



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

# **Kaupapataka Agenda**

## **NOTICE OF A MEETING OF COMMUNITY AND DISTRICT DEVELOPMENT COMMITTEE**

**Date:** Wednesday 12 February 2025

**Time:** 9.30

**Venue:** Council Chamber

### **MEMBERSHIP**

**Chair**

Cr Kai Fong

**Members**

Cr Brown (Deputy Chair)

Cr Waru (Deputy Chair)

Mayor Tapsell

Cr Kereopa

Cr Barker

Cr Maxwell

Cr Lee

Cr Paterson

Cr Wang

Cr O'Brien

**Quorum**

6

**Andrew Moraes  
Chief Executive**

NGĀ TUKUNGA HAEPAPA TE KAUNIHERA  
COUNCIL DELEGATIONS

COMMUNITY AND DISTRICT DEVELOPMENT

<b>Type of Committee:</b>	Whole of Council Committee
<b>Subordinate to</b>	N/A
<b>Subordinate Committees</b>	N/A
<b>Legislative Basis</b>	Schedule 7, clause 30 (1) (a), Local Government Act 2002.
<b>Purpose</b>	To oversee planning, monitoring, education and enforcement activities, and guide the economic and physical development and growth of the Rotorua District.
<b>Membership</b>	Mayor Deputy Mayor All Councillors
<b>Quorum</b>	6
<b>Meeting frequency</b>	Monthly
<b>Delegations</b>	<ul style="list-style-type: none"> <li>• Oversee the management of council’s planning, monitoring, education and enforcement activities, including: <ul style="list-style-type: none"> <li>○ Community safety</li> <li>○ Regulatory and compliance</li> <li>○ Environmental health</li> <li>○ Animal Control</li> <li>○ Parking Enforcement</li> <li>○ Noise control</li> <li>○ Food Act</li> <li>○ Building Control</li> <li>○ Consents and inspections</li> <li>○ Resource Consents</li> <li>○ Subdivision, land use and development control</li> <li>○ District Plan</li> <li>○ Plan Changes</li> <li>○ Arts and Culture</li> <li>○ Community wellbeing</li> </ul> </li> <li>• Lead and oversee District Plan reviews and associated plan changes</li> <li>• Encourage engagement with the business community, economic agencies and major economic sectors that enables and attracts smart investment</li> <li>• Monitor Council’s contribution to the Te Arawa Vision (specifically in relation to Community and District Development outcomes)</li> <li>• Development and implementation of Economic Development Strategy/Framework</li> </ul>

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	<ul style="list-style-type: none"><li>• Development and implementation of a Destination Management Plan</li><li>• Central business district - revitalised growth and development included focus on Fenton Street Corridor</li><li>• District growth and development</li><li>• Council controlled organisations (CCO's) - advising on the content of the annual Statement of Expectations, agreement on Statement of Intent, monitoring against the Statement of Intent the financial and non-financial performance of CCO's</li><li>• Make appointments and authority to remove appointments to Council-Controlled Organisations (CCO's).</li></ul>
<b>Relevant Statutes</b>	All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

## Order of Business

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## 1 KARAKIA WHAKAPUAKI – OPENING KARAKIA

### Tūtawa Mai

Tūtawa mai i runga

Tūtawa mai i raro

Tūtawa mai i roto

Tūtawa mai i waho

Kia tau ai te mauri tū

Te mauri ora, ki te katoa

Hāumi e. Hui e. Tāiki e!

### Tūtawa Mai

I summon from above

I summon from below

I summon from within

I summon the surrounding environment

The universal vitality and energy to infuse and enrich all present

Enriched, unified and blessed

## 2 NGĀ WHAKAPĀHA – APOLOGIES

The Chair invites notice from members of:

1. Leave of absence for future meetings of the Community and District Development Committee; or
2. Apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

## 3 WHAKAPUAKITANGA WHAIPĀNGA – DECLARATIONS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

## 4 NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE - URGENT ITEMS NOT ON THE AGENDA

### Items of business not on the agenda which cannot be delayed

The Chair will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of Rotorua Lakes Council

The Chair shall state to the meeting.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Rotorua Lakes Council.

s.46A (7), LGOIMA

### Discussion of minor matters not on the agenda.

Minor Matters relating to the General Business of the Rotorua Lakes Council.

The Chair shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Rotorua Lakes Council for further discussion

s.46A (7), LGOIMA

**5 TE WHAKAŪ I NGĀ MENETI - CONFIRMATION OF MINUTES**

**5.1 MINUTES OF THE COMMUNITY AND DISTRICT DEVELOPMENT COMMITTEE MEETING  
HELD ON 4 DECEMBER 2024**

**RECOMMENDATION**

- 1. That the minutes of the Community and District Development Committee Meeting held 4 December 2024 be confirmed as a true and correct record.**

## Minutes (Draft)

Community and District Development Committee meeting  
held Wednesday 4 December 2024 at 9.30am  
Council Chamber, Rotorua Lakes Council

MEMBERS PRESENT: Cr Kai Fong (Chair)  
Cr Brown (Deputy Chair), Cr Waru (Deputy Chair), Mayor Tapsell,  
Cr Barker, Cr Kereopa, Cr Lee, Cr Maxwell, Cr O'Brien, Cr Paterson,  
Cr Wang.

IN ATTENDANCE: Kevin Ward (via Zoom), Board Chair, Rotorua Regional Airport Limited;  
Nicole Brewer, CEO, Rotorua Regional Airport Limited.

STAFF PRESENT: A Moraes, Chief Executive;  
T Collé, Chief Financial Officer;  
J-P Gaston, Group Manager, Destination Development;  
S Michael, Group Manager, Infrastructure and Assets;  
P Warbrick, Manahautū Te Arawa Hourua;  
G Kieck, Manager - Governance, Strategy & Compliance;  
S Kelly, Housing, Growth & Partnerships Manager;  
D Cossar, Governance & Democracy Manager;  
V Cawte, Senior Communications Advisor;  
R Griffith, Governance and Democracy Advisor.

The meeting opened at 9.30am.

The Chairperson welcomed elected members, media, staff and members of the public.

### 1 KARAKIA WHAKAPUAKI – OPENING KARAKIA

Cr Wang opened the meeting with a Karakia.

### 2 NGĀ WHAKAPĀHA – APOLOGIES

Nil.

### 3 WHAKAPUAKITANGA WHAIPĀNGA – DECLARATIONS OF INTEREST

Nil.

