



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

Kaupapataka Agenda

NOTICE OF A MEETING OF COUNCIL

Date: Wednesday 26 March 2025

Time: 9:30 am

Venue: Council Chamber

MEMBERSHIP

Chair

Mayor Tapsell

Members

Cr Kai Fong (Deputy Chair)

Cr Barker

Cr Kereopa

Cr Lee

Cr Waru

Cr Maxwell

Cr Brown

Cr O'Brien

Cr Paterson

Cr Wang

Quorum

6

**Andrew Moraes
Chief Executive**

**NGĀ TUKUNGA HAEPAPA A TE KAUNIHERA
COUNCIL DELEGATIONS**

Type of Committee	Council Committee
Subordinate to	N/A
Subordinate Committees	<ul style="list-style-type: none"> • District Licencing Committee • Audit and Risk Committee
Legislative Basis	Schedule 7 s30 (1) (A), Local Government Act 2002 Committee delegated powers by the Council as per Schedule 7, S32, Local Government Act 2002
Purpose	The purpose of the Council is to make decisions on all matters that cannot be delegated, that it has not delegated or that it has had referred to it by staff or a committee.
Reference	01-15-016
Membership	Mayor (Chair) Deputy Mayor (Deputy Chair) All elected members
Quorum	6
Meeting frequency	Monthly
Delegations	<ul style="list-style-type: none"> • the power to make a rate • the power to make a bylaw • the power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-term Plan • the power to adopt a long-term plan, annual plan, or annual report • the power to appoint a chief executive • the power to adopt policies required to be adopted and consulted on under the LGA 2002 in association with the long-term plan, or developed for the purpose of the local governance statement • the power to adopt a remuneration and employment policy • the power to set and support strategies in measures related to emergency matters. • all the powers, duties and discretions under the Civil Defence Act for the proper operation and administration of the approved Civil Defence Plan; such delegation to be executed solely within the defined policy guidelines as determined from time to time by the Council and subject to the Financial limits imposed by the approved Council estimates. <p>Additional responsibilities retained by the Council committee:</p> <ul style="list-style-type: none"> • Advise and support the mayor on the development of the long-term plan and annual plans • Approval of long-term plan or annual plan consultation documents, and supporting information and consultation process prior to consultation • Approval of a draft bylaw prior to consultation

	<ul style="list-style-type: none"> • Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of the electoral officer • Adoption of, and amendment to the Committee Terms of Reference, Standing Orders and Code of Conduct • Relationships with the Te Tatau o te Arawa board, including the funding agreement • Monitor the overall financial management and performance of the council • Make financial decisions required outside of the annual plan budgeting processes • Approve the council's insurance strategy and annual insurance placement for Council • Write-offs • Acquisition of property in accordance with the Long-term Plan • Disposals in accordance with the Long-term Plan • Review the Chief Executive's performance annually and establish performance targets for each year • Undertake a performance review at the end of the first term of appointment as required by Schedule 7, clause 35 of the Local Government Act 2002. Undertaken no less than 6 months before the date on which the chief executive's contract of employment for the first term expires.
Relevant Statutes	All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.
Limits to Delegations	Powers that cannot be delegated to committees a per the Local Government Act 2002 Schedule 7 S32.

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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 Council; 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.

3. The reason why the item is not on the agenda; and
4. 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 ORDINARY COUNCIL MEETING HELD ON 26 FEBRUARY AND 05 MARCH 2025

RECOMMENDATION

- 1. That the minutes of the Ordinary Council Meeting held 26 February 2025 be confirmed as a true and correct record.**

- 2. That the minutes of the Ordinary Council Meeting held 05 March 2025 be confirmed as a true and correct record.**

Note: Minutes of the above Council meetings are distributed separately.

6 TE PAPA KŌRERO MŌ TE TŪMATAWHĀNUI – PUBLIC FORUM

The Council has set aside time for members of the public to speak in the public forum at the commencement of each Council meeting.

7 HE PUKA INOI TŪMATAWHĀNUI – PUBLIC PETITIONS

Nil

8 NGĀ WHAKAMŌHIOTANGA MŌTINI – NOTICES OF MOTION

Nil

9 NGĀ TĀPAETANGA – PRESENTATIONS

Nil

10 PŪRONGO KAIMAHI – STAFF REPORTS

10.1 ADOPT DRAFT ANNUAL PLAN CONSULTATION DOCUMENT 2025-2026 FOR PUBLIC CONSULTATION

Doc ID: 21191837

Prepared by: Greg Kieck, Manager, Governance, Strategy & Compliance

Approved by: Thomas Collé, Group Manager, Organisational Performance and Innovation

Attachments: 1. Confidential Attachment - Draft Annual Plan Consultation Document 2025/26 (will be distributed separately) (under separate cover)

1. TE PŪTAKE PURPOSE

The purpose of this report is for Council to approve the Draft Annual Plan 2025-2026 consultation document to conduct public consultation from 4 April 2025 to 5 May 2025.

HE TŪTOHUNGA RECOMMENDATION

1. That the report 'Adopt draft Annual Plan Consultation Document 2025-2026 for public consultation' be received.
2. That Council approve the draft Annual Plan Consultation Document based on a proposed rates increase of 7.95%, a capital works programme of \$145 million and borrowing of \$41 million.
3. That Council approve to conduct public consultation on the draft Annual Plan 2025-2026 from 4 April 2025 to 5 May 2025.

2. TE TĀHUHU BACKGROUND

Annual plan development commenced in October 2024 with a briefing to Council on the direction and timeline needed to fulfil requirements for the adoption of an annual plan by 30 June 2025.

Two further workshops were held with Councillors in November and December 2024. LTP year 2 was recapped, the underlying assumptions were updated and possible consultation opportunities discussed.

In February 2025 Councillors participated in two workshops where the current state was presented and direction was obtained from Councillors on topics for consultation and the draft Annual Plan rates increase.

At the 5 March Council meeting Councillors adopted the consultation topics to be included in the draft Annual Plan consultation document. Council debated the merits of each proposal and made decisions on whether to include the proposal in the draft Annual Plan Consultation Document.

3. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

The draft Annual Plan Consultation Document has been created on the basis of delivering on year 2 of the Long-term Plan 2024-2034, noting changes that have been made to year 2. The draft Consultation Document outlines Council's work programme, key projects and anticipated rates increase for the financial year 2025/26. The draft work plan contains:

- Council's proposed capital works programme (\$145 million)
- Council's anticipated net borrowings (\$41 million)
- Council's draft rates increase for the 2025/26 financial year (7.95%)

Included in the Consultation Document are a number of topics that the Council is seeking feedback on from the community.

Following approval of the draft Annual Plan Consultation Document, consultation will be conducted with the community from 4 April to 5 May 2025.

4. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The Annual Plan is not considered significant in accordance with Council's Significance and Engagement Policy as it aligns to the Long-term Plan year 2 which has been adopted using a Special Consultative Procedure.

An assessment of the potential consultation topics against Council's Significance and Engagement Policy has been conducted. This has shown that there is high community interest in the topics and therefore, consultation will be held on the adopted topics.

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

A public consultation programme will commence on 4 April 2025 until 5 May 2025.

In order for the community to actively engage with Council on the Draft Annual Plan an engagement programme based on digital first and 'meeting people where they are' has been planned.

The following channels will be used to promote the Annual Plan consultation.

Council's engagement platform – Participate

- Read the draft annual plan consultation document
- Follow frequently asked questions
- Submit online feedback

Other digital channels:

- Facebook
- Instagram
- LinkedIn
- TikTok
- Google Ads
- RLC E-Panui
- RLC digital screens
- Digital radio

Other traditional media channels will also be used including community newsletters.

In person events:

A strategy of meet people where they are will be used to plan events such as attending the Rotorua Night Market and Kuirau Park Saturday markets with the possibility of additional in-person events to be added as required, as well as direct stakeholder communication.

The following is the timetable for consulting and final development of the Annual Plan 2025-2026.

Action	Date
Approve consultation document	26 March 2025
Public consultation opens	4 April 2025
Public consultation closes	5 May 2025
Hearings	May 2025
Deliberations	May 2025
Adoption of Annual Plan 2025-2026	25 June 2025

6. HE WHAIWHAKAARO CONSIDERATIONS

6.1. Mahere Pūtea Financial/Budget Considerations

Audit of the discussion document is not required under legislation. The engagement costs relate to staff time and advertising costs with budget held within Corporate Planning, Strategy and Governance department.

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

Work undertaken by Councillors in the development of this draft Annual Plan is consistent with the Long-term Plan 2024-2034 which was adopted in June 2024

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

Not applicable

6.4. Tūraru Risks

The key risks influencing approving the draft annual plan for community consultation are identified as:

- **Timeline** – in terms of the annual planning cycle, a decision to approve the draft annual plan for community consultation is critical. A failure to adopt to go out for consultation could lead to less time to consult with the community, and subsequently put at risk the adoption of a final annual plan by the deadline of 30 June.
- **Financial** – failure to adopt an annual plan by 30 June means that Council may not be able strike the rates for the new financial year.

6.5. Te Whaimana Authority

Full Council must adopt the Draft Annual Plan Consultation Document 2025-2026.

10.2 LOCAL WATER DONE WELL - OPTIONS FOR PROPOSED WATER SERVICES DELIVERY MODEL CONSULTATION DOCUMENT

Doc ID: 21191803
Prepared by: Russell George, Director, Infrastructure and Environmental Solutions
Approved by: Stavros Michael, Group Manager, Infrastructure and Assets
Attachments: Nil

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is for Council to approve the options to be included in the Proposed Water Services Delivery Model consultation document for the purpose of public consultation.

**HE TŪTOHUNGA
RECOMMENDATION**

- 1. That the report 'Local Water Done Well - Options for Proposed Water Services Delivery Model Consultation Document' be received.**
- 2. That Council adopt a preferred option in its Local Waters Done Well consultation document of an in-house Council waters division until 2028, with a decision in 2027 whether to have waters services delivered by a multi-council owned water services CCO or a Rotorua Lakes Council water services CCO.**
- 3. That Council agree to include the alternative option of retaining in-house delivery of water services in the consultation document.**

**2. TE TĀHUHU
BACKGROUND**

Local Water Done Well is the Government's plan to address New Zealand's water infrastructure and future water services challenges. It recognises the importance of local decision-making and provides flexibility for communities and Councils to determine how their water services will be delivered in the future. The Government's Plan and relevant legal framework adopted anticipate how it will do this while ensuring a strong emphasis on meeting economic, environmental, and water quality regulatory requirements.

Local Water Done Well is being implemented in three stages, each with its own piece of legislation.

1. Repeal of previous water services legislation

In February 2024, the Government passed legislation to repeal all legislation relating to water services entities created under the previous government. The Act reinstated previous legislation related to the provision of water services (including local government legislation). This restored continued council ownership and control of water services, and responsibility for service delivery.

2. Establish framework and preliminary arrangements for the new water services system

The Local Government (Water Services Preliminary Arrangements) Act 2024 was enacted in September 2024 and establishes the Local Water Done Well framework and the preliminary arrangements for the new water services system.

Key areas included in the Act are:

- Requirements for councils to develop Water Services Delivery Plans by 3 September 2025.
- Requirements that Plans outline future water services delivery arrangements, and for councils to commit to an implementation plan.
- Requirements for councils to include in their Plans baseline information about their water services operations, assets, revenue, expenditure, pricing, and projected capital expenditure, as well as necessary financing arrangements, as a first step towards future economic regulation.
- Streamlined consultation and decision-making processes for setting up future water services delivery arrangements.

