



# Annual Plan consultation

Te pūrongo ā-tau, he puka rapunga kōrero

2020

**ROTORUA  
LAKES COUNCIL**

Te kaunihera o ngā roto o Rotorua

# HE MIHI WELCOME

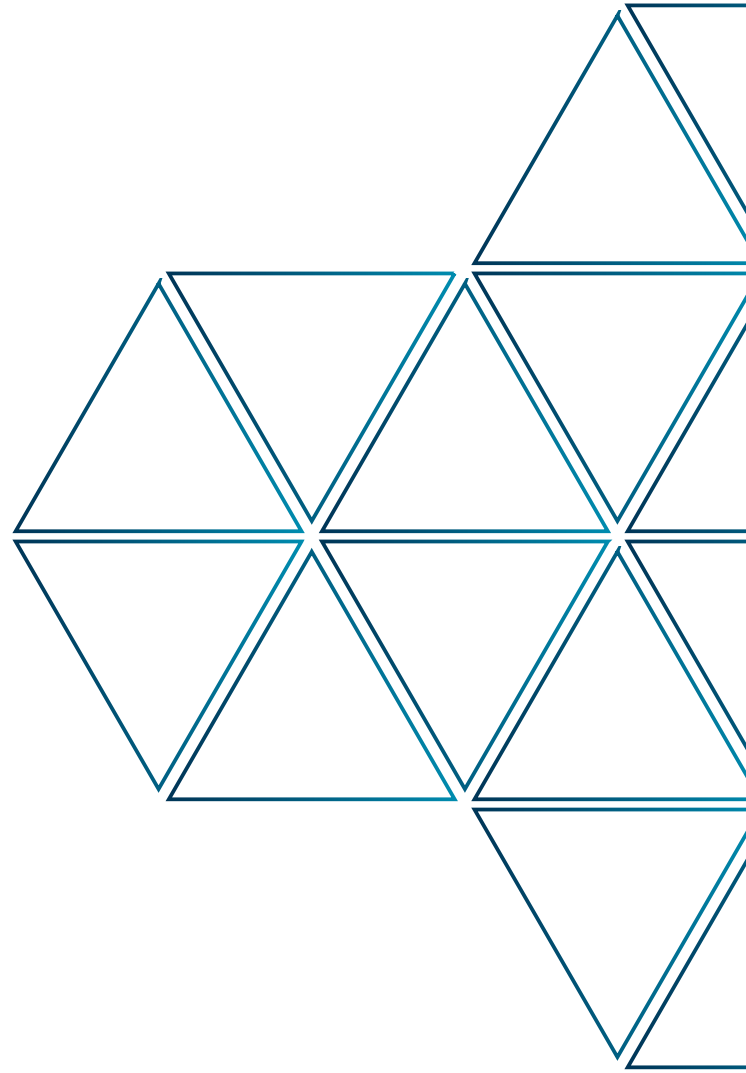
He pō he pō, he ao he ao  
Takiri mai te ata  
Kōrihi te manu  
Ka ao ka ao ka awatea  
Tihei mauri ora.

From the dark comes the light  
The morning has broken  
The Dawn Chorus sings to the world  
Tis light tis light, daylight has arrived  
Behold there is life.

E ngā reo  
E ngā mana  
E ngā iwi nō ngā hau e whā  
Tēnā koutou katoa.

To the many voices  
To the many authorities  
To the many peoples from the four winds  
We greet you

# KAUPAPATAKA CONTENTS



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**DISCLAIMER:** Information in this document sets out council's discussions around the setting of the budget for 1 July 2020 to 30 June 2021, (year 3 of the Long-term Plan 2018-28). This is an opportunity to signal any changes since the adoption of the Long-term Plan in 2018 and it sets out what Council plans to deliver following consideration of the challenges it faces.

# HE KUPU NĀ TE MANUKURA MAYOR'S MESSAGE

## E NGĀ IWI PUTA NOA I TŌ TĀTAU ROHE O ROTORUA, TĒNĀ TĀTAU.

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The world around us has changed and so has our district. COVID-19 has impacted us all, including many of our business sectors and a sustained effort is now required by us all to build back our economy and the community's confidence.

Our district and our people are hurting and will need ongoing support and assistance.

Our proposed annual plan recognises that and focuses on our commitment to cushion the impact of COVID-19 and implement our economic recovery strategy.

The recovery strategy takes a 'build back better' approach and aims to not just see our district recover, but to also build more resilience into our economy and community.

Our proposed annual plan recognises and responds to Rotorua's challenges and provides necessary flexibility to address new challenges and opportunities that may emerge but which we cannot yet predict.

Now is not the time for Council to retrench, shut things down or hope everything will just get better. That would only make the situation worse and any sort of recovery harder.

At the same time, we recognise the need for ongoing prudence in our decision-making and that remains to the fore in this proposed plan.

We have also taken a hard look at how we do things and have revised our financial strategy to take into account the cost of implementing and funding what is required for the coming financial year.

We have a solid package to move us forward.

We will continue what has been a successful approach to date to partner with Government and its agencies, with local providers, business and iwi to look at ways to fund and deliver Rotorua's recovery. They tell us we are on the right track.

As a council, we have a major role to play in standing our district up again.



Our commitment to the recovery plan is reflected strongly in this annual budget and will also need to flow through to development of the next long-term plan. In the coming financial year our efforts towards recovery will be witnessed through:

- Our continued delivery of essential services;
- The delivery of existing projects to support recovery;
- Economic stimulus – new capital projects that will provide work for businesses and will provide ongoing and new employment opportunities;
- The housing strategy and associated work.

Driving Rotorua's recovery will require a balance between ensuring we can keep providing essential services while also helping to keep our economy, local businesses and local people going.

We also need to be able to continue to cushion the impact and position Rotorua for recovery to ensure our resilience as a community and district.

This document outlines 8 strategies that drove our annual plan thinking and what we propose to achieve them, including a zero per cent general rates increase and increases only in targeted rates to fund core essential services like wastewater, water and refuse collection.

There will be recovery. Our role is to make sure it is as robust, as resilient and as quick as possible.