**4 NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE – URGENT ITEMS NOT ON THE AGENDA**

Nil.

**5 TE WHAKAŪ I NGĀ MENETI - CONFIRMATION OF MINUTES**

**5.1 MINUTES OF THE COMMUNITY AND DISTRICT DEVELOPMENT COMMITTEE MEETING HELD ON 13 NOVEMBER 2024**

**RESOLVED CDD 24/12-020**

Moved: Cr Waru

Seconded: Mayor Tapsell

- 1. That the minutes of the Community and District Development Committee Meeting held 13 November 2024 be confirmed as a true and correct record.**

**CARRIED**

**6 NGĀ TĀPAETANGA - PRESENTATIONS**

Kevin Ward (Rotorua Regional Airport Limited, Board Chair) and Nicole Brewer (Rotorua Regional Airport Limited, Chief Executive) spoke to a presentation “Rotorua Regional Airport Limited – FY24 Annual General Meeting” (DOC ID: 21065425).

**7 PŪRONGO KAIMAHI – STAFF REPORTS**

**7.1 QUARTERLY HOUSING DEVELOPMENT DATA UPDATE**

**RESOLVED CDD 24/12-021**

Moved: Cr Kereopa

Seconded: Cr Brown

- 1. That the report ‘Quarterly Housing Development Data Update’ be received.**

**CARRIED**

Jean-Paul Gaston overviewed the report.



**8 HE WHAKATAUNGA KIA HOKI ATU TE ARONGA O TE HUI HAI HUI TŪMATAWHĀNUI – RESOLUTION TO MOVE INTO PUBLIC EXCLUDED (TO CONSIDER AND ADOPT CONFIDENTIAL ITEMS)**

**RESOLVED CDD 24/12-022**

Moved: Cr Wang

Seconded: Cr Brown

- 1. That Community and District Development Committee resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act:**

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>8.1 - Outcome of REOI for Pensioner Housing Lease</b>	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
Plain English	Commercial Privacy	

**Consideration has been given to the public interest in these matters and officers' advice is that the above reasons for confidentiality outweigh the public interest in these matters.**

**CARRIED**

**9 TE KARAKIA WHAKAMUTUNGA – CLOSING KARAKIA**

Cr Wang closed the meeting with a karakia.

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The Meeting closed at 1.14pm.

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To be confirmed at the Community and District Development Committee meeting on 12 February 2025.

Rotorua Lakes Council is the operating name of Rotorua District Council

**6 NGĀ TĀPAETANGA - PRESENTATIONS**

Nil

## 7 PŪRONGO KAIMAHI – STAFF REPORTS

### 7.1 EMERGENCY HOUSING UPDATE

**Doc ID:** 21125922  
**Prepared by:** Jean-Paul Gaston, Group Manager, Destination Development  
**Approved by:** Andrew Moraes, Chief Executive  
**Attachments:** 1. Rotorua temporary housing dashboard - December 2024

#### 1. TE PŪTAKE PURPOSE

This report is provided to the Committee for information on the Commissioners decision on the seven emergency housing (EH) motel applications submitted by Ministry Housing and Urban Development (HUD).

Also attached is the December emergency housing dashboard and graphs showing the decline in EH households and accommodation provider numbers since September 2022.

#### HE TŪTOHUNGA RECOMMENDATION

1. That the report 'Emergency Housing Update' be received.

#### 2. TE TĀHUHU BACKGROUND

The decision(s) on the seven new resource consent applications for a further 12 months was received on 13 January 2025 and was circulated on 15 January. The decisions on each motel and the conditions of consent were made publicly available to both the applicant and submitters directly and also provided publicly on Council's website.

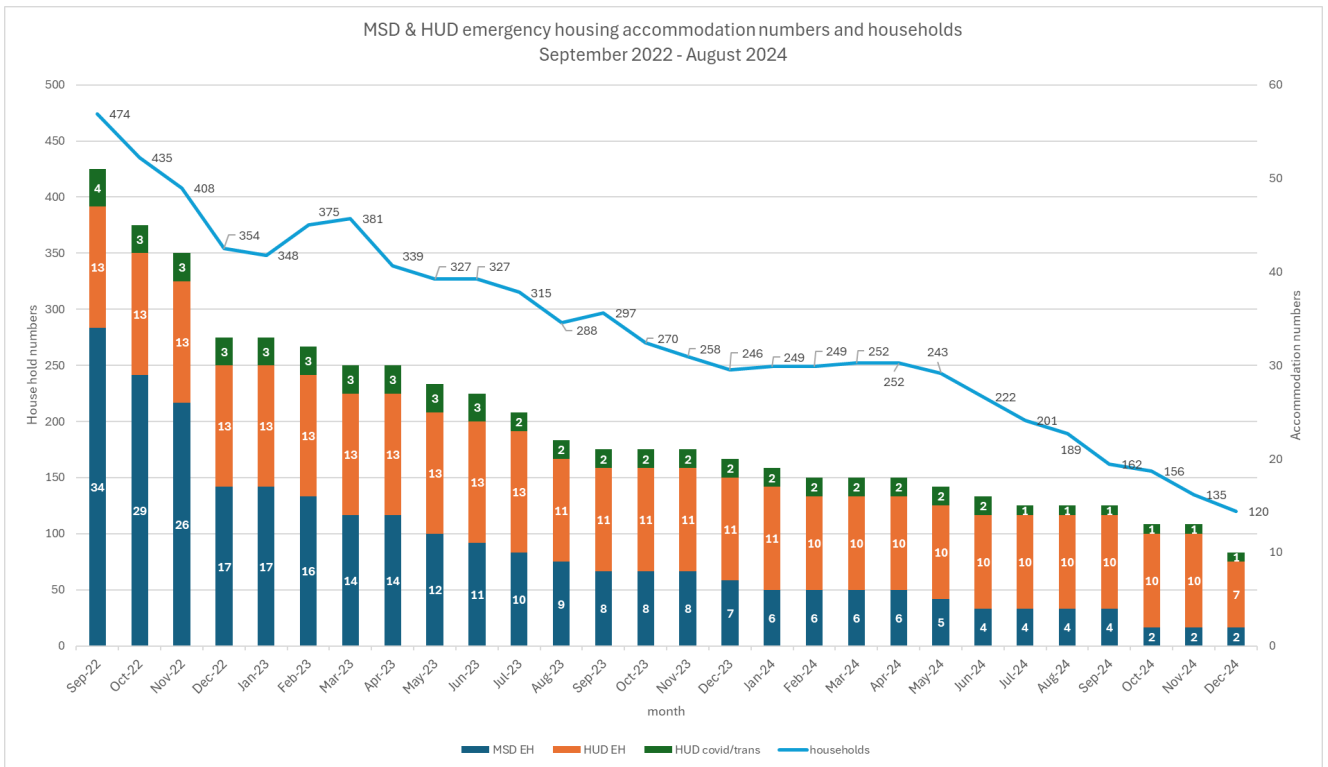
To summarise, all seven were granted consent, but for varying durations. Cessation dates are detailed below:

