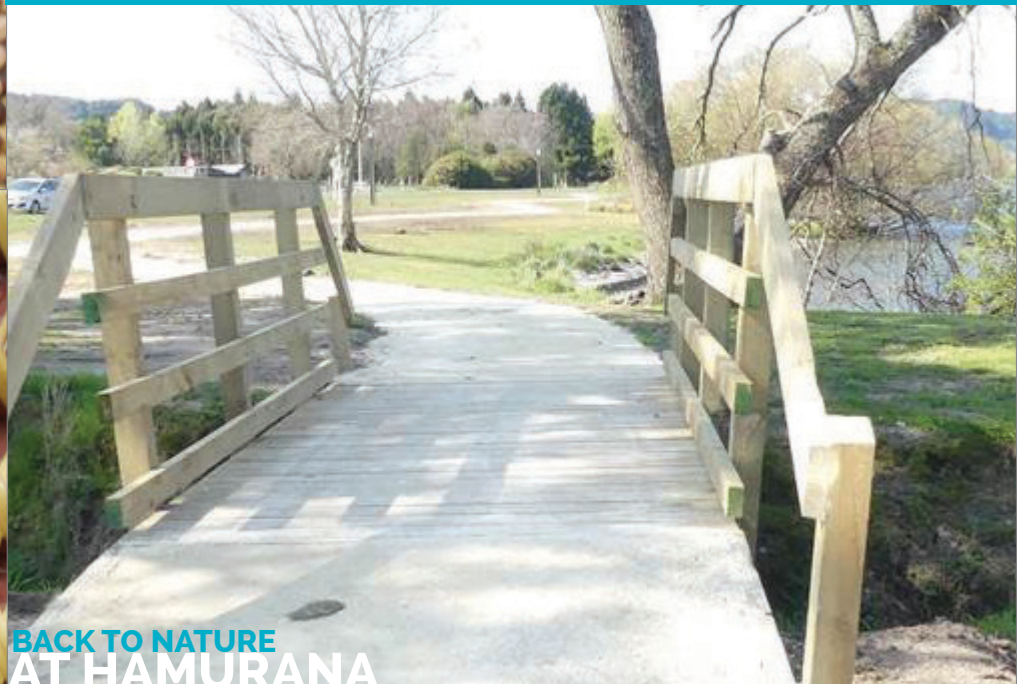
Taikākā, the first Rotorua bilingual playground

An initiative of Rotorua Reorua (Bilingual Rotorua), this was led by Te Tatau o Te Arawa with support from Te Puni Kōkiri, Council and the Ngāti Whakaue Education Endowment Trust Board. The playground located in the Government Gardens, was opened 29 June 2018 with a dawn karakia. The playground feature interpretive panels so that children can learn about aspects of Māori culture and language while playing.



AWARDS:

- Winner – Martin Jenkins Judges' Choice Award for Outstanding Value and Service Delivery
- Highly Commended - Community Engagement category, LGNZ held at the annual LGNZ Conference - 2016
- Winner Māori Language Awards for Council's Te Amorangi ki Mua, Te Hāpai o Ki Muri Unit



**BACK TO NATURE
AT HAMURANA**

HAMURANA RESERVE DEVELOPMENT

Retaining the natural character of the reserve has been important to both residents and users when considering design elements and undertaking the upgrade.

A formed pathway running the length of the reserve was created out of compacted limechip, a permanent all weather surface.

Along the path wooden park furniture is nestled amongst the natural character of the reserve. Old houses have been removed along with trees and vegetation that were either pests or impacting on the reserve. Signage focuses on points of interest, cultural significance and the history of the area and in particular on the historic Hauraki stream and was completed in collaboration with Ngāti Rangiwewehi.

CYCLE/SHARED PATHS

The goal of the programme (11 projects to date) is to promote cycling as a safe, attractive and convenient form of transport throughout the city.

Council, with matched funding from the New Zealand Transport Authority is working towards a network which will connect suburbs and main arterial routes to the city and major tourist attractions such as the Whakarewarewa Forest / Redwoods. More people riding bikes will reduce gas emissions and lessen the impact on our roading infrastructure. The economic benefits are not limited to cyclists, having outstanding cycling networks promotes Rotorua's tourism offering and promotes the city as an attractive lifestyle option for people considering moving here.



“ Cycling networks promote Rotorua's tourism offering and showcase our city as an attractive lifestyle option for people considering moving here to work and play. ”

CREATING
OUTSTANDING
RECREATIONAL FACILITIES
FOR OUR COMMUNITY

Ranolf to the CBD

- Completed December 2018

Creates a link between Rotorua's southern suburbs, local schools, the inner city and the lakefront. The shared path begins at the Lake Road / Ranolf Street intersection and runs the length of Ranolf Street (on the eastern side of the road) all the way to Devon Street, where it crosses the road and continues on the western side of Ranolf Street, up to Sophia Street where it connects to the existing shared path. A new fence between the golf course and the path ensures a safe journey.

Forest link / Te Ngae to Long Mile connection

- Completed June 2018

Running from the Puarenga Bridge on Te Ngae Road to Long Mile Road, this path is lime chip and shaded by trees in sections. Since its completion the path has attracted more the 100 bikes a day on average and provides an accessible trail for those using mobility devices, prams, walkers, dog walkers and runners. It is now the preferred route from the CBD to the Redwoods forest for many mountain bikers and tourists and it is a fantastic option for commuters living in Lynmore and Owata.

Springfield Cycleway

- Phase One completed May 2018
- Phase Two completed July 2018

This project was completed in two phases and connects to the Hemo roundabout, Ranolf Street project and Rotorua International Stadium.

Hospital Hill section of Ranolf Cycleway

- Completed May 2018

Starting at Lake Road/Ranolf Street intersection this moves onto the hospital end of Lake Road. A courtesy crossing to the Village Green was installed and a path safely connects Rotorua Primary School to the network with the speed limit lowered at the crossing point on Pukeroa Street (the road through the hospital campus).

Ward Ave/McIntyre Reserve

- Completed May 2017

This section provides a link between Fenton Street and our beautiful forest, providing a family-friendly connection to the Redwood visitor centre and the Mokopuna Trail, as well as being a good option for commuters. Construction of the path in the reserve is complete with solar eco-disc lighting. Both entries to the reserve are concreted, along with the Sala Street refuge crossing and the creation of the shared path on Ward Avenue.

Morey Street/Brent Road Project

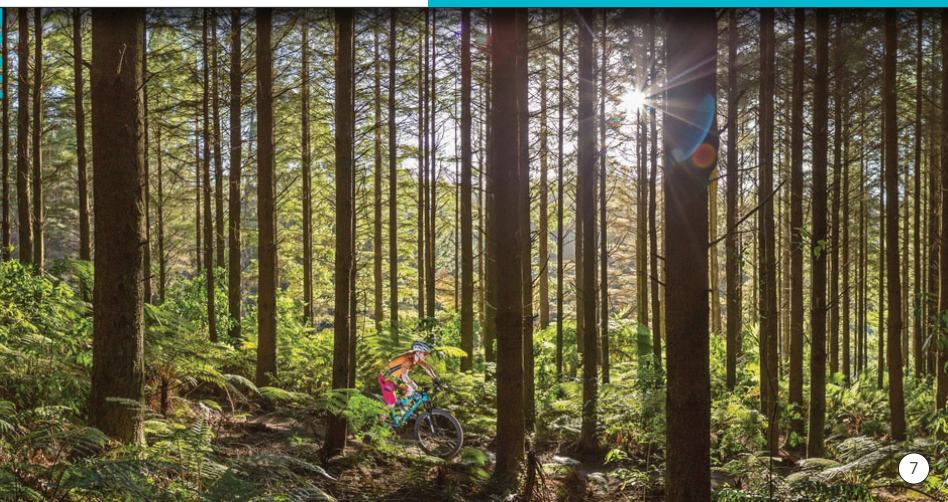
- Completed May 2017

The link provides a connection between eastside suburbs, Te Ngae Road shared facilities and the forest. Concerns about road safety has seen the creation of a separated cycleway that provides students with a safe bike route separated from traffic and parking making travel by bike a more attractive option. The Morey Street/Brent Road project is:

- 1.5km long
- On road protected and shared pathway
- Connects to three schools

“ More people riding bikes will reduce gas emissions and lessen the impact on our roading infrastructure. ”

ZOOM ZOOM
Image credit: Mark Cohen



WESTBROOK NETBALL COURTS

Making sure Rotorua has access to facilities that match the sports and recreation talent and the enthusiasm of our local netball community were drivers behind the upgrade to these courts. This was a joint venture between Rotorua Netball and Council and many funders have contributed to the completion of the upgrade. Work included extensive engineering work to increase the footprint of the complex and improve drainage, the 16 courts had a new rubberised surface laid and floodlights were installed over the premier courts. Umpire run lines were also added to keep umpires safe during games.

Project sponsors

- NZ Community Trust
- Rotorua Trust (RECT)
- Lotteries NZ
- NZ Racing Fund
- Lion Foundation
- First Sovereign
- One Foundation
- Rotorua Netball
- Sport Bay of Plenty

“

Rotorua needed access to facilities that matched the talent and enthusiasm of our local netball community.

”

KUIRAU PARK

Reflecting our easy lifestyle and active environment, Kuirau Park has an abundance of geothermal activity, sporting facilities and other exciting features. Numerous walkways wind their way through the geothermal setting, offering views of mud pools, boiling lakes and geothermal activity.

