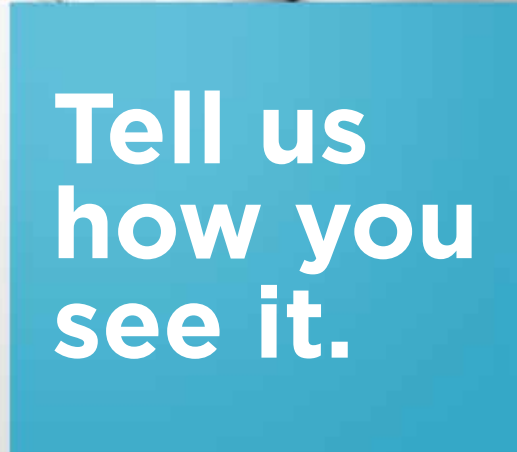


Perspective:
**Share
yours.**



**Tell us
how you
see it.**

Te Puka Uiuinga mō te Mahere Pae Tawhiti 2024 – 2034
Long-Term Plan 2024-2034 Consultation Document



**ROTORUA
LAKES COUNCIL**



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rotorualakescouncil.nz/LTP

Visit rotorualakescouncil.nz/LTP to learn more

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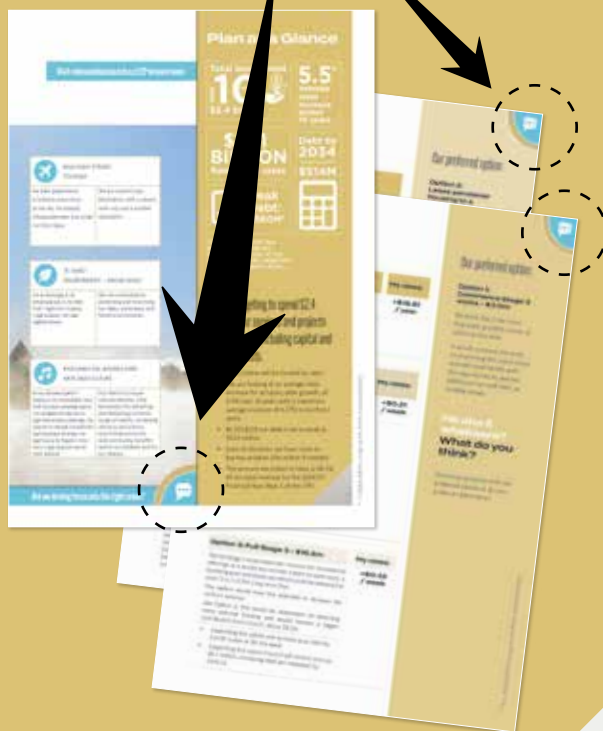


A better Rotorua for all

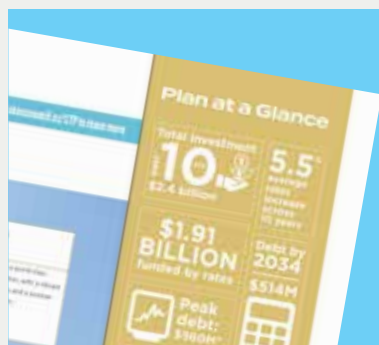


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Keep an eye out for feedback opportunities



Plan at a glance



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9 Key outcomes



A feedback icon has been placed throughout this document on pages where we have questions for you.



Find supporting information at rotorualakescouncil.nz/LTP

Te pūtake o tēnei puka uiuinga

What is this document all about?

The LTP sets out what Council wants to achieve during the next 10 years and how that will be funded.

It will affect everyone in Rotorua so your views are really important.

LTPs are reviewed every three years to ensure they are still relevant and reflect the direction of Council and the district.

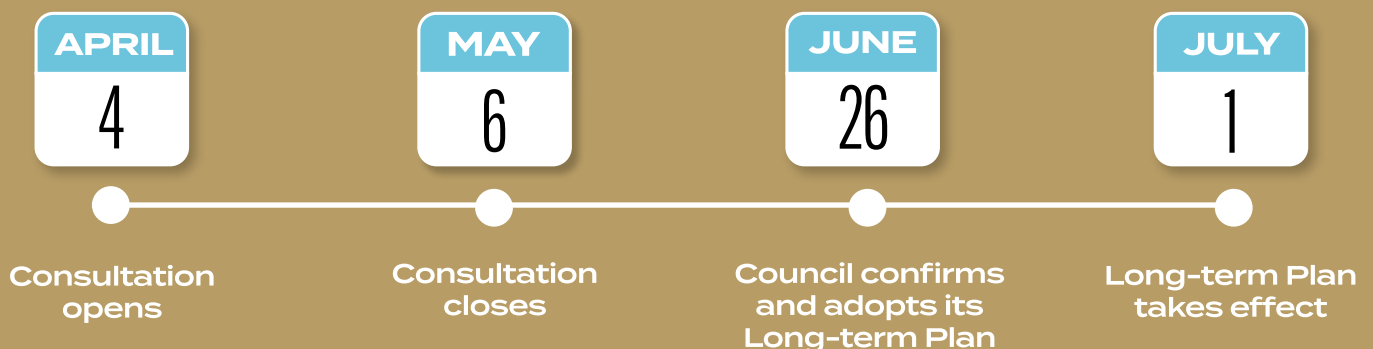
We're calling for feedback on Council's plan for the next 10 years: The 2024-2034 Long-term Plan (LTP)

There are some key proposals outlined in this document that Council wants your feedback on including Pensioner Housing, the Aquatic Centre, building our economy and our district's reputation. Your feedback will help Council in its decision-making to finalise the LTP.

This is your opportunity to tell us if we have the right balance and whether you think that what is proposed will support our district to head in the right direction.

Please read through this document and share your thoughts with Council. You are also welcome to attend consultation events where you can learn more about what's proposed and speak with elected members.

He aha ia nei te tukanga hai whai? So how does it all work?



Te karere nā te Manukura Mayor's Message

Tēnā koutou

Our vision is to make Rotorua a better place for all.

Your elected members and staff at Council are working hard to make sure that we can deliver the best value for the rates that our people and businesses contribute. In this Long-Term Plan we are carefully planning for the next ten years and looking to invest in the things that matter to you, while helping to minimise the financial impact on our community.

This means we are focusing on delivering essential services well. And we are also proposing to delay or stop non-essential services and projects until a time when our community can more comfortably afford it.

There is no doubt that Rotorua, and our country, have had a challenging past few years which have contributed to an increase in prices and uncertainty. Half of the rates increase you'll see in this document is due to inflation, which is the rise in the price of goods and services.

Although we can't control this we can control the decisions we make to manage it. In this document we set out the plan and pathway to not only succeed through challenges, but also to be able to have confidence in better outcomes for our district and our future.

You'll see the majority of our spending is going into critical services. It's important that we don't stop investing to provide reliable infrastructure that protects the health and safety of our people and our environment, and supports housing and economic growth. And it's also important that we protect and enhance the things we love about Rotorua such as our public facilities, culture and heritage, and our active spaces.

To ensure we are making the right decisions for Rotorua, your voice is incredibly valuable and important. We would appreciate you taking the time to consider and comment on these Long-term Plan proposals through providing feedback and/or making a submission.

Our Council will take all feedback into consideration ahead of final decision-making on this important pathway forward.

Tania Tapsell

mayor

Kōrerotia mai
**We want to
hear from you:**

- Consultation runs until 6 May and you can give feedback on any part of the proposed LTP
- Details about how to provide feedback are at the back of this consultation document

Learn more at rotorualakescouncil.nz/LTP

MAY

6



Tō mātau tirohanga whakamua mō Rotorua

Our Vision for Rotorua | A Better Rotorua for All

We have a vision for a better Rotorua for all. What we deliver as a Council in the next 10 years to help us achieve that will focus on 9 key outcomes:

9 KEY OUTCOMES



KUA TŪHONOTIA, KUA PAKARI HOKI CONNECTED AND RESILIENT

Kua tūhonohono te hāpori, ā, kua rite ki ngā putanga nui o te huringa āhuarangi me ngā aituā māori, mā te pakari o ngā mahi tūānuku ka eke ka ora.

Our communities are cohesive and prepared for the effects of climate change, natural hazards and we invest in safe and reliable infrastructure.



NGĀ TAKE MAHI ME TE TAIŌHANGA EMPLOYMENT & ECONOMY

Ka whakakahangia ngā pakihi kia tupu tūturu ai. Mā te nui a ngā whaiwāhitanga haumi ka eke ka roto ora. Ka kite i te putaputa mai o ngā whiwhinga mahi e wātea ana ki te tangata.

We enable businesses to grow with confidence through increasing investment opportunities. There are employment options across a range of sectors.



NGĀ TAKE WHARE HOUSING

E wātea ana ki te kainoho o te tāone he whare tuawhiti e taea ai e rātau te noho haumarū, te noho marutau e pai ai tana oranga.

All residents have access to a range of housing options that ensures they can live in quality homes that are safe and healthy.



NGĀ MAHI A TE RĒHIA ACTIVE

Kua tūhera katoa ngā rotomoana, ngā ngahere, me ngā papa wātea, ā, ko te kounga o ngā whare rēhia, ka toro atu ngā ringa ki te tangata, māna tōna oranga e whakahī, e whakahā ia te rā.

The accessibility of our lakes, forests, open space networks and the quality of our facilities create opportunities for everyone to be active throughout their lives.



HAUMARUTANGA SAFETY

Kua korowaihia ā tātau hāpori, ngā pakihi, me ngā manuhiri ki te korowai o marutau huri āwhio i te takiwā.

Our communities, businesses and visitors feel safe across our district.



NGĀ WAWATA O TE TANGATA WHENUA MANA WHENUA ASPIRATIONS

E kitea ana, e taunakitia ana e mātau ko wā te tangata whenua e manakotia ana. Ka noho mātau hai hoa haere ki te whakatupu rau ōhanga, ki te whakapuare kūaha pāpori hoki rā hei painga mō te katoa.

We recognise and support the aspirations of Tangata Whenua/Mana Whenua and partner to grow economic and social opportunities and benefits for everyone.

What do you think of our community outcomes?

Visit rotorualakescouncil.nz/LTP to learn more



NGĀ MAHI TŪRUHI TOURISM

He wāhi pakari tēnei e hiahia ana e te ao te tae atu, he pokapū whakarawerawe, kua rongonui tōna ingoa.

We are a world class destination, with a vibrant inner city and a positive reputation.



TE TĀIAO ENVIRONMENT – MAURI TĀIAO

He arotahinga ki te whakapaipai, ki te tiaki hoki i ngā roto moana, i ngā arawai, me ngā ngāherehere.

We are committed to protecting and improving our lakes, waterways and forest environments.



NGĀ MAHI TOI, AHUREA HOKI ARTS AND CULTURE

Ko te ahurea tuakiri o Rotorua, he motuhake, koia hoki te papa whakapoapoa i te tangata kia tae atu ki ngā manomano pātanga. Ka oreore te takiwā, ka kōkiritia ngā kaupapa ōhanga me ngā hua ki te hapori i roto tonu i ngā taupuni me te rohe whānui.

Our district's unique cultural identity is the foundation for attracting and delivering a diverse range of events, increasing vibrancy and activity and driving economic and community benefits within our facilities and for our district.

He whakarāpopototanga o te mahere

Plan at a Glance

Total investment

over **10** yrs
\$2.4 billion

5.5%

average rates increase across 10 years

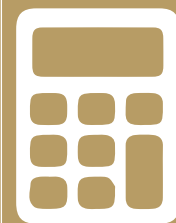
\$1.91
BILLION
funded by rates

Debt by
2034

\$514M



Peak
debt:
\$560M*



*this is the highest our debt will get and will happen at the top of our investment cycle, in year 2028/29.

Average rates increase Year 1
10.2%

We are budgeting to spend \$2.4 billion on our services and projects for the district, including capital and operating costs.