3. Establish enduring settings

The Local Government (Water Services) Bill was introduced to Parliament in December 2024. It reflects key policy decisions announced by the Government in August 2024.

The Bill sets out key details relating to the water services delivery system, the economic regulation and consumer protection regime for water services, and changes to the water quality regulatory framework.

It provides for:

- Arrangements for the new water services delivery system, including:
 - Structural arrangements for water services provision such as establishment, ownership, and governance of water organisations
 - Operational matters such as arrangements for charging, bylaws, and management of stormwater networks
 - Planning, reporting, and financial management
- A new economic regulation and consumer protection regime based on the existing economic regulation regime in the Commerce Act which currently applies to electricity lines services, gas pipeline services, and airport services.
- Changes to the water quality regulatory framework and the water services regulator, including:

- Changes to the Water Services Act 2021 to reduce the regulatory burden of the drinking water quality regime and improve proportionality in the application of regulatory powers.
- A change in approach to Te Mana o te Wai
- A new single standard for wastewater and stormwater environmental performance.

3. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

Under the Local Government (Water Services Preliminary Arrangements) Act 2024, Council must prepare a water services delivery plan that:

- identifies the current state of its water services.
- demonstrates publicly its commitment to deliver water services in a way that ensures that it will meet all relevant regulatory quality standards for its water services.
- is financially sustainable for the territorial authority.
- ensures that it will meet all drinking water quality standards; and
- supports its housing growth and urban development, as specified in its long-term plan.

The Act does not require Council to consult on its draft or final water services delivery plan, but it must undertake consultation on the anticipated or proposed model or arrangement for delivering water services in its water services delivery plan.

The Act provides that Council must identify at a minimum, both of the following two options for delivering water services:

- (i) remaining with the existing approach for delivering water services; and
- (ii) establishing, joining, or amending (as the case may be) the WSCCO or the joint local government arrangement.

The Infrastructure & Environment Committee agreed in September 2024 to direct officers to start creating the Water Services Delivery Plan on the basis of an in-house model, while options to explore other arrangements enabled by the legislation remain open and explored.

At its workshop on 4 March 2025, elected members indicated their preference for an in-house waters division while investigations continue on a multi-Council WSCCO.

Modelling of the following three service delivery models has been completed to aid in the assessment of the appropriate service delivery model for the Rotorua district.

1. An in-house Council waters division
2. A Council owned water organisation (water services council-controlled organisation)
3. A multi-Council owned water organisation (water services council-controlled organisation)

The following table provides an **overview of the three service delivery models.**

	In house Council waters division	Council owned water organisation	A multi-council owned water organisation
Ownership	Wholly council owned as a waters division	Wholly council-owned separate water organisation	Ownership is shared across member Councils
Governance	Council direct operational and governance oversight	Appointed Board comprised of independent, professional directors accountable to elected members	Appointed Board comprised of independent, professional directors accountable to owner Councils elected members
Strategy	Council will need to prepare a water services strategy that meets all legal requirements and consult with their communities before adoption and implementation.	Council issues a statement of expectations to the WSCCO. Water organisation Board will prepare a water services strategy and consult only with Council before adoption and implementation.	Shareholding Councils agree the process for issuing a combined statement of expectations to the WSCCO. The Board will prepare a water services strategy and consult with shareholding Councils before adoption and implementation.
Accountability	Water Division will report to Council as per established internal and open to public processes.	Water organisation board directly manages operations and is accountable to the council shareholder and will report regularly on performance (shareholder is accountable to community that elects them).	Water organisation board directly manages operations and is accountable to council shareholders and will report regularly on performance (shareholders Councils are accountable to their communities).
	Water service delivery will be monitored by the public through established Council processes and subject	The Water organisation will be required to give effect to an agreed statement of	Water organisation will be required to give effect to and agreed statement of expectations of all

	In house Council waters division	Council owned water organisation	A multi-council owned water organisation
	to usual local democracy processes and performance accountability expectations established through the adopted Long-Term Plans.	expectations and to meet relevant statutory requirements. Council retains the ability to dismiss or replace the Board of Directors for unsatisfactory performance.	shareholder Councils and meet relevant statutory requirements. Shareholder Councils retain the ability to dismiss or replace the Board of Directors for unsatisfactory performance subject to collective agreement to take such action.
	Through a water services annual report – including new financial statements on water supply, wastewater, and stormwater. These will continue to evolve and be adjusted as required to enhance and or improve currently known requirements.	Through a water organisation annual report, including financial statements, and information on performance against the agreed statement of expectations and any other matters outlined in the adopted water services strategy.	Through a water organisation annual report, including financial statements, and information on performance against the agreed statement of expectations and any other matters outlined in the adopted water services strategy.
Borrowing	Borrowing undertaken by council and with the water activity group meeting their true share of financing costs (on internal and any external borrowing) Borrowing levels affect the whole of Council debt capacity. Currently 250% Debt to Revenue	Borrowing via Council or from Local Government Funding Agency directly but supported by a council guarantee or uncalled capital. Higher borrowing levels and the impacts of financing costs will be reflected in the water services charges/rates.	Borrowing arrangements and credit rating implications dependant on whether shareholding councils provide direct or guarantee financial support. Higher borrowing levels and the impacts of financing costs will be reflected in the water services charges/rates.

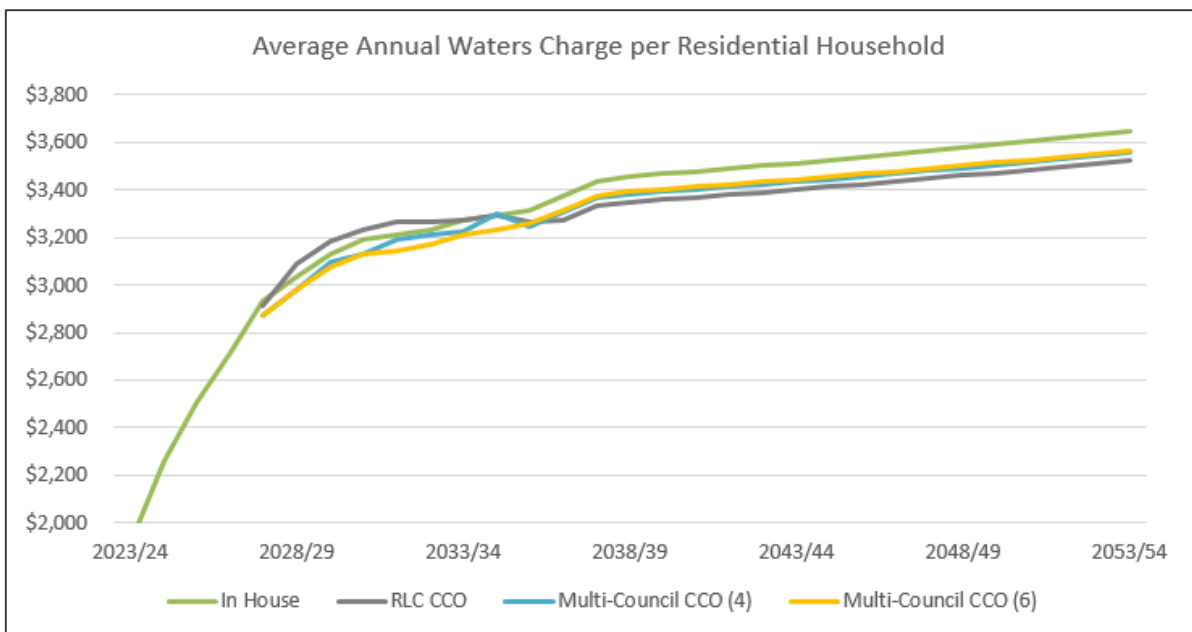
Outcome of financial modelling

The modelling of the three service delivery models shows that all three are sustainably viable models for this Council.

The key difference between the in-house division model and the WSCCO models is the different borrowing limits that apply and the practical impact those differences have on household charges. There is a 2.0% difference in forecast average household charges between the three options by 2033/34, increasing to 3.4% in 2053/54. This is primarily driven by financing efficiencies.

Average Household Charges

The following chart compares forecast average residential household waters charges for RLC as an in-house division, as a single council WSCCO and as a multi-Council WSCCO.

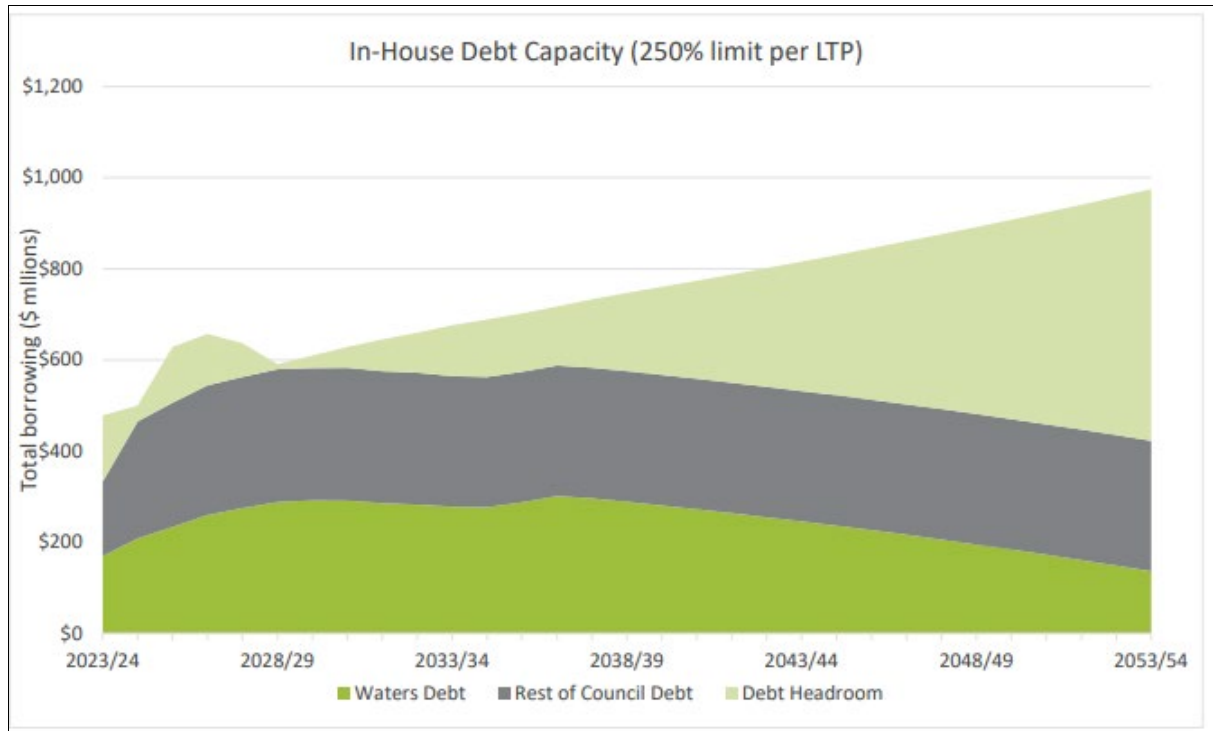


The difference in average household charges between the scenarios is 2.0% in 2033/34, increasing to 3.4% in 2053/54. Given margins of error for efficiencies and transition costs, a decision on the options should not be based on numbers alone. The financial results of the modelling need to be balanced against the non-financial advantages and disadvantages of each option.