Tatau tatau – we together

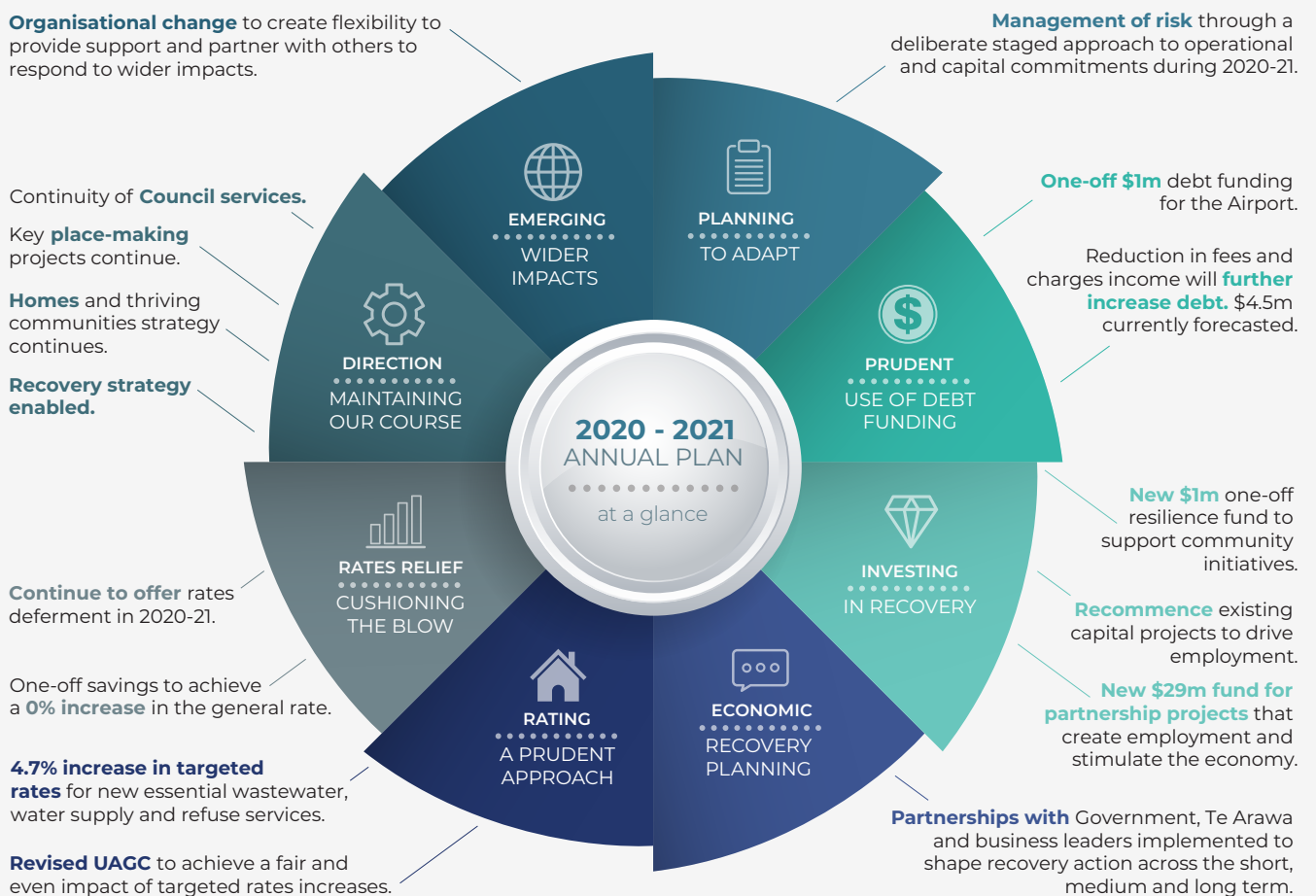
**Hon Steve Chadwick JP**  
**Mayor of Rotorua**



Do you support us, your district leaders, in our efforts to cushion the impact of Covid-19 and stand our district up for recovery?

# TIROHANGA WHĀNUI PLAN-ON-A-PAGE

The role of your Council is to lead and represent you, the community, and while we plan how to respond to the challenges that surround us at this time (COVID-19, housing and essential service demand), we can't lose sight of the importance of community well-being into the future.



“ Just as relevant now, as it was before the crisis, is a clear understanding of your objectives – what are you trying to do? That needs to remain uppermost in our minds and should guide our decision making. ”

- Ganesh Nana (Chief Economist, BERL)

# TIROHANGA WHAKAMUA 2030 VISION 2030

In addition to a clear head, is a clear focus on your kaupapa. For the Rotorua Lakes Council, the focus has been and remains clear. Vision 2030 and the goals being pursued for the district remains central to the work of the organisation.

Koinei tō tātau kāinga.

Ko tātau ōna tāngata.

Nā tātau tonu i ora ai te ahurea Te Arawa me ōna āhuatanga katoa.

He iwi auaha tātau e tuku nei i tā tātau e ako nei.

E kokiri nei tātau i te angitu, i te hihiri me ngā rerekētanga maha.

E kaha tautoko nei tātau i te whakapūmautanga o te taiao.

Mō te katoa a Rotorua...Tatau tatau.

This is our home.

We are its people.

We're the heart of Te Arawa culture and expression.

We're innovative and we share what we learn.

We're driving opportunity, enterprise and diversity.

We're supporting a legacy of sustainability for our environment.

Rotorua is a place for everyone.

Tatau tatau - We together.



This consultation document outlines Council's sustained effort required to build back confidence in our community and the economy.

# TE WHAKATUTUKI I TE KAUPAPA DELIVERING ON THE KAUPAPA



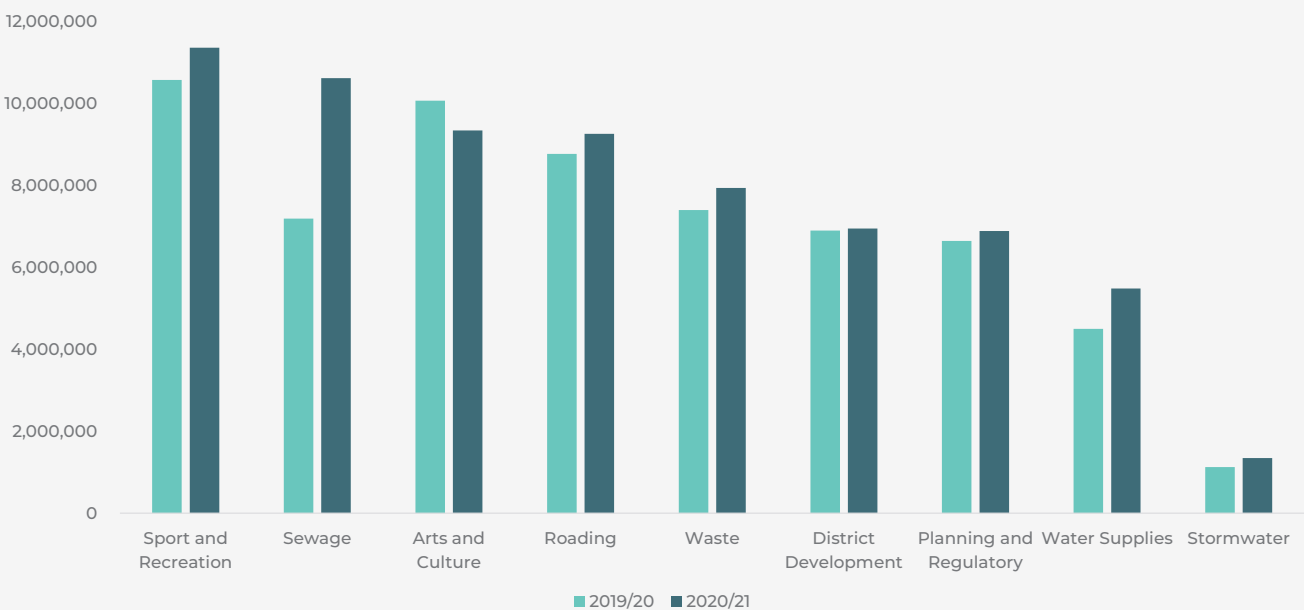
- **Maintaining direction**

## Continued delivery of essential services

Continuing to deliver quality services remains a priority. That priority is reflected in our Long-term Plan 2018-2028 which sets out all the essential services we deliver through 9 activities supported in turn by leadership/governance and business support functions. We also have the responsibility to ensure that the community's significant asset holdings are maintained; so they will continue to function now and well into the future.

Delivering to the standards and expectations of our community is always a challenge and a balancing act. The challenges are bigger than ever because of COVID-19. Supporting our community means continuing to deliver essential services linked to our active environment, strong culture, easy lifestyle and diverse opportunities.

Cost to deliver services:



## Service focus for 2021/21

The severe impacts of COVID-19 on our community and economy will require greater additional support from central and local government. Council must continue to deliver essential services but must also consider how we support the longer-term focus across the four well-beings - social, economic, environmental and cultural.

While we have worked extremely hard to find savings in all areas of the council services, the areas of waste water, water and refuse are delivering higher costs as a result of additional demand and higher environmental and health expectations and standards..

## Wastewater services

New environmental standards, additional services demand and ageing asset challenges on the wastewater activity have driven us to consider a different way to deliver the service. We have developed a statement of proposal that is out for consultation and asks you, if you support this method of delivery. At present, approximately 70% of the costs involved in the delivery of the service are associated with a multitude of individual contracts that inhibits any ability to provide an end to end service. Our proposal is to consolidate individual contracts and engage one contractor to manage and deliver the whole service. We believe there are a number of benefits to going down this path, all of which lead to protecting the assets and services in the long term, ensuring that Council establishes a stable, reliable and safe network.