The park has been progressively opened up during recent years to enhance the area and increase safety. Shrubs have been removed and lighting has been improved. The footpools have been upgraded and artistic landscapes and sculptures added. New walkways and cycle pathways weave their way through the park connecting the Ranolf Street cycleway to Lake Road.

The next stage of development commenced with the removal of Kuirau House to allow for construction of a purpose-built market space.

SANATORIUM RESERVE

Sanatorium Reserve is a 77 hectare inner city site located on the shores of Lake Rotorua. The fourth largest area of geothermal habitat in New Zealand, it is classified as a ‘critically endangered’ ecosystem. It is a breeding area for at least five threatened bird species, and home to ‘at risk’ geothermal kānuka.

Work has begun on restoring the reserve to its former glory and to re-establish the ecology within. Removal of weed species (bamboo) and other plant and vegetation pests have been the first priority.

A network of low-impact cycling and walking paths has started and will include viewing platforms and cultural/environmental interpretation. Support for the enhancements has been obtained from key stakeholders including Pukeroa Oruawhata Trust (the mandated body of Ngati Whakae), Bay of Plenty Regional Council, Department of Conservation and Forest & Bird.

In March, long-tailed bats were found at two sites within the reserve. This is a significant find, being only the third confirmed urban or semi urban bat location in New Zealand.

+ AN ESSENTIAL SERVICE TO THE COMMUNITY

EAST ROTOITI/ROTOMĀ SEWERAGE SCHEME

Lake water quality and a sustainable environment are the drivers for the development and implementation of reticulated wastewater schemes.

Construction of a stand alone wastewater treatment plant is now completed. This is located behind the Rotoiti Emery Store and approximately 11 kilometres of reticulated network have been laid from Matahī Road in Rotomā to the plant. From 1 July residents in the Rotoma area (approximately 200 homes) commenced connecting to the treatment plant and it is expected these properties will be fully connected and functioning by October. The scheme, when completed, will provide an essential service to the community, delivered in a way that protects the health of the lake and is culturally appropriate.

The scheme will be completed in the next two years.

”

Long-tailed bats were found at two sites within the Sanatorium Reserve, making it the third confirmed urban or semi urban bat location in New Zealand.

“

LONG-TAILED BATS
SANATORIUM RESERVE



YOUR

HOME. CULTURE. VOTE.

YOUR

VOICE. PLACE. VOTE.

YOUR

FUTURE. PEOPLE. VOTE.

KEY DATES FOR THE 2019 LOCAL ELECTIONS:

Friday 19 July

Nominations opened

Friday 16 August

Nominations closed

Friday 20 September - Wednesday 25 September

Voting papers delivered

Friday 20 September - Saturday 12 October

Special voting period

Saturday 12 October

Voting closes (noon)

Thursday 17 October - Wednesday 23 October

Official declaration

Oct – Dec 2016

Elections 2016

Rotorua Night Market doubles in size

Rotorua Farmers Market commences

Collaboration with Ministry of Justice to redevelop the front of the court house

Guinness World Record attempt to break the record for the world's largest haka!



Rotorua Redwoods: People's Choice Award New Zealand Transport Agency Favourite Places to Ride competition for off-road biking trails

July 2017

Review of Class IV Gambling and Board Venue Policy adopted

Aug 2017

Rotorua Housing Accord signed

Rotorua Air Quality Control Bylaw review adopted



Tarawera proposed sewerage scheme - \$6.5 million government funding announced

Sep 2017

Rotorua Rural Community by-election fills vacancy

Oct 2017

Property revaluations issued



District Plan consultation - changes to signage and holiday rentals

Annual Report 2016/17 adopted

Eastside Youth Space opens

Nov 2017

Consultation on draft Spatial Plan

Dec 2017

Mudtopia event

Jan 2018

CBD summer safety campaign commenced

Springfield/Otonga road roundabout and cycle way construction

Inner city new parking system

Rotorua named as one of the top places to see in the prestigious New York Times' 52 Places to Go in 2018 list



Sir Owen Glenn announced donation of \$3 million to the Sir Howard Morrison Performing Arts Centre

Rotorua Trust agreed in principle to contribute \$1.5m - SHMPAC

Smokefree outdoor spaces policy phase two roll-out (other outdoor spaces, including outdoor eating areas)

Feb 2018



Lake Okareka Boyes Beach toilet construction

Lake Okareka Acacia Bay new boat ramp and refurbished toilets

LTP Consultation – Feb/Mar

Apr 2018

Ngongotaha flood and declaration of CDEM emergency

May 2018

Whakarewarewa Forest link cycle way – Te Ngae to Long Mile Road

Mayoral Manaakitanga Relief Fund approved

Jun 2018

Adopt Long-term Plan 2018-28

Provincial Growth Fund - \$811,625 funding announced to finalise business cases for the development of Rotorua's lakefront and forest facilities

Independent flood review panel appointed to review the Ngongotaha Flood and identify future remedies

First bi-lingual playground opened

Jul 2018

Rural waste collection rollout

Inner city Parklet trial completed

Joint venture with Western Heights Community to deliver the Kai Rotorua Western Heights Reinvigoration project

Community Leisure Management (CLM) commenced managing the Rotorua Aquatic Centre

Aug 2018

Spatial plan adopted

Architect appointed for Sir Howard Morrison Performing Arts Centre project

Flood affected residents in Ngongotaha starting to return home – August

East Rotoiti | Rotomā Sewerage Scheme construction underway

Reserve Management Plan amendments for the Lakefront out for consultation

Disposal of service lane, Fenton Street to assist WD Holmes 2000 Trust with redevelopment of their adjacent site

Rotorua 2030 Refresh



New waste services introduced - kerb side bins for recycling and rubbish

Landfill begun the process to capping and sealing

Museum & Sir Howard Morrison Performing Arts Centre closure for earthquake strengthening

Smokefree Outdoor Spaces Policy approved all sportsgrounds, skate parks, bus stops and shelters as smokefree zones

Apr 2017

Response to significant storm events impacting the district. Same event that caused the Edgcombe Flooding. Heavy impacts on Paradise Valley Road.

May 2017

The construction of the urban cycleways network commenced with the Shared path - 1.6km Morey Street and Brent Road Owkata opening.

Lake Rotorua Incentives Scheme announced

Jun 2017

Annual Plan 2017/18 adopted

Rotorua hosts Maori All Blacks v British & Irish Lions game

Public Places Liquor Control Bylaw 2009 replaced with Alcohol Ban Bylaw

Rating Review commenced

Speed Limit Bylaw - new speeds on Hamurana Rd and many other district streets

Sep 2018

Māori language speed sign unveiled

MBIE funding \$453,250 allocated to infrastructure improvements at Lake Ōkareka



Opening of a Performance and Training Centre at Rotorua International Stadium

Provincial Growth Fund announcement - \$27.4 million lakefront and Whakarewarewa Forest

Architect appointed for restoration and development of Rotorua Museum

Hannahs Bay Management Plan Review - consultation

District Plan Change 6 - Holiday Rentals becomes operative

Oct 2018

Housing First contract signed with central government



Royal Visit: Harry and Meghan

Menz Shed - Lease on Pererika Street Reserve renewed for 20 years

Rotorua Lakes Watersports Trust - 20 year lease extension lakefront reserve

Boundary Backflow Prevention Policy adopted to further safeguard the quality of our water supply

Reserve Management Plan Amendments at Lakefront adopted

Amendments to Rotorua Te Arawa Lakes Strategy Group Agreement and Terms of Reference adopted

Annual Report 2017/18 adopted

Nov 2018

We are. LGNZ.
Te Kāhui Kaunihera o Aotearoa.

Winner - LGNZ National Awards: Judges Choice (third year in a row)

Winner LGNZ Excellence Award for Best Practice Contribution to Local Economic Development (Revitalisation of the Inner City) project.

Winner LGNZ Excellence Award for Service Delivery and Asset Management: Rotorua's Te Aka Mauri Library & Children's Health Hub



Winner Māori Language Awards for Council's Te Amorangi ki Mua, Te Hāpai o Ki Muri Unit

Rollout of new parking system commenced

Rotorua child equity programme commences

Earthquake Prone Building Identification Process Update and Decision on Priority Routes

Alcohol Ban Bylaw adopted

Prostitution Bylaw review - consultation

Dec 2018

Westbrook sports field development netball: completed



Rotorua Trust grant \$10 million towards Rotorua Museum project

Mamaku water treatment plant upgrade complete all our water sources meeting water quality standards

Kuirau House removal

Sea Scout Hall at Lakefront removal

Kuirau Park landscaping of new foot pools and barbeque facilities

Sanatorium Reserve - first stage of pest plant/bamboo removal complete

Hamurana Lakefront Reserve upgrade/walk/cycle way

Ranolf to CBD cycleway/shared path completed adding to the urban cycleway network

Rates review outcomes supported

Funding contracts with MBIE for Rotorua Lakefront and Whakarewarewa Forest Projects approved by council

Feb 2019

Unveiling of Te Arawa Soldiers' Memorial

Waikete Thermal Pools new 20 year leases approved

Waipa Valley entranceway development completed

Mar 2019

Ngongotahā Community Reference Group established to provide advice for future flood risk mitigation options

Deliberations and Proposal for New Prostitution Bylaw 2019

Draft Hannahs Bay/Waikawau Reserve Management Plan - consultation

Landfill capped and sealed reducing carbon emissions and the production of leachate

Tarawera Road slip from the April 18 emergency restored

Apr 2019

Tarawera Landing - boat ramp repairs

Long Mile Road/Tarawera Road intersection upgrade

Long-tailed bats found in Sanatorium Reserve



75 of 118 remedial works to Ngongotaha Stream completed

Retention of AA- credit rating by Fitch international



May 2019

Adoption of traffic bylaw

Ohau Delta carpark upgrade

Paradise Valley Road slip restored

Jun 2019

Te Ngae/Owhata Road slip lane upgrade

Annual Plan 2019/20 adopted

Upgrade to Acacia Bay boat ramp

Rural school zone road safety/speed review announced

Hannahs Bay/Waikawau Reserve Management Plan - adopted

Lakefront- lake edge, boardwalk and landscaping contract awarded

Jul 2019

Draft Climate action Plan



ROTORUA LAKEFRONT

Key projects identified in the Long-term Plan 2018-28 enhance Rotorua's strengths and offer opportunities to bring about further change, encourage future investment and raise the quality of life within our district.