- Even at this level, we have room to borrow another \$46 million if needed
- The amount we collect in rates is 68.5% of our total revenue for the 2024/25 Financial Year (Year 1 of the LTP)

Are we driving focus into the right areas?



Tō tātau rohe –

ōna whakawhanaketanga, ōna mano tīnihanga hoki

Our growing and changing district

By understanding where we've come from, we can plan effectively for the future.

From 1996 to 2013, the population of Rotorua grew just 0.2% each year and according to Statistics New Zealand in 2012, our population was actually forecast to decline. However, like most places in Aotearoa New Zealand, over the following decade the district experienced rapid population growth, jumping to an annual increase of 1.8% each year from 2013 to 2020.

This growth resulted in increased demand, putting pressure on housing and employment.

As our population keeps growing, we need to create space for more homes and businesses.

Our Future Development Strategy

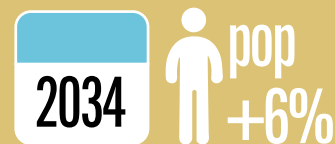
Our growth strategy promotes a compact city, with opportunities for managed growth within existing neighbourhoods and new communities focussed on Westside, Central, Ngongotahā and Eastside.

The strategy means homes will be developed where infrastructure already exists and in areas close to existing public transport, shops and community facilities.

It also ensures business development will be in the most appropriate locations, close to key transport routes in and out of the city.

The strategy allows for about 12,300 more houses and an extra 195 hectares of land for businesses over the next 30 years. Both of these figures are more than what the market is likely to deliver in that time, but the reason for the extra capacity is to provide housing choice, allow for competition in the market to maintain affordability, and to enable businesses to grow and establish in the right locations.

It's important we ensure growth is well-planned and located in the right places to improve our communities, protect our environment and reduce the impact of climate change.



86,341 will call Rotorua home



The challenge we face in planning for growth and housing opportunities is that our people are getting older. By 2050 there will be 6341 more retired people in Rotorua, making up approximately 19% of the population*



90,593 will call Rotorua home



*Information obtained from Infometrics report 2020

Ngā wero nui Challenges:

This long-term plan is probably the most challenging to date due to external factors.

Current uncertain economic conditions continue to add to demand and our costs.

Like all councils, we face some critical challenges that we must address and that impact on our decision-making.

There is a lot that is outside of Council's control but what we can control is ensuring we deliver quality, essential infrastructure and services and this is what we are striving to achieve.

With these ongoing challenges in mind, we've prioritised things that are urgent and essential in the early years of the LTP, before looking to include additional initiatives, projects and proposals.

Everyone is concerned about the cost of living and councils are also impacted by rising costs that require us to carefully consider where we should be spending our money.

Inflation
and interest rates

Resilience of
service
provision

Resilience of
INFRASTRUCTURE

Reputation of
Rotorua

Climate
change risk

Challenges explained:

Inflation and interest rates

Inflation has risen higher than was previously predicted and the impact of this is being felt across the organisation with budgets under pressure as the price of goods and services has increased.

Pricing increases are a result of recovery efforts following COVID-19, supply chain disruption and geopolitical shocks. Central banks around the world have been forced to raise interest rates to combat this inflation. This means Council needs to look at alternative delivery solutions, find savings or reprioritise work to keep within the budgets set.

While not historically high, interest rates remain higher than they have in recent history with wholesale interest rates that dictate council borrowing at an approximately 15-year high. Indications are that interest rates will stay at this level for some time. The expected continuation of a higher official cash rate (the interest rate set by the Reserve Bank of New Zealand) will keep inflation rates higher for longer.

Resilience of service provision

Resilience is the ability to recover or cope with a challenge or a challenging situation. The resilience of our services is threatened by a challenging employment market with skills shortages in key areas and higher staff turnover than we've previously experienced. This is the case across the country and presents a risk in terms of being able to deliver on priorities. It's difficult to recruit talent in an employee driven market. To minimise staff losses and associated impacts on essential service delivery, ensure Council remains an attractive organisation to work for, and to recognise the value of our people, we need to ensure salaries are competitive.

Resilience of infrastructure

Council is responsible for ensuring infrastructure-based services are safe and reliable and that the assets supporting these services stay in a stable condition to meet current and future needs. To ensure our infrastructure remains fit-for-purpose, we need to understand the condition of our assets and plan for changes like new technologies, environmental considerations (like carbon neutrality), new regulatory standards and community expectations, projected population growth/increasing demand and emerging patterns of use. We need to take into account the effects of climate change and the need to ensure environmental sustainability, as well as the need for critical infrastructure to withstand, and recover from, emergencies. At the same time, we also need to deal with staffing challenges to ensure we maintain institutional knowledge, skills, competency and capability.

Reputation of Rotorua

A positive reputation encourages growth and creates the potential for generating revenue through markets and events. Council is working closely with its council-controlled organisation RotoruaNZ regarding marketing of the district and welcoming back tourists. While challenges exist, so do opportunities and RotoruaNZ continues to advise and help businesses to be desirable in attracting new talents to live, work and invest in Rotorua.

Climate change risk

Climate change is a long-term occurrence with outcomes that are hard to accurately predict. As extreme weather events increase, there is an increasing likelihood of more risks from natural hazards.

Council must be able to anticipate and respond to climate change in its planning to ensure a level of preparedness for any future implications, impacts and associated costs. Council builds this into its 30-year asset management planning and in the event of an extreme weather event, is prepared to respond through implementation of business continuity plans that ensure critical services can continue.

Ongoing investment to make sure we have a safe, reliable and stable infrastructure network remains key to tackling the challenges presented by climate change and Council's Climate Action Plan identifies further mitigations and adaptations for Council and the community.

On the next pages: We need your perspective...

Building our reputation and our economy



Kei hea tātau inaianei? Where are we at?

We have some work to do to rebuild the reputation of Rotorua – among our own residents as well as nationally and internationally.

Visitors are coming again which has been great to see but there's still a lot of work needed to make sure everything is meeting expectations and to promote all that we know is great and unique about Rotorua.

Council will work with its council-controlled organisation (CCO) RotoruaNZ, which is our district's tourism promotion and economic development agency, to rebuild the district's reputation and support and create opportunities to build on our local economy.

Te arawātea The opportunity

We aspire for Rotorua to be the tourism capital of New Zealand and a place that offers good business and employment opportunities – we want our district to be an attractive place for people to live, work, do business and visit.

We also want Rotorua people to be proud of our place and positive about their district, its future and the opportunities that exist here for them and their families.

RotoruaNZ has conducted some research and developed a three-phase strategy that it is now ready to deliver.

Meanwhile, we need to develop a plan to improve and future-proof our inner city, dealing with some immediate basics first to fix underlying issues, assets and service levels, rebuilding local pride and reputation and working on a plan for additional improvements to implement later.

He aha e marohitia ana? What is being proposed?

Promoting Rotorua

RotoruaNZ, which is the council-controlled organisation (CCO) that promotes our district as a place to visit and do business, has had no funding increase for several years. This has limited the scope of its work, including how much it has been able to invest in large scale marketing campaigns.

We propose increasing Council's annual base funding for RotoruaNZ by an inflationary adjustment of 5 per cent, which will increase annual base funding for the CCO from \$4.2m to \$4.4m. We're also proposing to provide targeted funding of \$450,000 per year to RotoruaNZ to support the delivery of a plan to promote Rotorua and rebuild its reputation.

Inner City improvements

Making sure our inner city is up to expected standards and provides opportunities and incentives for business and residential investment is a key component of rebuilding the reputation of Rotorua.

We've done a lot already on foundational work that will provide the basis for the development of a master plan that we can then consult on, before delivering on agreed improvements. We need to take the time to plan it well and get it right. The key foundational piece has been the development of a framework that pulled together common elements from previous plans for the inner city and identifies opportunities for future improvement.

Work already done has involved key stakeholders like iwi and the business community and once we have a draft master plan, we'll get community feedback before finalising it.

We're proposing to allocate \$60,000 per year over the 10 years of the LTP for inner city renewals. We're also proposing to allocate \$3.3m per year in years 4, 5 and 6 of the LTP to deliver improvements that will be set out in the master plan.

Ngā kōwhiringa | The options:

Option 1: Staged approach

Allocating funding in the first year of the LTP to develop a master plan, then allocating funding in subsequent years to deliver what is set out in the master plan, provides an opportunity to take the time to get things right, to plan really well and work with our stakeholders and the community before delivering. We'll still be undertaking some renewals to smarten up the inner city in the meantime. The disadvantage is that it will be three years before we start delivering on the master plan so there won't be any transformational change for at least three years.

- Supporting this option will increase your rates by \$23.92 a year or \$0.46 week
- Supporting this option, Council will need to borrow \$10.0m*, increasing debt per ratepayer by \$316.21 over 10 years

My rates:

+\$0.46 / week

Option 2: Go faster

Delivering on the master plan sooner means we will see transformational change in our inner city sooner, which could prompt earlier investment by property owners and/or developers who may see opportunities to be part of the changes early on. This would require funding for delivery of the master plan to be brought forward.

- Supporting this option will increase your rates by \$21.84 a year or \$0.42 a week
- Supporting this option Council will need to borrow \$10.0m*, increasing debt per ratepayer by \$316.21 over 10 years

My rates:

+\$0.42 / week

Option 3: Go slower

We could push the work on the inner city and implementation of the master plan out into the latter years of the LTP. This would see only general renewals and maintenance undertaken in the inner city and could put investors and/or developers off.

- Supporting this option will increase your rates by \$24.96 a year or \$0.48 a week
- Supporting this option Council will need to borrow \$10.0m*, increasing debt per ratepayer by \$316.21 over 10 years

My rates:

+\$0.48 / week

Te kōwhiringa e hiahiatia ana Our preferred option:

Option 1: Staged approach

We are committed to making some transformational changes to our inner city from year 4 to ensure it is fit-for-purpose for the future, is a vibrant and attractive central hub for people and will attract the type of investment we need.

We think the staged approach is the most prudent way to tackle this work and will ensure that our master plan is well considered and well informed by stakeholders and the community before we finalise what we need and then set about to deliver that.

He aha ō whakaaro? What do you think?

Should we progress with our preferred option or do you prefer an alternative?

*\$10.0m in today's dollars

Aquatic Centre Revitalisation



Kei hea tātau inaianei? Where are we at?

Council began work on revitalisation of the Rotorua Aquatic Centre in 2020. Stage One saw refurbishment of the 50m outdoor pool and outdoor changing rooms.

Stage Two has upgraded the indoor pool hall, including replacing the roof and upgrading the reception and indoor changing room areas. This was done with Council and Central Government contributing a combined \$23.45m.

Rotorua Lakes Council received \$8.05m in October 2022 from Central Government as its entitlement under the Three Waters Reform 'Better Off' fund, which was tagged to contribute to stages two and three of the Aquatic Centre project.

The outdoor pool and changing rooms stayed open for use during Stage Two works and the refurbished indoor areas are due to be reopened in May.

Community feedback during consultation on the last two LTPs highlighted that the Aquatic Centre is highly valued by locals and that the majority support the upgrades.

Beyond what's already been done, the community supported further improvements and additional facilities like a learn-to-swim pool, hydrosides and a bombing pool.

A full Stage 3, including these additional facilities, would be about \$16.5m.

Te arawātea The opportunity

There is an opportunity to start working on elements of a proposed Stage 3 now, using what's left of the Better Off funding and a Council contribution.

Some of the additional facilities proposed for a full Stage 3, like a learn-to-swim pool, hydrosides and a bombing pool, will require external funding contributions and work to establish a public/private partnership is ongoing.

If external investment did not happen, Council would need to reconsider the level of its investment in the Centre into the future.

He aha e marohitia ana? What is being proposed?

We propose allocating \$3.0m to start components of Stage 3 while work continues to attract external funding for other elements.