Please read the full proposal and provide us with your feedback. The proposal can be found on the council website at [www.letstalk.rotorualakescouncil.nz/waste-water-services-statement-of-proposal](http://www.letstalk.rotorualakescouncil.nz/waste-water-services-statement-of-proposal)

## Water supplies

Our high quality water supply to the community remains safe and reliable. 40,000 m3 of water a day is pumped to every connected household in the district. Increasing costs are the result of the increases in the cost of electricity required to maintain this consumption.

## Refuse collection

In parallel to our district growth we are experiencing higher volumes of household waste being generated. Previously, costs could be kept down from the sale of recyclables to overseas markets. Many markets, including China will no longer accept recyclable material from other countries, meaning the benefits from that revenue is no longer available to offset the collection and management cost of recycling.

## Fees and charges

Annually, we forecast approximately \$20-25m revenue from fees and charges. Due to the impact of covid-19, we anticipate a \$4.5m in this coming financial year. This is a best estimate based on the knowledge we have to date. The position could be better or worse. The reality is we do not know so we need to be flexible and able to adapt depending on the situation.

Areas expected to be most affected:

- Animal Control
- Building and Planning
- Events
- Inspection and Licensing
- Parking
- Parks
- Markets
- Library

## Te Tāwharautanga ki Rotorua: Rotorua Housing and Thriving Communities

Council's key priority, Housing and Thriving Communities, remains just as important post Covid-19. Rotorua has seen a growth in population, which has led to a shortage of housing at all levels of the market for both renters and owner-occupiers, increasing housing costs, reducing affordability and increasing homelessness.

Housing continuum:



Last year, Rotorua Lakes Council and Te Arawa asked the community what our collective vision for housing should be:

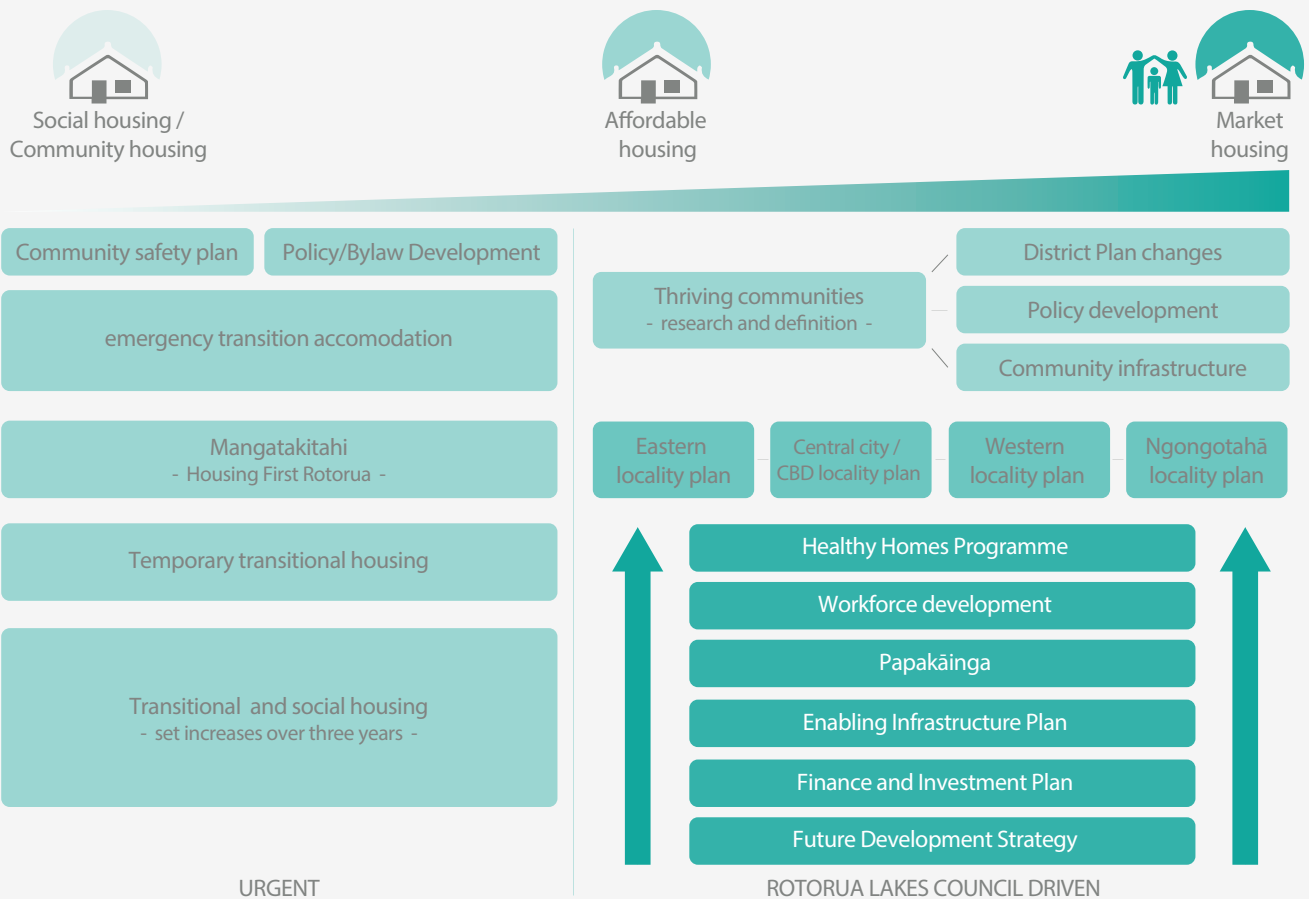


## Draft Strategy Framework

Council has been working in partnership with Te Arawa on a draft strategy framework. This work supports and gives local direction to the work being done by the central government agencies, coordinated by the Ministry Housing and Development. Iwi, landowners, developers and social housing providers. All of who are critical to addressing the city's housing supply challenges. A comprehensive set of work streams have been developed which will form the focus of work over the next 5-10 years.



Te Arawa and Council will launch the Rotorua Housing Strategy in the coming weeks, we will be seeking your feedback!



While the Covid-19 lockdown created an immediate focus on the homeless shelter and those in emergency accommodation, looking ahead the focus is around:

- Developing transitional housing and support services to enable people experiencing homelessness or housing insecurity to have a safe place to call home
- Increasing social housing
- Development of papakāinga
- Healthy homes programme enabling critical home improvements
- Locality plans that support thriving communities with the supporting infrastructure, financing and development planning that enables more homes to be built in well-designed communities. The four growth/regeneration areas are identified in the Spatial Plan - Ngongotaha, Western Heights and Fordlands, Inner City and Eastside.
- Utilising the challenges and opportunities that arise from the COVID-19 pandemic to support economic recovery through construction and related work

Our contribution in 2020/21 is \$300,000. This will fund a range of activities from completing the strategy framework to the development of locality plans and investment in infrastructure that supports the outcomes of the locality plans.