CONNECTING VISION TO ACTION

MUSEUM: EXHIBITION SPACE INTERIOR



COUNCIL'S KEY PLACE-MAKING PROJECTS



TE WHARE TAONGA O TE ARAWA ROTORUA MUSEUM

COUNCIL'S COMMITMENTS:

Te whakaora i ō tātau taonga Reviving our facilities

OUR COMMITMENT: Ensure our facilities are modern, safe, fit-for-purpose and meet our needs and our lifestyle.

Te Toitūtanga o te Taiao Environmental sustainability

OUR COMMITMENT: Enhance the environment that defines Rotorua; a unique volcanic landscape characterised by lakes, rivers, mountains and geothermal features.

Te Whakawhanake i to tātau Rohe Growing our district

OUR COMMITMENT: Increase the resilience and vibrancy of our communities and villages by ensuring our land, housing and infrastructure is in the best condition it can be to meet the present and future needs of growth.

Tuia te kawae, tairanga te kawae, ko te kawae o te haere

Keeping the foot on the pedal of progress

OUR COMMITMENT: Plan for future progress by developing bold visions that continue to enhance our special district and position us for future investment based on our strengths: environment, lifestyle, culture, opportunities.



MUSEUM: EXTERIOR

YOUR HOME. YOUR CULTURE. YOUR VOTE. YOUR FUTURE. YOUR

ROTORUA MUSEUM

Rotorua's history needs to continue to be told through the stories portrayed in the exhibitions and our culture needs to be preserved and relived through the experience offered at Te Whare Taonga o Te Arawa – Rotorua Museum. This is reflected in Council's commitment to restore, maintain and re-open our beloved historic museum. It is considered vital to the vibrancy of Rotorua, both culturally and from a visitor attraction perspective.

Project - \$54.0 million

Funding/Partners:

- Council - \$15.0 million
- Rotorua Trust - \$10 million
- Lottery Significant Projects Fund - \$6.0 million

Council awaits the outcome of a funding application to Central Government required to fully fund this project.

This year	20 21	21 22	22 23
\$8.8m	\$29.5m	\$15.7m	-

*Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented

AQUATIC CENTRE

Rotorua is surrounded by lakes and rivers as part of our active environment. It is imperative that our children have access to safe, fun aquatic facilities for both access to water safety programmes and for leisure.

The centre

- Has the only outdoor heated (geothermal) 50m pool in the country
- Is popular for training camps and competitions
- Attracts 350,000 visitors a year
- Teaches more than 11,000 children annually in learn-to-swim programmes

Council will develop a masterplan that will focus on bringing the service up to the level our community expects, including:

- Fixing and deepening the outdoor 50m heated outdoor pool (now 43 year old)
- Replacing roofing, installing a new hi-vac system and upgrading the main pool hall
- Constructing a dedicated learn-to-swim pool
- Enhancements to the main entrance and changing facilities.

More investment and additional features like a bomb pool, water slides and outdoor play areas will be reliant on establishing partnerships with external investors.

Investment \$7.5 million

This year	20 21	21 22	22 23
\$3m	\$4m	\$0.3m	-

*Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented

“ Welcoming to the young, the experimental and the innovative, that will retain the gem of a renovated Civic Theatre. ”

Shand Shelton Architects

SIR HOWARD MORRISON PERFORMING ARTS CENTRE

Closure of the Sir Howard Morrison Performing Arts Centre for earthquake strengthening has provided the opportunity to review the future value proposition of the arts and culture offerings in Rotorua.

Project - \$22.1 million

This year	20 21	21 22	22 23
\$7.4m	\$13.6m	\$0.1m	-

Funding/Partners:

- Council- \$11.5 million
- Sir Owen Glenn- \$3.0 million
- Lottery's Significant Projects- \$4.0 million
- Rotorua Trust- \$1.5 million
- One Foundation- \$125,000
- NZCT- \$750,000
- Lottery- Heritage and Environment Fund- \$450,000
- Lottery- Community Facilities Fund – 750,000

There are two key objectives for this project:

- Establishing the facility as a fit-for-purpose performing arts centre while protecting what is a Category One heritage building; and
- Addressing long-term issues of earthquake strengthening, repairs (including from previous additions to the building) and deferred maintenance.

*Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented



SHIMPAC INTERIOR Foyer

WASTEWATER TREATMENT PLANT UPGRADE

Council signed a deed with Central North Island Iwi Limited (CNI) in 2014 to end treated effluent disposal in Whakarewarewa Forest by December 2019 as the forest system is considered unsustainable.

Council has since worked with key stakeholders including iwi to explore and identify a better, more sustainable wastewater treatment and management alternative.

The preferred solution agreed by the majority of parties includes a full upgrade of the existing wastewater treatment plant to a full membrane bioreactor plant with provision for additional nutrient removal and an ultraviolet disinfection system.

The upgraded plant will also increase capacity to cater to future demand.

Investment \$35.0 million

This year	20 21	21 22	22 23
\$0.5m	\$0.3m	\$16.6m	\$16.6m

***Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented**



Council has worked with key stakeholders including iwi to explore and identify a better, more sustainable wastewater treatment and management alternative.



COMPLETION OF: EAST ROTOITI/ ROTOMĀ SEWERAGE SCHEME

This is the final stage of a multi year project. When completed approximately 700 properties will be connected to a new, stand-alone wastewater treatment plant, which will treat wastewater to a very high standard before it is discharged to land. This will replace current septic tanks.

This part of the project will commence the laying of pipes to connect residents in Rotoiti and investigate the type of and support for pre-treatment methods required at each property.

Properties at East Rotoiti are expected to be gradually connected to the scheme from July 2020.

***Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented**

Project - \$35.3 million

This year	20 21	21 22	22 23
\$8.9m	-	-	-

Funding/Partners

- Council- \$1.15 million
- Ministry of Health- \$4.46 million
- Bay of Plenty Regional Council- \$8.6 million
- Ministry for the Environment 11.6 million
- Residents and owners- \$9.49 million

A proposed Tarawera sewerage scheme estimated to cost approximately \$15-19.0 million is scheduled for year 5 and 6 of Council's 2018-28 Long-term Plan. Work on this scheme will be funded and the type of scheme to be supported is currently underway.

LAKEFRONT REDEVELOPMENT

Rotorua's lakefront is a special place with a rich history and is enjoyed by many locals and visitors. Enhancing this popular recreation space will create a landscape representative of our unique cultural identity, will support a vibrant CBD and provide the basis for further investment and economic benefit. The enhancements will pay tribute to our history and honour the intrinsic beauty of our place – Rotorua-nui-a-Kahumatamomoe.

***Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented**

Project - \$40 million

This year	20 21	21 22	22 23
\$14.0m	\$15.3m	\$9.4m	-

Funding/Partners

- Council- \$20.1 million
- Central Government Provincial Growth Fund - \$19.9 million

WHAKAREWAREWA FOREST

Mountain biking and trail walking/running in the Tokorangi and Whakarewarewa forests are part of Rotorua’s DNA which attracts many visitors and events.

The project identifies key recreational, cultural and commercial opportunities specifically in the Tokorangi forestry block with services supporting the users and visitors, the establishment of integrated trails, development of an outdoor event area, and the placement of interpretation information, lookouts, playgrounds and picnic areas.

The vision for the area has been developed through collaboration between Ngāti Whakāue, Tūhourangi Ngāti Wāhiao, CNI Iwi Holdings Ltd (the vested land holders of Whakarewarewa) and Council.

Project - \$14.5 million

This year	20 21	21 22	22 23
\$8.8m	\$4.6m	-	-

Funding/Partners:

- Council- \$7.5 million
- Provincial Growth Fund- \$7.0 million

***Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented**

KUIRAU PARK + SKATE PARK

Ongoing development of our iconic family-friendly inner city geothermal park will further enhance and strengthen connectivity to our environment, culture and lifestyle.

Features in the overall plan include a new children’s water play area, new parking, creation of a fit-for-purpose market space and new toilets and changing facilities.

Within the park it is also proposed to develop a skate park to replace the current facility at Sheaf Park. Council has committed \$750,000 for this project and is working to secure the additional funding required to progress the skate park.