- Apollo Motel = 31 March 2025
- Alpin Motel = 30 June 2025; referrals to cease at date of decision.
- Pohutu Lodge Motel = 30 June 2025; referrals to cease at date of decision.
- Geneva Motor Lodge = 31 July 2025; referrals to cease on 31 January 2025.
- Ascot on Fenton Motel = 15 December 2025; referrals to cease on 15 June 2025.
- Lake Rotorua Hotel = 15 December 2025; referrals to cease on 15 June 2025.
- RotoVegas Motel = 15 December 2025; referrals to cease on 15 June 2025.

The 15 day appeal period expired on Thursday 6 February at 5pm and no appeals were received.

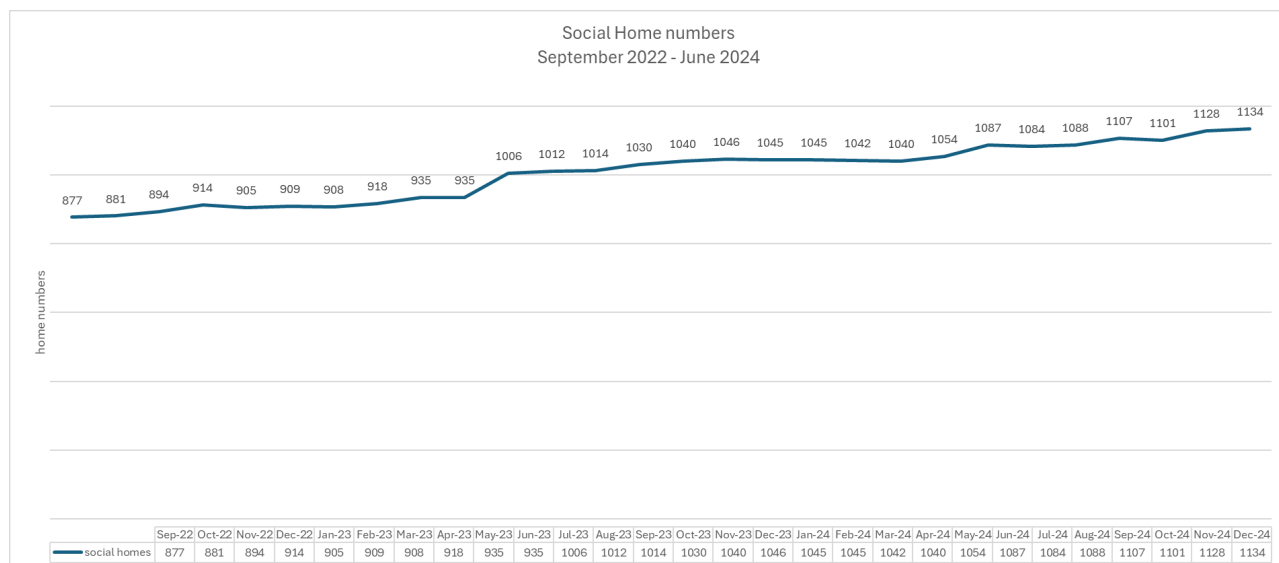
It is noted that as of 17 January 2025, Te Tūāpapa Kura Kāinga Ministry of Housing and Urban Development have confirmed that contracted emergency housing activities have ceased at the Apollo Motel and that they are currently in the process of returning to tourist accommodation.

The HUD temporary housing dashboard continues to show the downward trend. The longer-term reduction in motels being used is summarised in the graph below:



This information in the graph shows the significant decrease in households and motel/accommodation usage. The staged consents provided in the Commissioners decision formalizes the withdrawal from motel use.

The following graph tracks the overall increase in Kāinga Ora public homes in the district.



**Next steps**

Council staff will need to monitor compliance with the consent conditions and confirm cessation of EH.

In addition, Council staff are currently scoping potential amendments to the District Plans definitions on tourist accommodation, backpackers and boarding houses/residential units, which would improve clarity on activities. These changes will be added to a number of other miscellaneous or technical changes as a single minor plan change. Detail on these elements will be provided in a subsequent report.

**3. HE WHAIWHAKAARO  
 CONSIDERATIONS**

**3.1. Mahere Pūtea  
 Financial/Budget Considerations**

None arising from this report.

**3.2. Kaupapa Here Me Ngā Hiraunga Whakariterite  
 Policy and Planning Implications**

Note a subsequent report will define scope and budget implementation of a miscellaneous plan change.

**3.3. Te Aromatawai Whakapātanga Ki Te Tāngata Whenua  
 Tāngata Whenua Impact Assessment**

Not required as this is an information paper.

**3.4. Tūraru  
Risks**

This is an information paper only.

**3.5. Te Whaimana  
Authority**

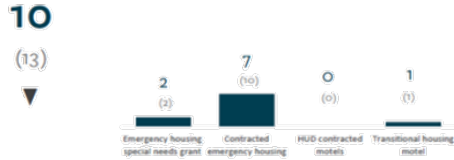
Not required as this report does not require a decision under delegations.

## Rotorua temporary housing dashboard | Dec 2024

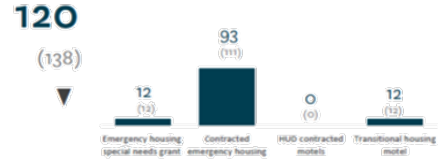
This dashboard provides monthly reporting on the use of temporary housing options in Rotorua. Last month's figures are provided in brackets.

### Summary of temporary housing use in Rotorua

Number of motels in use as temporary housing in Rotorua



Number of households in temporary housing in Rotorua



### Household composition

Adults in temporary housing in Rotorua

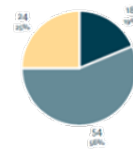
150  
(171)

Ministry of Social Development (MSD) emergency housing

Due to the small number of households in MSD emergency housing, the household composition breakdown is not provided in order to maintain confidentiality.

