



ROTORUANZ

ROTORUANZ STATEMENT OF INTENT

2024-2025

***Note: This revised Statement of Intent 2024-25 takes effect on 29 October, 2024 following the transfer of additional service delivery functions to RotoruaNZ from Rotorua Lakes Council**

MIHI

HE MĀNUKA TŪ KI TE AHI

E ngā reo
E ngā mana
E ngā ihi
E ngā wehi
E ngā manawa tītī
E ngā mānuka tū ki te ahi
Tihei Mauriora e

To the many voices
To the many authorities
To those who are movers and shakers
To those who will put in the hard yards and ask for more
To those who thrive when the fire burns hot
Behold there is life, behold there is hope.

This whakatauakī was gifted to RotoruaNZ by Kingi Biddle of Ngāti Whakaue.



FOREWORD

Tēnā koutou,

The people of Rotorua are at the heart of what makes our city the amazing place that it is. We have a deep connection to the taiao around us, we are welcoming and caring, innovative and courageous, and work together for the betterment of all. Our environment is unique and sets us apart from every other region in Aotearoa, New Zealand. There is nowhere else in the world where you can experience Māori culture in all its forms, quite like the way you can here in Rotorua.

This Statement of Intent (SOI) sets out the work we will do over the next 12 months to support Rotorua Lakes Council achieve its stated Long-Term Plan 2025-2034 priorities. This year, we reaffirm our dedication to not only maintaining our core business operations and BAU activities but also embracing new priority projects.

Central to this SOI is sharpening our focus to deliver against the following objectives:

- Strengthening our reputation, building brand equity, enhancing vibrancy and delivering economic value through destination promotion and delivery of the Rotorua events strategy.
- Delivering sales and vibrant programming across key commercial venues (Energy Events Centre and Sir Howard Morrison Centre), international, business events, education and groups.
- Providing high quality service delivery across visitor services and venue operations (Energy Events Centre and Sir Howard Morrison Centre).
- Delivering economic development initiatives, with a focus on priority sectors – tourism and forestry – and facilitating broader business growth initiatives.

In line with the council's Letter of Expectation, RotoruaNZ commits to supporting the Rotorua Reorua initiative, showcasing our unique cultural heritage and enhancing our community's wellbeing. We understand the importance of collaboration and will continue our monthly engagement with RLC's District Development team to ensure our efforts are cohesive and impactful.

As we navigate the challenges and opportunities ahead, RotoruaNZ is dedicated to making Rotorua a better place to live, work, and visit. Our collective efforts will focus on developing a sustainable and prosperous future for all residents, underpinned by a commitment to excellence, innovation, and partnership.

Together, we will continue to shape Rotorua's story, fostering an environment where our community thrives, he painga mō te ao katoa.



Andrew Wilson
Chief Executive

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1. INTRODUCTION

In accordance with Section 64(1) of the Local Government Act, this Statement of Intent (SOI) sets out the strategic framework, activities and performance measures for RotoruaNZ for the next 12 months. It has been written in response to the Rotorua Lakes Councils new priorities for 2022 - 2025 which includes Economy and Economic Resilience as one of its four key priority areas. RotoruaNZ will also deliver against its current SOI and long-term BAU activities and continue to work alongside Te Tatau o Te Arawa to support the implementation of Rotorua reorua across its operations and the community.

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2. ABOUT ROTORUANZ

RotoruaNZ is the Economic Development Agency (EDA) and Regional Tourism Organisation (RTO) for the Rotorua district. Our work supports the development of the Rotorua economy, unlocking opportunities for commercial investment and providing employment, wealth and wellbeing for all of our people. RotoruaNZ is committed to developing and promoting Rotorua as a destination of choice to work, study, visit, invest and live in. RotoruaNZ's key trading activities and brands are RotoruaNZ and i-SITE.

RotoruaNZ is a Council Controlled Organisation (CCO) that works in partnership with iwi, private sector business, local government, community organisations and central government to support their growth aspirations and enhance the Rotorua identity and reputation. We operate as a neutral entity and a trusted advisor, balancing the needs of each group of stakeholders for the benefit of the destination.

RotoruaNZ is committed to sustainability and focused on reducing our environmental footprint. We continue to work with EKOS to measure and offset our remaining carbon emissions to be certified zero carbon, and also work closely with the visitor economy to support our local businesses and their journeys to embed sustainability practices in their operations.



3. OUR PURPOSE

The purpose of RotoruaNZ is to unlock the economic potential of Rotorua.

The purpose of RotoruaNZ is to “unlock the economic potential of Rotorua.”

This reflects RotoruaNZ’s primary role as the Regional Tourism Organisation (RTO) and Economic Development Agency (EDA). RotoruaNZ will continue to work as a key partner in the economic development components of Rotorua Lakes Council’s stated priorities for 2022-25. We’ll look to the Te Arawa 2050 Vision to understand and intertwine the moemoea and aspirations identified by Te Arawa whānui.

The strengths of our region include the natural environment, our vibrant and expressive Māori culture and the rich, invigorating experiences that are accessible to all. We’ll continue to leverage these strengths in our positioning and marketing of Rotorua to the rest of New Zealand and the world.