The \$3.0m would be made up of the remaining Better Off funding, \$2.5m, and \$500,000 from Council and would be used to replace aquaplay and spa facilities.

The \$3.0m would be allocated in Year 1 of the LTP.

Ngā kōwhiringa | The options:

Option 1: Commence Stage 3 works - \$3.0m

This would enable us to replace the aquaplay and spa facilities at the centre.

- Supporting this option Council will need to borrow \$0.5 million, increasing debt per ratepayer by \$15.81 over ten years. The remaining \$2.5m will come from the remaining Better Off Funding.

My rates:

+\$0.03 /week

Option 2: Partner with external provider to add hydrosides now - \$9.5m

This would add to the Aquatic Centre’s recreation offerings by adding hydrosides (in addition to replacing aquaplay and spa facilities) and could be delivered in Years 1 and 2 or be pushed out to further to eg Years 3 and 4.

This option is dependent on securing external funding sources to help fund it, but we are confident this will be possible.

Council’s contribution would need to be about \$4.6m. We’d also use the \$2.5m in remaining Better Off funding and external funding sources would need to fund about \$2.4m.

- Supporting this option will increase your rates by \$10.89 a year or \$0.21 a week
- Supporting this option Council will need to borrow \$4.6 million, increasing debt per ratepayer by \$145.45 over 10 years

My rates:

+\$0.21 / week

Option 3: Full Stage 3 - \$16.5m

The full Stage 3 would add even more to the recreational offerings as it would also include a learn-to-swim pool, a bombing pool and family spa which could be delivered in years 3 to 5 of the Long-term Plan.

This option would have the potential to increase the centre’s revenue.

Like Option 2, this would be dependent on attracting more external funding and would require a bigger contribution from Council, about \$8.1m.

- Supporting this option will increase your rates by \$16.85 a year or \$0.32 a week
- Supporting this option Council will need to borrow \$8.1 million, increasing debt per ratepayer by \$256.13 over 10 years

My rates:

+\$0.32 / week

Te kōwhiringa e hiahiatia ana Our preferred option:

Option 1: Commence Stage 3 works - \$3.0m

We think this is the most financially prudent course of action at this time.

It would continue the work on improving this much-loved and well-used facility with the opportunity to add the additional fun stuff later, as funding allows.

He aha ō whakaaro? What do you think?

Should we progress with our preferred option or do you prefer an alternative?

The Future for Pensioner Housing



Kei hea tātau inaianei? Where are we at?

It's well-known Rotorua has a housing shortage and just as with other types of housing, demand for housing for the elderly is increasing.

Council currently owns and manages 152 pensioner units at five sites around the city. Turnover is low and demand is always high.

We've identified that our pensioner housing properties and services need improvement.

We want better housing outcomes for our tenants, including improved quality of the units and support services for those who need them.

We also need to make sure our pensioner housing is financially sustainable rather than needing ratepayer funding for capital and operational costs, and we want to be able to increase the supply of pensioner housing.

Council made a decision in November 2023 to look at how these goals could best be achieved and several options were considered.

Te arawātea The opportunity

Councils across New Zealand face similar challenges in managing their pensioner or social housing stock, largely due to a lack of support from central government.

Some have progressed alternative models and we think a different model would work to improve pensioner housing in Rotorua.

Challenges we face include:

- The entire cost of the service sits with Council. Approximately \$1.0m from rates is required every year, with no central government subsidies to help us reinvest or provide support services.

- Council doesn't have the resources or experience to provide social support to tenants who need it.
- Council currently has no ability to increase its pensioner housing stock to meet demand for affordable housing.
- Under the Social Housing Reform Act 2013 councils aren't eligible to register as community housing providers (CHPs) and aren't able to offer their tenants an Income Related Rent Subsidy (IRRS). The IRRS is the main way central government supports social housing tenants and enables a CHP to claim a market rental by covering the balance between what a social housing tenant pays – generally 25% of their income and the market rent for the property.

At the moment there are approximately 20 empty Council pensioner units. Whether Council pursues a different operating model or not, we will need to fully refurbish these vacant units, costing approximately \$1.2m to \$1.5m.

A complete refurbishment of all units could cost in the order of \$10m.

He aha e marohitia ana? What is being proposed?

We're proposing to look at a different operating model for the provision of council-owned pensioner housing. This model could enable us to improve the service and ensure its financial sustainability in the long term.

Ngā kōwhiringa | The options:

Option 1: Maintain current delivery model (Status quo)

Council will continue to own and manage the housing stock. Under this option Council would ensure continued housing security for existing tenants. Into the future it will require increasing investment for refurbishment, ongoing operation and management of the portfolio.

Under this option we would still have the same challenges as now, mainly around restricted investment into the refurbishment and growth of the housing stock and the limited ability to provide the support services often needed by those tenants in pensioner housing.

If Council decides to maintain the current delivery model, we may have to look at other wrap-around services not currently provided for. Should we need to investigate options for this, we will need to talk again with the tenants, the community and other providers about what this could look like.

Option 2: Lease pensioner housing to a community provider

Under this option Council would enter into a long-term lease of the pensioner housing portfolio with a registered Community Housing Provider (CHP) and would retain ownership of the housing stock.

We anticipate a leasing option to reduce the financial burden on Council and leasing arrangements could be structured in various ways to achieve this, including options relating to the annual lease rate and responsibility for major repairs, maintenance and renewals over time.

Under this option it's anticipated that as new tenants qualify for the Income Related Rent Subsidy (subject to eligibility and approval from MHUD), the pensioner housing portfolio could become financially sustainable and potentially profitable, providing opportunities to grow the portfolio in partnership with the CHP.

The lease arrangement could include key performance measures requiring the lessee to achieve measureable outcomes relating to the quality and availability of premises and support services for tenants. Apart from our right as landlord derived from the terms of any lease, Council would have little influence over the direction and activities of the CHP partner but would seek an arrangement that's favourable to all parties.

To progress the option to lease to a CHP, alternative options like a lower lease or some ongoing capital support may need to be considered.

Further consultation with the sector would need to be considered to assess the viability of this option.

Debt increase: +\$32.25 / ratepayer over 10 years

For either option, the initial investment required is the same. Supporting this option Council will need to borrow an additional \$1.02million, increasing debt per ratepayer by \$32.25. We propose to invest \$1.1m of capital funding in year one and two, followed by \$590,000 for each of years 3-10. This will be for the ongoing refurbishment of the housing stock. However in the longer term, we may need to revisit the level of investment both for the capital and ongoing operations and maintenance.

Te kōwhiringa e hiahiatia ana Our preferred option:

Option 2: Lease pensioner housing to a community provider

We believe Option 2 is the best way to achieve the outcomes the Council is looking for. This option would lease our pensioner housing portfolio, in its entirety, to a suitable community housing provider (CHP).

First though, we would need to get our existing pensioner housing units up to a suitable standard. At the moment we have units that are empty because they need refurbishing before someone can move in.

He aha ō whakaaro? What do you think?

Should we progress with our preferred option or do you prefer an alternative?

Going for growth

Development Contributions Policy

Council moved quickly to address planning and zoning constraints that limited housing capacity, restricted options for different types of housing and created unnecessary consenting requirements. This was done via Plan Change 2 (Pukehangi), Medium Density Residential Standards (MDRS) and Plan Change 9 (Intensification). This work was undertaken within the parameters of the appropriate legislation and according to the direction of the National Policy Statement – Urban Design.

In addition, Council sought Government funding for infrastructure to support housing. We secured Crown Infrastructure Partnership (CIP) funding of \$55.0m for Eastside stormwater and roading and \$85.0m from the Infrastructure Acceleration Fund (IAF) for stormwater infrastructure in the central and western parts of the city.

Alongside this, it's recognised that development, especially new development, creates a cost to the district (to build and maintain new local roads, footpaths, wastewater, water and stormwater systems and open space).

A development contributions policy puts the cost of providing additional infrastructure needed to accommodate the demand arising from development directly on those who benefit ie the developers.

What is a Development Contribution?

A development contribution (DC) is payable usually at the time of subdividing land where there is increased demand on council assets and services.

Development Contributions can only be sought for projects in the future, not for those already finished. They must relate directly to a specific geographic area where the growth can be attributed and must be spent within 10 years of being collected.

What do Development Contributions actually pay for?

They pay for the impact of growth on the Council's "three waters" network infrastructure (wastewater, stormwater and water supplies). This includes things like installing/upgrading new wastewater treatment plants or water pipes to cope with new houses.

What do Developers pay for?

Developers, not the council or community, pay for the construction of roads, footpaths and the wastewater, stormwater and drinking water infrastructure in new subdivisions. Once the subdivision is finished these are handed over to council to maintain and for any future replacements or upgrades.

What's our local approach to Development Contributions?

In 2022, Council re-introduced a Development Contributions Policy in anticipation of further growth in the district. This followed actual growth in the period 2013 to 2020 and discussion around those who drive the demand for growth paying a fair share of the infrastructure to support that.

Since then, we have a better understanding of our housing needs and the infrastructure needed to support that. Our Future Development Strategy allows for about 12,300 more houses and an extra 195 hectares of land for businesses over the next 30 years.

The main infrastructure requirement to support this growth is in the stormwater network. As more houses are built and given the more frequent and intense weather events we now experience, we need to upgrade and increase the capacity of our pipes to protect new and existing properties from the risk of flooding.

Government has provided significant funding of \$85.0m to speed up the delivery of infrastructure (across 10 years rather than 30) with Council to fund the rest via debt and development contributions.

Going for growth funding:

Total growth projects
\$200m

LA funding
\$85.0m

DCs
\$72.5m

Debt
\$42.9m

*Note – these figures are inflated.

To reflect the projects required to support this growth, we are proposing some changes to our Development Contributions Policy.

If adopted, these will take effect from 1 July 2024.

He aha ō whakaaro?
What do you think?

Activity	Charge per HUE (GST incl)
Water	
Rotorua Urban Area	\$4,146
Wastewater	
Rotorua Urban Area	\$9,310
Stormwater	
Stormwater area Eastern	\$12,869
Stormwater area Central & Western	\$11,345
Transport	Nil (note- DCs assessed under this policy may not attract a credit for transport in any subsequent assessment under any subsequent policy)
Reserves	Nil (note – financial contributions may be levied under the RMA as specified in the District Plan)
Community infrastructure	Nil (note- DCs assessed under this policy may not attract a credit for transport in any subsequent assessment under any subsequent policy)
Total – Rotorua Urban Area in Ngongotahā	\$13,456
Total - Rotorua Urban Area in Stormwater area Eastern	\$26,325
Total - Rotorua Urban Area in Stormwater area Central & Western	\$24,801

Te mahi i roto i te wāhi ki a mātau

Operating within our limits

We can't afford and don't have the resources to do all the things our community may want us to do.

We have made a commitment to Rotorua to deliver on key priorities while keeping rates increases as affordable as possible. To achieve this, we have had to move some resources previously committed to other areas to provide more capacity and resourcing to areas that relate more directly to the priorities.

We've had to make some tough calls and propose making cutbacks in some areas. These include:

Community funding

We intend to revise our community funding scheme to achieve better alignment with the outcomes the Council is looking to achieve. We propose the following:

Partnerships Agreement: provide \$195,000 per year, a total of \$1.95m across the 10 years of the LTP (reduced from \$210,000 per year, a total of \$2.1m across the 10 years). This will be contestable, allocated once every three years and paid annually. The assessment criteria will be reviewed to ensure successful recipients are contributing towards Council's 9 community outcomes.

Neighbourhood Matching Fund: provide \$100,000 per year, a total of \$1.0m across the 10 years of the LTP (reduced from \$120,000 per year, a total of \$1.2m across the 10 years). The assessment criteria will be reviewed to ensure successful recipients are aiding not-for profit groups to strengthen community-driven activities connected to Council outcomes. The grant will be a one-off amount that supports projects or events and must be matched by equal contributions from voluntary/other organisations, as is currently the case.