The difference in average annual water charges between a RLC WSCCO and a BOP WSCCO relates solely to financing efficiencies of a regional water WSCCO.

Three Waters Debt

The key difference between the in-house division model and the WSCCO models is the different borrowing limits that apply and the practical impact those differences have on household charges. Under the in-house model, debt continues to be measured at a total council level and is limited to 250% of operating revenue under Council’s financial strategy, and 280% of operating revenue under LGFA covenants.



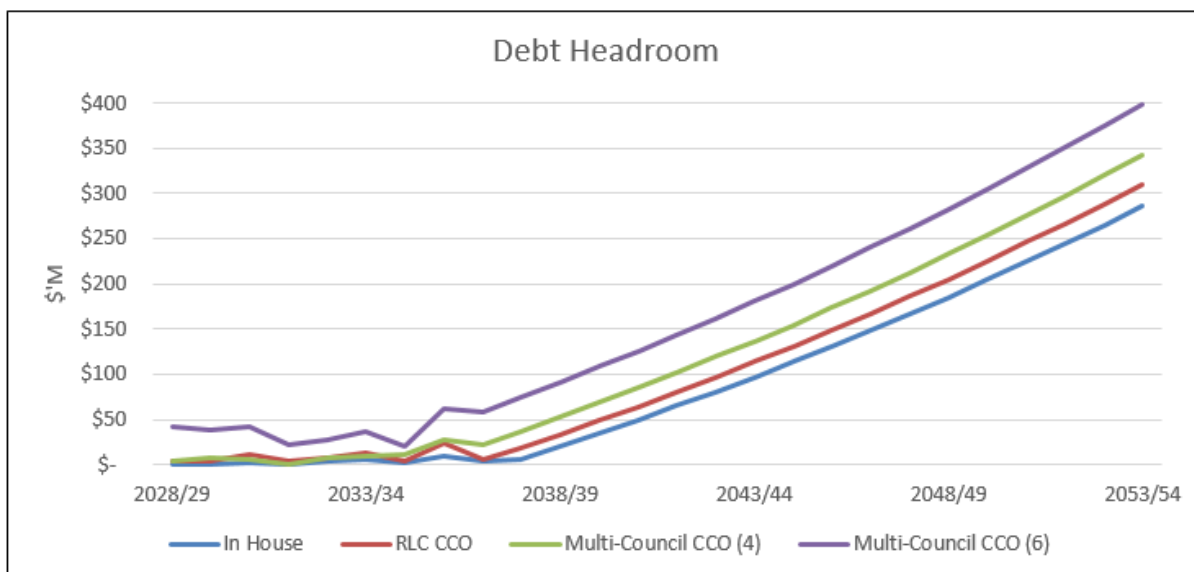
WSCCO’s will be able to access LGFA financing up to the equivalent of 500% of operating revenues with the provision of Council support through a guarantee or uncalled capital.

Council’s current three waters debt is equal to 395% of the three waters revenue. This is higher than council’s total debt to revenue ratio, as three waters activities are more highly leveraged than other activities in Council. RLC also carries significant non-three waters debt compared to many other councils, and as a result it is constrained in its ability to borrow to fund any investment outside of projects already funded in its Long-Term Plan.

The high proportion of non-three waters debt means that:

- A wholly owned WSCCO will have a reasonable amount of borrowing capacity to fund future investment without the need to increase revenue significantly.
- Given three waters debt is over-leveraged (i.e. the debt to revenue ratio for three waters is higher than it is at an RLC level), transfer to a wholly owned WSCCO will create capacity in Council’s own balance sheet for any other non-water investments Council may wish to make.

The following table illustrates the increased debt headroom for RLC that a WSCCO will enable.



The increased debt headroom afforded by a WSCCO needs to be balanced with how higher debt would be serviced and its impact on rates and prices for water users.

GOVERNMENT DIRECTION

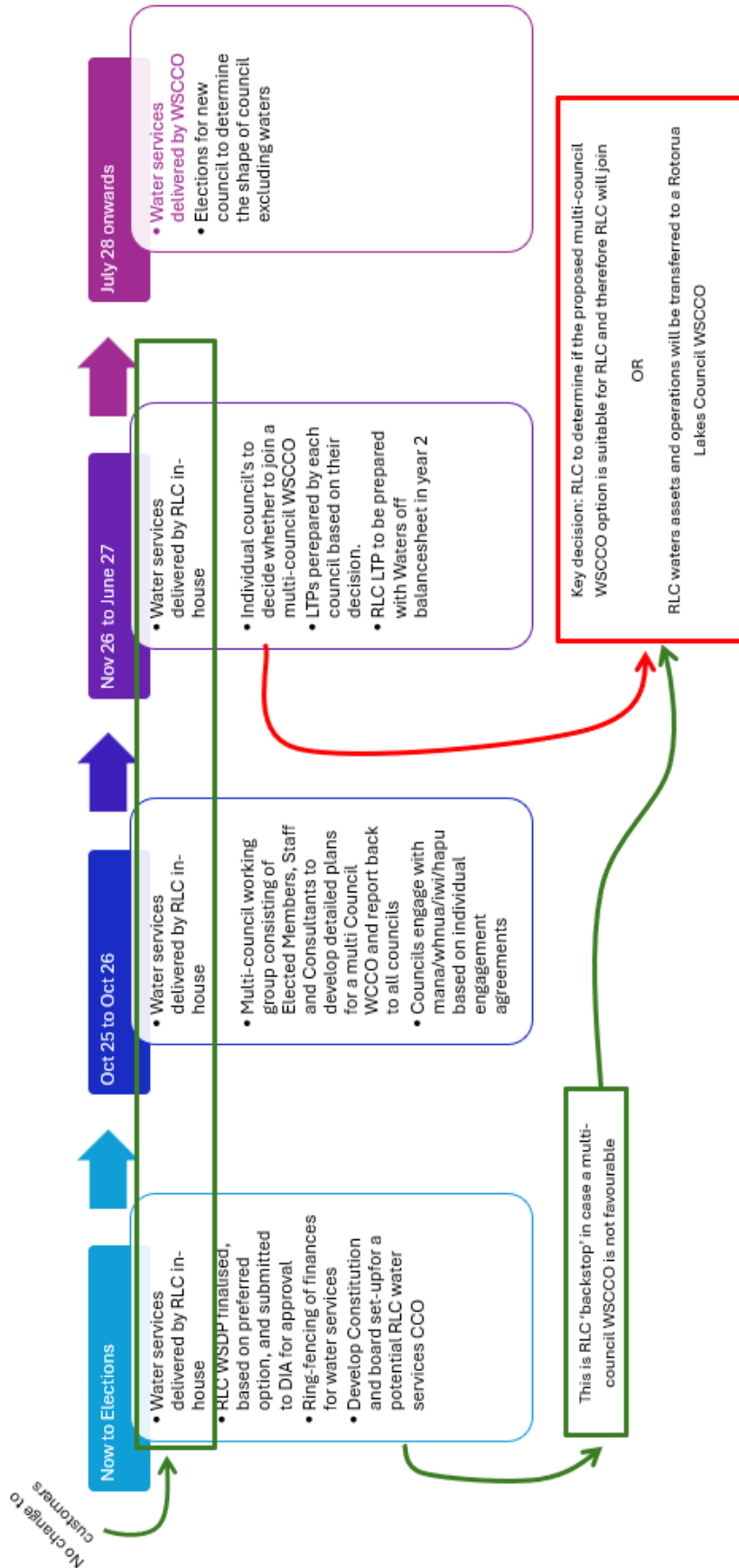
Communication from the government has been very clear that their expectation is that Councils would pursue multi-Council WSCCOs. Council’s decision on this issue may impact on the relationship that this Council wants to have with the government on a range of other issues.

OPTIONS

In order to align elected member direction and central government expectations, it is proposed that the Consultation Document include the following options:

1. Water services delivered in-house until 2028 then delivered by a WSCCO from July 2028 onwards (Preferred Option)
 Water services would be delivered by an in-house Council waters division until July 2028. During the 2025-2028 triennium, Council would undertake a detailed study of a multi-Council water organisation WSCCO. In late 2026/early 2027, Council would decide whether it wants to join the multi-council WSCCO or, if not, to transfer water assets and operations to a Rotorua Lakes Council WSCCO. This is to enable a higher borrowing limit for water services and free balance sheet capacity for the Council’s other services.

Roadmap



2. In-house Council Waters Division

Water services would continue to be delivered by Council in-house and no further effort will go into investigating a WSCCO.

Option 1 is proposed as the preferred option for the following reasons:

- It enables Rotorua lakes Council to conduct a detailed assessment of the advantages of a multi-council grouping and the particular grouping
- It allows elected members (in the next triennium) to have input into developing a model that works for our community, and if not, fall back to our backstop option of continuing with an in-house waters division.
- It allows certainty for our customers for the next 3 years as we evaluate a multi-council grouping.
- It allows Rotorua Lakes Council to learn from other Councils that do set up WSCCO's on a more advanced timeframe.

Statement of Proposal

A Statement of Proposal will be presented to the Infrastructure & Environment Committee on 2 April for consultation with the community on the proposed service delivery model to be incorporated into Council's Water Services Delivery Plan.

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

The Water Services Delivery Plan must be adopted using the consultation requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024.

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

The following is the timetable for consultation on the proposed model for delivering water services in its water services delivery plan.

Action	Date
Approve consultation document	2 April 2025
Engagement forums with Te Tiriti partners (iwi)	Ongoing
Public consultation opens	4 April 2025
Public consultation closes	5 May 2025
Hearings (if required)	May 2025
Deliberations	TBC
Adoption of model	TBC

6. HE WHAIWHAKAARO CONSIDERATIONS

6.1. Mahere Pūtea Financial/Budget Considerations

In respect of the decision to proceed with public consultation there is no financial impact. There is a budget set aside within the Organisational Performance and Innovation Group to cover costs of engagement with the community. This budget includes advertising, printing, digital, and costs associated with face-to-face engagement.

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

Council's 2024-2034 Long-Term Plan is based on water services being delivered by an in-house Council waters division.

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

Water services are highly impactful to mana whenua because of their relationship to water and te taiao. There are two engagement forums planned to engage with our Te Tiriti partners (iwi) and a series of follow up forums will be planned to ensure we reach all of our partners.

6.4. Tūraru Risks

Timeline: In terms of the water services delivery plan timeline, adopting consultation topics at this time is critical to ensure there is sufficient time to consult with the community and submit our final plan to the Government in September.

6.5. Te Whaimana Authority

Council has the authority to adopt consultation topics.

10.3 COMPLIANCE WITH FLUORIDATION DIRECTIVE DECISION

Doc ID: 21190183
Prepared by: Stavros Michael, Group Manager, Infrastructure and Assets
Approved by: Andrew Moraes, Chief Executive
Attachments: Nil

**1. TE PŪTAKE
PURPOSE**

The purpose of the report is to confirm Council's decision to activate the water fluoridation system for Rotorua's Central and Eastern water supplies. The report provides an assessment of the water fluoridation directive, and addresses the relevant legal framework.

**2. TE TUHINGA WHAKARĀPOPOTOTANGA
EXECUTIVE SUMMARY**

Rotorua Lakes Council's (Council's) water supply does not currently have fluoride added to it.