We’ll continue to unlock the potential of Rotorua by:

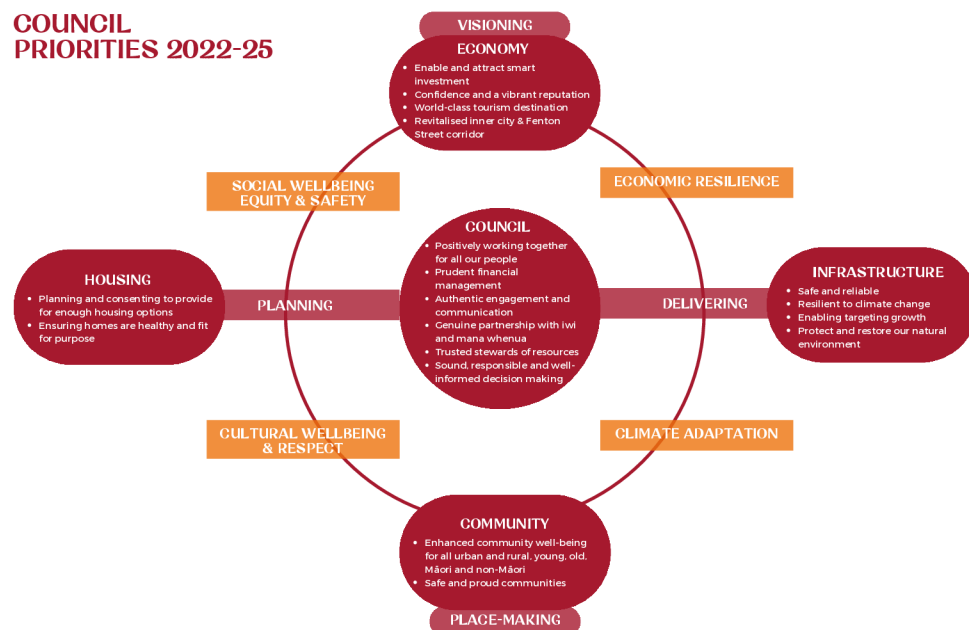
- Focusing on the restoration of Rotorua’s reputation as a vibrant world-class destination.
- Attracting, retaining and growing investment, talent and business across the district.
- Supporting efforts to revitalise the inner-city and Fenton Street corridor.
- Working closely with Te Arawa whānui to support the growth of their economy in alignment with the values set out in the Te Arawa 2050 Vision.
- Being a host for a broad range of events that make a significant economic contribution, enhance Rotorua’s reputation and builds local pride.
- Ensuring the impact of change achieves a balance between social, environmental, economic and wellness benefits for the people of Rotorua.



4. OUR STRATEGIC FRAMEWORK

RotoruaNZ's vision for Rotorua is that it is a place for everyone offering diverse opportunities, a unique natural environment and a vibrant centre of Māori culture and expression. Our strategic framework aligns with RLC's priorities for 2022-25:

COUNCIL PRIORITIES 2022-25



RotoruaNZ has moved to a functional structure that ensures we are well positioned to deliver upon Council's priorities for 2023-24. The organisation will be strongly focused on delivering on the Council's economy priorities with a particular focus on the tourism and hospitality sector. Central to this SOI is sharpening our focus to deliver against the following three objectives:

- Strengthening our reputation, building brand equity, enhancing vibrancy and delivering economic value through destination promotion and delivery of the Rotorua events strategy.
- Delivering sales across key commercial venues (Energy Events Centre and Sir Howard Morrison Centre), international, business events, education and groups.
- Providing high quality service delivery across visitor services and venue operations (Energy Events Centre and Sir Howard Morrison Centre).
- Delivering economic development initiatives, with a focus on priority sectors – tourism and forestry – and facilitating broader business growth initiatives.

To achieve this, we will be lifting our ongoing engagement with the tourism and hospitality sector to ensure that there is stronger alignment in the development of strategy and priorities, and that maximise shared delivery opportunities.

5. OUR WORK PLAN

This section describes our work plan and intended outcomes over the next financial year.

5.1 Reputation Rebuild – a 3 year plan to build local pride in place

Creating positive change through community engagement and positive local media acknowledging that pride starts from within. Year one involves incentivising involvement from locals, businesses and media in campaigns, awards, activities and events, harnessing user-generated content. Seeking out and showcasing positive stories through a new (owned) community-led media platform that encourages input from the whole community.

The deliverables in this area include:

- Regular stories across all channels about success and momentum in Rotorua are featured in owned media, social media and national mainstream media, creating a sense of momentum and change. Proactive PR on any new tourism products and Rotorua events (BAU).
- Community-backed events and incentives that brings people back to the city to close the perception gap.
- Community-led, multi-channel place brand campaign featuring local residents and celebrity endorsements from those with connections to Rotorua.
- Matariki 2025 flagship event strategy developed with business case to pitch for funding.





5.2 Marketing and communications – Strengthening Rotorua’s reputation and building brand equity

We will focus on building our reputation as a vibrant world class visitor destination in a way that is authentic and meaningful to both visitors and local community. Our stories will reflect the destination brand and focus on both our people and place ensuring our destination values are well understood and resonate with our target audiences.

We will ensure Rotorua is recognised as an attractive place to live, work and play, and a viable investment destination in areas of comparative advantage including the tourism, and forestry and wood processing sectors.

The deliverables in this area include:

- A communication and engagement strategy is developed in collaboration with iwi and key stakeholders to enhance the reputation of Rotorua as a revitalised world class visitor destination.
- A marketing strategy is developed in collaboration with iwi and the local visitor economy that will reflect the destination brand and ensure the destinations values are well understood, and grow the value of visitors to the city year-round.
- Council and private sector led major events will be leveraged to attract more visitors to the destination.
- Partnerships are strengthened with stakeholders in a way that will ensure mana-enhancing interactions and authentic engagement.
- The people of Rotorua are engaged in the development of the destination, recognising the benefits that new investment, economic development, and a strong tourism sector offer our city.
- Improvement in engagement with the wider Rotorua business community to ensure awareness of support and opportunities available to them.
- Council and private sector led major events are leveraged to attract more visitors to Rotorua.
- Improved digital delivery to support organizational efficiency and effectiveness.
- A te reo Māori toolkit for local businesses to support the increase in use and visibility of te reo so they can embrace and leverage our status as the first bilingual city of Aotearoa.





5.3 Delivery of the Rotorua events strategy - strengthening Rotorua's reputation, enhancing vibrancy and delivering economic impact

We provide a range of activities, events and experiences that connect and engage our community. We aim to continue to deliver events that support local business opportunities, stimulate our economy and promote our district. Major events and venues are about showcasing and leveraging event venues, attractions and services in Rotorua. Our major venues include the Sir Howard Morrison Centre and the Energy Events Centre.