Community Grants: This allocation, which provided \$105,000 per year, will no longer be available. These grants ranged in value from \$1,000-\$5,000 and largely supported administrative activities within local groups and were secured for 3 years. The Council acknowledges the great work of these groups but at this time, must prioritise funding towards deliverables that produce tangible outcomes rather than subsidising administrative costs. Eligible groups may still apply to the partnership agreement fund.

LTP 2021



Total o
(partnership)

LTP 2024



Total o
(partnership)

Community Boards – Devolved funding

Introduced in the 2018-2028 Long-term Plan, devolved funding was established to provide community boards with discretionary funds for actions, work and projects within the communities they represented. This provided funds for the community boards to allocate themselves.

Devolved funding is debt funded to the value of \$250,000 per year (\$125,000 per community board) which at this time would cost approximately \$10,575 per year to service repayments. Servicing debt repayments comes from the general rate across the whole district.

Council is concerned about debt levels, the repayment of these and the impact of debt on future generations. We acknowledge the great work of the Community Boards and have looked at a variety of funding options, including increasing the funding, holding the funding the same and reducing it.

At this time, Council has decided to reduce the amount of devolved funding available to the Community Boards and proposes setting aside \$50,000 per year, per community board. This will reduce the council debt profile by \$1.5m over the 10 years of the LTP, saving approximately \$0.01% in rates funding that would otherwise be needed to service the cost of repaying this debt.

Skatepark

In 2018 Council committed to providing funding for design of a skatepark and pump track in Kuirau Park, and initial seed funding for the development. It was recognised that the current inner city skatepark at Sheaf Park is in poor condition and has been reduced in size as aged equipment has had to be removed.

The Rotorua Action Sports Charitable Trust has been formed to raise funding needed from funding trusts. It was intended that funding applications by the Trust would be supported by a Council funding commitment.

Council acknowledges the efforts of the Trust and the desire of the community and young people to see this project progress. It has, however been about six years since funding was allocated and funding for the balance has not been achieved to-date so Council believes that at this time, it's more prudent to reduce its debt profile than to incur the additional debt this project would require.

This will result in \$1.9m less borrowing across years one and two of the plan and a saving of approximately 0.01% in required rates funding to service the repayment of debt.

Lakes Infrastructure Enhancements

Improvements to the district's lakeside reserves and boat ramps/jetties are funded by debt. While there is a programme of works that needs attention, there is a high probability these can't be completed even if funding were readily available, due to the high water levels of our lakes.

Council acknowledges needs exist at Lake Rotomā (Merge Lodge and Matahi Spit), Lake Rotoiti (Okawa Bay) and Lake Rotoehu (Otautu Bay).

A pause is needed to hopefully see the lakes return to more normal levels and/or to assess what our new "normal" is. In the meantime, the prudent thing is to stop planned improvements and re-assess what's required once we have more information. In the LTP this would be reflected in \$1.9m less borrowing and a saving of approximately 0.01% in required rates funding to service debt repayment.


community grants = \$435,000

agreement \$210K, NMF \$120K, Community Grants \$105K)


community grants = \$295,000

agreement \$195K, NMF \$100K, Community Grants \$0)

Funding community grants in 2024 to the level in the 2021 plan will have an overall rates impact of 0.11% in year 1.

Transportation Infrastructure

Local roads are funded from rates, debt and central government (through the New Zealand Transport Agency).

The amount of funding received is based on criteria set by the Minister of Transport and calculated on need.

During the course of the LTP we anticipate spending \$138.4m on renewals, levels of service and growth-related projects. Council expected to receive \$74.0m in subsidies from NZTA to deliver this programme.

Some programmes don't receive any NZTA subsidy and delivering these adds to Council's debt. Stopping these will reduce borrowing by \$17.8m and save approximately 0.07% rates needed to repay the debt.

The programmes that Council proposes to **NOT** proceed with include:



Rural street improvements - \$1.4m over 10 years: About 75% of the district's roading network, which totals about 1000km, services the rural sector. Most of the rural roading network has no footpaths, lighting and/or traffic safety engineering facilities and this funding pool was dedicated to providing enhancements like footpaths, pedestrian crossings, railings, lighting and traffic controls within or near rural villages/centres with guidance from our Rural Community Board and the wider rural community.



Urban street improvements - \$2.1m over 10 years: Council's mainstream roading infrastructure budgets are dedicated to maintenance and renewal of existing assets like road surfaces, footpaths, lights, signage and markings. Improvements to surface features including new or wider footpaths, new types of paving, street furniture, new kerbing, new parking facilities etc within suburban areas are not part of the mainstream infrastructure budgets. The programme was dedicated to providing opportunities for small scale improvements to suburban areas, in collaboration with communities.



Māori roadlines and unformed roads - \$1.2m over 10 years: Many parcels of land within the district are Māori whenua with multiple owners. These often have marked "paper roads" on them. As land is gradually developed and the need for better access to these increases, the "paper roads" need to be converted into actual formed roads. Because of the complexities of multiple ownership, it is challenging to progress these, and this constrains housing provision. This limited budget allocation was dedicated to enabling Council to collaborate with Māori whenua owners to transition paper roads by sharing costs and benefits. The absence of this funding will require either a case-by-case proposal or for these costs to sit with the landowners.



Rural seal improvements - \$6.3m over 10 years: About 125km of our roads are unsealed. These sections of roading generally serve small numbers of rural properties and/or form part of access to farms and forests. Sealing of these roads is costly (about \$3-400,000 per km) depending on location and ground requirements. These improvements have a cost/benefit ratio that does not meet the Government's (NZTA) funding assistance criteria which means the entire capital cost is carried by ratepayers. Not allocating budget for rural seal improvements means these roads will remain unsealed and will be maintained as such.



Walking and cycling improvements - remove \$3.526m (NZTA fund \$4.674 for a total \$8.2m) over 10 years: This programme was dedicated to creating a shared (pedestrian/mobility/cycling) paths network to encourage more people to use alternative ways to get around our city, in response to feedback from the community that walking, cycling and using mobility devices was unsafe due to vehicle-dominated roads. In recent years, this programme has created about 60km of new wider shared paths targeting main corridors to schools and/or community activity centres. Removing the programme will mean no new shared paths will be created and the current network of paths will be maintained as they currently are.

Find supporting information at rotorualakescouncil.nz/LTP

He aha ō whakaaro? What do you think?

What are your views on the proposed savings?

Environment, Climate and Infrastructure

Rautaki Taiao Environmental Strategy:

The health and wellbeing of our community is closely related to and reliant on the natural environment. We rely on forests, rivers, lakes, oceans, and soils for the food we eat, air we breathe and water we drink for our health, happiness and prosperity.

Read our first Environmental Strategy:
rotorualakescouncil.nz/LTP

”

Council’s Environmental Strategy provides a 30-year blueprint to ensure we meet our current environmental obligations by preserving what we have today for the future.

This is an overarching blueprint that informs our 30-year Infrastructure Strategy and the Asset Management Plans and also draws on other plans, like Council’s Climate Action Plan and Waste Management Minimisation Plan to deliver on the strategy.

By taking a holistic approach that considers the protection, enhancement and restoration of our natural environment, we can contribute to delivering on Council’s community outcomes and a safer and healthy environment for all.



**Draft
Environmental
Strategy**



Rautaki Hangaroto Infrastructure Strategy:

Council leads and is responsible for providing key services that support residents' daily lives. Our infrastructure must be safe, reliable and in a stable condition to meet current and future demand and the expectations of our residents.

To do this, we need to understand and plan for how infrastructure will need to change over time, so that it remains fit-for-purpose. Change may be required to adjust to new technologies, environmental considerations like carbon neutrality, new statutory requirements or regulatory standards or changing community expectations and emerging patterns of use.

We need to consider how our population is growing and changing and what impact this may have on demand for our infrastructure.

Our 30-year Infrastructure Strategy outlines the investment programmes required to ensure we meet our community wellbeing obligations in a planned and affordable way. This investment will also help to stimulate our local economy.

We have identified seven strategic district infrastructure challenges that need to be at the forefront of long-term infrastructure planning and decision-making:

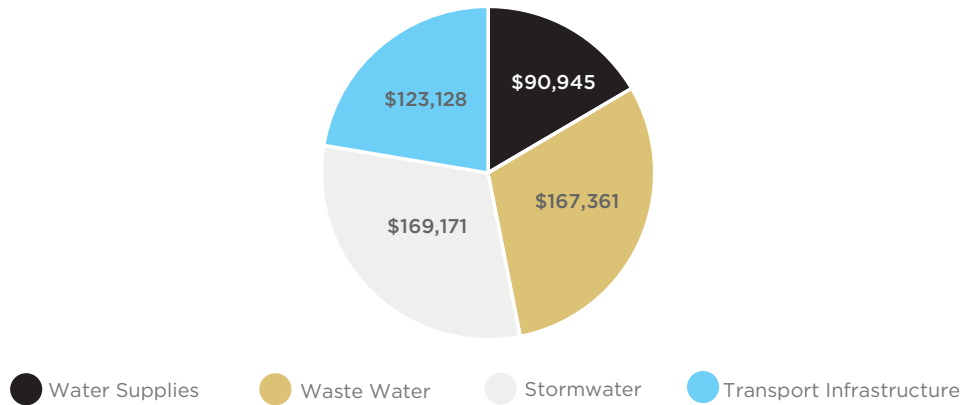
1. Maintaining assets in a stable, reliable, and safe condition
2. Meeting future demands on infrastructure services
3. Managing the impacts of increased performance standards arising from legislative and policy change
4. Embedding cultural values and responses into the way we manage our infrastructure
5. Climate change effects and the need to ensure environmental sustainability
6. Resilience of critical infrastructure to withstand and recover from emergencies
7. Maintaining institutional knowledge, skills and capability (our people resilience).



Draft Infrastructure Strategy



Ten year Capital Infrastructure Investment ('000)

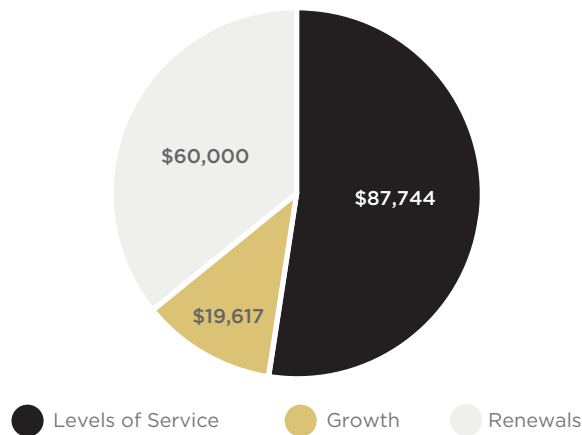


**Across 2024-2034 we will invest \$551 million into core infrastructure to renew and upgrade our assets to meet current demand and future growth expectations.*

Figures shown in uninflated dollars.

Wastewater

Waste Water ('000)



Figures shown in uninflated dollars.

We are responsible for the collection, treatment and disposal of wastewater from Rotorua City, Ngongotahā and eastern suburbs, as well as some rural lakeside communities. The public wastewater network protects public health and receiving environments from the adverse effects of wastewater and by-products. Two wastewater treatment plants currently service properties through approximately 24,786 connections.

Find supporting information at rotorualakescouncil.nz/LTP

Ngā wero nui | Challenges

Our district faces critical challenges in maintaining the stability, reliability and safety of our wastewater assets. Currently, our knowledge of underground asset conditions is limited, prompting a focused short-to-medium-term survey to inform a renewal programme, anticipating a significant capital investment.