In November 2021, the Health (Fluoridation of Drinking Water) Amendment Act (the Act) was passed. This Act empowered the Director-General of Health to direct local governments to fluoridate water supplies, i.e. it removed decision-making regarding the fluoridation of water supplies from local authorities.

On 27 July 2022, Council received a letter from the Director-General of Health directing Council to fluoridate the Central and Eastern water supplies and at the time, it was due to occur by 30 November 2024. Subsequent correspondence with the Director-General of Health has resulted in the change in timeframe, but no change to the directive. The current timeframe for compliance with the directive is 28 March 2025

The Ministry of Health view fluoridation of water supplies as a safe, effective and affordable public health measure which improves oral health. However, other groups and individuals strongly oppose the fluoridation of water supplies.

The New Zealand judiciary system has confirmed that, at the time of writing, the existing directions to fluoridate continue to be legal and valid unless, or until, revoked by the Director-General of Health.

This means that Rotorua Lakes Council is legally required to fluoridate the Central and Eastern water supplies by 28 March 2025. If this directive is not followed, the council faces risk of substantial fines.

Additionally, Council has a funding agreement in place with the Ministry of Health, which will cover the capital costs of fluoridating Rotorua's water supply (estimated as \$3.1m). If Council does not meet the terms of funding agreement, which require fluoridation of the water supply

to have been in continuous operation for one month prior to 30 November, it may be required to repay in full any received funding.

The technical upgrades required to allow for the fluoridation of the two water supplies are now almost complete, enabling Council to comply with the Directive by 28 March 2025 and with the terms of the funding agreement with the Ministry of Health.

This report recommends that Council continues to progress the well-advanced plans to fluoridate the city's water supply.

HE TŪTOHUNGA RECOMMENDATION

1. That the report 'Compliance with Fluoridation Directive Decision' be received.

2. That Council notes that the Chief Executive will comply with the directive of the Director-General of Health to commence water fluoridation as legally required under the Health (Fluoridation of Drinking Water) Amendment Act 2021.

3. That Council note that temporary arrangements are in place for public access to a non-fluoridated water supply tap for the Central and Eastern water supplies catchments.

3. TE TĀHUHU BACKGROUND

In July 2022, the Director-General of Health required Rotorua Lakes Council and 13 other Local Authorities to fluoridate some or all parts of their drinking water supplies.

Council must now consider whether to comply with the directive or not.

Rotorua Lakes Council's Central and Eastern water supplies do not currently have fluoride added to them. The fluoridation of community water supplies is viewed by the Ministry of Health, World Health Organization, and Centres for Disease Control and Prevention as a safe, effective and affordable public health measure which improves the oral health of communities¹.

However, the fluoridation of water supplies is a contentious issue for some individuals and groups, including some within Rotorua. In the past, Rotorua Lakes Council has taken the position that fluoridation decisions are a health issue and should therefore be made by the Ministry of Health, rather than by local authorities. As a result, Rotorua Lakes Council's Central and Eastern water supplies have never been fluoridated.

¹ <https://www.fluoridefacts.govt.nz/> <https://www.pmcsa.ac.nz/topics/fluoridation-an-update-on-evidence>

In November 2021 the Health (Fluoridation of Drinking Water) Amendment Act (the Act) was passed. This Act empowered the Director-General of Health to direct local governments to fluoridate water supplies, ie: it removed decision-making regarding the fluoridation of water supplies from local authorities.

On 27 July 2022 Council received a letter from the Director-General of Health directing Council to fluoridate the Central and Eastern water supplies by 31 July 2024. Council was one of 14 local authorities directed to fluoridate water supplies. A further 27 councils are being considered and may also be directed to add fluoride to their water supplies.

Council sought an extension to this timeline, and the due date for fluoridation of the water supplies is now 28 March 2025.

The technical upgrades required to allow for the fluoridation of Rotorua's water supplies are now almost complete, and fluoride will be able to be added to the water supplies from 28 March 2025.

LEGAL AND ETHICAL CONSIDERATIONS

Water fluoridation has been a widely used public health intervention aimed at reducing dental caries (tooth decay), particularly in populations with limited access to dental care. However, its implementation raised a number of ethical and legal considerations.

The directive to fluoridate has been given by the Director-General of Health under the authority provided by section 116E(1) of the Health Act. In taking such action, the Director-General of Health must consider advice from the Director of Public Health of the evidence of the effectiveness of fluoridation of drinking water on reducing the prevalence and severity of tooth decay. The Director-General of Health must also determine whether the benefits of fluoridation outweigh the financial costs and taking into account specified criteria.

The Director-General of Health has confirmed that she has considered each of the statutory criteria and has given the reasons for that directive.

Section 116H of the Health Act makes it clear that Council is not required to consult on compliance with the direction. No such consultation is either required or useful to meet the decision-making provisions of the LGA because the Council has no relevant decision to make as to whether or not its drinking water supply ought to be fluoridated. The decision whether or not to add fluoride is not in the hands of the Council. By law that decision is in the hands of the Director-General of Health and has already been made.

The directions by the Director-General of Health to the 14 local authorities to fluoridate water supplies have been the subject of a judicial review challenge brought by New Health New Zealand Inc.

As a result of this challenge, in November 2023 Justice Radich instructed the Director-General of Health to "turn his mind to" whether the directions to fluoridate were a reasonable limit on the right to refuse medical treatment (s11 Bill of Rights), and if so, provide the reasons why. This analysis by the Director-General of Health is ongoing.

In the meantime, the Director-General of Health and the Attorney General have appealed the decision by Justice Radich. The appeal is scheduled to be heard by a Full Bench of the Court of Appeal in June 2025.

In February 2024 Justice Radich issued a relief judgement which confirmed that the existing directions to fluoridate continue to be legal and valid unless, or until, revoked by the Director-General of Health.

More recently, on 8 April 2024, the Hastings District Council recommenced fluoridation of their water supply, in accordance with the direction given to them by the Director-General of Health.

The Fluoride Action Network (NZ) Inc and New Zealand Doctors Speaking Out with Science Inc immediately applied for an urgent injunction to stop the fluoridation of the Hastings water supply.

These organisations viewed their application as acting in the interests of the general public and argued that it was unlawful for Hastings District Council to fluoridate the water supply before the final resolution of the challenge by New Health New Zealand Inc (scheduled for 2025 as discussed above).

The application was dismissed in May 2024. In July 2024 the Fluoride Action Network (NZ) Inc and New Zealand Doctors Speaking Out with Science Inc were instructed to pay \$20,470 to Hastings District Council and \$20,566 to central government to cover costs.

Whilst the Fluoride Action Network (NZ) Inc and New Zealand Doctors Speaking Out with Science Inc viewed their actions as in the general public's interest, the judge (Justice La Hood) determined their actions "reflected the special interests of their members".

To assist elected members in considering this decision, legal advice on the following sections of the Health Act and Local Govt Act have been provided:

Section 116I – Local Authority Must Comply

Section 116I states that the Council must comply with the direction it has received, and to take all practicable steps to "ensure that the specified level of fluoride is present in the water immediately before it is available for consumption".

The original direction would have required fluoridation by 30 April 2024, and this timeframe was extended to allow the Director-General of Health to consider the Bill of Rights Act issues identified by the High Court as discussed above. In the intervening period Council might reasonably have been expected to delay its preparations for fluoridation pending the outcome of those deliberations. Council learnt that the direction was confirmed on 3 December 2024 and that Council is now expected to give effect to the Directive by 28 March 2025.

Section 116J – offence

Pursuant to section 116J Health Act failure to comply or to permit failure to comply with a direction under section 116E is an offence on the part of the Council carrying a maximum penalty on conviction of \$200,000 and a further fine of up to \$10,000 per day for as long as it continues. If Council cannot or does not meet the 28 March 2025 deadline or cannot show that it has taken all practicable steps to do so, it may be liable for that penalty. The penalty will escalate rapidly if non-compliance continues beyond that date.

Failing to comply with a direction under section 116E Health Act is a strict liability offence. This means that a prosecution can be secured without needing to prove that the Council intended to commit the offence.

Note that if Council were to take a decision not to comply with the direction, or to take any steps to obstruct or delay compliance, it could not claim either lack of intent or ‘all practicable steps’ as a defence.

Section 116N – Liability for acts of agents

Section 116N applies to the liability of Council as principal for any person acting as its agent who fails to comply with a direction under section 116E Health Act. It cannot have any application to the circumstances of Council where the supply of drinking water is managed by an in-house team under the direction of Council. As Council staff, the team and its managers, will follow the direction of Council as conveyed by the Chief Executive. It cannot be anticipated that any likely situation arises where non-compliance would create an offence on the part of any staff member or agent of Council.

Section 46 LGA – Members’ liability

Section 46 LGA imposes a degree of liability onto council members if the Auditor-General has made a report on a loss incurred by council under section 44 of that Act. Pursuant to Section 44(1)(c) a council incurs a loss if “a liability has been unlawfully incurred” and the council has not been fully compensated. If the Council were to decide not to comply with the Director-General of Health’s direction, or that it would take no steps to enable compliance, it would be committing an offence and liable on conviction for the financial penalties discussed above. Any penalty imposed would constitute a loss within the meaning of section 44(1)(c) LGA, for which councillors may be liable jointly and severally as a debt due to the crown. Pursuant to section 46(3) any amount recovered by the Crown in such circumstances would in turn be paid by the Crown to Council.

Section 42 LGA – Chief Executive

The Chief Executive is responsible for, “providing advice to members of the local authority”. The Chief Executive having provided advice to Council members of the Council’s duty to comply with the direction regarding fluoridation of the water supply and the likely consequences of not doing so, if the Council decide to direct the Chief Executive not to comply with the Director-General of Health’s direction, the Chief

Executive will have no authority to proceed to implement that direction. The responsibility for that decision will lie with the Council.

Apart from the responsibility to give appropriate advice on the matter to Council, the Chief Executive's only response to any decision by Council not to comply with the fluoridation direction would be to advise the Director-General of Health of that decision and any supporting information such as any reasons given for it.

Note that the Director-General of Health in a recent letter to Whangarei District Council Mayor and Chief Executive told the Council it was an offence under the Health Act 1956 for a local authority to contravene a direction (to fluoridate). The Director-General of Health said the Minister of Health could seek a High Court writ of mandamus - a type of court order - overriding Whangarei District Council's refusal and forcing it to commence fluoridating its drinking water. The writ enables the Director-General to activate the fluoridation or order Council staff or contractors to do so. The Act also provides that in circumstances where a local authority is in default of its legal obligations, the Director-General of Health may perform those obligations.

Section 80 LGA – Inconsistent decisions

Section 80 addresses any Council decision that is inconsistent with any policy or plan adopted or required under the Local Government Act (LGA) or any other enactment. It does not prohibit such decisions but rather requires that in the course of decision-making the inconsistency be identified, reasons provided for the inconsistency, and any intention to amend the policy or plan identified.

The provision gives Council some leeway to make a decision that is inconsistent with an existing policy or plan, but it does not give Council the authority to make a decision that is inconsistent with a legislative requirement.

The reference is to a policy adopted by the Council or a Plan that is required by the LGA or any other Act. It does not apply to a direction under the LGA or another act such as the Health Act.