We will focus on executing against the Rotorua events strategy, with an emphasis on economic growth, building brand Rotorua and vibrancy outcomes.

We will take a focused and transparent approach to the allocation of resource and budget, ensuring clear line of sight with the event strategy.

The deliverables in this area include:

- Development of a delivery plan to execute on the events strategy
- Resetting KPIs for next financial year
- Develop a measurement and KPI framework for the implementation of the events strategy and venues.





5.4 Destination Sales and programming - Delivering sales and vibrant programming across key commercial venues (Energy Events Centre and Sir Howard Morrison Centre), international, business events, education and groups.

We will deliver and develop key strategies for optimising growth of the visitor economy for the Destination through venue programming, events, business events, and tourism trade.

Across our venues, we will focus on the attraction of commercial clients which maximise revenue, wider economic benefit and cost recovery for RotoruaNZ, in alignment with the Rotorua Events Strategy. This will continue to be balanced against community events, ensuring a particular focus on the performing arts at Sir Howard Morrison Centre.

As the convention bureau for Rotorua, we will focus on successfully bidding for conferences, incentives and meetings. We'll be recognised as one of New Zealand's top 5 destinations for business events and conference delivery through the provision of outstanding local knowledge and high-quality service tailored to the needs of the business events markets both domestic and international.

We will coordinate and represent Rotorua operators in key international markets. Our focus is on growing the value of international visitation through the trade channel to the local community.

The deliverables in this area include:

- An expanded Rotorua Education Network that will increase value for participating schools and tourism operators.
- Accurate, timely and user-friendly information, and booking services for both visitors and residents, with the aim of encouraging visitors to stay longer and spend more.
- A successful high performing, knowledge rich and sales orientated team.
- Converted business for the tourism and hospitality sector through the trade and business events channels.
- Efficient transactional financial services.
- To deliver against performance measures and targets for the EEC and SHMC as listed within the 2024-2034 Long-term Plan, in addition expand the existing measures to differentiate between commercial and community utilisation.





5.5 Visitor services and venue operations: Providing high quality service delivery across operational teams

We will focus on enhancing the customer and visitor experience in the delivery of services across our operational teams. This includes but is not limited to the customer service interactions, provision of technology, audio-visual, food & beverage and other services that are central to the customer experience.

We will focus on the efficiency of delivery in the management of and operations in the venues.

We will ensure we deliver outstanding visitor services where they are most needed by being strategic about where our iSite centers operate. We will provide innovative and relevant booking services and industry knowledge to cater schools, sporting codes and other groups who choose to locate themselves in Rotorua for educational or extracurricular purposes.

The deliverables in this area include:

- Development of current and future state customer journey and operation plan to uplift service delivery
- Creation of customer satisfaction measurement and reporting framework
- Resetting KPIs for next financial year
- Operationally deliver EEC and SHMC at a reducing revenue shortfall across the financial year and outyears.





5.6 Business Growth, Insights, and Investment Attraction – Delivering economic development initiatives, with a focus on priority sectors– tourism and forestry – and facilitating broader business growth initiatives.

We will leverage our connections with regional and central government agencies, the private sector and education providers to identify trends and market information that will support continued investment and reinvestment decision-making by local businesses and landowners.

We will work with partners to coordinate local business networks that foster growth, connectivity, innovation and collaboration across both our districts, and business needs.

We will continue to support business growth and innovation through the provision of research and insights.

We will continue to strengthen our relationships with Te Arawa iwi and mana whenua in support of their economic development aspirations.

We will support local businesses in the attraction of investment, or the removal of barriers, for growth and retention.

We will work closely with council to progress a Rotorua District Business and Industrial Land Strategy, which will guide the priorities for investment and development of industrial land and commercial business parks.

We will provide advocacy and policy input, in response to central and local government priorities in line with council direction (e.g. government reforms or legislative change).

We will provide targeted support in key economic sectors and council priorities as required

We will take a leadership role in responding to government's regional economic development policy and infrastructure settings, in line with council direction.

The deliverables in this area include:

- Support for existing businesses in the attraction of investment, or removal of barriers for growth and retention.
- The delivery of insights better tailored to support business and investor confidence and decision-making.
- Continuation of Rotorua Destination Management Plan activities including:
- Investigate funding options for the implementation of the wayfinding strategy with a particular focus on the inner-city signage.
- Undertake accommodation supply and demand analysis with a view to understanding the current gaps and potential opportunities.
- Review current Destination Management Plan or delivery action plan to incorporate changes to Rotorua's operating environment as resourcing allows.
- Overall co-ordination of the implementation of the Forest Futures Action Plan in partnership with stakeholders and as funding allows.



6. ROTORUANZ OPERATING PRINCIPLES & VALUES

RotoruaNZ is a values led organisation committed to creating a workplace environment that encourages collaboration and inclusivity. Our values bring us together and guide everything we do as an organisation. We strive to bring out the best in one another, partner for success with mana whenua, community and stakeholders, and inspire through our actions. We celebrate and acknowledge the cultural diversity within our organisation.

NGĀ UARA MATUA | OUR VALUES

- Courage | Te Māiā
- Fun | Pārekareka
- Integrity | Te Ngākau Pono
- Inclusivity | Te Whakawāitanga
- Pride | Poho Kererū

The Board acknowledges that as part of the Council resolution to establish the CCO, the entity has to be flexible around its service delivery using a combination of facilitation, coordination and working in partnership with other organisations or sector groups. In meeting this challenge, the CCO will adhere to the following guiding principles in fulfilling its role:

- Assisting with the reduction of regulatory barriers
- Identifying and validating potential areas of focus that will support private sector investment, ensuring that robust information is provided to assist decision-making
- Leading with business insights and intelligence
- Applying commercial disciplines
- Not duplicating or competing with the activities of the private sector
- Taking a customer-centric approach to seamless service delivery
- Contributing to the goals and objectives of the Te Arawa Partnership Agreement
- Create a high-performance culture within RotoruaNZ so that it fosters and attracts top talent.