Category	Current	Last Month
Adults	15	12
Children	30	21

Contracted emergency housing



Category	Current	Last Month
Adults	117	141
Children	177	183

Children in temporary housing in Rotorua

225  
(222)

HUD contracted motels

There is no longer a HUD contracted motel to report.

Transitional housing motel

Due to the small number of households in the Transitional housing motel, the household composition breakdown is not provided in order to maintain confidentiality.

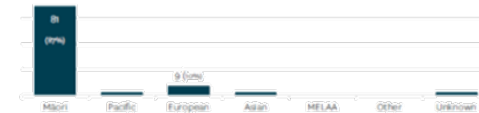
Category	Current	Last Month
Adults	18	18
Children	18	18

- Single without children
- Single with children
- Couple without children
- Couple with children

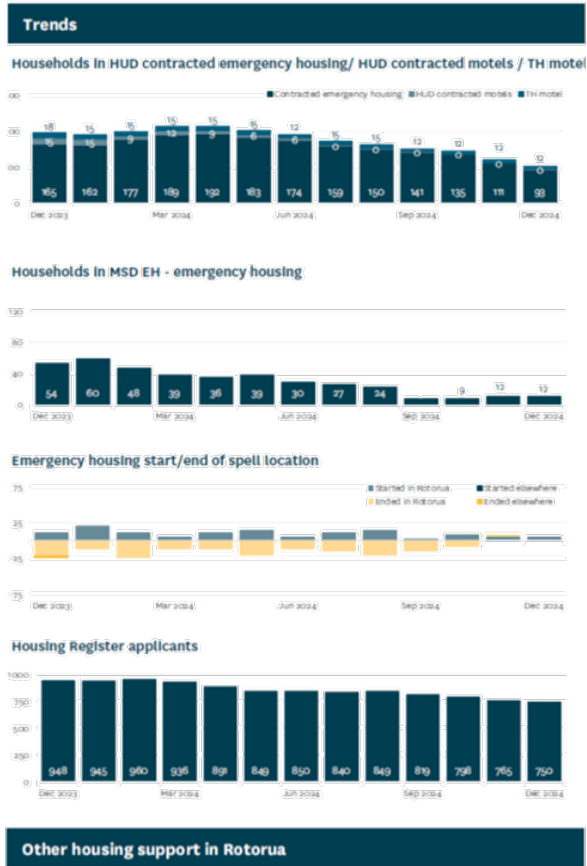
Ethnicity of tenants in Ministry of Social Development (MSD) emergency housing

Due to the small number of households in MSD emergency housing, the ethnicity breakdown is not provided in order to maintain confidentiality.

Ethnicity of primary tenants in HUD contracted emergency housing







### Other housing support in Rotorua

Social housing	Transitional housing places	Housing First - housed	Housing First - not yet housed
1,134 (1,128)	201 (201)	180 (162)	3 (6)

**7.2 SHORT-TERM ACCOMMODATION WORKING GROUP ESTABLISHMENT**

**Doc ID:** 20429347

**Prepared by:** Jean-Paul Gaston, Group Manager, Destination Development

**Approved by:** Andrew Moraes, Chief Executive

**Attachments:**

1. Attachment 1 - Decision of Council on 26 June 2024
2. Attachment 2 - Terms of Reference Short Term Rental Accommodation (STRA) working party

**1. TE PŪTAKE  
PURPOSE**

The purpose of this report is to confirm the terms of reference and Council representation on the Short-term Accommodation Working Group.

The report proposes representation from the Chair/Deputy Chairs of the Community & District Development Committee (C&DD) as most appropriate considering the project area aligns with functions governed through the Committee.

**HE TŪTOHUNGA  
RECOMMENDATION**

1. That the report 'Short-Term Accommodation Working Group Establishment' be received.
2. That the Committee approve the terms of reference for the Short-term Accommodation Working Group
3. That the Chief Executive undertake the recruitment process for the group, in conjunction with the Council representatives.
4. That updates on the progress of the group be included in regular progress reports.

**2. TE TĀHUHU  
BACKGROUND**

Council has identified a number of key economic priorities for the Rotorua District. These include:

- Enable and attract smart investment
- Confidence and a vibrant reputation
- World class tourism destination
- Revitalised inner city and Fenton Street corridor

The recently adopted Long-term Plan (LTP) has confirmed key work programmes and requirements to seek sector input.

Council have agreed in their 2024 LTP deliberations to introduce a rating policy which will introduce the 'business and economic development targeted rate' (BEDTR) onto properties that:

- Are advertised (available) for 60 days or more/year
- List the whole dwelling on a property.

In addition:

- General rate for the property remains as residential
- Advertised single room/spare bedrooms/granny flats are excluded.

Council also agreed a working party was to be established to review the policy and propose any improvements to Council for the next LTP.

Council is intending that the targeted rate will provide additional support to RotoruaNZ to deliver the plan to promote Rotorua and rebuild its reputation. It is important to note that the BEDTR is applied to farming/forestry, commercial and industrial properties (now added short-term accommodation) only. Therefore, 'business' property activities fund RotoruaNZ, not residential ratepayers.

Council decided to not apply the industrial/commercial general rate differential to the short-term accommodation. The differential is a multiplier (currently 1.72) applied to the capital value of industrial/commercial properties that substantially increases the proportion of general rates against capital value levied on these properties when compared to farming/forestry or residential general rates. When first proposed in the consultation document it was intended that short-term accommodation properties would be treated as a business, and consequently have the differential applied. Initially the proposal, that included the general rate differential and Business and Economic Development targeted rate, would have created a significant rate increase to affected properties. The final decision to only apply the Business and Economic Development targeted rate created a significantly lower increase than was consulted on.

A challenge for Rotorua is to strike the right balance/fairness between support for commercial accommodation providers, short-term rental providers, housing (rental and market purchases), and the reputation and promotion of Rotorua as a great place to visit.

The short-term accommodation sector provides an alternative and very effective product offering to motels and hotels. What needs to be monitored is a balance between the products and a fairness and equity approach applied to ensure good outcomes for the Rotorua district as a whole.

### **3. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS**

The Short-term Accommodation Working Group was decided by Council as part of the LTP deliberations and therefore no other options have been considered.

### **4. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE**

The proposed approaches identified in this report are not significant.

**5. NGĀ KŌRERA O TE HAPORI ME TE WHAKATAIRANGA  
COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY**

The report reflects community feedback through the LTP process from short-term accommodation providers.