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

The Council has in effect two options:

1. To comply with the Directive; or
2. Not to comply.

The Council has received capital enabling funds from the Ministry of Health, following its own resolutions in June 2024, to construct the necessary apparatus for water fluoridation of its Central and Eastern water supply catchments. The apparatus is in place and ready to be activated. A period of about two weeks for testing and calibration is necessary to ensure that the system is reliably providing the required levels of fluoride.

Option 1: Comply with the Directive

Advantages	Disadvantages
<ul style="list-style-type: none"> • Ensures legal compliance by the deadline of 28 March 2025. • Ensures compliance with the funding agreement between Council and the Ministry of Health. • Expenditure and work done to date to prepare for fluoridation is utilised. • Council does not risk being fined for non-compliance. • Council does not risk being required to repay funding received by the Ministry of Health. • Will be welcomed by groups and individuals in the community who support fluoridation. • Delivers fluoridated water supplies (this may be considered an advantage or disadvantage dependent on people's views regarding fluoridation). 	<ul style="list-style-type: none"> • Risks interest groups filing an injunction seeking to halt fluoridation of the water supply. • Will not be welcomed by groups and individuals in the community who are against fluoridation. • May be an unanticipated change for some residents, as there has been limited publicity regarding the move to fluoridation. • Delivers fluoridated water supplies (this may be considered an advantage or disadvantage dependent on people's views regarding fluoridation).

Option 2: Not to comply with the Directive

Advantages	Disadvantages
<ul style="list-style-type: none"> • Will be welcomed by groups and individuals in the community who are against fluoridation. • Avoids fluoridation of the water supplies (this may be considered an advantage or disadvantage, dependent on people's views regarding fluoridation). 	<ul style="list-style-type: none"> • By not complying with the directive Council would be in breach of the law. • Risks fines for non-compliance of up to \$200,000 one off and \$10,000 per day and repayment of initial investment of \$3.1m. • Means Council will not meet the terms of its funding agreement with the Ministry of Health, potentially resulting in unbudgeted expenditure of \$3.1m by Council. • May damage council's relationship with central government. • Will not be welcomed by groups and individuals in the community who support fluoridation. • Will result in sunk costs and staff time (as the work to introduce fluoride to the water supplies is well advanced).

Advantages	Disadvantages
	<ul style="list-style-type: none"> <li data-bbox="847 215 1431 360">• Avoids fluoridation of the water supplies (this may be considered an advantage or disadvantage, dependent on people's views regarding fluoridation).

The legal consequences of a decision not to comply are outlined above.

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

The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

In making this assessment, consideration has been given to the likely impact, and likely consequences for:

- a) the current and future social, economic, environmental, or cultural well-being of the district or region
- b) any persons who are likely to be particularly affected by, or interested in, the issue.
- c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of high significance. As explained below, though this matter is assessed as significant, community input has not been sought on this decision.

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

No engagement or consultation is required as the decision to fluoridate the city's water supply has been made by the Director-General of Health, who has directed Council to implement this decision.

Taking into consideration the above assessment, officers are of the opinion that no further engagement is required prior to Council making a decision.

Information on the timeline for fluoridation of Rotorua's water supply is publicly available and can be found at [Fluoridation - Rotorua Lakes Council](#)

7. HE WHAIWHAKAARO CONSIDERATIONS

7.1. Mahere Pūtea Financial/Budget Considerations

In 2022 the Ministry of Health established an \$11.3m fund for capital works associated with implementing fluoridation of water supplies. Councils who were directed to fluoridate their water supplies were invited to apply to this fund.

Rotorua was successful in their application for funding, and the capital cost of the project will be covered up to \$3.1m. The total project cost for the fluoridation of the Central and Eastern water supplies is estimated to be \$3.1m.

The Ministry of Health funding is contingent on Council having achieved 'Completion of the Works' as defined in the Funding Agreement. Meeting this requirement means Council must achieve one month of continuous operation of the 'Works' by 28 March 2025. Failure to meet the terms of the funding agreement may result in Council being required to repay funding received in full, as a lump sum, to the Ministry of Health.

The ongoing operating and maintenance costs related to fluoridation were estimated in 2022 as \$160,000 per year. The ongoing operational costs of the system will be embedded in the Council's Long Term Plan and its Infrastructure Strategy.

7.2. Kaupapa Here Me Ngā Hiraunga Whakariterite Policy and Planning Implications

The Council has no policy implications in this matter as it is a legislative compliance issue.

7.3. Te Aromatawai Whakapātanga Ki Te Tāngata Whenua Tāngata Whenua Impact Assessment

Not applicable – this report is regarding a legal requirement, the direction from the Director-General of Health requiring Council to fluoridate the Central and Eastern water supplies.

7.4. Tūraru Risks

There are legal compliance risks outlined in this report. There are also operational and health risks related to the effective, safe and reliable operation of the fluoridation system.

These risks will be managed through the Infrastructure and assets Group operational procedures .

7.5. Te Whaimana Authority

The Council has the authority to consider and make a decision on these recommendations.

10.4 FINANCIAL UPDATE - FEBRUARY 2025

Doc ID: 21200446
Prepared by: Michelle Overbeek, Director of Finance
Approved by: David Jensen, Chief Financial Officer
Attachments: Attachments: Nil

**1. TE PŪTAKE
PURPOSE**

The purpose of the report is to provide information on Council's financial performance for the eight months ended 28 February 2025.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'Financial Update - February 2025' be received.

**2. TE TĀHUHU
BACKGROUND**

This report covers Council's core operating position as at 28 February 2025, as well as the impact of capital subsidies and development contribution revenue.

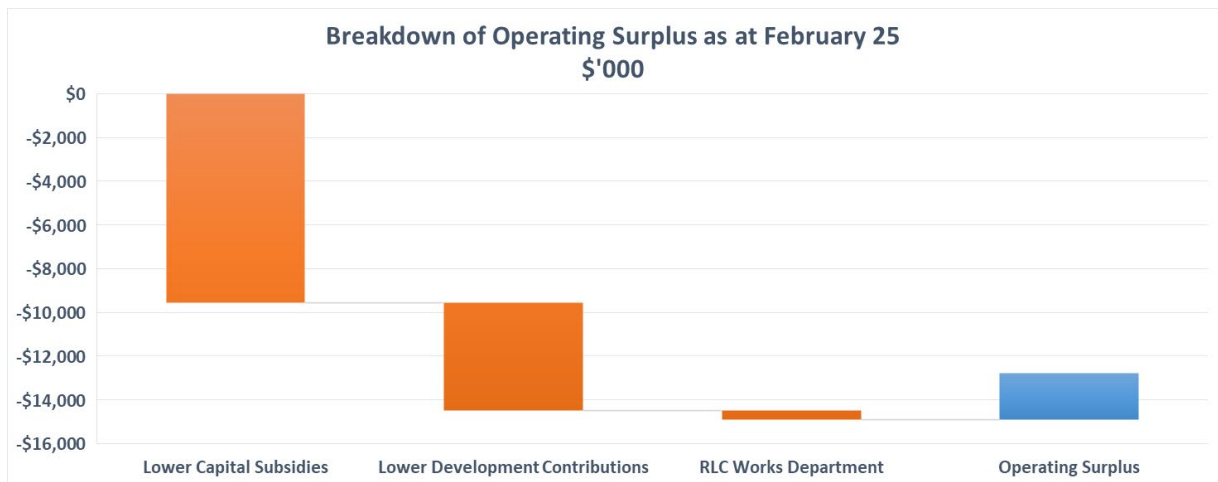
Rate revenue is performing favourably against budget, primarily due to higher than budgeted lump sum rate revenue associated with the Rotoiti/Rotomā wastewater scheme. Core user fee revenues are higher than budget projections, driven by income related to the Works Department which has now been incorporated back into Council, which is offset by higher operating expenses.

Operating expenses are ahead of the year-to-date budget, largely driven by the incorporation of the Works Department operating expenses and the transition costs related to the transfer of Events and Venues to RotoruaNZ.

Council's capital expenditure is currently behind the year-to-date budget at the end of the second financial quarter, driven by delays in the renewal programme and growth-related stormwater.

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

Financial Position as at 28 February 2025



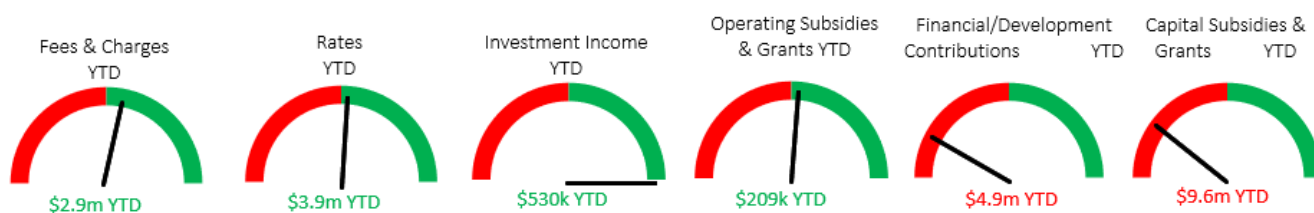
Council has a positive headline operating variance of \$2.1m as at 28 February 2025, primarily related to strong rate revenue year to date. Within this overall Council surplus is a negative variance of \$420k relating to the RLC Work Department operations as the former Infracore operations have now been consolidated into core business.

Capital revenues continue to trend below budget with Capital Subsidies \$9.5m below the year to date budget and Development Contributions \$4.9m below the year to date budget.

Year to Date Financial Performance

Figures in \$000's	Year To Date		
	Actual	Budget	Variance - Favorable / (Unfavorable)
Income			
Fees & Charges	16,662	13,776	2,885
Rates	113,743	109,813	3,930
Investment Income	931	401	530
Development & Financial Contributions	2,419	7,348	(4,930)
Subsidies & Grants - Capital	7,249	16,802	(9,553)
Subsidies & Grants - Operational	4,811	4,601	209
Total Income	145,814	152,742	(6,929)
Opex			
Administration Expense	2,790	2,722	(68)
Finance Cost	161	133	(28)
Maintenance	1,205	1,477	272
Operating Expenses	53,020	50,655	(2,365)
Staff Costs	27,765	26,105	(1,660)
Utilities	2,322	2,211	(110)
Depreciation	31,122	29,802	(1,320)
Interest Cost	13,315	12,724	(590)
Total Opex	131,700	125,831	(5,869)
Total Operating Surplus / (Deficit)	14,114	26,911	(12,798)
Allocated Costs			
Recovery & Applied			
Total Allocated Costs			
Net Surplus / (Deficit)	14,114	26,911	(12,798)

Income

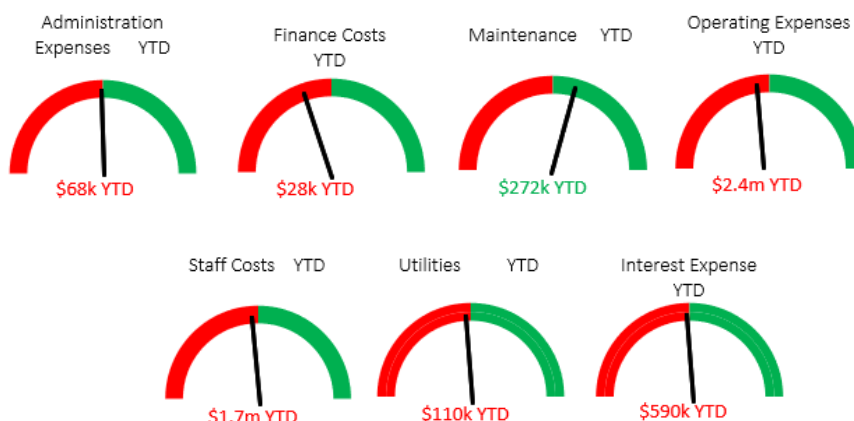


Total Income is tracking unfavourably to budget, with a \$6.9m negative variance to budget. This primarily relates to Capital Grants and Subsidies.