7. PERFORMANCE UPDATE

The board takes a two-pronged approach to monitoring the performance of the CCO designed to reflect Council expectations.

One is a set of organisation-wide performance measures and targets which are within the CCO's control and form the basis for accountability to delivering on the priority outcomes in the areas of Business Development, Investment Attraction and Tourism Growth.

Two is a set of key monitoring indicators that reflect outcomes at the regional level which are impacted by a range of factors outside of the CCO's direct control but which the CCO aims to influence at a local level, where possible, through their activity.

Progress against these performance measures and indicators will be monitored by the board on a regular basis and reported to council and stakeholders on a quarterly basis. The board proposes the following as the controllable organisation-wide performance measures to form the basis for accountability to the Shareholder.

7.1 KEY PERFORMANCE MEASURES

	Measure	Pre-COVID (2018/19 Actual)	2023/24 Target	2023/24 Actual YTD Jul 2023 to March 2024	2024/25	2025/26	2026/27
Marketing and communications - Strengthening Rotorua's reputation and building brand equity	Domestic visitor card expenditure in Rotorua (based on Marketview Tourism Tool dataset)	\$303m	At least \$315m	\$244.7m (YTD Mar 2024)	At least \$320m	At least \$325m	At least \$340m
	International visitor card expenditure in Rotorua (based on Marketview Tourism Tool dataset)	\$128m	At least \$129m	\$114.8m (YTD Mar 2024)	At least \$135m	At least \$140m	At least \$150m
	% of commercial accommodation occupied (based on MBIE ADP dataset)	49%	At least 55%	57% (YTD Jan 2024)	At least 57%	At least 59%	At least 61%
	% of local visitor economy stakeholders satisfied with RotoruaNZ services (Survey of Rotorua attraction, hospitality, food & beverage businesses)	Not measured	At least 75%	Not available - measured once annually in June	At least 75%	At least 75%	At least 75%
	% of domestic travelers that have visited Rotorua overnight within the past 12 months (Angus & Associates, VIP dataset)	18%	At least 15%	12% (YE Dec 2023)	At least 15%	At least 16%	At least 17%
	% of domestic travelers find Rotorua highly appealing as a destination for a short break or holiday (Angus & Associates, VIP dataset)	40%	At least 37%	35% (YE Dec 2023)	At least 37%	At least 38%	At least 40%
	Net Promoter Score (NPS) of domestic visitors to Rotorua within the past 12 months who would recommend Rotorua as a travel destination (based on Angus & Associates, VIP dataset)	Not measured	At least +11	+12 (YE Dec 2023)	At least +12	At least +13	At least +14
	% of domestic travelers who definitely or probably will visit Rotorua within the next 12 months (based on Angus & Associates, VIP dataset)	32%	At least 33%	34% (YE Dec 2023)	At least 35%	At least 37%	At least 38%

7.1 KEY PERFORMANCE MEASURES CONT...

	Measure	Pre-COVID (2018/19 Actual)	2023/24 Target	2023/24 Actual YTD Jul 2023 to March 2024	2024/25	2025/26	2026/27
Destination Sales. Delivering sales across key commercial venues (Energy Events Centre and Sir Howard Morrison Centre), international, business events, education and groups, and in-destination.	isite to be financially self-sufficient.		Cost neutral	\$175,228 (YTD Jan 2024)	Cost neutral	Cost neutral	Cost neutral
	Business events - value of bids won in financial year (based on MBIE CDS dataset and DR lead sheet confirmed conferences)	\$8.8m	At least \$9m	\$12.5m (YTD Feb 2024)	At least \$10m	At least \$11m	At least \$12m
	Education and Group Bookings - annual value of school bookings through the Rotorua Education Network		At least \$1.4m	\$1.2m (YTD Jan 2024)	At least \$1.45m	At least \$1.5m	At least \$1.55m
	**The number of event days that the Sir Howard Morrison Centre is occupied from total possible days using booking information <ul style="list-style-type: none"> Commercial utilisation Community utilisation 		New measure		Establish baseline	5% increase from prior year	2.5% increase from prior year
	**The number of people attending events at the Sir Howard Morrison Centre		New measure		Establish baseline	2.5% increase from prior year	2.5% increase from prior year
	**The number of event days that the Energy Events Centre is occupied from total possible available days using booking information <ul style="list-style-type: none"> Commercial utilisation Community utilisation 		New measure		Establish baseline	5% increase from prior year	5% increase from prior year
	**The number of people attending events at the Energy Events Centre		New measure		Establish baseline	2.5% increase from prior year	2.5% increase from prior year

**Measure transferred from Rotorua Lakes Council Long Term Plan 2024-2034

7.1 KEY PERFORMANCE MEASURES CONT...

	Measure	Pre-COVID (2018/19 Actual)	2023/24 Target	2023/24 Actual YTD Jul 2023 to March 2024	2024/25	2025/26	2026/27
Major events and events delivery support - strengthening Rotorua's reputation, enhancing vibrancy and delivering economic impact	Delivery against the event strategy (specific KPI to be developed).		New measure		Establish baseline		
Visitor services and venue operations: Providing high quality service delivery across operational teams	Customer and participant satisfaction rate (specific KPI to be developed).		New measure		Establish baseline		
Business Growth, Insights, and Investment Attraction - Delivering economic development initiatives, with a focus on priority sectors - tourism and forestry - and facilitating broader business growth initiatives.	The number of Te Arawa economic development projects directly supported by RotoruaNZ.	Not measured	At least 2	2 (YTD Feb 2024)	At least 2	At least 2	At least 2
	The number of actions supported or delivered by RotoruaNZ in the forest futures action plan.	Not measured	At least 2	0 (YTD Feb 2024)	At least 2	At least 2	At least 2
	The number of projects identified in the Rotorua Destination Management Plan directly delivered or supported by RotoruaNZ	Not measured	At least 4	4 (YTD Feb 2024)	At least 4	At least 4	At least 4
	% of local businesses satisfied with the quality of RotoruaNZ's destination data and insights developed to support decision making by businesses. (Survey of all Rotorua businesses)	Not measured	At least 75%	Not available - measured once annually in June	At least 75%	At least 75%	At least 75%
	The number of submissions written by RotoruaNZ and / or projects supported to apply for a government fund.		New measure	At least 3	At least 3	At least 3	At least 3