**6. HE WHAIWHAKAARO  
CONSIDERATIONS**

**6.1. Mahere Pūtea  
Financial/Budget Considerations**

Costs are anticipated from operational budgets for the 2024/25 and 2025/26 financial years.

**6.2. Kaupapa Here Me Ngā Hiraunga Whakariterite  
Policy and Planning Implications**

No policy implications are identified from this report.

**6.3. Te Aromatawai Whakapātanga Ki Te Tāngata Whenua  
Tāngata Whenua Impact Assessment**

The proposal does not affect tāngata whenua.

**6.4. Tūraru  
Risks**

Risks exist in the use of external groups. The terms of reference seek to mitigate potential risks and Council maintains authority to cancel or cease processes.

**6.5. Te Whaimana  
Authority**

Council is not seeking to transfer decision making power or budgets.

**DECISION OF COUNCIL 26 JUNE 2024**

**Proposal #3 - Short term accommodation**

1. That the council charge short term accommodation providers where the whole dwelling of the property is advertised for a total of 60 days for short term accommodation, with the business and economic development targeted rate only.
2. That this policy be reviewed by council after being in effect for at least 2 years but not later than 3 years since the implementation date.
3. That the CE be directed to set up a working party which includes representatives from the short term accommodation sector and broader tourism sector to review the policy and propose any improvements to Council.

Moved: Cr Kai Fong

Seconded: Cr Waru

CARRIED

**Attachment 2: Terms of Reference – Short-term Accommodation Working Party**

**Terms of Reference**

**Short Term Rental Accommodation (STRA) working party**

**Background**

The short-term accommodation sector provides a valuable alternative to other accommodation types, such as motels and hotels.

The Rotorua Lakes Council consulted with the community during the LTP process on changing the Council's rating policy for Short Term Rental Accommodation (STRA) properties, that are advertised as available for more than 60 days per year, from residential rates to full commercial rates.

Council had proposed that properties used for short-term accommodation should contribute the full commercial share towards the district's marketing and tourism promotion.

Council, in its Long-Term Plan (LTP) decision, reduced the level of rates charged from those initially consulted to be applied to STRA. Council decided to apply the Business and Economic Development targeted rate (BEDTR) only to STRA properties:

- Advertised as available for more than 60 days per financial year.
- Where the entire house/property is advertised.

STRA properties on farms or where a secondary dwelling is on the property have been excluded from the current rating approach.

It was agreed that a working party would be established as part of the Council decision. Excerpts from the decision are as follows:

*"That this policy be reviewed by Council after being in effect for at least 2 years but not later than 3 years since the implementation date.*

*That the CE be directed to set up a working party which includes representative of the short-term accommodation sector and broader tourism sector to review the policy and propose any improvements."*

**Working party role and purpose**

The purpose for the working party will be to develop an understanding and report back on:

1. The implementation process and effects of the policy.
2. Any fairness and equity issues in the funding of destination marketing and the Rotorua tourism sector and propose any improvements to the Council.
3. The business implications for STRA operators and service providers.
4. Any information or changes nationally (eg. bed levy) that may impact on the need or focus of the policy.
5. Any improvements to the rating policy for consideration.

**Arriving at recommendations to Council**

The working party will seek to make recommendations on the above that are based on:

- Consideration and respect for each others' experiences and perspectives.
- A willingness to find agreement and consensus.

It is important to note that any decision on amendments to the rating policy are solely within the domain of Council and Council is not obligated to accept either wholly or in part any recommendations made by the working party.

### **Membership and chair**

The working party will comprise up to 7 members – 6 community members plus the Chair of the Community and District Development Committee (or equivalent if changed).

The role of the Chair will be to:

- Prepare the agenda for meetings (with Council administrative support).
- Chair meetings.
- Be the main contact for Council and other relevant parties.

The community members will be made up of individuals who:

- Reflect the diversity of the STRA accommodation sector in Rotorua and can share the perspectives of their communities (up to 4).
- Have experience in and a sound understanding of the commercial accommodation sector (Hotel, Motel accommodation) (up to 2).
- Represent organisations that have interests in the Rotorua tourism sector (up to 2).

An expression of interest / recruitment process will be undertaken for the community members. Following this process the Community & District Development Committee will short-list and recommend the 6-8 community members to C&DD for approval.

### **Conflict of interest**

It is understood that working party members will have a number of roles and associations and will be representing interests in the STRA and tourism sectors.

In the interests of transparency working party members will declare their interests, which will be documented in an Interests Register. Any disputes or concerns should be directed to the Chair.

### **Commitment**

The working party will generally meet bi-monthly, or as/when required for a 6/8 month period.

Meetings will be in person in Rotorua (Rotorua Lakes Council) and/or by video (eg. Zoom or Teams) for members unable to attend physically.

Working party members will not be remunerated for the contribution of their time, skills and experience.

If members are unable to attend or participate they can be replaced through a subsequent open expressions of interest process with the Chair and Deputy Chairs of the Council's Community and District Development Committee determining appointments. The Chair may choose not to replace members.

The Working party will report back to the Community & District Development Committee but no later than July 2025.

**7.3 CCO QUARTERLY REPORT - ROTORUA REGIONAL AIRPORT - YTD DECEMBER 2024**

**Doc ID: 21130109**

**Prepared by: Nicole Brewer, Chief Executive-Rotorua Regional Airport**

**Approved by: Nicole Brewer, Chief Executive-Rotorua Regional Airport**

**Attachments: 1. Rotorua Regional Airport - Quarterly Report - YTD December 2024**

**HE TŪTOHUNGA  
RECOMMENDATION**

- 1. That the report 'CCO Quarterly Report - Rotorua Regional Airport - YTD December 2024' be received.**



YTD Dec 2024 (Jul 2024 to Dec 2024)

Report writer: Nicole Brewer, Chief Executive

Report approver: Nicole Brewer, Chief Executive

## WHAT WE'RE WORKING TOWARDS

### Purpose Statement

RRA's purpose is to be **"Rotorua's runway to a thriving future"**

and its vision is **"To be a uniquely Rotorua hub our community can be proud of"**.

RRA's core business is to maintain a safe and efficient Airport operation in a commercially viable manner, whilst optimising the use of its assets to facilitate and grow tourism and trade, other commercial activity, and Airport profitability. RRA is responsible for the ongoing capital development and maintenance of the Airport assets and infrastructure.