Legislative and policy changes, particularly in resource consents, pose challenges. The once-viable practice of irrigating treated wastewater through Whakarewarewa Forest is no longer sustainable due to cultural and practical reasons. Engaging with stakeholders, including iwi, is underway to explore alternative, sustainable disposal methods. The resource consent for the upgraded Rotorua Wastewater Treatment Plant and a new discharge point has been approved, with works starting over the next three years.

Environmental sustainability, especially regarding lake water quality, remains a concern. Lakeside communities serviced by private wastewater systems pose risks to the health of our lakes and communities. To address this, we're progressing with sewerage schemes aimed at mitigating adverse impacts on lake water quality.

The increasing demands on our infrastructure, fuelled by population growth projections and the need to service small communities with private systems, necessitate a multifaceted approach. This includes installing bulk infrastructure, extending service areas and providing council reticulation and treatment plants. Our capital programme for the 2024-2034 Long-term Plan has been revised to align with these growth-driven requirements.

Anticipating ongoing challenges in wastewater management, a long-term partnership with an experienced operator has been established.

This strategic alliance aims to effectively manage asset risks and ensure cost certainty amid evolving consent requirements, environmental protection obligations, and the government's freshwater reform.

Meanwhile, Bay of Plenty Regional Council's Lake Rotorua Nutrient Management Plan Change 10 introduced rules limiting nitrogen input into Lake Rotorua from various sources, including our wastewater treatment plant. To safeguard lake water quality, our wastewater treatment plant upgrade is designed to enhance nitrogen removal. Strategies to offset nitrogen increases involve exploring options like buying or transferring nitrogen discharge allocations, directly reducing nitrogen input, and implementing an inflow/infiltration program. We're actively investigating future nitrogen discharge allocation options, contingent on plant performance and growth predictions.

410km
of gravity
pipelines

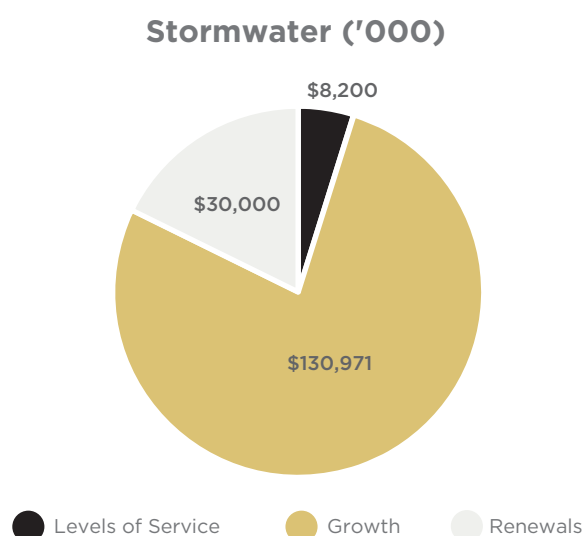
and
164 km
rising mains

Services three urban
areas of Rotorua
(Ngongotahā, city and
eastern suburbs) and
some rural lakeside
communities

2
wastewater
treatment
plants

81
wastewater
pump
stations

Stormwater



Figures shown in uninflated dollars.

Stormwater is the runoff of rainwater which requires management and safe disposal using various drainage systems which also protect people and property from flood damage and minimises adverse effects of stormwater discharges into lakes and waterways.

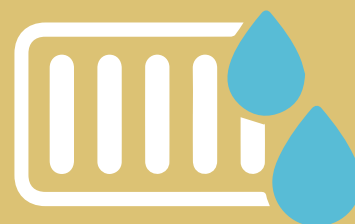
Ngā wero nui | Challenges

Maintaining our stormwater assets in a stable, reliable and safe condition has traditionally been reactive in comparison to water supply and wastewater services, our stormwater activity lacks comprehensive asset condition information. We're moving from reactive responses to a proactive regime of planned condition surveys which aims to improve what we know about the state of our stormwater assets, ensuring stability, reliability and safety.

The status of the Comprehensive Stormwater Resource Consent for urban areas, which Bay of Plenty Regional Council requires us to undertake, poses a formidable challenge. Lodged and currently undergoing public submissions, this consent anticipates heightened requirements, including extensive reporting. A proactive approach to stormwater management is vital to align with evolving practices and regulatory standards.

There is a need for substantial investment in stormwater infrastructure, storage and conveyance to enable land development and to address the growing impacts of climate change.

Existing stormwater systems at the bottom of the catchment are inadequate for the effects of urban growth and to address this, we are planning and constructing stormwater detention dams in urban areas. Investment in bulk stormwater infrastructure is crucial to accommodate development and cope with bigger rain events that are occurring due to climate change. Existing stormwater assets, built over the years, are not big enough for these new demands, which increases the risk of localised flooding.



Stormwater system:

244km
urban
reticulated
pipelines

154km
of stormwater
channels

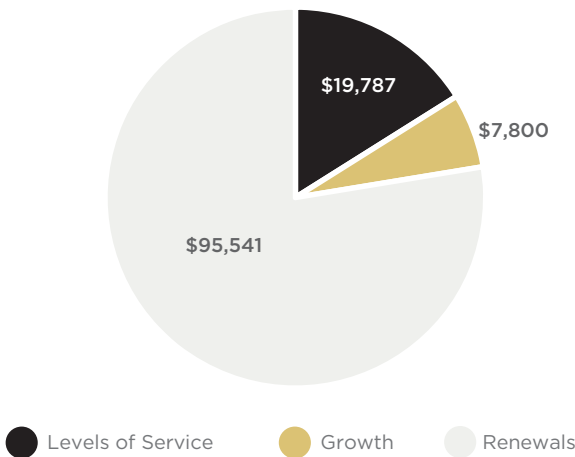
Serves three urban
areas of Rotorua
(Ngongotahā, city and
eastern suburbs)

Reporoa land drainage scheme



Transportation Infrastructure

Transportation Infrastructure ('000)



Figures shown in uninflated dollars.

Rotorua is in the heart of the North Island and its transport system plays a key role in connecting the central and upper North Island.

Ngā wero nui | Challenges

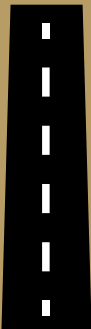
Addressing road-related fatalities, serious injuries, and ensuring overall road network safety are multifaceted challenges that demand strategic and efficient solutions. Implementing targeted safety programmes, improving pedestrian crossings and planning speed reduction initiatives are pivotal actions.

We also need to find a balance between meeting asset needs and maintaining desired levels of service in a cost-effective way. Our main focus is on maintaining an appropriate level of investment to ensure ongoing functionality and safety of our transport assets.

A significant challenge is reducing vehicle kilometres travelled (VKT) in cars. Strategies include promoting alternative modes of transport, in collaboration with the New Zealand Transport Agency (Waka Kotahi) and Bay of Plenty Regional Council. Offering more transport options also aligns with changing demographics, increased cycling demand and evolving user expectations.

Meeting diverse demands for transport infrastructure, including cycling facilities, mobility access, and improved public transport, underscores the need to address user concerns regarding the reliability and efficiency of public transportation. This ensures a more streamlined and effective response to the challenges facing our land transport activity.

1,007km
of roads:
889km
sealed
118km
unsealed



80
road bridges

28 major
culverts

383 km
of footpaths

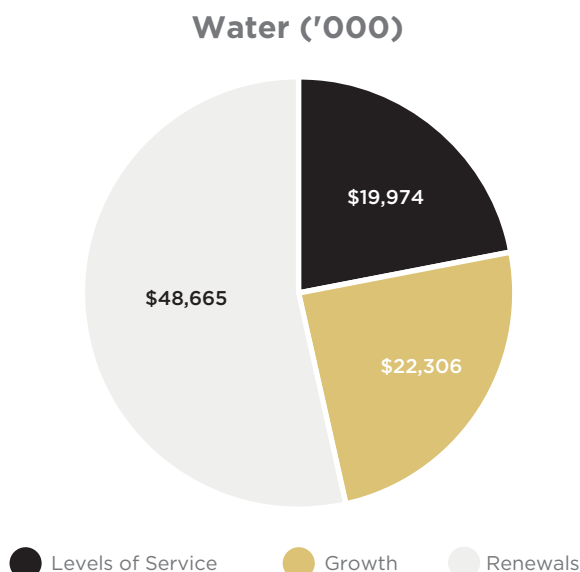
52 km
of cycling
routes



144
bus shelters



Water



Public water supply is provided to domestic, commercial, industrial and rural properties to ensure public health. Commercial, industrial and rural water users are metered. Our three urban schemes (Central, Eastern and Ngongotahā) supply 78% of our total water demand.

Ngā wero nui | Challenges

Renewing infrastructure remains a key concern. Despite the relatively young and well-maintained water supply network, adopting a proactive and risk-based renewal strategy is crucial. Initiatives include ongoing asset condition surveys, underground pipe break analysis and development of risk-based renewal programmes.

Water take renewal applications for major urban water sources secure long-term water sources for the entire Rotorua Urban area.

Meeting future demands on infrastructure involves preparing for projected growth and the impact of Council's Future Development Strategy on the current water supply network.

The impacts of legislative and policy changes are reflected in potentially restrictive consent conditions, with many water take consents expiring in the next decade. If water take limits are reduced, alternative sources such as groundwater may need development.

Resilience of critical infrastructure is a key focus and an integrated approach, aligned with the water supply master planning process, addresses growth, consenting requirements and risk reduction. Improvements to strengthen resilience, especially between Central and Eastern supply areas, are under investigation. Seismic-resistant materials are considered during critical asset replacements.

10 ^{defined}
supply areas
including three
urban areas

11 **water
sources**

9 **water supply
treatment
plants**

**Approximately
761km
of pipelines**

15
**water pump
stations**



Finally climate change and environmental sustainability emphasise the need to manage the water supply network sustainably to minimise wastage. Initiatives include a water demand management programme with network pressure reduction and an ongoing leak detection programme. While universal metering is not currently adopted, it may be considered in the future for its industry-best practice and strong environmental benefits.

Read our 30 Year
Infrastructure Strategy:
rotorualakescouncil.nz/LTP

He aha ō whakaaro? What do you think?

Have your say on key improvements that are vital for the ongoing development and resilience of Rotorua's infrastructure.

Ngā tatauranga

The numbers

Our Financial Strategy

We've pulled every lever and used every tool available to minimise rates increases and deliver essential infrastructure renewals and upgrades. This has included re-prioritising every aspect of spending. Despite this, we will still have substantial rates increases as a result of factors that are outside our control, like inflation and interest rates.