	Measure	Pre-COVID (2018/19 Actual)	2023/24 Target	2023/24 Actual YTD Jul 2023 to March 2024	2024/25	2025/26	2026/27
Discontinued	International visitor card spend per day in Rotorua (based on MBIE TECT and DataVentures VLPE datasets)	\$112 YE Dec 2019	At least %150	Not available	MBIE has ceased the TECT dataset (and suspended the replacement MRTE dataset). DataVentures has ceased the VLPE dataset and no replacement is available.	MBIE has ceased the TECT dataset (and suspended the replacement MRTE dataset). DataVentures has ceased the VLPE dataset and no replacement is available.	MBIE has ceased the TECT dataset (and suspended the replacement MRTE dataset). DataVentures has ceased the VLPE dataset and no replacement is available.

7.2 MONITORING INDICATORS

In addition to our performance measures, RotoruaNZ has identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our direct control (e.g. exchange rates, natural disasters, government policy) but which we aim to influence through our activity. As the city's economic growth agency, we take a leadership role in monitoring, reporting and influencing these indicators as we can, however we do not measure the performance of our organisation against them. We have also developed a 6-monthly survey tool in partnership with the Chamber of Commerce to engage with the business community and glean insights that will help us understand their challenges and aspirations. These indicators reflect outcomes at the regional level. As the district's economic growth agency, RotoruaNZ will monitor report and where possible influence these indicators at a local level, however they are not the measure of the organisation's performance.

***Note*:** At each quarterly release, Infometrics revises historical values and therefore the values in the table below will change. This table will be updated again before it goes to final print. Data is released approx. 20-25th of Feb, May, Aug and Nov.



Monitoring Indicators	Year Ending							2022-23 change	
	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Rotorua	NZL
Economic Activity									
Real GDP	\$4.042b	\$4.187b	\$4.281b	\$4.132b	\$4.356b	\$4.313b	\$4.423b	+2.6% ▲	+3.1% ▲
Consumer Card POS Spending	\$1.027b	\$1.074b	\$1.124b	\$1.051b	\$1.100b	\$1.097b	\$1.268b	+15.6% ▲	+12.4% ▲
Domestic Visitor Card POS Spending	#N/A	#N/A	\$303m	\$270m	\$343m	\$301m	\$323m	+7.3% ▲	+10.6% ▲
International Card POS Spending	#N/A	#N/A	\$128m	\$97m	\$15m	\$15m	\$109m	+626.9% ▲	+311.6% ▲
Non-Residential Consent Value	\$58m	\$46m	\$64m	\$62m	\$91m	\$105m	\$142m	+34.6% ▲	+11.5% ▲
Workforce									
Health Enrolments	67,662	68,798	68,726	69,151	70,122	70,478	70,969	+0.7% ▲	+1.0% ▲
Employed Persons	30,500	31,320	31,983	32,254	32,180	32,851	33,531	+2.1% ▲	+2.6% ▲
% Business Concern Finding Skilled Staff	#N/A	#N/A	#N/A	#N/A	#N/A	68%	61%	-7pts ▼	
Job Support Recipients	3,294	3,372	3,600	4,312	5,424	5,166	4,666	-9.7% ▼	-6.6% ▼
Unemployment Rate	7.7%	6.9%	5.5%	5.8%	7.0%	5.2%	5.5%	+0.3pts ▲	+0.2pts ▲
Housing									
Average House Sale Price	\$417,993	\$442,701	\$489,328	\$570,051	\$672,162	\$725,655	\$668,450	-7.9% ▼	-9.0% ▼
House Price Affordability	5.1%	5.2%	5.4%	5.9%	6.7%	6.9%	6.0%	-0.9pts ▼	-1.1pts ▼
Average Weekly Rent	\$304	\$332	\$362	\$401	\$422	\$464	\$481	+3.7% ▲	+4.3% ▲
Rent Affordability	19.2%	20.2%	20.8%	21.7%	21.7%	22.9%	22.5%	-0.4pts ▼	-0.2pts ▼
Residential New Dwelling Consents	117	160	176	186	283	392	391	-0.3% ▼	-12.2% ▼

Sources: Infometrics, Regional Economic Monitor; Marketview, Tourism Tool; RotoruaNZ, Rotorua Business Pulse Survey

8. SUMMARY OF FINANCIALS

8.1 COUNCIL FUNDING CCO BUDGET YE JUNE 30 2025

The total level of Council funding provided for the CCO in financial year 2025 to deliver on the expected outcomes contained within this SOI is \$4.881million. For clarity this investment is exclusive of any externally generated revenue by the CCO including the i-SITE, partner programmes, and private sector joint ventures and/or agreements.

8.2 RATIO OF SHAREHOLDERS FUNDS TO TOTAL ASSETS

In accordance with Schedule 8, section 9, 1 (d). The Company's Shareholders Funds are defined as paid up capital, plus retained earnings and reserves. Total Assets are defined as the sum of current assets and non-current assets. The ratio of Shareholders Funds to Total Assets is 100% calculated by the formula Shareholders Funds/Total Assets.

8.3 ACCOUNTING POLICIES

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes. These financial statements have been prepared in accordance with Tier 2 PBE accounting standards. These financial statements comply with the Financial Reporting Act 2013, the Companies Act 1993, and Section 69 of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

8.4 DIVIDEND POLICY

The CCO is not forecasting to generate any dividend for its shareholder over the next 3 years. Should a situation arise where distributions to the shareholder could be considered the Board will take into account the following elements in any distribution it may consider:

- Company's working capital requirements
- The retention of an appropriate level of earnings for reinvestment in the business.