Project - \$6.25 million (includes \$750,000 towards skatepark)

This year	20 21	21 22	22 23
\$1.6m	\$2.5m	\$1.6m	\$0.27m

***Total project cost may include costs prior to 2019/20 and after 22/23 as well as those in the four years presented**

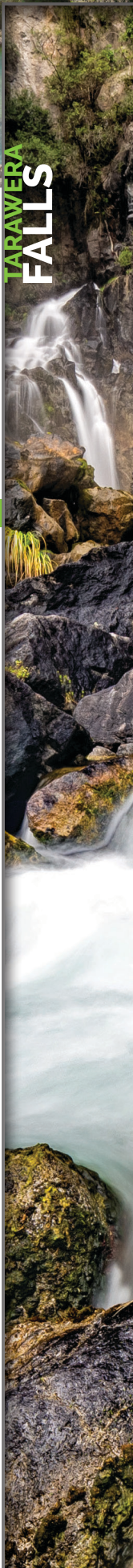


DEVELOPMENT CONTRIBUTIONS POLICY

Well-managed population and economic growth can be an opportunity for the district. Growth can improve prosperity and wellbeing for the whole community. It can increase demand for goods and services, supporting existing business and encouraging new local businesses, it can bring new skills, ideas and wealth which in turn creates a vibrant economy and contributes to thriving communities. During the last five years (2013-2018) the district has experienced an average 1.2% growth. Planning for infrastructure that supports this growth means including funding for roading, water supplies, wastewater and stormwater.

The overarching question is who should pay for this additional growth?

Council proposes to have a discussion around the re-introduction of a development contribution policy. This could see the costs of meeting the demands arising from development repaid by those who benefit from it.



“ A strong institutional framework, resilient financial performance and achievable financial forecasts. ”

A PRUDENT DISTRICT DIRECTION

Working towards and delivering on the goals and aspirations of Vision 2030 is only achievable when Council acts in the most appropriate way; as the stewards for the community now and in the future. Having a robust and tested financial strategy provides the certainty that planned levels of investment are prudent and sustainable.

The objectives of Council’s 2018-28 financial strategy are based on:

- Maintaining existing infrastructure so it is fit-for-purpose now and into the future
- Providing infrastructure to accommodate a growing district
- Investing in the future of the district
- Keeping rates affordable and managing debt

Council continues to deliver those objectives by keeping a focus on three key components that support a prudent financial position- funding (revenue), capital spend and borrowing. Balancing these will help to ensure the future sustainability of services and finances.

For Council, **financial prudence means:**

- **Cost of borrowing is affordable**
- Cost of borrowing is **fairly spread across current and future ratepayers preserving sufficient debt headroom in case of a natural disaster**
- **Impact of growth is considered and funded**
- Actual borrowing is at a level that **ensures Council can obtain the best interest rates** on existing borrowing
- **Planned borrowing programme is adhered to** over the life of the Long-term Plan

ASSURANCE & REVIEW:

CREDIT RATING

Council has been successful in maintaining an internationally recognised credit rating for the last three years. A credit rating estimates the ability of an organisation to fulfill its financial commitments, based on previous dealings.

Since 2016 Council has held a AA-rating, on a par with the performance of the four big New Zealand trading banks. This rating is provided by international agency Fitch International.

Totally independent, the rating is provided following a very critical review of Council’s performance and the forward work plan within the Long-term Plan.

Fitch considers Council to have a strong institutional framework, resilient financial performance with achievable financial forecasts and a commitment to sound capital expenditure management with clear policy guidelines based on rigorous planning and consultation.

Council has maintained the rating despite major challenges, like the closure of some of our major facilities which has affected revenue, and damage from adverse weather inflicting additional costs.



BORROWING & DEBT:

IS DEBT SUSTAINABLE?

Development of the district, including investment into place-making projects requires investment.

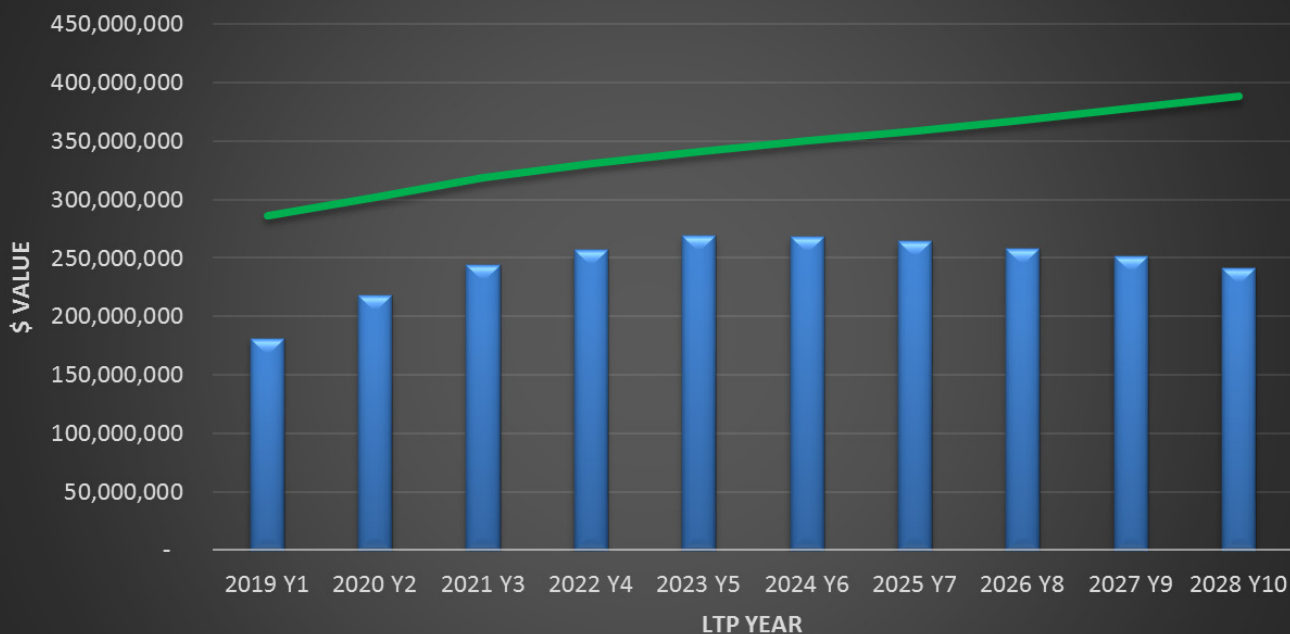
We need to continue with a strategy of financial partnering and to borrow to achieve this; our community can't fund this alone.

Unlike residential and business borrowing, which is secured against assets, Council's borrowings are secured against its revenue, (mainly the rates that can be collected).

Based on this we can borrow up to 2.5 times the revenue we receive.

Council has determined a prudent level of borrowing needs to be one that can be serviced without putting pressure on finances. Council has determined a prudent level based on a multiplier of 2.25 times its revenue.

Forecasted Debt Position (Inflated \$)



YOUR PLACE. YOUR VOTE. YOUR HOME. YOUR CULTURE. YOUR VOTE. YOUR

RATING

Are Rotorua's rates higher than elsewhere?

Recently Council refocused the foundations of its rating framework to define best practice rating principles. Each time revaluations, new services, new projects are considered the principles are tested to make sure rating is in accordance with the principles.

Affordability:

Affordability and challenges relating to fixed income and socio-economic status of communities will be recognised in the balancing of where rates are allocated.

Balancing fixed and variable rates:

The rating system should conform to accepted taxation principles and seek to appropriately balance the levels of fixed (targeted rates and the UAGC – regressive taxes) and variable rates (progressive taxes based on the increasing value of a property).

Fairness and equity:

The rating system should as far as possible be fair and equitable to all ratepayers. This means treating equals equally (Horizontal equity) but also treating those in different circumstances (e.g. property value) differently.

Transparency:

The system should be readily understandable by ratepayers. Sustainability principles need to be considered where there is an opportunity to consider behavioural changes through charges.

Stability:

The system should be capable of remaining stable and seek to avoid, wherever possible, major shifts or variations in rates by sector or individual property e.g. recognising the challenge of valuations.