Our Financial Strategy is based on the following objectives:

- 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 our district to deliver community outcomes
- Being good stewards of our assets
- Balancing delivery with affordability
- Managing debt

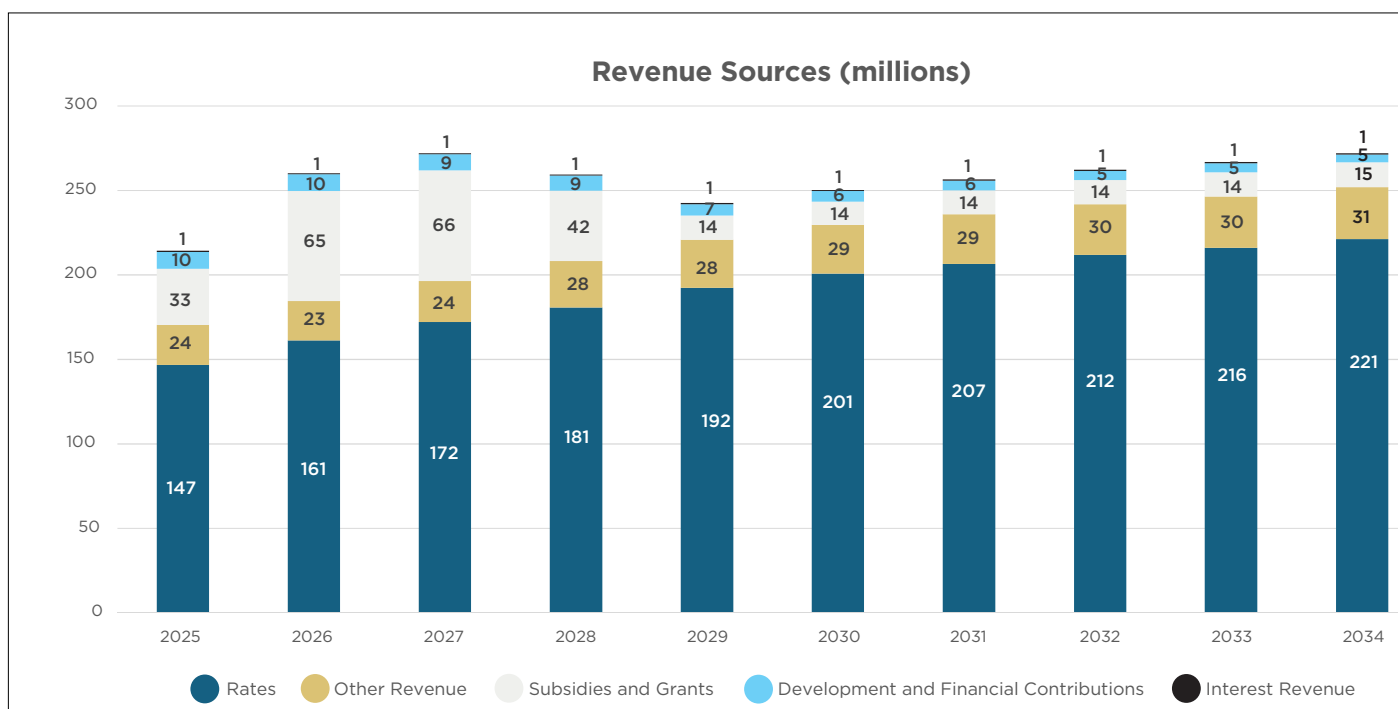
What is a financial strategy?

The financial strategy outlines our overall approach to managing our finances. It sets our limits on rates increases and debt, illustrates the overall financial impacts of decisions made in the Long-term Plan and is key in demonstrating prudent financial management.

Where does the money come from?

Most of the funds to help us operate on a daily basis come from:

- Rates (general and targeted rates)
- Fees and charges
- Subsidies and grants
- Development Contributions

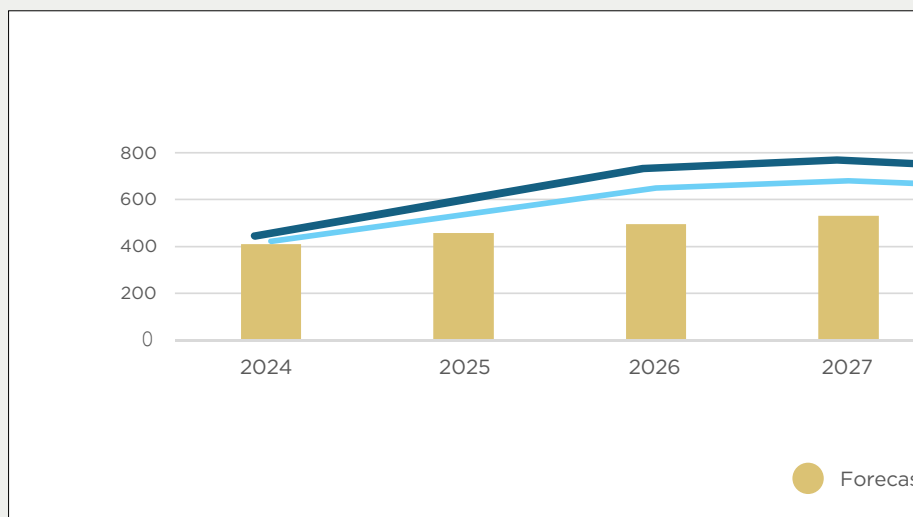


Debt

We only borrow money from lending agencies (LGFA – Local Government Funding Agencies and banks) to grow and improve existing facilities and infrastructure. Council does not borrow to renew existing facilities and infrastructure.

Unlike residential and business borrowing, which is secured against assets, Council borrowing is secured against its revenue, in particular its ability to rate. Over the course of the 10 years of the Long-term Plan our debt will increase by \$108.4 million. Across the same period debt will not exceed our limit, as set in our Financial Strategy.

Want to know more? View our full Financial Strategy at:
rotorualakescouncil.nz/LTP

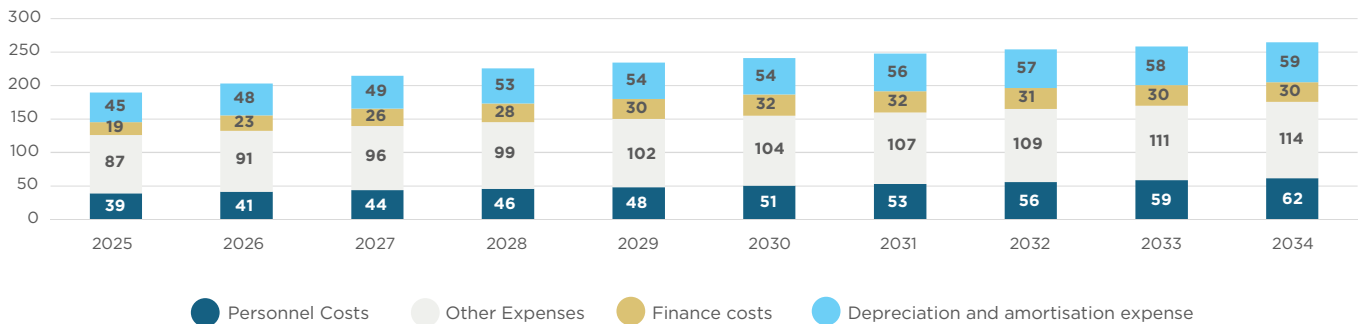


Where does the money go?

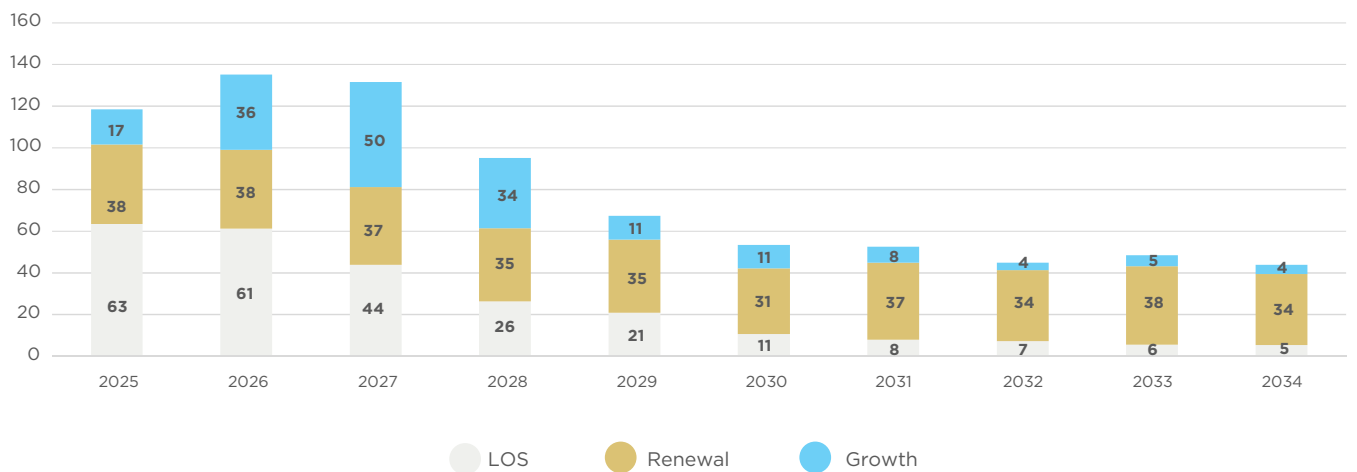
Council spending is generally split into two types – operating and capital

1. Operating expenditure is used to deliver on strategy and community priorities including all the services council provides.
2. Capital expenditure is project-based investment to replace and renew assets (eg reseal roads, replace/upgrade water and stormwater pipes) or for new place-making projects.

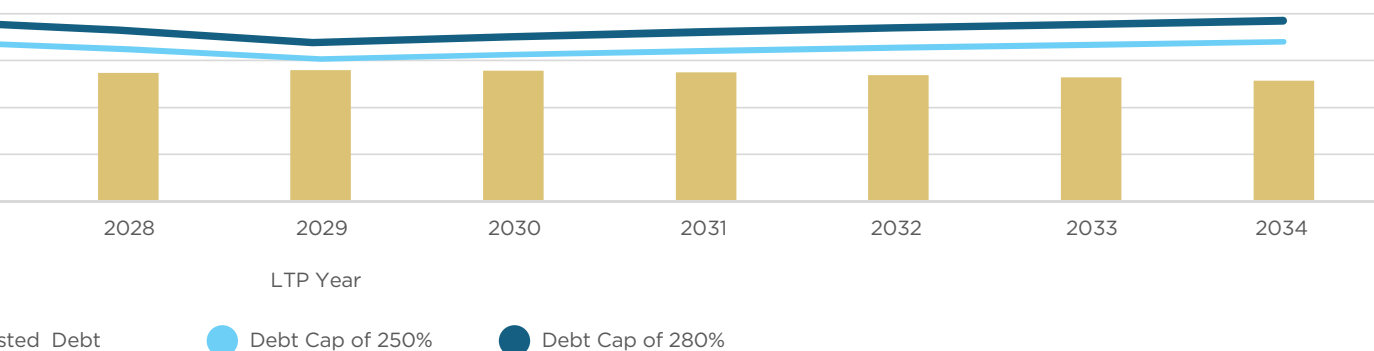
Operating Expenditure Year 1-10 (millions)



Capex Split by Type Year 1-10 (millions)



Forecasted Debt Position (millions)



Your Rates

What does the LTP mean for you and your rates?

On average we estimate each household will pay \$61.54 per week, or about \$3,200 in the 2024/2025 financial year (the year starting 1 July 2024) for the activities and infrastructure proposed in the LTP.

**average property is based on residential property with capital value of \$640,000*

10.2% is the average rates increase for all rates types (excluding the impact of growth on rates revenue) to cover costs, pay back debt and fund our renewal programme (depreciation) in year one of the Long-term Plan (2024/2025).