8.5 ACQUISITION AND DIVESTMENT POLICY

Any subscription, purchase, acquisition or divestment by the CCO of shares in a company or other such investments in organisations will require shareholder approval.

The following summary of financials supports the delivery of the strategic deliverables and key performance measures for RotoruaNZ.



Operating Budgets	2023/2024 (Budget)	2024/25	2025/26	2026/27
Revenue	\$	\$	\$	\$
Council funding (Economic Development targeted rate)	\$4,220,004.00	\$5,048,000.00	\$5,284,561.00	\$5,441,819.00
Council funding (General Rates - Events and Venues)		\$3,037,281.00	\$3,189,145.05	\$3,348,602.00
Government funding	\$80,004.00	\$0.00	\$0.00	\$0.00
Visitor services trading revenue	\$1,921,500.00	\$2,188,000.00	\$2,250,000.00	\$2,350,000.00
Council funding (Revenue subsidy - Venues)		\$1,353,736.00	TBC	TBC
Venue management trading revenue		\$2,884,248.00	TBC	TBC
Interest received	\$15,996.00	\$40,000.00	\$42,000.00	\$44,000.00
Total revenue	\$6,237,504.00	\$14,551,265.00	\$10,765,706.05	\$11,184,421.00
Expenditure				
Advertising, Marketing and Communications	\$714,948.00	\$1,375,000.00	\$1,425,000.00	\$1,450,000.00
Depreciation and Amortisation	\$98,004.00	\$124,396.00	\$130,000.00	\$135,000.00
Personnel costs	\$3,251,627	\$6,829,421.00	\$7,095,768.00	\$7,308,641.00
Other expenses	\$2,169,996.00	\$6,206,968.00	\$6,517,316.00	\$6,843,182.00
Total expenses	\$6,234,575.00	\$14,535,785.00	\$15,168,084.00	\$15,736,823.00
Net Surplus / (Deficit)	\$2,929.00	\$15,480.00	\$(4,402,377.95)	\$(4,552,402.00)

Notes:

1. Revenue and Expenditure for 2024/25 is overstated as the full year budget has been included for events and venues. This needs to be apportioned as at the date of transfer.
2. Further work is required to determine forecast venue trading revenue and the associated revenue subsidy for 2025/26 and subsequent years. This will be completed during the creation of the next Statement of Intent.



OTHER FINANCIAL INFORMATION

Current value of assets	The current value of RotoruaNZ Ltd's assets as 30 June 2023 was \$226,600 based on the net asset value of RotoruaNZ Ltd to be confirmed by the disclosed in the audited financial statements.
Accounting Policies	RotoruaNZ accounting policies are consistent with those of the Rotorua Lakes Council policies.
Financial Reporting	RotoruaNZ financial reporting to Council will be in accordance with requirements of the CCO with requirements of a CCO under the LGNZ Act
Budget allocation from Rotorua Lakes Council	The funding allocation from Council is based on the Long Term Plan funding.



9. GOVERNANCE

9.1 RESPONSIBILITIES OF DIRECTORS

The Council has established the CCO board and, consistent with best practice, Directors are appointed under the expectation that in undertaking their role, they will exhibit and ensure to:

- Act as a board of governance for the organisation responsible for the overall direction and control of the company's activities, to act in the best interests of the CCO, and not act as representatives of either their business or the sector they work in.
- Assist the organisation to ensure the activities of the CCO deliver upon the SOI and funding agreements with Council which are driven by the strategies and expectations of Council.
- The board will adopt governance practices and policies that are not inconsistent with those of Council and make the commitment to operate in a manner consistent with adherence to the Companies and Local Government Acts and the principles of the Institute of Directors of NZ and their four pillars of governance best practice for NZ directors.
- Practice sound business in commercial undertakings, operating as an efficient and effective business.
- Implement sustainable business practices.
- Assist in the development of the Board Intern