### Strategic Objectives

The board and management have identified five key priorities for the airport to deliver its vision:

- Excelling Today
- Ready For Tomorrow
- Quality Asset Management
- Stronger Together
- Be Financially Sustainable

Critical elements in delivering the vision and realising these priorities include:

- A continuous improvement culture that embraces best practice Safety Management System, compliance and aeronautical practices
- Future ready capability that seeks to adopt emerging aviation technologies and adapt with climate change
- Plan and maintain assets to a high standard including a mature asset management system with maintenance, renewals and clear future financial forecasting
- Deliver value from people, partnerships and customer experience and drive positive community outcomes
- Drive commercial success and reduce the financial reliance on RLC by unlocking under-utilised airport land and growing non-aeronautical revenue

## PROGRESS AGAINST SOI

### **Financial Performance**

Rotorua Regional Airport's (RRA) financial performance for the period July '24 to December '24 was -8% behind budget, due to decreased landing fee revenue and higher than budgeted depreciation costs. This is an improvement on the YTD September result due to a strong month against budget in December.

Air NZ carried -9% less passengers in Jul-Dec than forecast which drive aeronautical revenue to be -5% below budget. Operating expenses for Jul-Dec were -11% below budget due to the timing of some larger maintenance items and overheads were -4% below budget.

Seat capacity for Jul-Dec was -8.5% behind FY24. Thanks in part to advocacy from the Rotorua business community Air New Zealand has focussed on improving reliability into Rotorua in Dec/Jan. On the day cancellations for engineering and other non-controllable factors still occur but in December the cancellation rate was the lowest since April '24.

Thanks to stronger than expected general aviation, aircraft movements were 6% ahead of budget.

### **Non-Financial Performance**

RRA is on track with regards to all non-financial performance measures.

### **Operations and Compliance**

Consent has been granted for the Taheke geothermal power plant with conditions which are designed to protect aviation safety and minimise disruption to airport operations.

Terrace Airside opted not to renew the airport café lease and remove their café fitout. After a thorough procurement process Boosters Coffee Roasters (trading as The Hangar Café) were selected as the new tenant. The Hangar Café is operating as a pop-up until a new café fitout is installed. Expected completion mid-April.

Obstacle management is currently a big area of focus for RRA. This programme of work includes implementing a new computer-based obstacle management system and a multi-stage tree-trimming programme.

RRA was the recipient of two awards at the NZ Airports Awards in November. RRA won the Community Initiative of the Year (Medium Airport) for the Matariki gala dinner and drone show held in June and Julie Southall was awarded Emerging Leader of the Year.

### **Looking Forward**

Air NZ are implementing significant schedule changes (a switch of the WLG overnight flight to AKL and a reduction in CHC and WLG capacity) from Feb 18th to end of March. Air NZ have yet to confirm the schedule for April onwards. The new AKL overnight service has good upside for Rotorua with better international connectivity and business friendly flight times, however the changes on WLG and CHC are disappointing. This reiterates the need for Rotorua locals to use the Rotorua services as Air NZ will make changes if the flights are not performing.

Work continues on the Airport Business Park with RRA working towards a business case for the first investment phase which will unlock the Business Park land and set the airport up for future growth.

## FINANCIAL MANAGEMENT

	Jul - Dec Target	Jul - Dec Actual	FY25 Target
<b>a. Aircraft</b>			
Aircraft movements	2,631	2,781	5,487
<b>b. Passengers</b>			
Domestic	118,596	108,456	243,328
<b>c. Financial</b>			
Aeronautical Revenue	\$2,319,084	\$2,196,627	\$4,771,986
Non-Aeronautical Revenue	\$819,585	\$810,417	\$1,661,881
Service Funding Agreement	\$900,000	\$900,000	\$1,800,000
<b>Total Revenue</b>	<b>\$4,038,669</b>	<b>\$3,907,044</b>	<b>\$8,233,867</b>
Operating expenses	\$1,126,452	\$997,444	\$2,278,899
Overheads	\$1,117,507	\$1,077,165	\$2,271,050
Interest	\$219,312	\$186,017	\$438,620
<b>Total Expenses (excl Depreciation)</b>	<b>\$2,463,271</b>	<b>\$2,260,626</b>	<b>\$4,988,569</b>
Net Surplus (before Depreciation)	\$1,575,398	\$1,646,418	\$3,245,298
Depreciation	\$1,089,378	\$1,200,169	\$2,178,761
<b>Net Surplus / Loss (after Depreciation &amp; before tax)</b>	<b>\$486,020</b>	<b>\$446,249</b>	<b>\$1,066,537</b>
Capital expenditure		\$254,201	\$2,585,000
Shareholders' funds to total assets			75%
<b>d. RRA Term Borrowings</b> <i>(with LGFA via RLC)</i>			
As at 31 May	\$11,150,000	\$11,150,000	\$9,750,000

## NON-FINANCIAL PERFORMANCE MANAGEMENT

	Jul - Dec Target	Jul - Dec Actual	FY25 Target
<b>e. Aviation Compliance</b>			
RRA has a current Part 139 Operating Certificate	Yes	Yes	Yes
<b>f. Legal Compliance</b>			
5 year compliance calendar		Attached	
<b>h. Asset Management</b>			
High-level Asset Management Plan to RLC		Due by 30 June	



## 7.4 JOINT REGIONAL DEALS APPLICATION

**Doc ID:** 21136797  
**Prepared by:** Jean-Paul Gaston, Group Manager, Destination Development  
**Approved by:** Andrew Moraes, Chief Executive  
**Attachments:** 1. Taupō-Rotorua Regional Deals Initial Registration Form

### 1. TE PŪTAKE PURPOSE

This report is intended to provide an update to elected members on the joint application submitted by Taupō District Council, Rotorua Lakes Council and the BOP Regional Council for a regional deal.

A regional deals initial registration form was lodged with the Department of Internal Affairs (DIA) on the 18 December (appended to this report) with a light-touch proposal application form needing to be lodged by 28 February 2025. This application is currently being completed by the three councils/Economic Development Agencies (EDAs) and will be circulated for information after the 28<sup>th</sup>.

### HE TŪTOHUNGA RECOMMENDATION

1. That the report 'Joint Regional Deals Application' be received.
2. That the Committee notes the four project/focus areas identified in the regional deals initial registration and supports the lodgement of a joint light-touch proposal application by the 28 February 2025.

### 2 TE TĀHUHU BACKGROUND

On the 21 November Minister Simeon Brown wrote to the Mayors and Chairs of local authorities inviting them to submit a regional deal proposal.