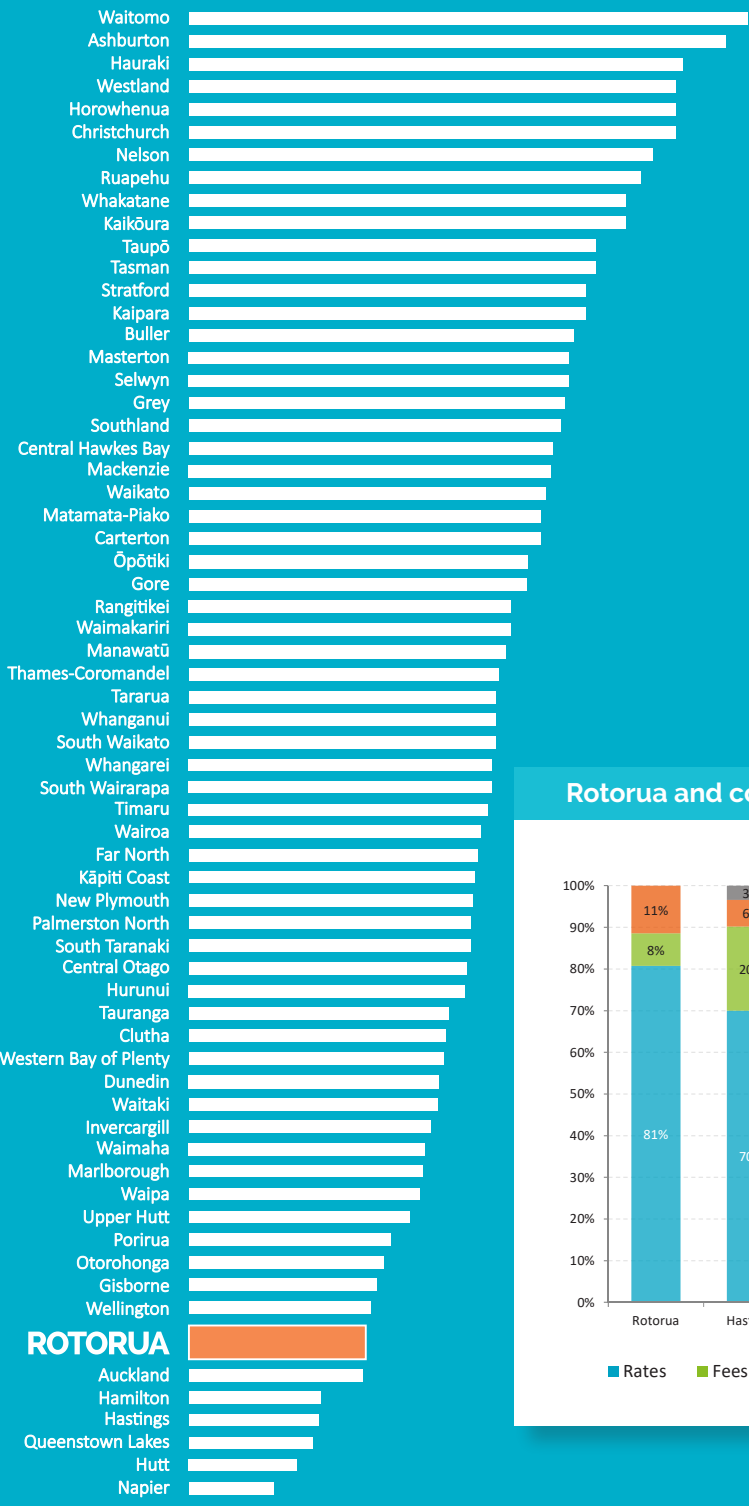
Enforceable:

The system should be administratively simple to operate and able to be complied with.

Revenue from rates is Council's major source of funding. To reduce the council's reliance on rates funding, appropriate increases in direct user fees will need to be introduced alongside strategies to look for additional revenue outside the traditional funding mechanisms. While this objective is in place it is hard to shift this balance when revenue-generating facilities like the Museum and Sir Howard Morrison Performing Arts Centre are closed.

AVERAGE ANNUAL GROWTH IN RATES PER CAPITA 1996-2017

Source: Stats NZ (2018a, 2018c)



AVERAGE RESIDENTIAL RATES: HOW ROTORUA COMPARES.

Top 5

1	Western Bay of Plenty District Council	\$3192
2	Auckland Council	\$3136
3	Gisborne District Council	\$3096
4	Tasman District Council	\$3053
5	Manawatu District Council	\$2970

Bay of Plenty Rankings

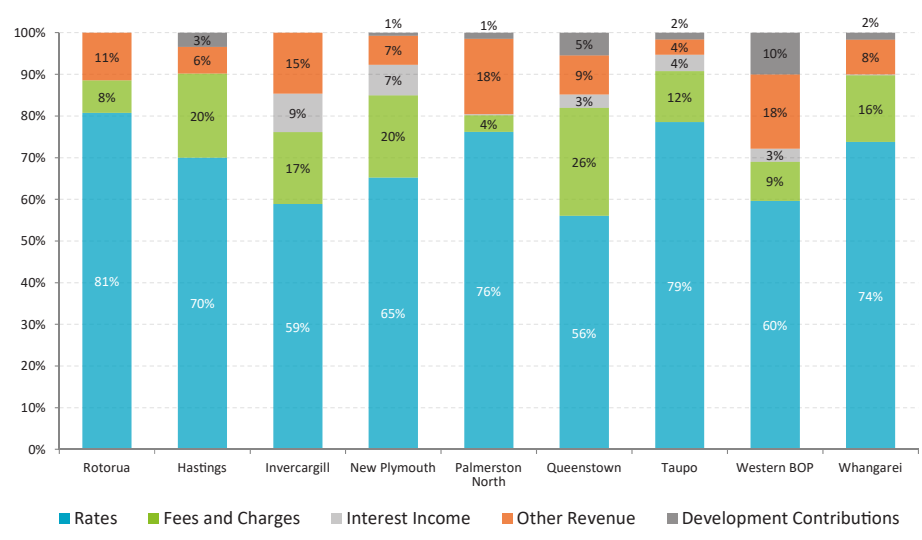
1	Western Bay of Plenty District Council	\$3192
3	Gisborne District Council	\$3096
10	Whakatane District Council	\$2600
13	Tauranga City Council	\$2553
35	Rotorua Lakes Council	\$2251
54	Opotiki District Council	\$1998
57	Kawerau District Council	\$1943

Source: Taxpayers Union – 2018 ratepayers' report

There are 67 territorial local authorities across New Zealand. As of September 2018, our average rates have been ranked 35 in the annual Taxpayers Union report. This report is published after reviewing data published in all territorial's Annual Reports.



Rotorua and comparative councils' revenue composition:





Vibrant, inclusive communities are the building blocks of our fast-paced, increasingly urban world. To thrive, communities want to be connected, resilient, healthy and inspiring.



GROWTH – WHY IS IT IMPORTANT?

Vibrant, inclusive communities are the building blocks of our fast-paced, increasingly urban world. To thrive, communities want to be connected, resilient, healthy and inspiring.

More people means new customers and can be an opportunity for the district. It means a greater ability to invest in future development, for example more roads, public transportation, the arts, public amenities and recreation/parks.

It can increase demand for goods and services, supporting our existing business and encouraging new local businesses. It can bring new skills, ideas and wealth which in turn creates a vibrant economy and contributes to thriving communities.

There is a belief by some that Council should stop investment and cut spending.

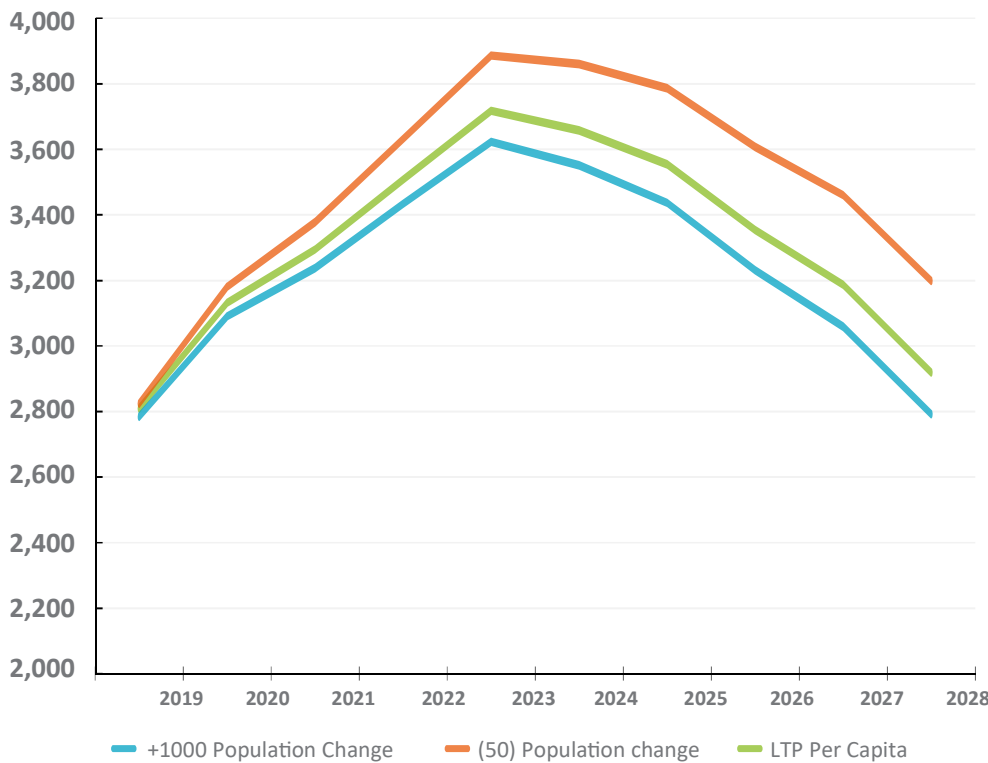
This could be done. Levels of service would have to be drastically reduced and no future investment into infrastructure and amenities. That could be a strategy.

Over time however, two things would start to happen:

1. Not renewing assets would create a backlog and cost more in the longer term. This was the case 10 or more years ago with ongoing under investment in major facilities like the Museum, Aquatic Centre and SHMPAC leading to these now requiring substantial investment to return them to the service levels expected.
2. Secondly, places and spaces that make Rotorua unique and special would become less so without investment and, as other parts of the country continue to invest, competition would draw people away from our district. Fewer people drives the burden of running a district towards increased debt per ratepayer.

RE. YOUR PEOPLE. YOUR VOTE

Debt per Household:



We are aiming for balance – sustainable growth, not growth that we can't accommodate.

During the last five years (2013-18) the district has experienced an average 1.2% growth. This is above previously projected growth of 0.7%.

These numbers are encouraging and allow Rotorua as a district to keep things in balance, develop in a sustainable manner and invest in order to accommodate future growth in key infrastructure and assets.

Rotorua has much to offer- an easy lifestyle, active environment, diverse opportunities and strong culture.