# HE MANU ARATAKI

## TŌ TĀTAU AROTAHI KI TE WHITINGA MAI O TE RĀ

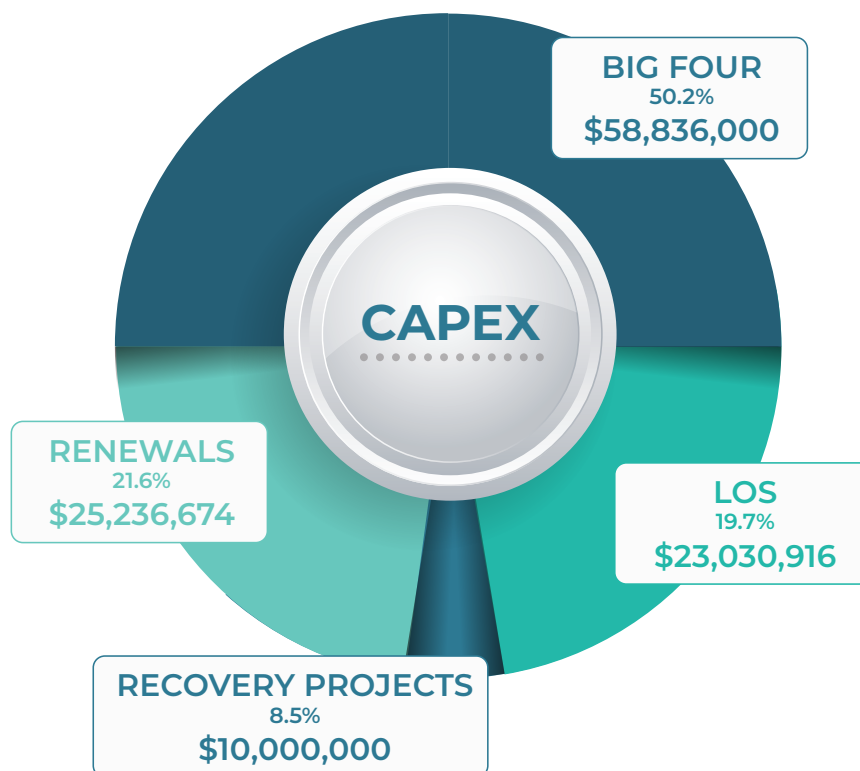
### LEADING THE WAY

#### OUR COMMITMENT TO RECOVERY



- **Economic recovery planning**
- **Investing in recovery**
- **Planning to adapt**

Investment into Rotorua now and for the future is reflected in our proposed capex budget of \$117m. We are proposing to focus on ensuring that this capex is also directly attributed to how we can enable the recovery of our district and stand our economy back up.



“ Local government can ensure local demand remains strong. Increase (or, at the least maintained) investment by local government will support the local recovery. Local government has closer levels of engagement and stronger relationships with local business. ”

- Ganesh Nana (Chief Economist, BERL)

## RECOMMENCE OUR 4 BIG PROJECTS

Government has expressed its desire for us to drive forward and recommence existing projects at speed. It has signaled it will provide its funding contribution up front, rather than in the usual instalments, to help support our balance sheet and enable us to quickly stimulate the local economy.

These four projects will contribute to approximately half our capex programme in 2020/21.

### Lakefront

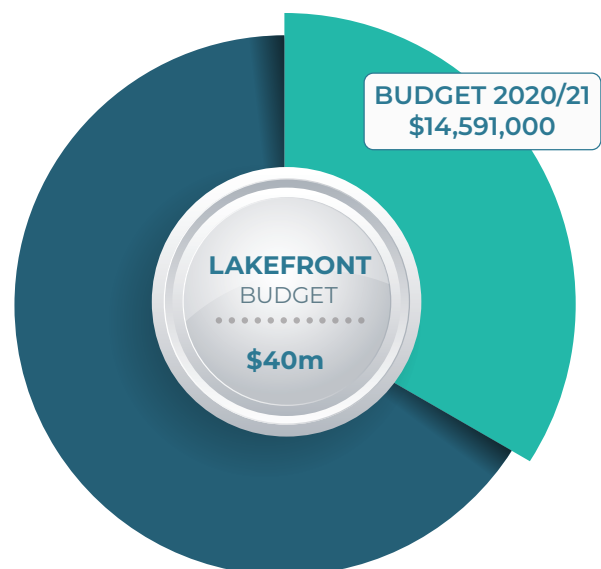
Our vision is to develop the lake front into an outstanding recreational area that will benefit locals, support tourism, and encourage private investment, which will in turn create new jobs and benefit Rotorua's community. This development is going to celebrate our culture and community – it will be uniquely Rotorua and distinctly different to any other lakefront in the world.

Council has allocated \$20 million to the development and has received matching funds from the Government's Provincial Growth Fund to enable the project to be completed over the next three years.

Along with our partners Ngāti Whakaue and Te Arawa Lakes Trust (TALT), the lakefront design was guided by both Rotorua Lakes Council's steering group and a project advisory group and with support from Pukeroa Ōruawhata Trust, the Gifted Reserves Committee and Te Kōmiti Nui o Ngāti Whakaue.

Improvements to the lake front commenced late 2019 with the old Scout Den and Soundshell being removed. Work to the lake edge then commenced but came to a stand-still due to COVID-19. Now that construction has resumed, work will be accelerated to complete the lake wall and boardwalk over the water and the necessary landscaping and services that support the board walk and adjacent reserve area.

For further information on this project, please go to [www.visiontoaction.nz](http://www.visiontoaction.nz)



## Museum

The iconic Bath House building that houses the Museum is part of Rotorua's history and a facility we all take great pride in as a place that tells the stories of our district and of Te Arawa. Restoration and re-opening of our whare taonga is vital for both our community and as a visitor attraction. Council is committed to restoring our world renowned Museum.

The closure of the Rotorua Museum for seismic strengthening and restoration, has allowed the opportunity to upgrade key amenities in the building to enhance functionality, accessibility and the overall visitor experience. New amenities will include a new café and restoration of the adjacent historic corridor, upgrade of the north wing baths, complete refit and refurbishment of the south wing galleries, new lift access to the mezzanine and new conference room.

When the COVID-19 lockdown commenced deconstruction was just about complete unearthing some amazing hidden heritage features like the Rachel Pool in the café space (see image).

To enable construction to get underway sooner packages of construction work are being developed. As each package of detailed design is completed, an application for building consent will be lodged. Once issued, that stage will commence.

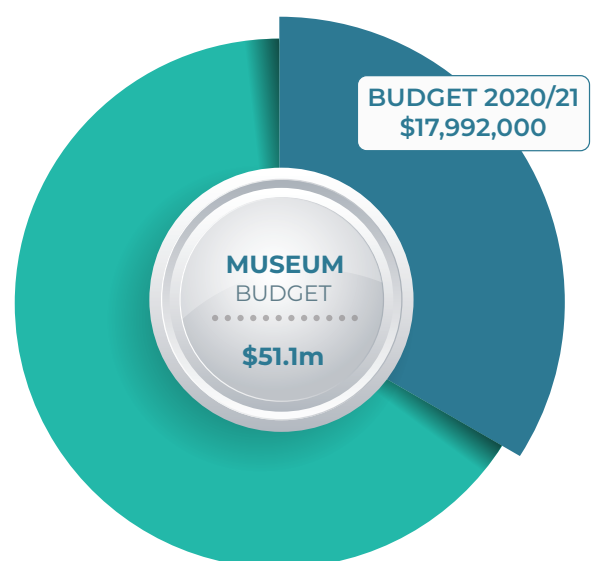
It is anticipated that construction will commence around June/July with lead construction company Hawkins having in place all the necessary safety procedures to undertake work in COVID-19 Alert levels 2 to 1.

In the next year the entire building foundation work will be completed along with all works in the south wing. The full construction time is expected to take approximately 24 months.

Council has committed a \$15m investment with a total of \$36.1m coming from our generous funding partners,

- Provincial Growth Fund - \$15m
- Rotorua Energy Charitable Trust - \$10m
- Lottery Grants Board - \$6m
- Regional Culture & Heritage Fund - \$5m
- Phillip Verry Charitable Fund – \$100,000

For further information on this project, please go to [www.visiontoaction.nz](http://www.visiontoaction.nz)



## Long mile Road/Forest hub

The iconic Whakarewarewa and Tokorangi Forests are places much-loved by many.

We are fortunate that the land owners (the Central North Island Iwi Collective) and mana whenua (Tūhourangi Ngāti Wāhiao and Ngāti Whakaue) welcome visitors and locals to experience the forests.

Even though international tourism will be heavily diminished for at least the next year, we expect domestic tourism to remain strong and the forests are a key attraction for mountain bikers, runners and walkers. The ongoing development of Whakarewarewa Forest is about enhancing and creating areas that are sustainable for future generations, as well as making the forest more accessible for a variety of users to enjoy.