- Fees and charges are direct charges to customers for specific Council services. Council’s core fees and charges are \$2.9m ahead of year-to-date budget, driven primarily by internal revenue by the RLC Works Department. Building Services, excess wastewater billing and higher volumes of water laboratory revenue are also driving higher than budgeted revenue.
- Rate revenue remains \$3.9m higher than year-to-date budget due number of ratepayers paying the Rotoiti/Rotomā Wastewater Capital Rate as a lump sum. In addition, water billing is higher this quarter due to a warmer summer season.

- Investment income is revenue received by Council through dividends, and also interest received on term deposits. Investment Income is \$530k ahead of year-to-date budget due to Council pre-funding a future debt maturity and placing funds on term deposit at a rate more favourable than the debt servicing.
- Operating Subsidies and Grants are funds provided from external parties towards Council’s operating expenditure. Operating Subsidies and Grants are slightly higher compared with budget as at 28 February 2025.
- Financial and Development Contributions is revenue paid by developers towards the capital costs required to enable their development. Financial and Development Contributions are \$4.9m behind of year-to-date budget.
- Capital Subsidies and Grants are funds provided by external parties towards Council’s capital projects. Capital Subsidies and Grants are \$9.6m behind year-to-date budget due to the timing of completion of capital works, especially relating to subsidised transport and IAF Stormwater projects.

Operating Expenses

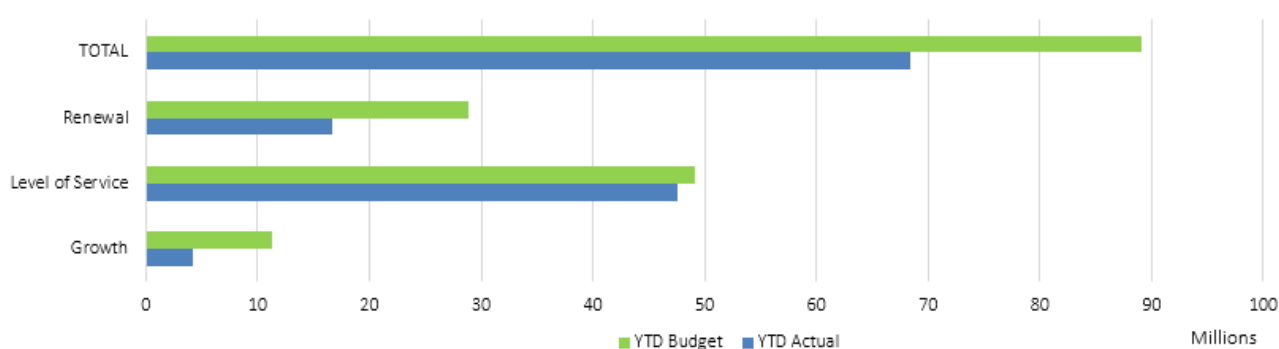


Operating Expenses are tracking negatively to budget, with a \$5.9m variance to budget.

- Administration Expenses cover the day-to-day running expenses of Council. Administration Expenses are \$68k ahead of year-to-date budget primarily related to additional audit and asset revaluation expenses.
- Finance Costs are the fees payable on banking facilities and debt management. Finance Costs are \$28k over budget year-to-date due to the timing of bank and debt recovery fees.
- Maintenance expenses are the budget provided for planned and reactive maintenance of Council buildings. Maintenance is \$272k under budget year-to-date due primarily to the seasonality of when money is spent on Council buildings and lower demand for reactive maintenance.
- Operating expenses are the costs directly associated with the delivery of Council’s operational services. Core operating Expenses are \$2.4m higher than year-to-date budget, driven primarily by the incorporation of RLC Works Department expenses and additional funding given to RotoruaNZ to enable their transition of the Events and Venues function.

- Staff costs cover the salaries and wages of Council employees. Staff Costs were \$1.7m higher than budget as at 28 February 2025 due to RLC Works Department salary costs being incorporated into core Council.
- Utilities cover the water, power and gas expenses involved in Council operations. Utilities were \$110k over budget as at 28 February 2025 due to the temporary generator requirements for the Energy Events Centre, whilst the Geothermal bore was being renewed.
- Interest Expense is the external interest payable to Council's lenders. Interest expense is currently \$590k higher than year to date budget due to the timing of interest payable but is forecast to be on budget at year end as loans on higher rates mature. This is also offset by higher interest revenue due to the prefunding of an April maturity put on term deposit.

Capital Expenses



As at 28 February 2025, Council had spent \$68.4m against the full year budget of \$133.5m.

Renewals expenditure is behind budget primarily due to the lower year to date spend on transport renewals, expected to occur later within the financial year.

Level of Service expenditure is largely on budget due to year-to-date expenditure on the Museum project and wastewater projects.

Expenditure on key projects YTD is as follows:

- Wastewater Treatment Plant Upgrade: \$16.9m. Council is engaging in a multi-year project to upgrade major Wastewater Treatment Plant infrastructure with works continuing through 2024/25.
- Rotorua Museum: \$16.3m. The project remains on track, with construction work progressing across multiple zones. Major updates include – structural strengthening in Zones 2,3 and 4. First needle beam in basement has been poured, and excavation and placement works ongoing.
- Tarawera Wastewater Project: \$7.8m. Stage 1 work is currently paused pending a review by the Environment Court.
- Stormwater IAF Funded Projects: \$4.3m. Program is progressing following the approval of variation order (V02), which has refined project scope and funding allocations. Development of detailed work is still underway.

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

The decisions or matters of this report are not considered significant in accordance with Council's Significance and Engagement Policy.

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

There are no community input/engagement and publicity issues associated with this report.

**6. HE WHAIWHAKAARO
CONSIDERATIONS**

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

There are no financial/budget issues associated with this report.

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

There are no policy or planning considerations associated with this report.

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

There are no Tāngata Whenua considerations associated with this report.

**6.4. Tūraru
Risks**

There are no risks associated with this report.

**6.5. Te Whaimana
Authority**

This report is presented to Council in accordance with the Delegated Financial Authority policy.

10.5 2025 LOCAL GOVERNMENT NEW ZEALAND (LGNZ) SUPER LOCAL CONFERENCE

Doc ID: 21190184
Prepared by: Debbie Cossar, Governance and Democracy Lead
Approved by: Greg Kieck, Manager, Governance, Strategy & Compliance
Attachments: 1. Conference Attendance for Elected Members Policy

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is for Council to determine the elected members who will attend the 2025 Local Government New Zealand (LGNZ) SuperLocal Conference on behalf of Rotorua Lakes Council.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report '2025 Local Government New Zealand (LGNZ) Super Local Conference' be received.
2. That the Council determine that Cr Trevor Maxwell will attend the 2025 LGNZ SuperLocal Conference with Mayor Tapsell, Cr Kai Fong and Chief Executive Andrew Moraes.

**2. TE TĀHUHU
BACKGROUND**

The 2025 LGNZ SuperLocal Conference is being held in Ōtautahi, Christchurch at the Te Pae Convention Centre, from 16-17 July 2025.

Rotorua Lakes Council's "Conference Attendance for Elected Members Policy" allows for the following elected members and staff to attend the annual LGNZ Conference: (Attachment 1).

- Mayor
- Deputy Mayor
- Chief Executive
- Two Councillors
- One Te Tatau o Te Arawa board member

3. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

The theme of the 2025 conference is “Brilliant Basics and Beyond” with a focus on mastering the essentials while striving for excellence. At the time of writing this report, more detailed information about the conference programme was not available.

In addition to Mayor Tapsell, Cr Kai Fong and Chief Executive Andrew Moraes, Council can nominate up to two councillors to attend the 2024 LGNZ SuperLocal Conference.

Mayor Tapsell has asked that elected members approve the nomination of just one councillor, Cr Trevor Maxwell to join the delegation from Rotorua in 2025.

The policy also includes Council support for one Te Tatau o Te Arawa board member to attend the Conference. Te Tatau o Te Arawa is responsible for selecting their board member.

4. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

This matter does not trigger Council’s ‘Significance and Engagement Policy’.

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

Consultation on this matter is not being undertaken as the policies that relate to this business case gives decision-making powers to Council.

6. HE WHAIWHAKAARO CONSIDERATIONS

6.1. Mahere Pūtea Financial/Budget Considerations

There has been no information received from LGNZ about conference costs as yet. When this information is available bookings will take advantage of early bird registration.

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

This decision is consistent with Council’s ‘Conference Attendance for Elected Members Policy’.

6.3. Tūraru Risks

There are no major risks associated with this decision.

**6.4. Te Whaimana
Authority**

Council has the authority to nominate up to two Councillors to attend the 2025 LGNZ SuperLocal Conference in accordance with the 'Conference Attendance for Elected Members Policy'.



8.1 CONFERENCE ATTENDANCE FOR ELECTED MEMBERS POLICY

Date Adopted	Next Review	Officer Responsible
8 December 2016	1 December 2019	Group Manager, Strategy

Policy Purpose:

To guide decision making in relation to elected members representation of council at conferences and professional development seminars.

Policy:

That for the annual LGNZ conference, the Mayor, Deputy Mayor, Chief Executive, two councillors and a representative from the Te Tatau o Te Arawa Board; attend as council's delegates.

All councillors will have the opportunity to attend sessions of their choice at Rotorua-based conferences.

Any proposed conference attendance outside of Rotorua needs to be supported by a business case that outlines the benefits of the event against the following criterion:

1. The conference/event must support council's vision, business objectives and aspirations for the future as encapsulated in the Long-term Plan, or
2. The conference/event must support council's current priorities and/or flagship projects.

The business case to be approved by a recommendation from the CEO to council.

Generally travel costs of accompanying persons will not be paid for.

At the conclusion of the conference the elected representative is required to provide a written report to council.

Attendance at Community Board conferences is delegated to each Community Board.

10.6 TE ARAWA PARTNERSHIPS PROGRESS REPORT

Doc ID: 21177607
Prepared by: Paul Warbrick, Manahautū Te Arawa Hourua
Approved by: Andrew Moraes, Chief Executive
Attachments: 1. Te Arawa Partnerships Progress Report

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'Te Arawa Partnerships Progress Report' be received.

Progress Report



Doc ID: 21177607

To:	Mayor and Members – Council
Meeting Date:	26 March 2025
Group:	Te Arawa Partnerships
Manahautū:	Paul Warbrick
Report approved by:	Andrew Moraes, Chief Executive
Components:	Mātauranga Māori; Te Arawa Enablement

Partnering with Te Arawa

Supporting Council to work with Te Arawa

Iwi chairs and CEs forum - In order to give effect to our legislative responsibilities and the Long-term Plan 2024-2034, Nga Wawata o Te Tangata Whenua, Mana Whenua / Tangata Whenua Aspirations, Te Amorangi is actively exploring initiatives to build new relationships and strengthen existing ones between Council and Mana Whenua and their various entities. In January council hosted chairs and CEOs of the 31 Iwi governance bodies that reside in the rohe (district) of Rotorua Lakes Council (RLC) to hear from the Mayor and CE on matters impacting all. The exchange was warmly received and we have been asked to host another later this year. Te Amorangi will continue to present more opportunities to connect Council with Mana Whenua, outside of specific projects. The intent is to ensure we progress our relationships beyond transactional, where it is valued, equitable and mutually beneficial.