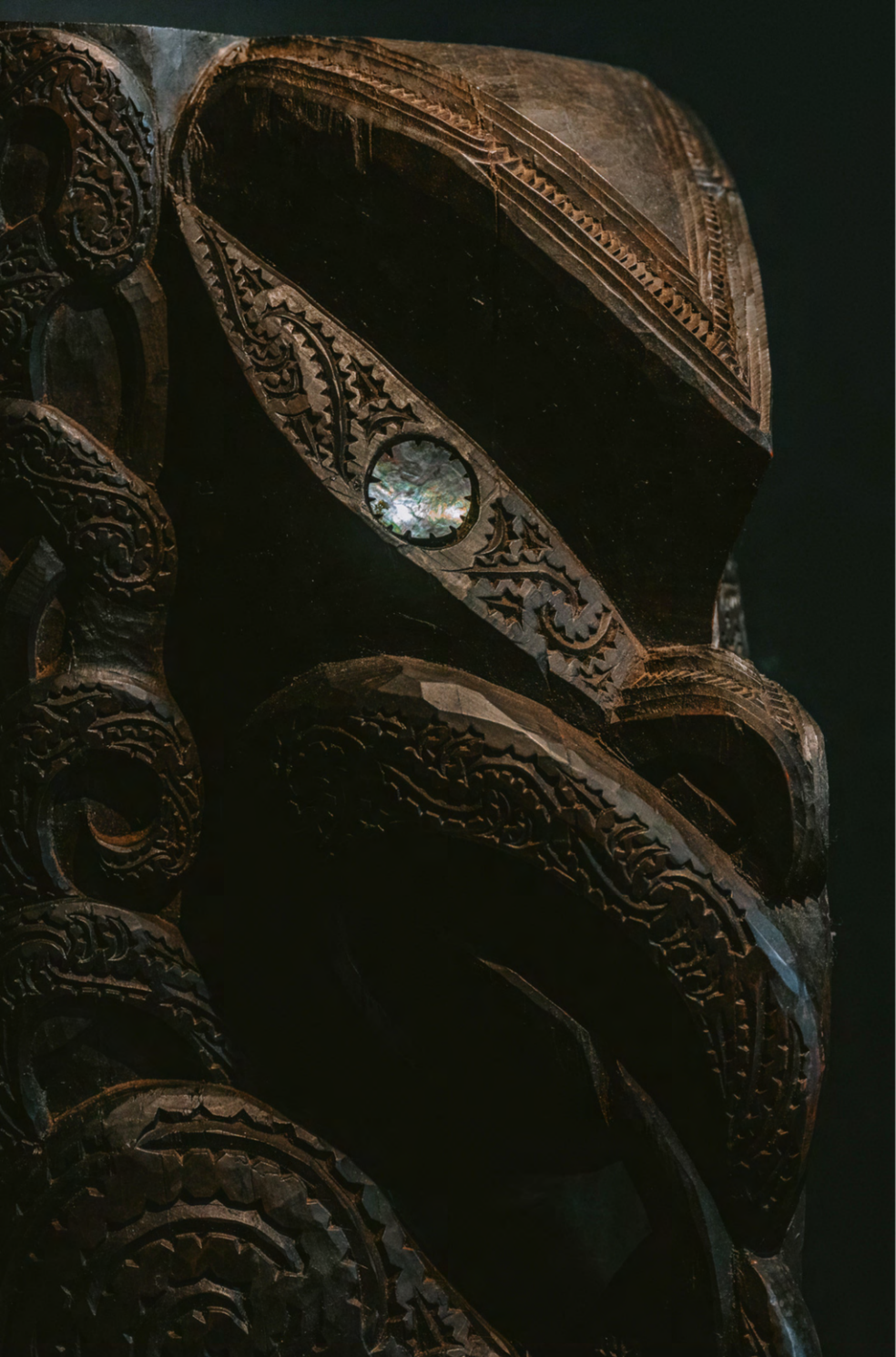
Meeting legal requirements

The Board's first duty is to the legal entity. In meeting this duty the Board must ensure that all legal requirements under the relevant Acts are met and that the entity is protected from harmful situations and circumstances in the interests of current and future stakeholders. The Board also has a responsibility to its stakeholders to ensure that the available resources are used to deliver the right outcomes to the right people in the right way.

In particular Directors have the following obligations:

- To act in good faith in the interests of all stakeholders of RotoruaNZ
- To exercise their powers for a proper purpose
- To avoid actual or perceived conflicts of interest
- To act honestly
- To act with reasonable care and diligence
- To not make improper use of their position or of information gained while in that role
- To ensure that RotoruaNZ does not trade while insolvent
- Board members, either individually or collectively, are potentially liable if they act illegally or negligently.





DIRECTION OF EXECUTIVE PERFORMANCE

The Board will:

- Select, monitor and if necessary replace the Chief Executive
- Provide the Chief Executive clear expectations of his/her performance.
- Provide regular, honest and rigorous performance feedback to the Chief Executive on the achievement of such expectations

Public statements

In all contact with the media the Chief Executive shall be the sole spokesperson on all operating matters relating to RotoruaNZ Ltd. The Chairperson shall represent RotoruaNZ Ltd on all governance matters. The Chairperson may delegate aspects of this responsibility.

Other

The Board will perform such other functions as are prescribed by law or assigned to the Board under RotoruaNZ Ltd governing documents as they relate to being a Council Controlled Organisation (CCO).

9.2 EXPECTATIONS OF BOARD MEMBERS

To execute these governance responsibilities Directors must, as far as practicable, possess certain characteristics, abilities and understandings.

Fiduciary duty

Directors must act in RotoruaNZ's best interest at all times regardless of personal position, circumstances or affiliation. They should be familiar with the constitutional arrangements and fulfil the statutory and fiduciary responsibilities of a Director.