Encouraging people to our district will support continued investment that grows connected, resilient, healthy and inspiring communities and that is what we are setting out to achieve.

Following this strategy over time, growth combined with investment, will work towards a reduction in the debt per ratepayer ratio.

LOCAL GOVERNMENT ACT BENCHMARKS AND INDICATORS

The Local Government (Financial Reporting and Prudence) Regulations 2014 were developed to disclose the council's planned financial performance in relation to various benchmarks, to enable an assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. These are required to be published each year in the Annual Report and are subject to review by independent auditors, Audit New Zealand. The disclosures used in this report are based on the latest forecast year end result. These will be finalised in October when the audit review is completed.

DISCLOSURE STATEMENT

Forecast Annual report disclosure statement year ending 30 June 2019

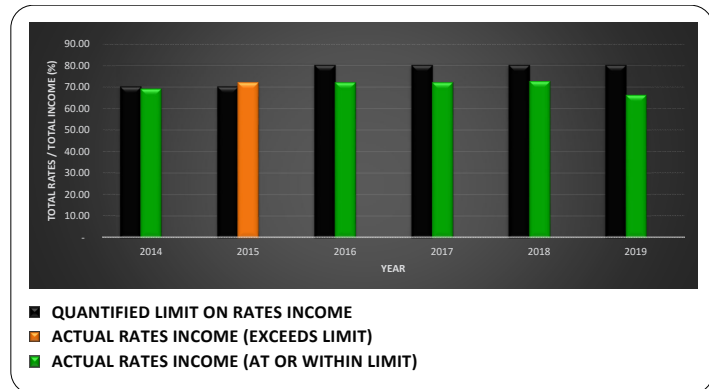
Rates affordability benchmark

The council meets the rates affordability benchmark if:

- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

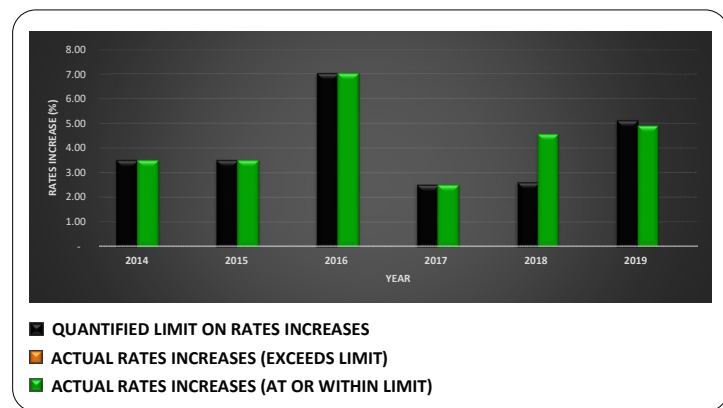
Rates (income) affordability

The following graph compares the council's actual rates revenue with a quantified limit on rates contained in the financial strategy, included in the Long-term Plan. The quantified limit is that council will limit total rates as a proportion of total revenue to less than 80% (previously 70%).



Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Long-term Plan. The quantified limit is a one-off 7% increase in the first year, and from year two onwards at the prevailing rate of inflation applied to our cost base (previously capped at 3.5%).



SUPHUR POINT

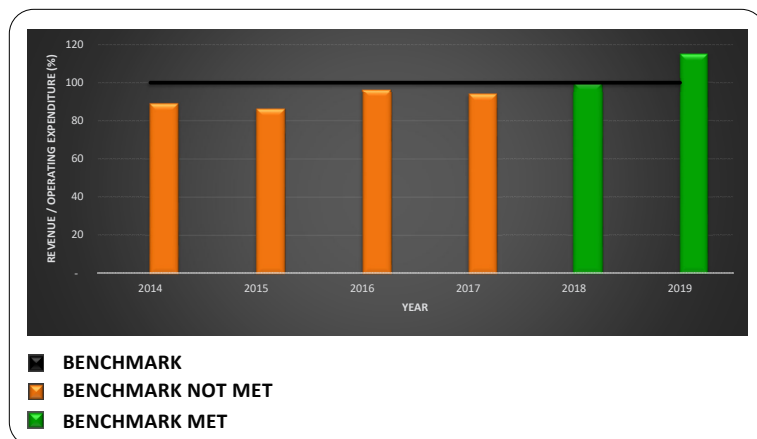
Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the long-term plan. The quantified limit is that total debt will be lower than 175% of total income (previously 180%).



Balanced budget benchmark

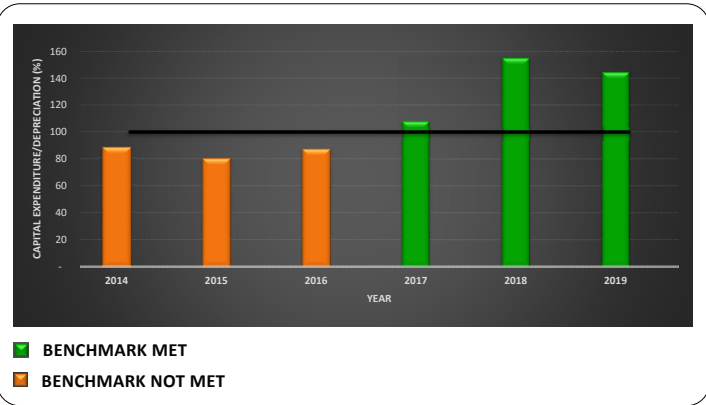
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The council meets this benchmark if its revenue equals or is greater than its operating expenses.



OUTDOOR ADVENTURES

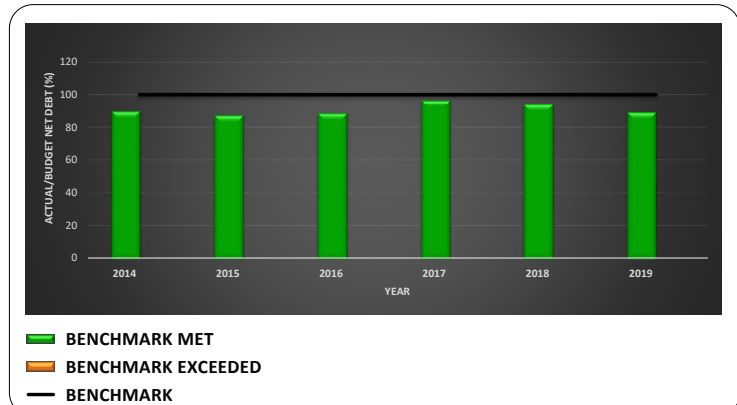
Essential services benchmark

The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



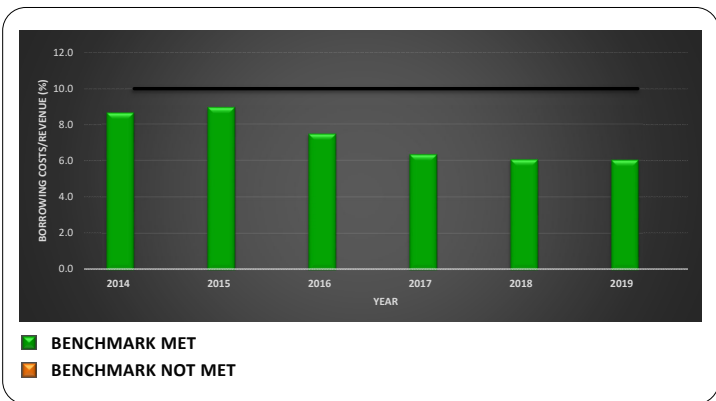
Debt control benchmark

The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



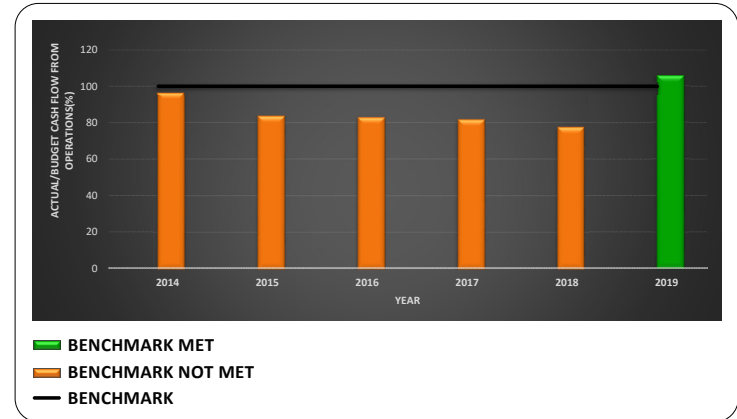
Debt servicing benchmark

The following graph displays the council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the district’s population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Operations control benchmark

This graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

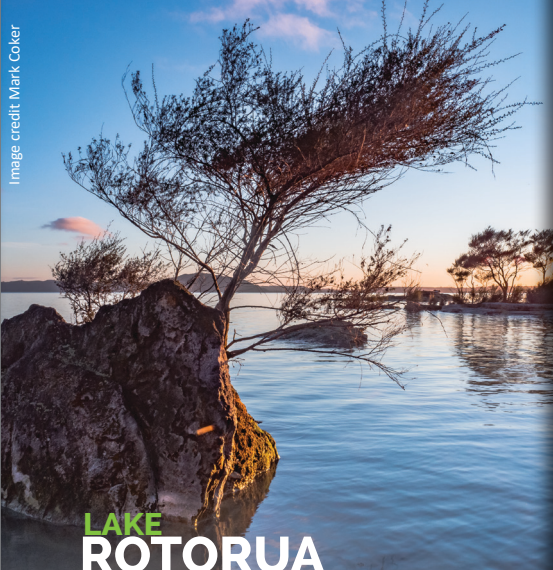


OUR PEOPLE. YOUR **VOTE**. YOUR VOICE. YOUR PLACE. YOUR **VOTE**. YOUR HOME. YOUR CULTURE.