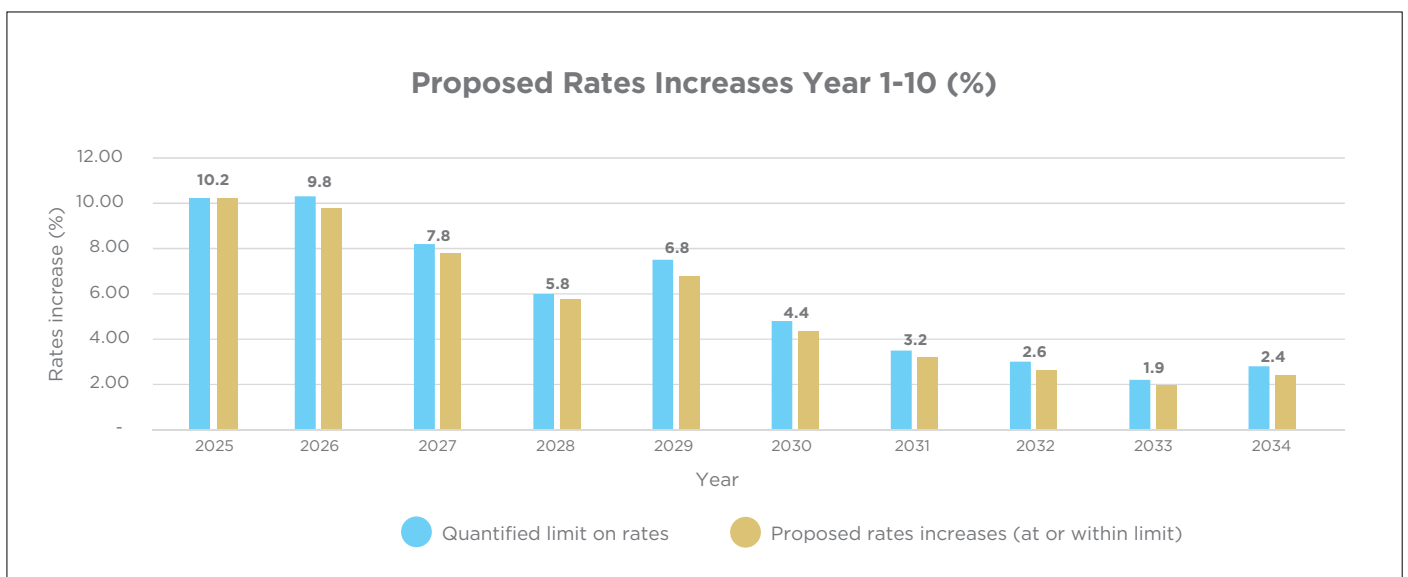
Not everyone's yearly rates will increase by 10.2%

How much you pay depends on:

- 1. Property worth:** Changes to the value of your property (including improvements or changes you've made)
- 2. Services received:** The services for which your property is rated
- 3. Property use:** Whether the property is used for business, residential or farming purposes
- 4. Method of charging:** Changes to the amount or way we charge for those services, or introduce new rates

Proposed rates increases and limits

To provide certainty to ratepayers regarding their rates, increases will be at a rate that matches the increase to Council's cost base. Changes to Council's cost base are mainly driven by the expectations to deliver on solutions to the district's confronting challenges, increases in compliance and regulation, inflation and depreciation related to capital expenditure in the 10 year plan.





1. What is your property worth in 2024?

The share of rates paid is largely based on a property's value – the higher the property value (relative to others), the higher the rates.

Revaluations are required to be undertaken every three years, taking into consideration market trends in property sales. These are used to set the value of your property which will drive the amount of rates you will pay. While Council consults on its LTP, property revaluations for 2024 will be completed for all properties in the district.

While revaluations are being finalised we need to base average rates increases for 2024/2025 on the current rating (2020) valuations. When the new revaluations are finalised Council will look at the levers it has available to it, ensuring there is a balance across rating categories, resulting from potential changes (increases/decreases in property values). This may include things like reviewing the uniform annual general charge (UAGC).

The UAGC is the fixed portion of rates that every ratepayer pays regardless of property value. A fixed charge ensures every ratepayer pays the same minimum contribution for Council services.

The level at which the UAGC is set can affect the distribution of rates collected. A high UAGC has the effect of shifting more general rates towards low to middle value properties, in comparison to the value of these properties. On the other hand, a lower UAGC would see general rates being higher across properties with higher capital values.

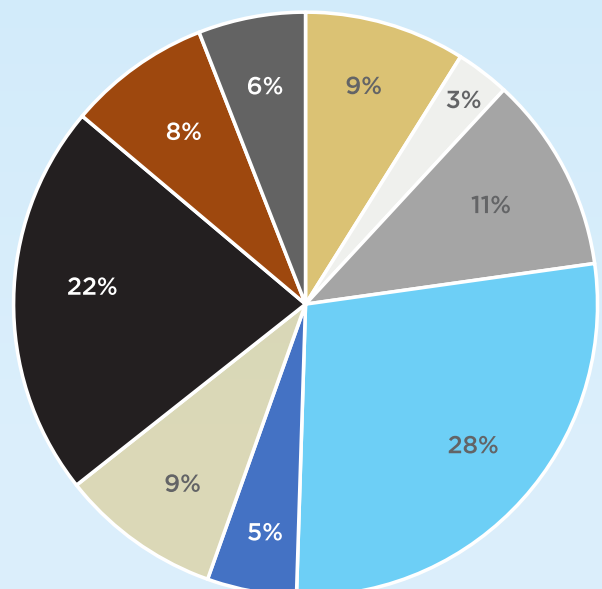
The current UAGC is \$425.00 per property. Council will review this as part of its decision-making when finalising the Long-term Plan in June.

2. What services do I receive?

How much Council services costs you on average per week is dependent on the services you receive. Depending on where you live, you may/ may not receive all the services provided by Council. For example, some properties in rural areas do not receive a waste collection or water service so we do not charge the owners of these properties for them.

An average household receiving all Council services could pay on average per week \$61.54.

Rates by activity



3. Property use

Properties across the district are used for different purposes. We group properties into four rating categories.

Across our district we look like:

% of total district	Rating Category
7%	Business
72%	Residential
6%	Farming
15%	Rural Residential

4. Changes to the way we rate

Short term rental accommodation

Council's research indicates that 800-1000 properties in our district are being used for short-term accommodation. Use of a property for short-term accommodation removes it from rental/private home ownership options and is a real issue given the district's housing shortage.

Properties used for short-term accommodation are also considered to put more demand on services like roads, footpaths, parking etc but the owners of these do not currently contribute to this increase in demand.

While Council acknowledges the contribution of short-term rental accommodation to our tourism sector, presently it is the owner who receives all the benefit, not the district.

Council is proposing that properties used for short-term accommodation should contribute a fair share towards the district and to tourism promotion.

To achieve this Council proposes that properties advertised for a minimum of 60 days or more be rated as commercial properties.

In addition, and in line with the Council's rating policy, commercial properties receive the business and economic development targeted rate. This would see these properties contributing to economic projects, RotoruaNZ and the Tourism Rotorua Travel and Information Centre.

This proposal could generate approximately \$900,000 per year which would be used to support district improvements and contribute to ongoing development and promotion of Rotorua.

Refer to the Draft Rates Policy Proposal Changes for 2024/25.

Rates on vacant land

For many years Council's rating policy has discounted vacant land by only charging an "availability" charge for water, waste collection and sewage collection. This is a discount of 50% for land that sits undeveloped, compared to land that has been developed.

One of Council's key priorities is to see houses built in order to address the district's housing shortage. Many of the vacant land parcels have been vacant for multiple years. Removing the discount may incentivise land owners to develop the land, or sell it if they have no intention of developing it.

If this proposal proceeds, Council expects to receive an additional \$100,000 per year in rates revenue.

Refer to the Draft Rates Policy Proposal Changes for 2024/25.

East Rotoiti/Rotomā sewerage scheme - new rate

Council committed to a reticulated sewerage scheme for East Rotoiti/Rotomā in 2017/18. The project is part of Rotorua’s contribution to the Rotorua Te Arawa Lakes Programme which aims to improve lakes water quality, protect public health and respects the traditional cultural values and broader community expectations.

The scheme has a capital cost of \$56,214,000 (ex GST). In line with all the other district sewerage schemes (14 individual schemes to date), households within the reticulation scheme are responsible for paying the balance of the scheme, less any subsidises from the government and council.

Funding for the scheme

\$11,500,000	\$4,460,000	\$8,619,000	\$1,155,000
Ministry for the Environment	Ministry of Health	Bay of Plenty Regional Council	Rotorua Lakes Council

The remaining \$30,480,000 (ex GST) needs to be funded by the residents through a capital rate over a period of 25 years. There will be the option to pay in one lump sum, quarterly or annually.

From 1 July 2024 all connected properties will be charged a new rate for repayment of the scheme. The table below shows the repayment amount based on a ratepayers’ preferred repayment period.

xxx%	Payment Frequency	Payment (GST excluded)	Payment (GST included)
Lump sum	One-off	\$39,584.42	\$ 45,521.91
Payment Plan	Annual	\$3,067.00	\$ 3,527.00
Payment Plan	Quarterly	\$766.77	\$881.79

Additional funding option: Increase the Rotorua Lakes Council Contribution

Council has consistently had a policy of funding \$1,500.00 per household towards the capital contribution of sewerage schemes. For the East Rotoiti/Rotomā scheme this is \$1,155,000. Council borrows to fund this and recovers the cost through the Lakes Enhancement targeted rate. The Lakes Enhancement rate is charged to all ratepayers within the Rotorua District (excluding Waikato Regional Council area). This amount has not changed for at least the past 15 years.

Council has made no change to the current funding in the Draft Long-term Plan. Adjusting for inflation, Council could increase the level of funding to \$2,700.00 per household and subsequently increase the Lakes Enhancement target rate to repay this.

Current	Funding option East Rotoiti/Rotomā households	Impact to RLC	Impact to Rotorua ratepayers
RLC contribution \$1,500.00/property 700 properties Total \$1,155,000 Cost of scheme \$30,480,000	RLC contribution \$2,700.00/property 700 properties Total \$2,079,000 Cost of scheme \$29,556,000 Saving \$1,109.93	Increase in debt \$924,000	Increase in Lakes Enhancement rate \$34.00

Seeking additional funding

Council is working with the Ministry for the Environment to secure an additional \$10.0m loan (from the Ministry).

If achieved, it would bring the cost of the scheme down to \$20,479,889

A resident would then pay \$26,597 excl GST; or \$30,587 incl GST

Council will be required to repay the \$10m. This could be done through the Lakes Enhancement Rate, which is charged to all ratepayers within the Rotorua District (excluding Waikato Regional Council area).

By increasing the Lakes Enhancement Rate the Council could repay this \$10m in a period of 10 to 33 years.

Number of Ratepayers
Lakes Enhancement Rate per Ratepayer
Current amount collected
Additional amount collected – repayment of MfE loan
Repayment period
Total amount collected

Should a loan from Ministry for the Environment become a reality, Council will consult on the repayment amount and period.



He aha ō whakaaro? What do you think?

Should Council increase its funding contribution to \$2,700 per household towards the final costs of the East Rotoiti/ Rotomā sewerage scheme and in turn increase the Lakes Enhancement rate by \$34.00 per Rotorua district ratepayer to repay the borrowing?

	Current	Repayment Scenario 1	Repayment Scenario 2	Repayment Scenario 3
	27,012	27,012	27,012	27,012
	\$20.22	\$31.33	\$38.73	\$57.24
	\$546,180.00	\$546,180.00	\$546,180.00	\$546,180.00
	\$-	\$300,000.00	\$500,000.00	\$1,000,000.00
		33	20	10
	\$546,180.00	\$846,180.00	\$1,046,180.00	\$1,546,180.00



Tarawera sewerage scheme

Council, at the request of the Tarawera community (who were faced with the need to comply with Bay of Plenty Regional Council's Maintenance Zone 2017 (OSET) rule), agreed to collaborate and support a wastewater reticulation scheme. Many of the properties at Tarawera will not be able to meet the OSET rules due to slope, geology and the size of their sections.

The local community explored a range of implementation options and identified a preferred option for the scheme. This work included two Cultural Impact Assessments undertaken in October 2018.

Te kōwhiringa e hiahiatia ana Our preferred option:

Stage 1 – Installation of sewerage mains network (550 properties*). Includes primary and secondary trunks and pump stations to connect Tarawera to the existing Lake Okareka sewerage scheme (approximately 24km of pressure pipelines and 4-5 pump stations, electrical systems, fibre connections and testing).

* Note: This stage provides for expected future growth.

Stage 2 – Individual on-property installation of pumps (440 properties) including all works required to connect individual properties to the completed mains sewerage network.

The total project cost is now estimated at \$29.0m (excl GST).





Scheme costs	Funding for the scheme
Design and preliminary planning \$2.0 million	Ministry for the Environment- \$6,500,000
Stage 1: \$13.5- \$14.5 million	Bay of Plenty Regional Council- \$750,000
Stage 2: \$11 – 12.5 million	Rotorua Lakes Council- \$825,000

The remaining \$20,925,000 (ex GST) needs to be funded by the residents through a capital rate, to be introduced when the scheme is completed and currently proposed to be over a period of 10 years. There will be the option to pay in one lump sum, quarterly or annually. The detail of this will come later when the project is completed.