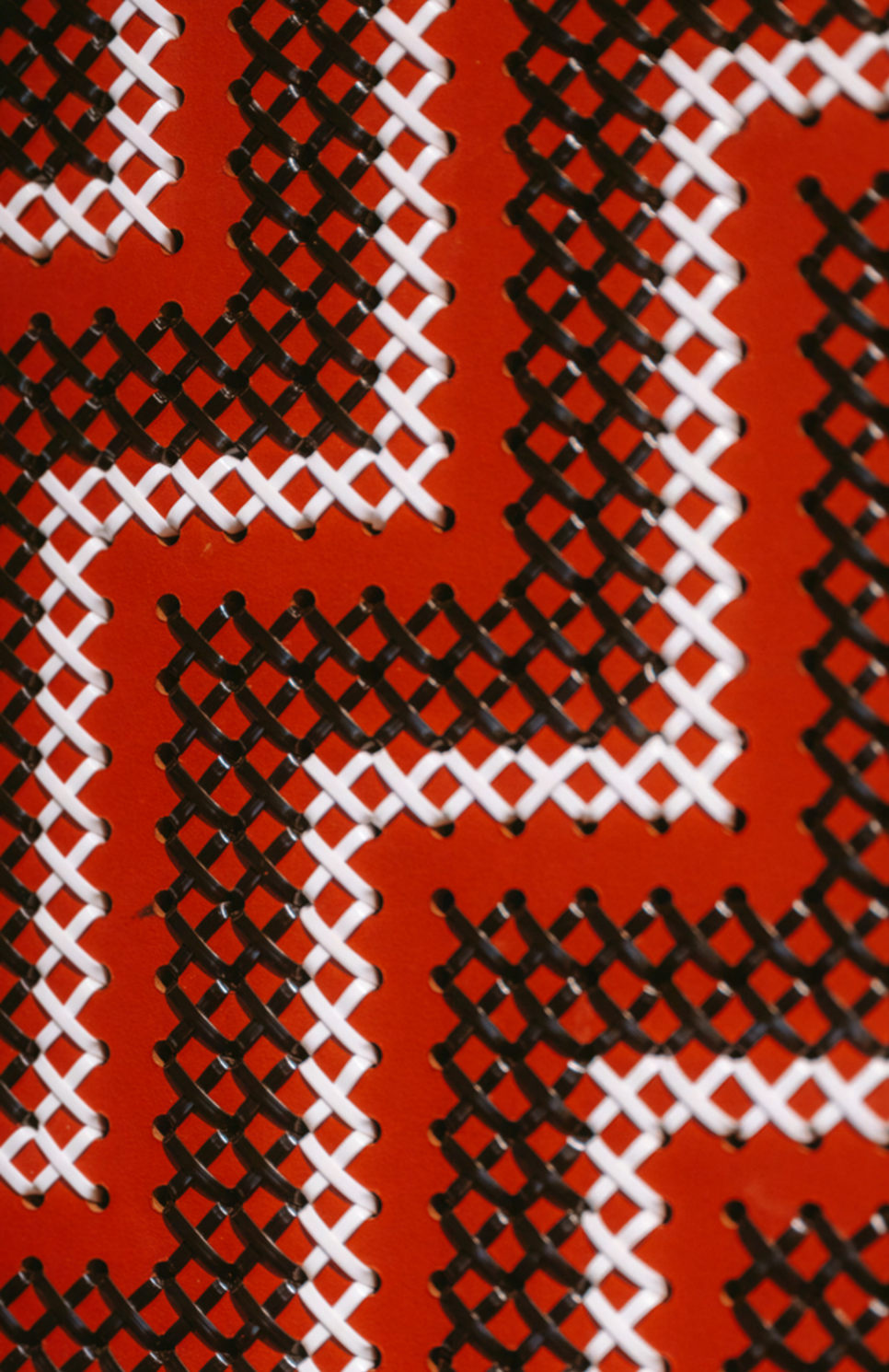
Strategic orientation

Directors should be future oriented, demonstrating vision and foresight. Their focus should be on strategic goals and policy implications rather than operational detail.

Integrity and accountability

Board members must demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on all Board decisions and remain collectively accountable for them even if these are unpopular or if individual Directors disagree with them. Directors must be committed to speaking with one voice on all policy and directional matters.





Informed and independent judgement

Each Director must have the ability to provide wise, thoughtful counsel on a broad range of issues. He or she must have or develop a sufficient depth of knowledge about RotoruaNZ to understand and question the assumptions, underlying strategic and business plans and important proposals and be able to form an independent judgement on the probability that such plans can be achieved or proposals successfully implemented. Each Director must be willing to risk rapport with fellow Directors in taking a reasoned, independent position.

Financial literacy

Directors must be financially literate. They should be able to read financial statements and understand the use of financial ratios and other indices used for evaluating RotoruaNZ's performance.

Industry and sector knowledge

Each Director is expected to bring a level of industry and sector knowledge sufficient to contribute to the Board's deliberations and considerations on behalf of the organisation.

Participation

Each Director is expected to enhance the Board's deliberations by actively offering questions and comments that add value to the discussion. Each should participate in a constructive manner that acknowledges and respects the contribution of others at the table, including the executive team. All Directors must attend at least 90% of Board meetings each year.





9.3 GOVERNANCE PROCESS POLICIES

Policies are to be clear, unambiguous and provide continuity and a consistent point of accountability.

RotoruaNZ acknowledges Māori as tangata whenua, accepts Te Tiriti/The Treaty as a founding document of the nation and acknowledges its responsibility to ensure Māori needs are met in culturally appropriate ways.

An essential element in the Board's leadership role is its responsibility to set the strategic direction for RotoruaNZ, identify organisation priorities and monitor progress against the strategic goals and objectives.

The Board has a core duty to ensure the financial integrity and viability of RotoruaNZ and to ensure the organisation's funds are used for the purposes for which they have allocated. This requires oversight of financial performance and annually approving the financial budget.

The Board will identify and evaluate the principal risks faced by RotoruaNZ and ensure that systems are in place to avoid or mitigate the risks including the protection of intellectual capital.

The Board may establish standing committees and working parties to support it in its governance work, provided they do not conflict with the Chief Executive's delegated responsibilities.

The majority of Board business will be conducted in Board meetings.

The Chairperson provides leadership to the Board, consistent with its policies and represents the Board and the organisation to outside parties. It is expected that the Chairperson will promote a culture of stewardship, collaboration and co-operation, modelling and promulgating behaviours that define sound Board membership.

The Board delegates to the Chief Executive responsibility for implementation of its strategic direction/strategic plan while complying with the Chief Executive delegation policies.



10. RESPONSIBILITY TO SHAREHOLDER

10.1 STATEMENT OF INTENT

In accordance with the Local Government Act 2002, the company submits its Statement of Intent (SOI) for the coming financial year to the Shareholder – Rotorua Lakes Council. The SOI sets out the company's overall objectives, intentions and financial and performance targets for the following three years.

10.2 INFORMATION FLOWS AND REPORTING

The Board aims to ensure that the Shareholder is informed of all major developments affecting the company's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. Within this constraint, information is communicated to the Shareholder through the following:

- Quarterly reporting against SOI's performance measures and financial forecasts.
- Delivery of an annual report by 30 September to the RLC's Chief Financial Officer.
- RotoruaNZ Chair and Chief Executive to meet with the Mayor and Council Chief Executive a minimum of twice per year.
- In addition, RotoruaNZ will proactively develop positive relationships with other local key stakeholders (namely Rotorua Airport Limited) to ensure effective communication of the initiatives being pursued through the implementation of the respective strategic plans.





11. HEALTH AND SAFETY

RotoruaNZ is committed to driving a strategy that delivers a culture of zero harm for employees, contractors, visitors, customers and anyone who may be affected by RotoruaNZ's activities. We will do this by:

- Ensuring that best practice health and safety standards are consistently applied in every aspect of our business activities;
- Complying with all health and safety obligations under relevant legislation; and
- Having a safe, healthy and enjoyable environment for everyone within RotoruaNZ.





ROTORUANZ