The development will see us provide the infrastructure necessary to support the continued enjoyment of this asset for Rotorua people and visitors, and leverage the economic, social, cultural and environmental potential the asset provides to our region.

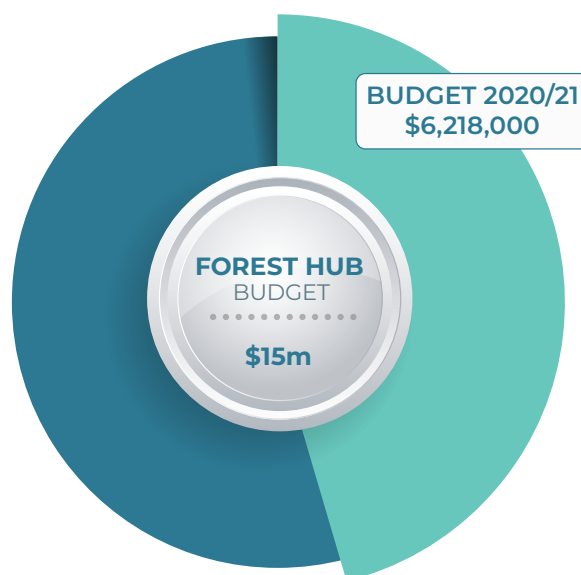
Council has committed \$7.5m to enhance the forest amenity and improve the experience for all. This commitment is matched by the Government's Provincial Growth Fund contributing \$7.0m.

Enhancements to Long Mile Road, including better road access and parking facilities were completed prior to COVID-19 lockdown. Proceeding with construction will see the new Long Mile visitor centre completed in the coming year. Following on from this, a second entryway and visitor hub is currently under construction further up Tarawera Road. Works are underway creating two new great rides that will create greater connections between the city and forest, and forest and lakes, and eventually replace the current Te Ara Ahi cycleway.

What will be delivered this year?

- Tarawera Forest Hub Toilet Block – completed late June/early July 2020
- Forest Loop – new trail sections – completed July/August 2020
- City Loop – construction works to commence
- Long Mile Road Visitor Centre – design late 2020 with construction works commencing early 2021

For further information on this project, please go to [www.visiontoaction.nz](http://www.visiontoaction.nz)



## Sir Howard Morrison Performing Arts Centre

The closure of the Sir Howard Morrison Performing Arts Centre provided an opportunity to redevelop the building, alongside seismic improvement, to become an outstanding centre for performing arts in Rotorua and the wider region.

This strengthening, restoration and redevelopment project has been driven by the aspiration to restore this significant heritage facility in a way that will deliver a broad range of positive outcomes for our community.

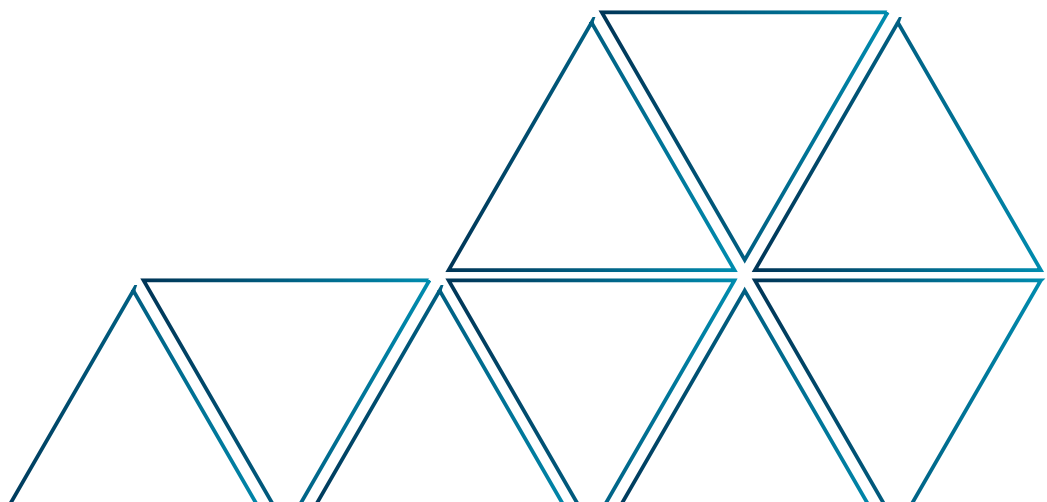
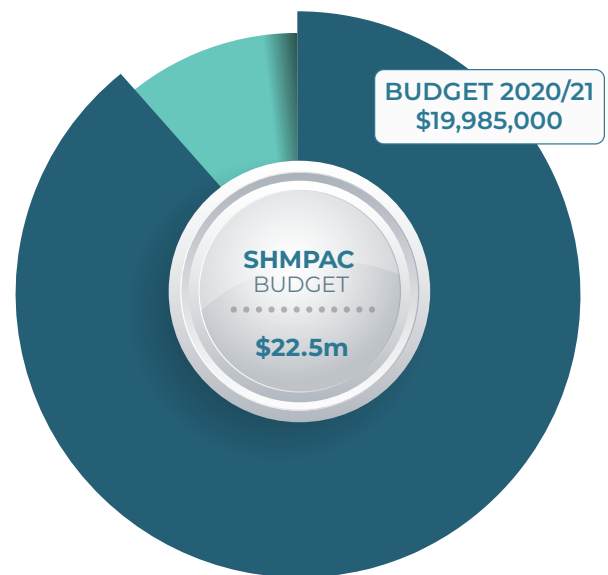
Council has allocated \$11.5 million to the project with a total of \$11m coming from our generous funding partners:

- New Zealand Lottery Grants Board - \$5.2m
- Glenn Family Foundation - \$3.0m
- Rotorua Energy Charitable Trust - \$1.5m
- NZCT - \$1.0m
- Ngāti Whakaue Trusts – \$150,000
- One Foundation - \$125,000

When lockdown commenced the project was completing detailed design elements to the front entrance and foyer, following consultation and cultural design input from Ngāti Whakaue, led by Henriata Nicholas. The building and resource consents have been finalised and submitted while in lockdown.

Providing all site safety standards can be met, Council approval will be sought towards the end of May/early June to commence construction. Construction is planned to get underway in June or July. Once started, construction is expected to take around 12 months so will be nearing completion by the end of the 2020/21 financial year.

For further information on this project, please go to [www.visiontoaction.nz](http://www.visiontoaction.nz)



## PARTNERSHIP PROJECTS WHICH CREATE EMPLOYMENT AND STIMULATE THE ECONOMY

### Community support fund

We are proposing to introduce a \$1m one-off fund that would provide support and co-ordination for community and voluntary groups with a focus on initiatives that build resilience.

### Economic recovery projects

Council has included an additional \$29m into the capex budget over the next two years to fund partnership projects which will create employment and stimulate the economy. \$9m has been set aside in 2020/21 with a further \$20m in 2021/22.

Opportunities for projects will be identified and scoped by Council, Te Arawa, local business and Council's Rotorua Economic Development CCO (council-controlled organisation) working together to directly respond to the Whakahouhia te Whare Ohanga - Build Back Better Rotorua economic recovery strategy. Depending on the level of government funding we receive for shovel ready projects, some of this funding may be needed to match government support. This will be worked through when a government announcement is made.

### Shovel ready projects

Early in April the Government called for projects that could be started within 6 to 12 months to be submitted for potential government funding to support the construction industry and help provide economic stimulus.

Rotorua Lakes Council submitted a total project package of \$209 million. These projects are not new, but reflect the long-term plans and significant partnerships between Council and Te Arawa Iwi to transform the district and its economy. Some of these projects have already received funding from the Provincial Growth Fund. However, the anticipated private sector investment is now almost certain to be delayed putting at risk the achievement of the predicted benefits. For these projects, opportunities have been identified to maintain the momentum and bridge the immediate gap until the private sector is in a position to invest.