YOUR HOME. YOUR CULTURE. YOUR **VOTE**. YOUR FUTURE. YOUR PEOPLE. YOUR **VOTE**. YOUR



LAKE TARAWERA
FISHING ON



FUNDING IMPACT STATEMENT

The Funding Impact Statement identifies how the council will fund everything it does. It shows:

- where funding comes from- including income from rates
- the amount each source is expected to produce
- how those funds will be applied

Annual Report		Forecast	Annual Plan	Long term Plan		
Actual	Actual	Estimated	Approved	Prospective	Prospective	Prospective
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23

Sources of operating funding

General rates, uniform annual general charges, rates penalties	49,726	52,975	57,392	60,169	64,155	66,409	68,219
Targeted Rates	32,505	33,006	34,935	37,202	38,900	40,224	48,536
Subsidies and grants for operating purposes	4,763	4,604	4,112	4,112	4,295	4,393	4,497
Fees and charges	6,629	6,330	7,885	8,513	11,279	11,701	12,040
Interest and dividends from investments	107	579	134	134	140	144	147
Local authorities fuel tax, fines, infringement fees, and other receipts	10,528	10,821	8,070	8,458	8,393	8,485	8,594
Total operating funding (A)	104,258	108,315	112,528	118,589	127,162	131,354	142,033
Applications of operating funding							
Payments to staff and suppliers	80,782	83,080	84,023	87,949	90,070	91,610	93,541
Finance costs	7,005	7,587	8,364	9,948	10,941	11,940	13,395
Other operating funding applications			-	0	0	0	0
Total applications of operating funding (B)	87,787	90,667	92,387	97,897	101,010	103,550	106,935

Surplus (deficit) of operating funding (A-B)	16,471	17,649	20,141	20,692	26,152	27,804	35,097
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Sources of capital funding

Subsidies and grants for capital expenditure	6,396	9,870	27,246	29,838	13,830	4,833	8,523
Development and financial contributions	328	741	-	0	1,048	1,073	1,098
Increase (decrease) in debt	4,650	20,910	16,900	36,231	14,150	18,200	18,186
Gross proceeds from sale of assets	2,278	1,028	1,500	4,000	2,000	1,400	800
Lump sum contributions			-	0	0	0	0
Other dedicated capital funding			-	0	0	0	0
Total Sources of Capital Funding (C)	13,652	32,549	45,646	70,069	31,028	25,505	28,607

Applications of Capital Funding

Capital expenditure							
- to meet additional demand		472	1,969	420	2,805	1,310	462
- to improve the level of service	15,078	31,116	43,950	64,157	30,995	29,140	39,398
- to replace existing assets	21,292	20,048	16,006	26,184	25,380	24,859	25,845
Increase (decrease) of investments	240	2379	-600	0	-2,000	-2,000	-2,000
Increase (decrease) in reserves	-6486.3	-3817	4,462	0	0	0	0
Total applications of capital funding (D)	30,123	50,198	65,787	90,761	57,179	53,309	63,704
Surplus (deficit) of capital funding (C-D)	-16,471	-17,649	-20,141	-20,692	-26,152	-27,804	-35,098
Funding balance ((A-B)+(C-D))	0	-1	0	0	0	0	0

FUTURE CHALLENGES

Planning for and progressing towards Vision 2030 presents challenges for our district. Some challenges come about because of growth and economic success while others will require intervention to address social issues. These are the areas that test us and should be the core of future decision making and leadership. Four areas are identified as the focus for the next three years - housing availability, the next steps for inner city revitalisation and safety, resilience to and adapting to climate change and the re-introduction of the four wellbeings.



A GROWING POPULATION

HOUSING AVAILABILITY

Driver/influence

- Population growing faster than homes being built
- Increasing visitor numbers
- Short-term rental accommodation
- Cost to manage stormwater



The issues

An increase in population has put pressure on Rotorua's housing market because there are not enough homes for the number of people wishing to live in the district. Although we have a large amount of land available for homes, as in other growing centres, development is not happening fast enough to meet demand. Housing demand in Rotorua is a relatively recent phenomenon and to some extent the lack of supply of new homes is simply reflective of the time it takes to undertake green field housing developments.

The management of stormwater has become particularly challenging. Regional policy statements now require all new developments to reduce stormwater run-off by 20% below current levels.

This is a significant target to meet when previously undeveloped land has little run-off and necessitates additional stormwater interventions such as retention ponds, which invariably increase the overall costs of the development.

For Rotorua, housing availability is further impacted by a movement away from long-term rentals to short-term letting platforms like AirBnB. Average residential house values in Rotorua have increased from \$268,628 in March 2015, to \$472,566 in March 2019. Alongside this average rents have increased from \$262 per week in March 2015 to \$345 per week in September 2018, creating an increased demand for public housing.

On a positive note, Council is aware that earthworks for four new large subdivision developments are scheduled to start in October this year. This represents a significant portion of the approximately 500 residential lots already or soon to be consented.

Council's response/role

The district's spatial plan has identified areas where Council can have a positive impact on housing challenges such as more efficient use of land, encouraging a variety of housing types and creating a Rotorua Housing Plan.

Council's Long-term Plan also made a commitment to the ongoing provision of pensioner housing. Council has agreed to look at improved ways to better meet the needs of tenants by looking to address the quality of units and is considering the options available to best provide the support services required.

Solutions require partnerships. In August 2017 Council and the Government signed a Rotorua Housing Accord, agreeing to work together to address housing supply and affordability. One of the key housing partners for Council is Housing New Zealand.

In April 2017 the Government announced its intent to make up to 80 new social housing properties available in Rotorua by 2020. These are expected to be a mix of new builds and existing properties. The government has also encouraged community housing providers to partner

with the Ministry of Social Development to help reach this goal. Council's intention is to work with central government to ensure the location and design of these homes meets the objectives of the district's spatial plan.

Council's role is also one of advocacy. For example, Council is currently working with the Ministry of Housing and Urban Development to ensure the 'Housing First' initiative, which includes the provision of housing and wrap-around support services for the chronically homeless, is successful.

There is also an opportunity to ensure Council processes promote and support the creation of papakainga housing.

There exists a related opportunity to also explore new ways of enabling housing development on Māori land without necessarily transferring title.

Support for housing aspirations has been explicitly stated in the Rotorua Housing Accord, making the assistance of Te Puni Kokiri available to explore options for the development of papakainga housing.



Undertake District Plan change to reduce the commercial size of the CBD in the short term

Develop a design guide for the CBD. Ensure district plan provisions allow for mixed commercial and residential activity in the CBD, with more residential options and tourism accommodation on the CBD fringe

Undertake a change to the district plan to move tourism accommodation in Fenton Street into areas for homes (with an expectation that these businesses will transition over time into the central city)

Create a masterplan for the inner city reserves with a focus on the lakefront in the first instance

Review the inner city revitalisation strategy to support ongoing change and set a clear vision for the CBD and public spaces

Source: Spatial Plan 2018

INNER CITY AND SAFETY

Driver/influence

- Size and footprint
- Change in use
- Perceived safety – begging, homelessness, crime

The issues

The central city or CBD is a focal point of a city. It is the commercial, office, retail, and social centre of Rotorua and the centre point for transportation networks. It is often a visitor's first experience of our city and a location for many to work. While work to revitalise the CBD during recent years has resulted in some quick wins (intersection upgrades, changes to parking and bus route changes), there is still more to be done.

Most consider that our CBD has more commercial retail space than required resulting in a somewhat fragmented retail offer punctuated by some empty tenancies. While the spatial plan sets out a future form for the inner city, achieving the necessary change is fraught, given the fragmented ownership of inner city blocks.

Safety in the CBD remains a priority for the Police and Council.

It is important to acknowledge the significant number of development and renovation projects already completed or currently underway. During the last few years, for example, we have seen a number of new commercial office buildings completed and new retail and food premises opened. Plans are also currently underway for hotel, spa and apartment developments.