The letter identified the regional deals as the Government's initiative to boost economic growth through infrastructure development. It described how deals would focus on delivering connected and resilient infrastructure, building economic growth and improving the supply of affordable housing.

'Regions' in the context of regional deals should be territorial authorities within a defined economic or geographic area and must include the relevant regional council.

Proposals were to be straightforward and high level, identifying 3-5 infrastructure priorities or projects. They would need to show how they will boost regional economic growth or unlock growth for housing.

**3. TE MATAPAKI ME NGĀ KŌWHIRINGA  
DISCUSSION AND OPTIONS**

Options for a regional deal were discussed with Taupō as Tauranga and Western Bays were already progressing proposals related to long-standing priorities within SmartGrowth. Additionally, Rotorua does not have any immediately aligned projects with the Eastern Bays that would have enabled a regional deal application to be developed.

Rotorua and Taupō form a combined economic value of over \$7b annual to New Zealand's GDP through shared strengths: forestry and bioeconomy, tourism and renewable energy. Significant freight and product for export also flows through the region and connects to the Port of Tauranga.

Discussions with Taupō identified joint opportunities/priorities that could form the basis of a regional deals application. Specifically:

- Tourism: supply and demand investment
- Forestry and bioeconomy: accelerating a high-value wood biomass industry
- Energy generation and decarbonisation (renewable energy)
- Freight and logistics (roading efficiency and connection to the Port).

These areas are supported by the District's Destination Management Plan (DMP), Forestry Futures Action Plan and Future Development Strategy (FDS).

**Next steps**

The draft proposal, due the 28 February, is now being finalised. Each Council is seeking 'support in principle' around the proposals to allow the next step to be progressed.

**4. TE TINO AROMATAWAI  
ASSESSMENT OF SIGNIFICANCE**

An application process is not considered significant and focus areas align with current strategies.

**5. NGĀ KŌRERA O TE HAPORI ME TE WHAKATAIRANGA  
COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY**

Not required as has no implications for current LTP.

**6. HE WHAIWHAKAARO  
CONSIDERATIONS**

**6.1 Mahere Pūtea  
Financial/Budget Considerations**

No implications to LTP.

**6.2 Kaupapa Here Me Ngā Hiraunga Whakariterite  
Policy and Planning Implications**

Aligns to current Council or RotoruaNZ strategies.

**6.3 Te Aromatawai Whakapātanga Ki Te Tāngata Whenua  
Tāngata Whenua Impact Assessment**

Not required as links to consulted strategies and plans.

**6.4 Tūraru  
Risks**

No risks identified at this application stage.

**6.5 Te Whaimana  
Authority**

Committee can endorse application process. If any financial implications result from discussions with Government on a Regional Deal Council may be required to make relevant decisions.

# Regional Deals

## Registration form

The purpose of this form is to confirm your region’s intention to submit a proposal for a Regional Deal by 28 February 2025. Please note that ‘regions’ in the context of regional deals should be a configuration of territorial authorities within a defined economic and geographic area and must include the regional council where relevant.

Please include:

1. **The councils that intend to form a region for the purposes of a Regional Deals’ proposal.**
  - Rotorua Lakes Council
  - Taupō District Council
  - Bay of Plenty Regional Council
  
2. **Key contact people (including names, titles, contact details).**

Name	Title	Organisation	Phone	Email
Tania Tapsell	Mayor	Rotorua Lakes Council	[REDACTED]	<a href="mailto:Tania.Tapsell@rotorualc.nz">Tania.Tapsell@rotorualc.nz</a>
David Trewavas	Mayor	Taupō District Council	[REDACTED]	<a href="mailto:dtrewavas@Taupo.govt.nz">dtrewavas@Taupo.govt.nz</a>
Andrew Moraes	Chief Executive	Rotorua Lakes Council	[REDACTED]	<a href="mailto:andrew.moraes@rotorualc.nz">andrew.moraes@rotorualc.nz</a>
Julie Gardyne	Chief Executive	Taupō District Council	[REDACTED]	<a href="mailto:jgardyne@Taupo.govt.nz">jgardyne@Taupo.govt.nz</a>
Andrew Wilson	Chief Executive	RotoruaNZ	[REDACTED]	<a href="mailto:Andrew.wilson@rotoruanz.com">Andrew.wilson@rotoruanz.com</a>
Rick Keehan	Chief Executive	Amplify	[REDACTED]	<a href="mailto:rick@Taupo.biz">rick@Taupo.biz</a>
Fiona McTavish	Chief Executive	Bay of Plenty Regional Council	[REDACTED]	<a href="mailto:Fiona.McTavish@boprc.govt.nz">Fiona.McTavish@boprc.govt.nz</a>
Doug Leeder	Chairperson	Bay of Plenty Regional Council		<a href="mailto:doug.leeder@boprc.govt.nz">doug.leeder@boprc.govt.nz</a>



Optional:

- **Please identify any projects/focus areas you are considering including in your final proposal. Note you will not be assessed on this, this is to assist in central government coordination.**

Rotorua and Taupō form a combined economic powerhouse, contributing over \$7 billion annually to New Zealand's GDP through shared sector strengths: forestry and the bioeconomy, tourism, and renewable energy. Strategically located in the Central North Island, the region serves as an economic hub and provides an important connection with the Tauranga Port corridor through flows of people and freight. This economic catchment is integral to national goals, including doubling exports by 2030 and building a diversified economy.

Rotorua and Taupō's proposed focus areas are in direct response to the strategic objectives outlined in the Regional Deals Strategic Framework with a particular focus on building economic growth and delivering connected and resilient infrastructure. Outlined below are the high-level focus areas and the detailed projects and proposed mechanisms and tools will be included in our light touch proposal form.

Note, across the Rotorua and Taupō region there is strong support from iwi and the private sector to progress key projects in these focus areas. These partners will be reflected in the proposal document.

#### **1. Tourism: supply and demand**

Tourism remains a cornerstone of the Rotorua and Taupō economy, yet visitor numbers and investment levels have not rebounded to pre-COVID figures. The region's combined strengths create an opportunity to reclaim and grow market share in international and domestic tourism. However, structural challenges exist on both the supply and demand side which limits growth.

On the supply side, there is a lack of hotel investment which constrains visitor and business capacity and destination desirability. On the demand side, there is a need for regions to become more competitive in the domain of event promotion and attraction and destination marketing. Rotorua and Taupō have a strong desire for growth in the tourism sector and the willingness to explore mechanisms to unlock both supply side capital investment and demand side growth.