Based on current project estimates a lump sum repayment would be about \$50,091 (incl GST)

Council’s ability to fund the project was originally based on full lump sum repayment at the completion of the project. In a subsequent Long-term Plan the repayment period was increased to 10 years as a result of a larger debt headroom becoming available.

Council has had requests to extend this repayment period beyond 10 years.

Council could look to extend the repayment period to 15, 20 or 25 years, noting that the longer the repayment period, the more a resident will ultimately have to pay.

	10 years	15 years	20 years	25 years
One-off lump sum (incl GST)	\$50,091	\$50,091	\$50,091	\$50,091
Total payments (incl GST)	\$66,951	\$76,300	\$ 86,334	\$97,014
Annual Payment (Including GST)	\$6,698	\$5,088	\$4,317	\$3,881

He aha ō whakaaro? What do you think?

While no decision is needed right now, Council wants to know what the Tarawera community thinks about extending the repayment period.

We also want to know how the wider community feels about the impact this would have on Council’s debt.



Impact of extending the payment term on Council’s debt

An increase in the repayment period will increase the level of debt the Council will incur and will reduce the available debt headroom.

Increase the Rotorua Lakes Council Contribution

Council has consistently had a policy of funding \$1,500 per household towards the capital contribution of sewerage schemes. For the Tarawera scheme this is \$825,000. Council borrows to fund this and recovers the cost through the Lakes Enhancement targeted rate. The Lakes Enhancement rate is charged to all ratepayers within the Rotorua District (excluding Waikato Regional Council area). This amount has not changed for at least 15 years.

Council have made no change to the current funding in the Draft Long-term Plan. Adjusting for inflation Council could increase the level of funding to \$2,700.00 per household and subsequently increase the Lakes Enhancement target rate to repay this.

Current	Funding option Tarawera	Impact to RLC	Impact to Rotorua ratepayers
RLC contribution \$1,500.00/property 550 properties Total \$825,000 Cost of scheme \$20,925,000 (ex GST)	RLC contribution \$2,700.00/property 550 properties Total \$1,485,000 Cost of scheme \$20,265,000 Saving \$1,109.93	Increase in debt \$660,000	Increase in Lakes Enhancement rate \$24.00

Te kōwhiringa e hiahiatia ana Our preferred option:

Do you think it's time that Council increase the level of funding to reflect inflation in the last 15 years?

Do you support the Council funding \$2,700 per household towards the costs of the Tarawera sewerage scheme and in turn increasing the Lakes Enhancement rate by \$24.00 per Rotorua district ratepayers to repay the borrowing?

He aha ō
whakaaro?
What do you
think?

Proposed rates change for 2024/25 year - indicator properties

The properties below provide an indication of how the Long-term Plan proposals outlined here will impact on your rates. The values shown are exclusive of GST.

Category	Capital Value 2020	Total Rates 2023/24	Proposed Rates 2024/25	Rates increase/ (decrease) \$	% increase/ (decrease)	Sector Ave % change
Business						11.10%
Lower CV	414,000	3,842	4,204	363	9.4%	
Medium CV	745,000	8,819	9,782	962	10.9%	
Upper CV	1,100,000	11,841	13,162	1,321	11.2%	
Upper CV	3,920,000	27,636	30,662	3,026	10.9%	
Farming						8.42%
Lower CV	755,000	2,681	2,878	197	7.3%	
Medium CV	1,070,000	3,835	4,131	296	7.7%	
Medium CV	1,320,000	4,106	4,449	343	8.4%	
Upper CV	2,470,000	8,375	9,071	695	8.3%	
Upper CV	6,400,000	19,506	21,202	1,696	8.7%	
Residential Rural						8.24%
Lower CV	620,000	3,950	4,248	298	7.5%	
Medium CV	995,000	4,684	5,071	387	8.3%	
Upper CV	2,190,000	7,328	8,001	673	9.2%	
Residential Urban						10.46%
Lower CV	430,000	2,883	3,187	304	10.5%	
Lower CV	495,000	3,060	3,379	319	10.4%	
Medium CV	615,000	3,387	3,735	348	10.3%	
Upper CV	835,000	3,986	4,386	401	10.1%	
Upper CV	1,090,000	4,680	5,142	462	9.9%	
Upper CV	1,320,000	5,306	5,823	517	9.7%	

To see what your rates might be visit the rates calculator at:
rotorualakescouncil.nz/RatesCalculator

Share your perspective

We want feedback from as many people in our community as possible, both formal and informal.

Please give us your feedback through whatever channel is easiest for you:

Fill in a feedback form

Either visit our website- rotorualakescouncil.nz/ltp, or fill out a hard copy form available at the Library or Council customer centre.

Write to us

Send your feedback to Rotorua Lakes Council, 1061 Haupapa Street attention Long-term Plan 2024.

Phone Us

Call us on 07 348 4199 between 8am- 5pm, Monday to Friday.

Talk to us

Come and make a short verbal presentation to us. Call 07 348 4199 to arrange to come in to the Council building and we will record your feedback.

Email us

Send your thoughts to letstalk@rotorualc.nz

Connect on Facebook

Engage with us on Facebook @rotorualakescouncil and leave your feedback.

Please note that comments and suggestions will be considered, discussed and form part of decision-making but receipt of feedback provided via social media cannot be acknowledged.

Meet us at events

Attend our events to find out more, speak with elected members and/or have your feedback recorded. See our event schedule inside the back page of this document.



OR GET CREATIVE:

We invite you to submit your feedback in any creative form.

You can submit your feedback in English, Te Reo Māori or NZ Sign Language. Please note that all submissions must include your name and at least one form of contact detail, such as email, phone, or address.

Your feedback needs to get to us by 5pm on 6 May 2024

All feedback will be considered by Council and used to finalise the 2024-2034 Long-term Plan.

The plan will be adopted by 30 June 2024.



rotorualakescouncil.nz/LTP



Tō Ingoa | Your Name:

Tō Īmēra, wāea rānei | Your Email or Phone number:

Do you wish to present your submission publicly in front of your Councillors at a hearing?
Kei te pīrangī koe ki te tū i mua i a matawhānui ki te tāpae atu ki te Kaunihera?

☐ Āe | Yes ☐ Kao | No If yes, when would you prefer to present? ☐ Morning ☐ Afternoon ☐ Evening

Community Outcomes | Ngā putanga ā hapori

1. What do you think of our community outcomes? Are we driving focus into the right areas?
Tuhia mai ōu whakaaro mō ngā putanga ā hapori nei. E aro tōtika nei ā mātau titiro?

Inner City Improvements – Te whakapaipai i te Manawa o te Tāone

2. Do you agree with the preferred Option 1 or do you think we should slow down or go faster?
Ko te kōwhiringa e hiahiatia ana ko te mea tuatahi, e whakaae ana koe? Me pōturi rānei, me whakatere ake rānei te haere?

☐ Option 1: staged approach ☐ Option 2: Go faster ☐ Option 3: Go slower ☐ Option 4: Do nothing

Aquatic centre revitalisation – Te Whakahoutanga o Ngā Puna Waikaukau o Rotorua

3. Do you agree with the preferred Option 1?
Ko te kōwhiringa e hiahiatia ana ko te mea tuatahi, e whakaae ana koe?

- ☐ Option 1: \$3m in year One of the LTP to start work on Stage 3
☐ Option 2: Add hydrosides as well now with an external partner involved
☐ Option 3: Full stage 3
☐ Option 4: Do nothing

Future for Pensioner Housing – Te āpōpōtanga o ngā wharenoho mā ngā pakeke

4. Do you agree with the preferred Option 2?
Ko te kōwhiringa e hiahiatia ana ko te mea tuarua, e whakaae ana koe?

- ☐ Option 1: Maintain current delivery model (status quo)
☐ Option 2: Lease pensioner housing to a community provider

Going for Growth Development Contributions - Te whai haere i te whakawhanaketanga tāpaetanga

5. What are your thoughts on the Development Contributions Policy review?
He aha ōu whakaaro e pā ana ki te arotake kaupapa here whakamato tupu?

Operating Within Our Limits - Te mahi i roto i te wāhi ki a mātau

6. What are your views on the proposed savings?
Tuhia mai ō whakaaro mō ngā penapenatanga kua tūtohutia mai.

Rating Changes - Ngā tīnīhanga reiti

7. Do you support changing how we rate short term rental accommodation and vacant land?
E tautoko ana koe i te panonitanga o tā mātau tukanga whakareiti whare rīhi noho wā iti me te whenua wātea?

Lakes Residents - Ngā tāngata noho ki ngā roto

8. Do you support Council increasing its funding contribution to sewerage schemes from \$1,500 to \$2,700 per household?
E tautoko ana koe i te hiki o te pūtea tāpae o te Kaunihera ki te \$2,700 ia te kāinga tūtahi hei utu i ngā kaupapa parakaingaki?

9. Tarawera residents: While no decision is needed right now, what do you think about extending the repayment period to either 15, 20 or 25 years for the sewerage scheme?
Ki ngā tāngata noho ki Tarawera, tuhia mai ngā whakaaro mō te whakaroanga kia 15, 20 ā 25 o ngā tau o te wā utu mō te kaupapa parakaingaki?

10. Is there any other feedback on the draft Long Term Plan that you would like to share?
He kupu kōrero atu anō āu mō te Mahere Pae Tawhiti e uiuitia ana?



Saturday 6th April

7am to 12pm - Kuirau Park Saturday Markets, Kuirau Park carpark

Monday 8th April

11am to 1pm - Public Drop In Session Te Pukenga- Toi Ohomai Mokoia Campus, Outside Student Café

6pm to 7pm - Reporoa community meeting, Broadlands community hall

Tuesday 9th April

5:30pm to 7pm - Lakes Community meeting, Píkiao League Club Mourea

Wednesday 10th April

9am to 10am - Submission support drop in sessions, Rotorua Library

7pm - Mamaku Residents Association community meeting, Mamaku Firestation

Thursday 11th April

12pm to 1:30pm - Convo with a Councillor lunchtime session, Rotorua Library

Monday 15th April

6pm to 7:30pm - Lakes Community meeting, Rotoiti Sports Club

Tuesday 16th April

1pm to 2pm - Submission support drop in sessions, Rotorua Library

Wednesday 17th April

5:30 to 6:30pm - Ngongotahā community meeting, Ngongotahā community hall

Thursday 18th April

10:30am to 11:30am - School holiday family event, Rotorua library

Saturday 20th April

7am to 12pm - Kuirau Park Saturday Markets, Kuirau Park carpark

Monday 22nd April

5:30pm to 6:30pm - Lake Ōkāreka/Tarawera community meeting, Lake Ōkāreka Firestation

Tuesday 23rd April

5pm to 6pm - Convo with a Councillor evening session, Rotorua Lakes Council

Friday 26th April

11am to 12pm - Pop up information event, Lakefront playground

Monday 29th April

1pm to 2pm - Submission support drop in sessions, Rotorua Library

Thursday 2nd May

4pm to 5pm - Submission support drop in sessions, Rotorua Library

We will be presenting to a number of community groups as part of consultation. *please check our Facebook page @RotoruaLakesCouncil for event updates

Perspective:
**Share
yours.**

HALF
FULL



Optimist

HALF
EMPTY



Pessimist

AIR
IT'S
FULL
(TECHNICALLY)
WATER



Scientist



Artist

WHAT
GLASS?



Illusionist



Surrealist

Tell us
how you
see it.

THIS IS
WATER
IN A
GLASS



Realist

THERE
IS NO
CUP



GLASS
\$1.89
WATER
\$0.29
\$2.18



Economist

Have your say on plans for
Rotorua for the next 10 years.



rotorualakescouncil.nz/LTP

Visit the link for more info
and to share your views.