Council's response/role

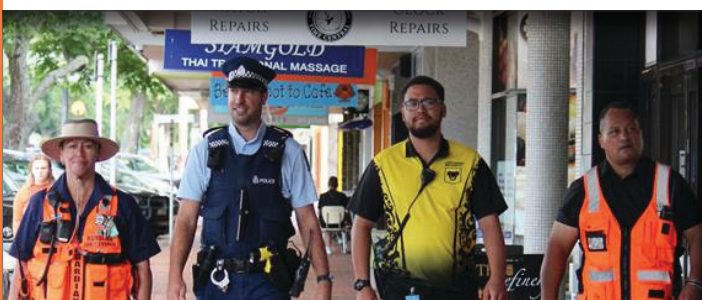
The issues outlined have been identified in the district's spatial plan and Council has the ability to drive some of the necessary changes by leading actions required within the regulatory and enforcement roles of council. The spatial plan, adopted in 2018, identified a number of actions:

- Reduction in CBD size – undertake plan change to reduce size
- Consolidating tourism accommodation into the CBD
- Enhancing and connecting city reserves
- Quality urban design

The planned revitalisation of the lakefront, inner city activations, further roading enhancements and parking options will all encourage continued investment and development in the CBD. Council will, however, need to reflect on the nature and speed of ensuing development to determine if further actions or interventions are necessary. Council and the Police are working on solutions to CBD safety concerns together. A joint CBD safety campaign started in December 2018 aims to ensure Rotorua is a safe and attractive place for both locals and visitors. A number of initiatives were introduced including:

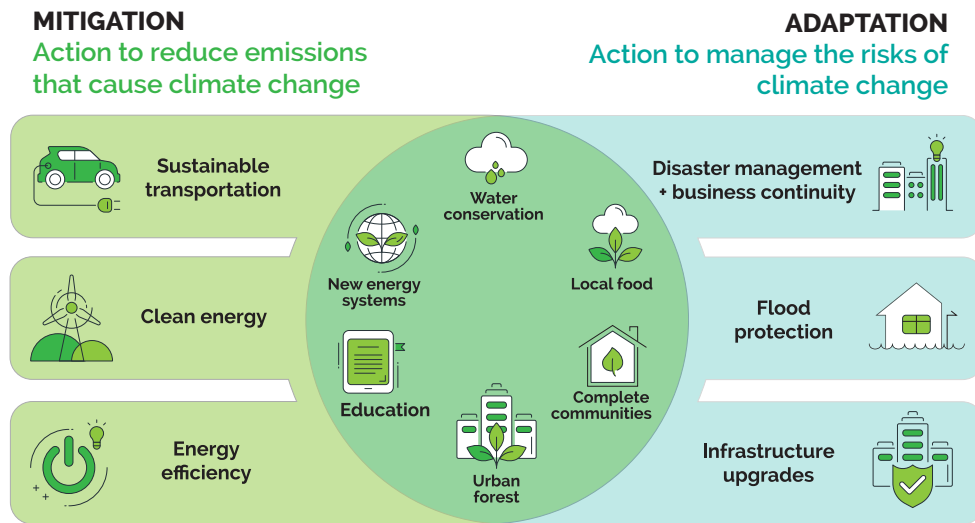
- Increased Police, Safe City Guardian and Security staff during day and night 7 days a week to provide a joined up approach and zero tolerance toward anti-social behaviour
- Joint communications between Police and Council/security staff patrols along with rostered hours and zones to provide high levels of visibility and coverage for deterrence and detection purposes
- Increased monitoring of council's CCTV network for crime prevention purposes and direction of personnel on foot toward potential trouble
- Trespass procedures redefined and used to help stamp out anti-social behaviour
- A clear focus on increasing activation in the CBD to help bring about a positive change in the way our inner city is used and viewed

Constant monitoring of the campaign has illustrated that a combined, focused approach can produce a safer and more vibrant CBD for retailers, customers, locals and visitors. A longer term plan needs to be developed to provide a long term sustainable approach to safety within the CBD throughout the year, in a way that also contributes to the vibrancy of the inner city.



CLIMATE ACTION PLAN:

"To develop an Integrated Climate Action Plan that incorporates both Mitigation and Adaptation responses, whilst meeting the requirements of the Global Covenant of Mayors for Climate and Energy (GCoM)"



RESILIENCE & ADAPTATION



OUR COUNCIL IS FOCUSING ON THE DEVELOPMENT OF A CLIMATE ACTION PLAN FOR THE ROTORUA DISTRICT

CLIMATE CHANGE RESILIENCE AND ADAPTATION

Driver/influence

- Duration/intensity of weather events
- Impact of weather events on wastewater and stormwater infrastructure
- Leadership - carbon footprint, electric cars/bikes, kerbside recycling, climate action plan

The issues

A commitment to climate change resilience and adaptation is a focus of the Rotorua District's 2030 Vision through Council's sustainable living strategy.

Today the effects of climate change are undeniable and include raised temperatures and sea levels and increased frequency of extreme weather events. The occurrence of these changes is projected to become more pronounced in the future and poses a serious threat to long-term community wellbeing. For Rotorua changes to our climate could mean:

- Higher temperatures
- More heavy rainfall events and more frequent flooding
- Water shortages, drought, reduced water quality and increased risk of wildfires
- Longer crop growing season and fewer frosts
- Increased risk of invasive pests and weeds
- Increase in water-, food- and vector-borne diseases

Council's response/role

Rotorua Lakes Council has responsibilities to prepare the community for, and manage the risks of, climate change related to natural hazards.

Adaptation for climate change is already a priority consideration in the planning and management of our infrastructure.

Mitigation through energy efficiency, emission reduction and other conservation initiatives can help slow the effect of climate change, as well as offering considerable potential cost savings.

The Government's Zero Carbon Bill sets a net zero emissions target for 2050 and Council's commitment to the Global Covenant of Mayors for Climate and Energy requires that our target be at least at the level set by our government.

Our council is focussing on development of a climate action plan for the Rotorua district.

Adaptation actions will be focussed around developing resilience through:

- Infrastructure
- Communities
- Natural Environment
- Economy
- Governance, leadership and advocacy

e.g. ensuring our stormwater system is designed for projected rainfall events, preparing and supporting communities through civil defence, planting for erosion control

Emissions reductions actions will be focussed on the following areas:

- Buildings and Energy Systems
- Transportation and Urban Form
- Consumption and Waste
- Leadership, Advocacy and Education
- Natural Environment and Rural Economy

e.g. encouraging energy efficient building design for heating and cooling, supporting active and public transport including through urban design, waste reduction, afforestation (i.e. increased tree planting) and supporting our rural community



WELLBEINGS

Driver/influence

- Social issues – affordable homes, homelessness, deprivation, employment and income, family violence
- Government re-introduction of the four wellbeings.

The issues

Government has signaled an intention to work differently to address the social issues facing local communities. One way it plans to do this is through the re-introduction of the four wellbeings to the Local Government Act. This will ensure that councils and their communities contribute to the achievement of an improved quality of life and higher living standards for all New Zealanders.

Council's response/role

The Vision 2030 goals include moves to address these issues. They are also identified in the objectives of the Rotorua Sustainable Living Strategy. Reintroduction of the four wellbeings to Local Government's purpose will bring a much greater focus on these issues.

Council will have a key role in leading the actions that will flow from this including:

- Consultation with the community and partners
- Prioritising local areas of need
- Planning a collaborative programme of work
- Measuring the outputs and outcomes of this work.

The agreed programme of work, which is likely to be a feature of the next long-term plan, will not rest with Council alone but will require partnerships with the community, local organisations and Central Government agencies.

Deprivation

Census data from 2013 and the associated NZDep2013 indicate that 45 per cent of Rotorua District's population, including 50 per cent of children from 0 to 14, live in circumstances that mirror those of the 20 per cent of New Zealanders living in the areas of highest deprivation, (NZDep 9 and 10). While this information is now six years old, indications are that the situation has changed little, if at all. Factors contributing to this level of deprivation include housing and income, but the impact of deprivation also creates other problems.

Growing up in poverty may mean homelessness or living in a cold, damp or overcrowded house, not having enough to eat, not having warm clothing, not having access to health care and social services, not having sufficient focus to learn at school, not being able to participate in things that other children take for granted like sport or learning to play a musical instrument. In addition, many children do not have a safe environment at home or in the wider community. In the short to medium term these factors result in higher rates of admission to hospital, poor performance at school and lower rates of achievement in NCEA. In the long term more than half of children who grow up in circumstances of persistent poverty will be unable to escape it, and will raise their own children in the same circumstances.

The challenge for Rotorua is to interrupt this cycle of deprivation.

Community Safety

A number of inter-related issues are contributing to the level of public safety in Rotorua.

Family Harm is a major issue with 4238 family harm episodes reported to the Police in the 12 months to 15 March 2018. This involved 7,293 adults and 4,200 children.

In addition, there are the closely related issues of alcohol and drug misuse, mental health disorders, and homelessness that are contributing to street disorder and public safety concerns.

Housing

The aforementioned housing availability and cost pressures in Rotorua directly impact on those least able to respond. Some of the results being:

- 177 applicants on the Rotorua district Housing Register as at December 2018. This represents applicants not currently in, but assessed as eligible for, public housing.
- 388 Rotorua based applicants received \$2,695,049 in Emergency Housing Special Needs Grants in the year to 31 December 2018. This is significantly higher than other areas of the Bay of Plenty, both in actual numbers and in the average grant received.

Employment and Income

Recent news indicates improvements in employment and household income in the Rotorua district. However, recent statistics suggest Rotorua is still behind many other New Zealand districts.

The median household income in Rotorua in 2017 was \$62,900, compared with \$72,700 nationally.

In June 2018 7.7 per cent of Rotorua's working age population were receiving Job Seeker Support. This was a record high and put Rotorua 57th out of New Zealand's 66 Territorial Authorities for this measure. Benefit dependence - 7139 people were receiving a main benefit in December 2018 and at that time 5,284 children lived in households dependant on a main benefit.

The unemployment rate among working age young people is higher than for the full working age population. Significant numbers of this group are 'Not in Education, Employment or Training' (NEET).

RE. YOUR **VOTE**. YOUR FUTURE

YOUR HOME. YOUR CULTURE

YOUR

HOME. CULTURE. **VOTE.**

YOUR

VOICE. PLACE. **VOTE.**

YOUR

FUTURE. PEOPLE. **VOTE.**



**ROTORUA
LAKES COUNCIL**
Te Kaunihera o ngā Roto o Rotorua