#### **2. Forestry and bioeconomy: accelerating a high-value woody biomass industry**

Rotorua and Taupō form the national hub for forestry, with the Kaingaroa forest sitting across both districts and Lake Taupō Forest Trust and Lake Rotoaira Forest Trust in the south feeding key wood processing facilities strategically located nearby. However, the sector is at a critical juncture, with specific challenges including; mill closures, volatile global pulp and paper markets, and a continued reliance on raw log exports with an uncertain demand outlook.

To secure the future of the woody biomass sector, the sector must shift towards value-added bioeconomy solutions, such as advanced wood processing and sustainable biomaterials and take advantage of the global trends and technology advances in bio-energy.

Rotorua and Taupō is the natural place to be driving this industry transition. Scion, the forestry Crown Research Institute, is in Rotorua and has an existing project underway to further unlock their innovation park. Further, the region contains existing advanced wood manufacturers, has the necessary surrounding infrastructure and proximity to feed stock.

In this sector, we would seek mechanisms which will drive new inwards investment into the bioeconomy and encourage reinvestment by existing market participants.

### **3. Energy and decarbonisation**

The Rotorua and Taupō region is a leader in renewable energy, with strong geothermal (including supercritical), hydro and biomass. The region's energy production plays a vital role in supporting New Zealand's decarbonisation goals and future generation is required to continue to meet the growing demand and stabilising volatile energy prices. Currently, the region generates more than 25% of New Zealand's renewable power and is already utilising that heat and power in a range of ways.

The other side of this is the challenge with the network, with distribution constraints within the energy grid limiting the ability to connect new generation projects to the national grid. Connecting power to industrial and housing developments will unlock development and growth. Upfront costs being worn by the initial developer can make it difficult to get projects off the ground.

Without grid investment, energy generation projects cannot meet demand, impacting economic growth and industrial viability. Addressing these grid bottlenecks will ensure sustainable development and enable Rotorua-Taupō to contribute further to the national energy transition and regional resilience.

We will likely be seeking mechanisms to help unlock additional generation projects and to connect to and develop grid infrastructure.

### **4. Freight and logistics**


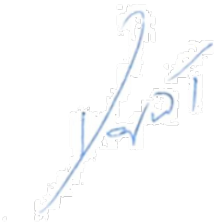
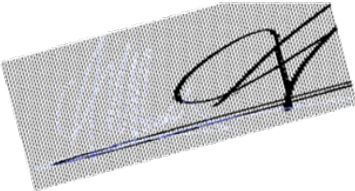



State Highway 1 (SH1) connects Taupō and Rotorua to Tauranga Port, the nation's most important export hub. However, the current lakeside alignment of SH1 near Taupō is unsuitable for heavy freight traffic, presenting safety risks and inefficiencies.

Realignment of this corridor will ensure the safe and efficient movement of tourists, biomass, and freight, increasing economic productivity, resilience and unlocking additional adjacent economic opportunities through the route. Improved connectivity is vital to unlocking growth potential and delivering infrastructure that meets national objectives.

Further North, SH1 forks off away from the direction of the port and alternative roading networks provide dissatisfactory connectivity with the port. Also, tourists driving up or down the North Island are forced to take roading networks off the main highway which makes little sense given there is little in the way of tourism assets on SH1 between Taupō and Hamilton.

We would seek for the corridor from Taupō through Rotorua to the Tauranga Port to be considered as nationally significant infrastructure and factored into future infrastructure plans.

**Signatories**

Tania Tapsell	Mayor	Rotorua Lakes Council	
David Trewavas	Mayor	Taupō District Council	
Andrew Moraes	Chief Executive	Rotorua Lakes Council	
Julie Gardyne	Chief Executive	Taupō District Council	
Andrew Wilson	Chief Executive	RotoruaNZ	
Rick Keehan	Chief Executive	Amplify	

- Please complete the attached registration form and submit it to [RegionalDeals@dia.govt.nz](mailto:RegionalDeals@dia.govt.nz) by 18 December. For further questions, please contact your DIA Partnership Director below or email us at [RegionalDeals@dia.govt.nz](mailto:RegionalDeals@dia.govt.nz).

<i>Regions</i>	<i>DIA Partnership Director</i>	
Northland/Auckland/Waikato	Vanessa Blakelock	<a href="mailto:Vanessa.blakelock@dia.govt.nz">Vanessa.blakelock@dia.govt.nz</a> [REDACTED]
Bay of Plenty/Gisborne Tairāwhiti/Hawkes Bay/Manawatū Whanganui/Taranaki	Caroline Dumas	<a href="mailto:Caroline.dumas@dia.govt.nz">Caroline.dumas@dia.govt.nz</a> [REDACTED]
Wellington/Otago/Southland	Warren Ulusele	<a href="mailto:Warren.ulusele@dia.govt.nz">Warren.ulusele@dia.govt.nz</a> [REDACTED]
Nelson City and Tasman /Marlborough/Canterbury/ West Coast	Paul Barker	<a href="mailto:Paul.barker@dia.govt.nz">Paul.barker@dia.govt.nz</a> [REDACTED]

**8 HE WHAKATAUNGA KIA HOKI ATU TE ARONGA O TE HUI HAI HUI  
 TŪMATAWHĀNUI – RESOLUTION TO MOVE INTO PUBLIC EXCLUDED (TO  
 CONSIDER AND ADOPT CONFIDENTIAL ITEMS)**

**PUBLIC EXCLUDED**

1. Exclusion of the Public
2. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>RECOMMENDATION</b>		
That Community and District Development Committee resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act:		
<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>8.1 - Confidential Minutes of the Community and District Development Committee Meeting held on 4 December 2024</b>	Please refer to the relevant clause/s in the open meeting minutes.	Good reason for withholding exists under Section 48(1)(a).
<b>8.2 - Re-appointment of Board Member for one of the Council Controlled Organisations (CCO) namely Rotorua Regional Airport Limited</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  <b>Plain English – Protect privacy of a person</b>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
Consideration has been given to public interest in this matter and officers’ advice is that the above reason for confidentiality outweigh the public interest in the matter.		

## 9 TE KARAKIA WHAKAMUTUNGA – CLOSING KARAKIA

Kia whakairia te tapu  
Kia wātea ai te ara  
Kia turuki whakataha ai  
Kia turuki whakataha ai  
Hāumi e. Hui e. Tāiki e!

Restrictions are moved aside  
So the pathway is clear  
To return to every day activities  
To return to every day activities  
Allied, enriched, unified, and blessed