Ōhinemutu - Te Amorangi staff have been engaging with Te Papaiōuru Marae Trustees as we work towards revitalising the relationship. In 2023 RLC and the Marae Trust committed to a MOU that recognises the significant history, role and contribution of Tamatekapua Marae to Rotorua and Aotearoa. RLC has worked with this marae in particular many times over the years to host international dignitaries and celebrities visiting Rotorua. The Marae and the village of Ohinemutu remain open to visitors, free of charge, and are often the showpiece of tourism promotions for Aotearoa and Rotorua.

Rotokākahi - We continue to engage with Rotokākahi Board of Control members, Tuhourangi Tribal Authority and whanau who are on site at Rotokākahi. There will be a need to hold a relationship with iwi and hapu members well beyond the Tarawera Sewerage Scheme project and we maintain communication channels, support as required and speak weekly with all of mana whenua.

Te Tatau o Te Arawa - RLC Staff and Te Tatau o Te Arawa (TTOTA) are preparing the scoping report for the 5 key areas to bring back to Te Arawa 2050 Vision Committee meeting in April. We will continue to find opportunities to work alongside representatives from iwi and hapu, in this instance Te Tatau o Te Arawa, where we exchange ideas, share knowledge and address the challenges we all face.

Protocol Hui - Since the last report Te Amorangi, executives and elected members have held protocol hui with Ngāti Rangiteaorere, Pūkākī Trust and the Kauae Cemetery Trust Board. These formal engagements are vital in fulfilling the council's iwi relationship obligations, fostering a mix of operational and strategic dialogues that span both local and central government matters.

Key Activities and Support Initiatives:

- RLC has facilitated connections to the Kanoa Regional Infrastructure Fund to initiate important discussions.
- Coordinated an independent Trust deed review to secure funding from the Ministry for Culture and Heritage.
- Assisted Kauae Cemetery Trust in adopting a triennial fee increase to align with the Long-term Plan.

Upcoming Protocol Hui: In the coming months, RLC plans to undertake protocol hui with Raukawa, Tūhourangi Tribal Authority and Ngāti Rangiwewehi. As relationships evolve, these hui are expected to shift focus toward mutually beneficial outcomes, opportunities and challenges.

Supporting Te Arawa Initiatives

In June this year, Ngati Whakaue will host a Matariki Hautapu community event at the Lakefront, acknowledging our connection to nature and those who have passed. Te Amorangi are working alongside those involved to understand our role and contribution. The Hautapu ceremony, held mid-winter when Matariki appears on the eastern horizon in the morning, is split into three main parts:

- Te Tirohanga (The Viewing) - Tohunga carefully observe the nine stars of Matariki, assessing their brightness, distinctiveness, colour and distance from surrounding stars to predict the New Year's productivity.
- Taki Mōteatea (Remembrance) -Tohunga perform karakia (prayers) to the star cluster and call out the names of those who have passed since the last rising of Matariki in memory of lost loved ones.
- Te Whāngai i ngā Whetū (Feeding the Stars) - Before Matariki rises, the community selects the best kai (food) from the domains of:
 - Tupuānuku (Pleione - A star associated with food that is grown in the ground, for example, kūmara).
 - Tupuārangi (Atlas - A star associated with food that comes from the sky, such as birds, or elevated fruit and berries from trees).
 - Waitī (Maia - A star connected to fresh water and the creatures that live in rivers, streams and lakes),
 - Waitā (Taygeta - A star associated with food harvested from the sea), as offerings.

These foods are cooked in a special oven called 'te umu kohukohu whetū'. After karakia to Pōhutukawa and calling the names of deceased, the umu (oven) is uncovered, releasing steam into the sky as an offering to Matariki, marking the beginning of the Māori New Year. The ceremony concludes with the rising of the sun.

Working across Council

Staff Engagement and Training

Te Hiwi o Toroa is the redesign of RLC's Cultural Competency Framework for elected members, council staff and partners. It offers a suite of learning opportunities across two 4-month training cycles beginning in March and September. The workshops are designed to increase the confidence and capability of the organisation and ensure we are developing enduring relationships with mana whenua, through increased understanding and application of our responsibilities. Each cycle starts with the noho marae where attendees are introduced to working in a Māori environment, Māori protocols, local history and interactive workshops on the Treaty of Waitangi.

	KAUPAPA 1	KAUPAPA 2	KAUPAPA 3	KAUPAPA 4	KAUPAPA 5
	Noho marae	Legislation / Protocols	Engagement	Whenua Māori	Te Reo Māori
Dates	4 & 5 Mar 2 & 3 Sept	3 Apr 2 Oct	8 May 13 Nov	5 Jun 4 Dec	11 Mar 20 May 29 Jul 7 Oct
Time	2 days, 1 night	1 day	half day	1-2hrs	Beginner L1 & L2 10 weeks 1 hr per week; Immersion class 40 weeks

A noho marae was held 4 and 5 March at Ōwhata Marae including an overnight stay with 18 staff from across Council attending. The ongoing Te reo Māori classes will start in March.



Council Waiata sessions have resumed. This includes weekly waiata sprint sessions for council staff in the Civic Centre at 8.30am (15 mins) and at Te Aka Mauri at lunchtime (45 mins), as well as monthly community Waiata Mai sessions at Te Aka Mauri, held during lunchtime. These sessions don't officially fall under Te Hiwi o Toroa programme but contribute significantly to staff capability and capacity to support the council's pōhiri and tikanga processes, as well as building team connection, morale and cultural expression.

Rotorua Reorua

Translation and Reo Requests:

Bilingual Job Titles – work on translations for titles as they arise.

Kupu o te Wiki / Kōrero o te Wiki – Te Amorangi continues to provide weekly contributions to the Marketing and Communications team for the staff intranet, Pūmanawa.

Reorua – has been flagged as a key focus area for Te Arawa 2050 Vision Committee and we can expect a refreshed lens for shared outcomes alongside Te Tatau o Te Arawa.

Tikanga and Kawa – Cultural Support

Te Amorangi continues to support Council teams to formally greet and bring manuhiri (visitors) and new staff into our organisation in a culturally appropriate way. During this period Te Amorangi has supported:

- Pōhiri for new staff - 2 Dec 2024.

Doc ID: 21177607

4

Council
26 March 2025

- Supported Thriving Communities team for a pōhiri for the incoming Youth Council, held at Toi Ohomai on 31 January.
- Open Papakāinga Development Toolkit workshops with iwi stakeholders.
- Pōhiri Toi Ohomai International students to Council.

10.7 MAYOR'S INTERNATIONAL TRAVEL REPORT - AUSTRALIA & CHINA 2025

- Doc ID:** 21200246
- Prepared by:** Tania Tapsell, Mayor
- Approved by:** Tania Tapsell, Mayor
- Attachments:**
1. Mayor's International Travel Report - Australia & China 2025
 2. Letter of Appreciation - Te Puia
 3. Letter of Appreciation - Polynesian Spa
 4. Letter of Appreciation - Canopy Tours

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to report back to Rotorua Lakes Council on the recent travel taken by Mayor Tapsell to Sydney to speak at a "City Nation Space" Conference and attend the NRL All stars 2025 game; and to China to attend the RotoruaNZ China Roadshow in Beijing, Shanghai, Chengdu and Guangzhou. This report is following up the business case report which went to Council in December 2024, and is required by the Mayor and Elected members International Travel Policy.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'Mayor's International Travel Report - Australia & China 2025 ' be received.

Mayor Tapsell international travel report to Council

Australia, Sydney
11-16 February 2025

BACKGROUND:

Travel to Australia, Sydney, supported council's vision, business objectives and aspirations for the future by meeting the current Long Term Plan statement to "rebuild the district's reputation and support and create opportunities to build on our local economy". Tourism and hospitality are the biggest employers in Rotorua and Australia is the second largest international market for tourism, and contributes significantly to visitation and spend within our Rotorua district. This opportunity to attend the City Nation Place conference came from NZ Story. They are responsible for Aotearoa New Zealand's international brand and recently won the Global Place Brand of the Year Award. CEO David Downs reached out in collaboration with global organisation City Nation Place, and sought my interest in participating as both a panellist and guest speaker with a focus on place reputation and economic development. The conference brought together government leaders, destination marketing organisations, investments attraction and economic development teams to explore place branding, place shaping, and place marketing strategies. A number of international speakers spoke at the event and the following is a summary of the key learnings:

KEY LEARNINGS:

City Nation place was well attended with international participants and senior managers and Chief Executives from leading tourism organisations across the world with the majority coming from Australia. I had the honour of attending as a guest speaker to share how we have driven positive change and investment in to Rotorua, a top tourism town, through public and private partnership. In particular the investment into the Rotorua Lakefront precinct, and how we've also seen private/public investment in to the wider Lakefront area as a result. My contribution was well received with much positive feedback from surveys the conference organiser distributed.

One of the key takeaways that I learnt was when we were asked to 'only use three words to describe your place'. It was astounding that in a room of people from many different regions that there was common themes and almost everyone described their place as having friendly and welcoming people, and a beautiful environment such as beaches and mountains. The key point here was that as destinations we need to have a strong point of difference. After this we can then determine the ideal visitor that we want to attract. Starting with strategy first and then following through to execution is a proactive way to do this, but it's also "not a set and forget game". There is a real need to stay adaptable when it comes to promoting your destination. It's also helpful to look at the tourism data and research as there is interesting findings such as women make 80% of all travel decisions. And also the increasing growth of the 'working from anywhere' market, with 72% of Millennials & Gen Z seeking flexible working arrangements which is also linked to wellness. A mindset shift of focusing on working travellers could also help people to stay longer.

Overall this conference was very valuable to attend and learn from, especially considering the economic priority of Rotorua Lakes Council to be a world-class destination. It was also beneficial to have the opportunity to share with international tourism leaders how we have used the unique points of difference of our culture and geothermal environment in recent developments of both public and private spaces. I left the conference inspired and also grateful for the hard work that is currently occurring in both Rotorua Lakes Council and RotoruaNZ that is regarded as exceptional within the industry.



I have included in this report the key learnings that I believe will be beneficial for Rotorua Lakes Council to be aware of:

KEY LEARNINGS FROM SPEAKERS:**INVEST PUERTO RICO:**

Nicole Vilalte, Chief Marketing Officer.

Across the world extreme weather patterns are increasing substantially. Puerto Rico is known for natural disasters which creates a negative reality, recent research showed that 62% of corporate executives choose not to locate their project to Puerto Rico due to this. To protect destination brand during crisis such as these the following suggestions were made:

1. Proactive messaging.
2. Reassurance with clear, transparent comm when talking with business dealings and prospects.
3. Emergency preparedness comms plan – It's not on all year long, only when entering a situation or at first warning. Ensure stakeholders feel confident about business continuity measures.

Driving the correct narrative during business conversations with prospects is key – e.g. our infrastructure and buildings are up to code and able to withstand weather events.