Announcements about what will be funded have not yet been made. When a Government decision is made Council will need to consider any approved project and the level of Government funding allocated to ensure any council contribution was at a level that can be sustained, within its financial envelope.

| Project                                                                                                                                                                                                                                                          | Total Cost of Project<br>(as per application) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Infrastructure to support housing and the development of new businesses /sectors                                                                                                                                                                                 |                                               |
| <ul style="list-style-type: none"> <li>Unlocking urban land development (Wharenui Road and SH30)</li> <li>State Highway 30 (Te Ngae Rd) roading upgrades, stormwater infrastructure development and Ngāti Whakaue Tribal Lands capability investment.</li> </ul> | \$20-\$30m                                    |
| <ul style="list-style-type: none"> <li>Rotorua Urban WWTP upgrade</li> <li>Significant upgrades and growth capacity for Rotorua city and lake water quality.</li> </ul>                                                                                          | \$60-\$65m                                    |
| <ul style="list-style-type: none"> <li>Rotorua Airport Industrial / Business Park</li> <li>Land development investment to support airport / aeronautical business development (Precinct application A and B).</li> </ul>                                         | \$26.7m                                       |
| <ul style="list-style-type: none"> <li>Rotorua Airport Hangar Park</li> </ul>                                                                                                                                                                                    | \$17.2m                                       |
| <ul style="list-style-type: none"> <li>Lake Rotoehu Wastewater Scheme</li> <li>Lake water quality improvements and reducing financial impact on local ratepayers.</li> </ul>                                                                                     | \$10m                                         |
| Leveraging existing tourism investment to create greater value and strengthen domestic visitation                                                                                                                                                                |                                               |
| <ul style="list-style-type: none"> <li>Rotorua Aquatic Centre Improvements Programme (Stage 3)</li> <li>Geothermally heated regional quality facility</li> </ul>                                                                                                 | \$15.43m                                      |
| <ul style="list-style-type: none"> <li>Whakarewarewa Forest Development Phase 2</li> <li>Hub development on Tarawera Road including core buildings, tree planting and track developments.</li> </ul>                                                             | \$13.9m                                       |
| <ul style="list-style-type: none"> <li>Rotorua Lakefront High Value Tourism and Hospitality Destination Precinct</li> <li>Development of new jetties for commercial operators and new building and infrastructure in Ohinemutu.</li> </ul>                       | \$17.2m                                       |
| In addition to the seven projects Council has also supported a joint application with Te Puni Kokiri to add to work already committed for Kaingaroa Village.                                                                                                     |                                               |
| <ul style="list-style-type: none"> <li>Kaingaroa Community Development Project</li> </ul>                                                                                                                                                                        | \$14.04m                                      |
| TOTAL                                                                                                                                                                                                                                                            | \$209m                                        |

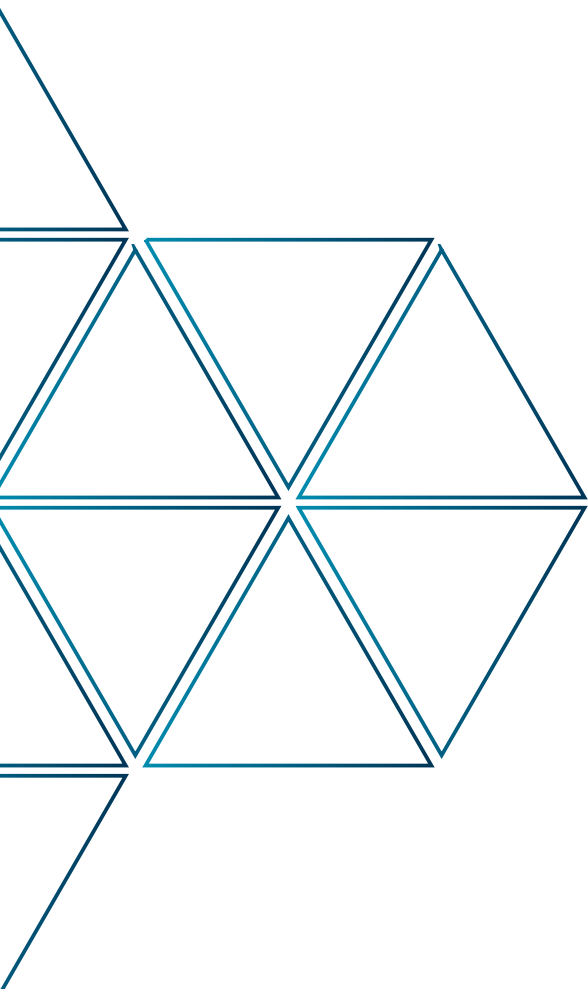
## DELIVER PROJECTS THAT CONTRIBUTE TO DISTRICT ECONOMIC BENEFIT & JOB CREATION – asset renewal and levels of service

One role of Council is to ensure that current assets are well maintained, safe and fit for purpose now and well into the future. This commitment made in our Long-term Plan 2018-2028 goes unchanged. We will spend \$25.3m on renewals in 2020-21, however we will do it a bit differently.

Recently we adopted changes to our procurement policies to reflect a commitment to “buy local”. In adopting this change greater weighting has been added to ensure that the projects we are commissioning go to local business, local people and that the dollars stay in our district. This commitment is the same for all capital expenditure.

We will also spend \$23m on levels of service projects and we will approach this differently also. We will look hard at the timing of the projects being mindful of the need to adapt and be flexible to the economic environment around us.

Our projects need to be timely and targeted meaning we need to be flexible in with decision-making about whether and when to go ahead or slow down.



# HE PURAPURA TUAWHITI

## TŌ TĀTAU RAUTAKI TAHUA PŪTEA

# DOLLARS AND SENSE

## OUR FINANCIAL STRATEGY



- **Cushion the blow**
- **Prudent approach to rating**
- **Prudent use of debt**
- **Planning to adapt**
- **Maintain direction**

Our proposed Annual Plan aims to cope with the uncertainty of the time and responds to the crisis in a tangible way. The fundamental elements of our financial strategy have not changed in the light of COVID-19.

- Achieve the Vision 2030 in a financially prudent and sustainable way
- Maintain existing infrastructure so it is fit for purpose now and into the future
- Provide infrastructure to accommodate a growing district
- Invest in the future of the district and;
- Keep rates affordable and managing debt

This provides a platform for investing in our community's recovery from COVID-19 – we are leveraging our balance sheet, using debt to support recovery projects (\$30m), fund short term operational shortfall (\$4.5m) and to cushion the blow through a rates deferral programme. Now more than ever we need to double down on the objectives above and respond to the challenges. Back in March we considered an average rates increase of 8.18%. This was an increase built on the back of:

- A prominent tourism industry
- Rotorua being a population surge region
- Achieving 2030 Vision and timeframes
- Correcting legacy of under-resourcing in infrastructure assets



Just like your household; ours too has been turned inside out and we must adapt to the challenges by responding through a sustained and purposeful approach to our spending. We have reviewed and will continue to do so to ensure we meet the expectations required to build back better.

## Rates increases

A 0% general rates increase has been achieved through the review of all our service areas and the use of one-off mechanisms to cushion the blow this year. However, services with growing demands and increased risks and challenges are driving more costs to council. Wastewater, water and refuse collection are three essential services impacted the most.

| Activity             | \$ increase | % increase | Comment                                                                                                                                                                                                      |
|----------------------|-------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sewerage             | 3.3m        | 20.6%      | Increased operational costs for Rotoiti/ Rotoma. Increased electricity costs. Longer than anticipated operation of the WWTP and forest system due to consent delays. High repair costs due to ageing network |
| Water                | 0.6m        | 12.9%      | Increased cost of electricity, along with increases in maintenance contracts resulting from increased levels of service.                                                                                     |
| Economic development | 0.1m        | 0.5%       | Increased funding to Council's Economic Development CCO (Council Controlled Organisation).                                                                                                                   |
| Waste management     | 0.3m        | 4.7%       | Loss of revenue due to overseas markets no longer accepting recycleables.                                                                                                                                    |

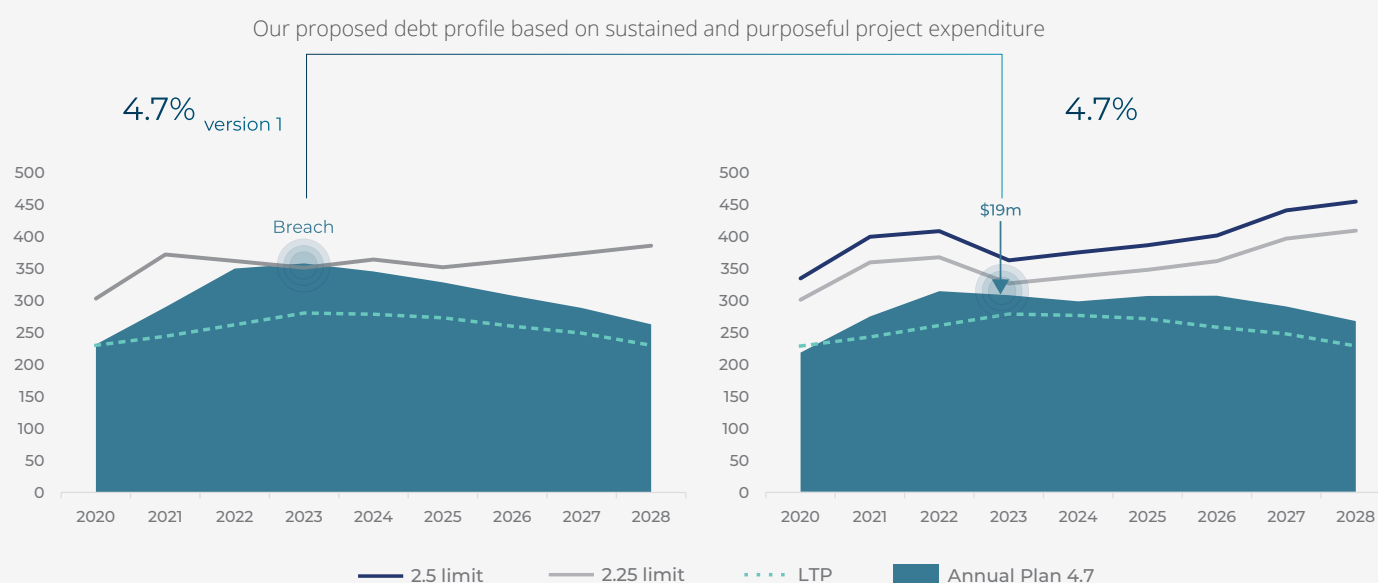
## Prudent Use of Debt

COVID has created huge uncertainty for which we will need to have a balance sheet available for action. We propose to:

- Fund the 2019/20 4<sup>th</sup> quarter rates deferral with debt
- Invest in recovery by setting aside \$9m in this budget and a further \$20m the year after for economic recovery projects
- Fund a one-off \$1m community resilience fund
- Retained Council's continued ability to support our community's by covering the anticipated shortfall in fees and charges through debt
- Provide a one-off, \$1m funding assistance to Rotorua.

## 10 year debt profile

The capital programme will continue. However, some timing changes have been considered in order to provide opportunities that flatten the debt curve. This will ensure we still have sufficient borrowing flexibility and capability should a future event require us to act upon. Timing changes to the Rotorua wastewater treatment plant upgrade, Tarawera wastewater, Kuirau Park and the Museum have provided the flexibility for us to do this. Considered adjustments to the timing of certain projects removes compression and maintains flexibility to respond through increased headroom: 'flatten the curve'.



## Rates affordability and equity

Council continues to grapple with the challenge of rates affordability and the equity of rates distribution. The strategy over the last couple of years has been a view towards driving more rates away from fixed charges and to leverage rates against the capital cost of a property. This is based on a national approach to rating that the higher the capital value of a property the more likely the ratepayer can afford and pay for the rates.

However ongoing costs increases in wastewater, water and refuse which are a fixed component of your rates goes against this strategy. This results in the costs of the overall increase falling unfairly across some rating categories. In a time when there is a proposed 0% general rates increase, a change to the uniform annual general charge (UAGC) can provide opportunities to shift the rates distribution from fixed charges towards the capital value.

In the current situation increased costs in waste water, water and refuse mean the distribution of the overall rates increase is impacting most on lower capital value properties. We are proposing a reduction of \$25 to the UAGC to achieve a fairer and more even impact of the targeted rates increases. We are proposing a reduction of \$25 to the UAGC to achieve a fairer and more even impact of the targeted rates increases.

# Ō REITI YOUR RATES

What does this targeted rate increase mean? The table indicates how the rates increase affects a sample of properties in our district. This sample includes the proposed reduction of the UAGC by \$25. For individual property changes go to the rates calculator at: [www.letstalk.rotorualakescouncil.nz/annual-plan-2020-21](http://www.letstalk.rotorualakescouncil.nz/annual-plan-2020-21) and use the tool on the page to see the proposed rates for your property.

Sample rates (based on a \$25 reduction in the UAGC):

| Category          | Capital Value 2017 | Total Rates current | Total Rates model | Increase/ (decrease) | % Increase/ (decrease) | sector % increase |
|-------------------|--------------------|---------------------|-------------------|----------------------|------------------------|-------------------|
| Business          |                    |                     |                   |                      |                        | 4.7%              |
| Lower CV          | 323,000            | 3,637               | 3,740             | 103                  | 2.8%                   |                   |
|                   | 540,000            | 5,346               | 5,472             | 126                  | 2.4%                   |                   |
|                   | 2,430,000          | 19,620              | 20,068            | 448                  | 2.3%                   |                   |
| Upper CV          | 4,940,000          | 44,482              | 46,007            | 1,525                | 3.4%                   |                   |
| Farming           |                    |                     |                   |                      |                        | 1.5%              |
|                   | 515,000            | 1,905               | 1,904             | -1                   | 0.0%                   |                   |
|                   | 895,000            | 2,907               | 2,924             | 17                   | 0.6%                   |                   |
|                   | 1,275,000          | 4,282               | 4,335             | 53                   | 1.2%                   |                   |
|                   | 1,735,000          | 5,138               | 5,196             | 58                   | 1.1%                   |                   |
|                   | 3,980,000          | 11,413              | 11,593            | 180                  | 1.6%                   |                   |
|                   | 7,190,000          | 20,231              | 20,579            | 348                  | 1.7%                   |                   |
|                   | 9,920,000          | 26,968              | 27,431            | 463                  | 1.7%                   |                   |
| Residential       |                    |                     |                   |                      |                        | 5.7%              |
|                   | 288,000            | 2,131               | 2,256             | 126                  | 5.9%                   |                   |
|                   | 325,000            | 2,222               | 2,350             | 127                  | 5.7%                   |                   |
|                   | 447,000            | 2,525               | 2,658             | 133                  | 5.3%                   |                   |
|                   | 685,000            | 3,116               | 3,260             | 143                  | 4.6%                   |                   |
|                   | 750,000            | 3,278               | 3,424             | 146                  | 4.5%                   |                   |
|                   | 1,000,000          | 3,898               | 4,056             | 157                  | 4.0%                   |                   |
| Rural Residential |                    |                     |                   |                      |                        | 2.0%              |
|                   | 570,000            | 2,111               | 2,121             | 9                    | 0.4%                   |                   |
|                   | 293,000            | 1,423               | 1,421             | -3                   | -0.2%                  |                   |
|                   | 1,875,000          | 5,352               | 5,419             | 67                   | 1.3%                   |                   |

Rates for individual properties will vary depending on a range of factors including property revaluation, targeted rates that may apply, and whether the property is used for business, residential or farming purposes. You can find out more about rates and how they are calculated by visiting the council website [www.rotorualakescouncil.nz/rates](http://www.rotorualakescouncil.nz/rates)

# TE ĀHUA O TŌ WHAKAPUAKI WHAKAARO HOW TO HAVE YOUR SAY



Do you support us, your district leaders, in our efforts to cushion the impact of Covid-19 and stand our district up for recovery?

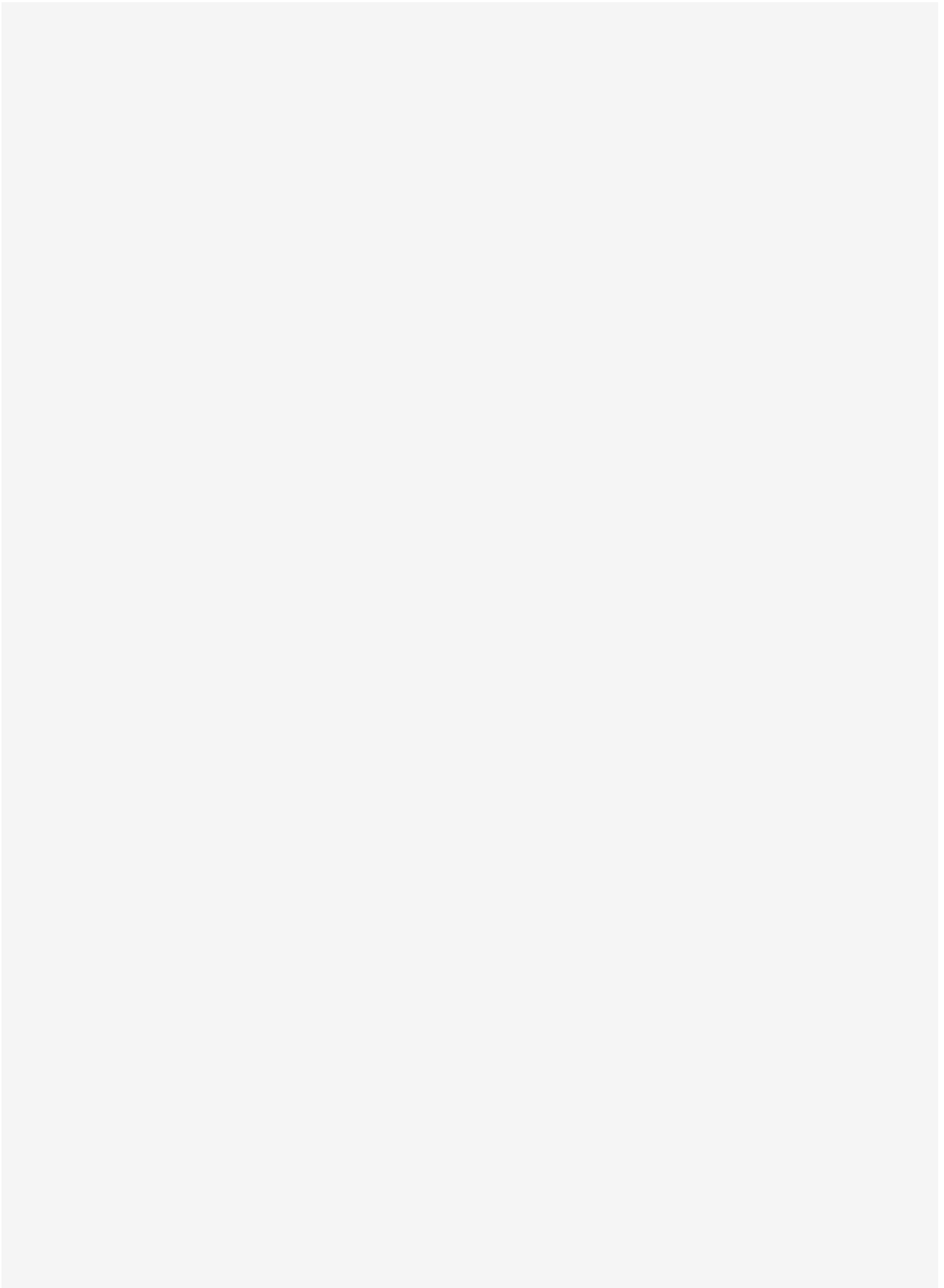
It is still easy to have your say. There are a variety of ways you can provide feedback and engage with Council about this plan. We will be guided by COVID-19 requirements to ensure people's safety. We encourage you to:

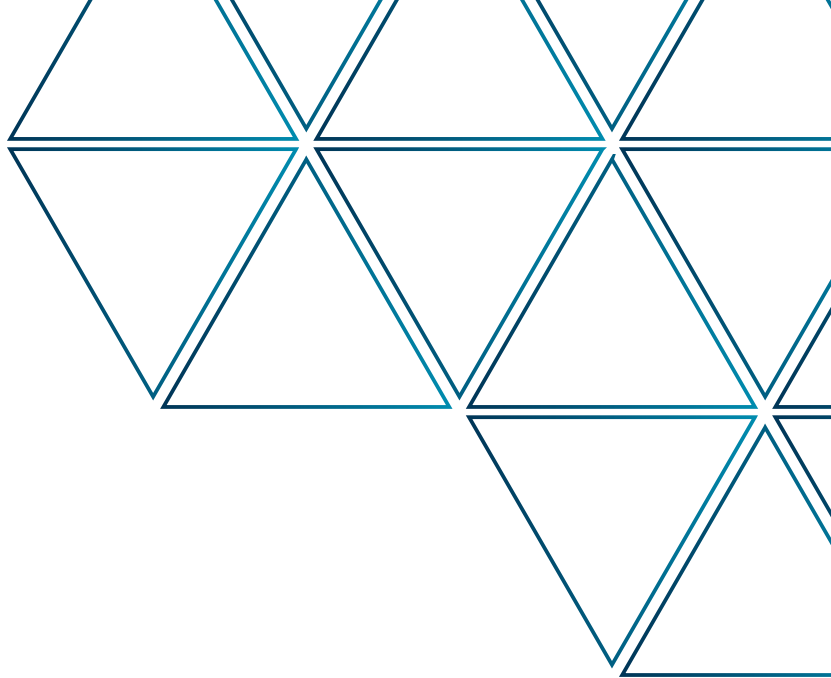
- 1 Option 1:** Go online to council's feedback portal where you will find an online feedback form and places to leave comments. Go to the following site:  
[www.rotorualakescouncil.nz/Letstalk](http://www.rotorualakescouncil.nz/Letstalk)
- 2 Option 2:** Alternatively you can send written feedback to council by 17 June 2020 OR
- 3 Option 3:** Post comments and suggestions on Council's Facebook page. OR  
**Comments and suggestions will be considered, discussed and form part of decision making. However receipt of feedback provided via social media cannot be acknowledged.**
- 4 Option 4:** Phone us on 0800 020 001 and leave your verbal feedback
- 5 Option 5:** Attend one of our online forums via Zoom hosted by elected members. These will be recorded so your feedback can be captured. Time and dates are posted on  
[www.letstalk.rotorualakescouncil.nz/annual-plan-2020-21](http://www.letstalk.rotorualakescouncil.nz/annual-plan-2020-21)

For more information on ways to engage go to [www.rotorualakescouncil.nz/Letstalk](http://www.rotorualakescouncil.nz/Letstalk).

- Your feedback needs to reach Council by 4pm on 17 June 2020.
- All feedback will be considered by Council and used to finalise the Annual Plan 2020/21.
- Adoption of the Annual Plan will take place on 9 July 2020.

My notes:







**ROTORUA**  
**LAKES COUNCIL**  
Te kaunihera o ngā roto o Rotorua