Suggested action steps:

1. Develop a crisis plan
2. Train your team
3. Prioritise communication

Keep a pulse on comms, if you hear something inaccurate try to get cover on those points. When responding to social media – keep it light, use as channel to provide updates. Make it a machine for people to find information. In the middle of chaos you want to be a voice that sounds like you know what you're doing. Be very strategic about messaging, focus on key information not twenty posts a day.

Building sustainable development goals and stewardship into your place brand strategy panel discussion:

Australia's Golden Outback – Esperance Tourism, Development Manager, Annabell.

Brand is more than a logo, it's about getting to the heart of what makes a place special to visit. Start with strategy, who we are as destination. Then identify what our objectives are, what do we hope to achieve. Then decide the look and the feel e.g. using the saying "Hikes before likes" when referring to options for outdoor activities.

Tourism Fiji, CEO, Brent Hill.

Sustainability to them is supporting culture. Tourism is 40% of their GDP, employs 36.5%. 180,000 direct and indirect jobs (nation of 890,000) and 982,000 visitors annually. Branding issue was the marketing was not using the locals in the advertisements, so needed to connect the culture. Especially as people are looking for authentic experiences. So the task was to be a truly meaningful brand we needed to take a fresh take on happiness, and to add to the rest of the world and give depth. The insight from this was the source of this depth is Fijian culture itself, cause fijians live life in a way that inspires happiness. The creative ideas from it created the branding 'Fiji where happiness comes naturally'.

Destination Queenstown, CE, Matt Woods.

In 2019 Queenstown had a social licence problem from tourism. As well as a financial budget, they also started to account for carbon budgets. They completed a destination management plan alongside community. Really needed to have a big ambitious goal so it wasn't a boring document in the top draw, if we really want to be regenerative we need to be carbon zero. Ultimately it's about being a good ancestor. Knowing what I know today what would I do differently. We were extremely good at getting high volume, but want high contributing visitors that stay longer, forge connections with locals and give back.

Downtown Vancouver, President & CEO, Jane Talbot

Focused on a placemaking strategy with pop up activations to drive foot traffic and support business. This included signature events, festivals & seasonal programming to enhance visitor & resident experience. Public art initiatives and beautification projects were used to create an inviting urban environment. Citywide there was a 10% vacancy building rate, and high 39% of vacancy on Granville Block, which is where the night life was. City councillors and business community came together to say how can get businesses back, this created a partnership with private & public sector. A key outcome of this was sponsorship of festivals & events of which there were fifty that were supported from a budget of \$625,000. Example: Canada Day sponsorship of \$50,000, but has an economic impact of \$18,953,920 on the day. It's increasingly hard to find sponsorship but is worth it for the return. Was beneficial to partner with property owners to activate and enhance public spaces, support through public awareness and way finding. Also partner with business community for a mural program. For those that didn't want to contribute financially we convinced through clear communication of benefits. This included a dashboard online that people can log in to and find information about data collection, retail, return to office programs. They also have a podcast and regular networking sessions.

Cūpla, Lyndal & Justine

The uniqueness of diverse regions and towns bring different stories to tell. Regional living is more attractive than ever but also have challenges. Be authentic with the reality of where you are and your challenges, some may not have the potential for benefits. Local community in regional areas have more power to influence the way other audiences experience their place than large urban populations. Connecting and engaging with customers is therefore important.

Councils need to focus on building brand internally first and then explaining the value externally. If not then could risk a perception of "why do you care more about the people outside our district, than the ones inside?". Get locals to also spend time enjoying their place so they get ownership and be a force for positivity. Once you get the conversations right of the economic and cultural value of bringing people to the region it's easy to connect and paint the very direct picture of benefits. If people are investing in infrastructure you're going to benefit from that. Australia and New Zealand are full of iconic natural destinations. Focusing on environment and easy going people is what everyone is doing, so focus on what makes people choose you and stand out for the right reasons. Use calls to action videos showing what a rural area is really like with lines such as "come see for yourself".

For regions the connections to your community is your superpower. A major challenge can be resourcing the brand, or brands. Prioritise place over destination brand. Our principles are be authentic, distinctive and compelling. Who are all the people you need to serve? Don't focus on demographics. Elevate to common needs and wants. These profiles should help you to innovate profiles as well, and there may be things you need to stop doing. Learn from other regions and use each others capital collaboratively.

NZ Story

This is a New Zealand Government agency with the purpose to protect, enhance and expand the story of our country. They have the fernmark licence programme which is trademarked around the world. Key advice is to connect and align the strategy to the execution of the marketing. It's a good idea to engage the private sector and connect them to experts. Examples of doing this is holding speaker series to build community and provide access to industry experts who can provide quality advice. Content and delivery can then be unique and refined to get cross pollination of ideas with like-minded people who can share stories and benefit from learning, sharing and collaborating.

Austrade

This speaker focused on leveraging the nation brand to compete on the world stage. A key suggestion was to view ourselves as caretakers of the destination brand. Austrade shared that they don't see themselves as owning it. 'Australian brand belongs to Australians and we want to see them build on it'. There was also discussions about the use of logos as the brand, and that this is not as important as the ownership that is felt and connected with the branding itself. Not everyone will like a brand, but it's about creating something that locals can be proud of and also that visitors can associate your destination with it.

ADDITIONAL MEETINGS:***NZ Tourism***

Australian tourism contacts were provided by DFAT (Australia) and RotoruaNZ and offered an opportunity for me to meet with key contacts on Friday 14 February, following the conclusion of the City Nation Place conference. This included a visit to Tourism New Zealand offices and also an International Media Conference where TNZ staff we're connecting with journalists from around the world and discussing future visits and articles in travel media. I was able to observe how networking and future bookings occurred as well as the opportunity to meet TNZ staff who were promoting New Zealand, including Rotorua. It was a valuable experience to see how journalists are informed about and encouraged to visit and write about our destination in International media.



NRL All Stars event

Rotorua was the first place to host a NRL game outside of Australia in 2023. This had a significant positive impact and since then there has been a noticeable increase in the growth of Rugby League participation in Rotorua. The event generated an estimated \$2.9 million of economic benefit and was broadcast internationally. Rotorua Lakes Council has expressed an interest in hosting the NRL All Stars again in the future. While in Sydney recently I was able to visit Rugby League Central and meet with NRL Chief Executive, Andrew Abdo as well as attend this years All Stars games on Saturday 15 February. This was important to continue to advocate for the Indigenous tournament to return to New Zealand, and the potential for future hosting rights in Rotorua. It was very beneficial to visit in person and there is a strong desire to return to Rotorua from both the Rugby League and also Touch teams and management. The Executive team of NRL make the final decision and are currently finalising their strategy for future games. They informed me that they will be able to provide more clarity on when they will return to New Zealand and also where specifically the games will be played in the following months, and appreciated my on-going advocacy and support for hosting in Rotorua. My personal view is that there will be tough competition for hosting rights once the Christchurch stadium is completed. Rotorua has a clear strength of the māori culture, experience hosting this tournament, and close proximity to Auckland supporters. However, if we are not successful at attracting All Stars then I have also encouraged NRL to remain in touch with us for opportunities for other games and tournaments to be played in Rotorua. If this does happen a further update will be provided to seek support from Council, and then either the Chief Executive of Rotorua Lakes Council or RotoruaNZ will be responsible for negotiating hosting rights, as well as costs for doing so.



Background information on 2023 NRL All Stars event in Rotorua:

When Rotorua hosted this game in 2023 there were 17,217 tickets were sold with 94% of sales coming from outside of the region, and a large portion of tickets sold at the gate on the day. This event had an estimated Australia and New Zealand viewership of 678,000 and the economic impact estimated for Rotorua from the 2023 All Stars event in Rotorua was \$2.9 million. The event paid for itself with Rotorua Lakes Council achieving a minor profit of about \$6000, whilst achieving significant visitor attraction and destination marketing outcomes. The key strength of Rotorua hosting was the strength of our culture. Celebrating culture is the core purpose of the All Stars events. This experience was unlike anything that the NRL and players had been a part of and left a lasting impression with many players referencing the cultural experiences in Rotorua in interviews throughout the remainder of the 2023 year. There was also a great appreciation from the community for the visits players do within the community and also to schools to inspire future players in Rotorua and support the growth of Rugby League. A strength for our facility was that our grounds were of excellent quality and teams enjoyed playing on high quality grass. Given the atmospheric conditions of Australia this is often not the case, so our grounds appear to be a competitive advantage.

China: Beijing, Shanghai, Chengdu, Guangzhou
19 February – 2 March 2025

SUMMARY:

This travel to China supported council's vision, business objectives and aspirations for the future by aligning with the Long Term Plan statement to “rebuild the district’s reputation and support and create opportunities to build on our local economy”. Tourism and hospitality are the biggest employers in Rotorua and China is a key tourism and trade market for New Zealand, and our district of Rotorua. Unfortunately, since the covid lockdowns the numbers of Chinese visitors and international students has been significantly lower and not returned to pre pandemic levels. This appears to be mostly due to their current economic conditions and challenges with access to visa’s and timely processing of them. Currently the South Island has a stronger presence promoting themselves in China and securing visitors. There has not been a roadshow from the North Island visit China since 2017-2018 so it was very timely to get back to China and ensure that we are visible and encouraging travel from this market which are one of the highest spending visitor markets. This roadshow was a strategic opportunity to showcase Rotorua and engage directly with Chinese tourism agents, as well as enable future strategic relationships to facilitate and increase visitation to Rotorua and bookings for accommodation and activities from this market. As Mayor I had the great privilege of leading and opening the roadshows and spoke to the uniqueness of Rotorua as a destination. Like New Zealand culture, the Chinese also value face-to-face relationship building, so it was appreciated and meaningful that the Mayor was attending to support our Rotorua businesses and represent our community. It is anticipated that the future bookings as a result of this trip will far outweigh the initial cost. Travel agents attending the roadshow were engaging and there was a positive immediate interest and bookings as a result which we anticipate to grow as our Rotorua team continue to follow up with attendees afterwards as well.

Rotorua and Tatakai Auckland operators who attended the Roadshow:

1. Mayor Rotorua Tania Tapsell (Rotorua Lakes Council)
2. Rawiri Waru – Cultural Advisor (Te Puia Board member, and Rotorua Lakes Councillor)
3. Te Puia | NZ Māori Arts and Crafts Institute – (CE Tim, and Adam)
4. Tātaki Auckland Unlimited (Karen)
5. Auckland International Airport (Carson)
6. Inflight Experiences (Jian)
7. Sudima Hotel Auckland (Daniel)
8. Wēta Workshop (Emma)
9. RotoruaNZ (Kyle)
10. Hell’s Gate (Scott)
11. Redwoods Treewalk & Altitude (Jamie)
12. Waimarino (Blair)
13. Polynesian Spa (Kenny)
14. JetPark Hotel Rotorua (Jessica)
15. Wai-o-Tapu (Nathan)
16. Distinction Hotel Rotorua (Simon)
17. Rotorua Canopy Tours (Paul)

18. Paradise Valley Springs (Annie)
19. Volcanic Air (Tim)
20. Wai Ariki Hot Springs & Spa (Renee)



The RotoruaNZ China Roadshow provided significant opportunities to connect with key travel agents from the tourism industry in China. Operators all had a ten minute timeslot to sell their product and activities the roadshow was well attended with over 250 travel agents participating over the four destinations.



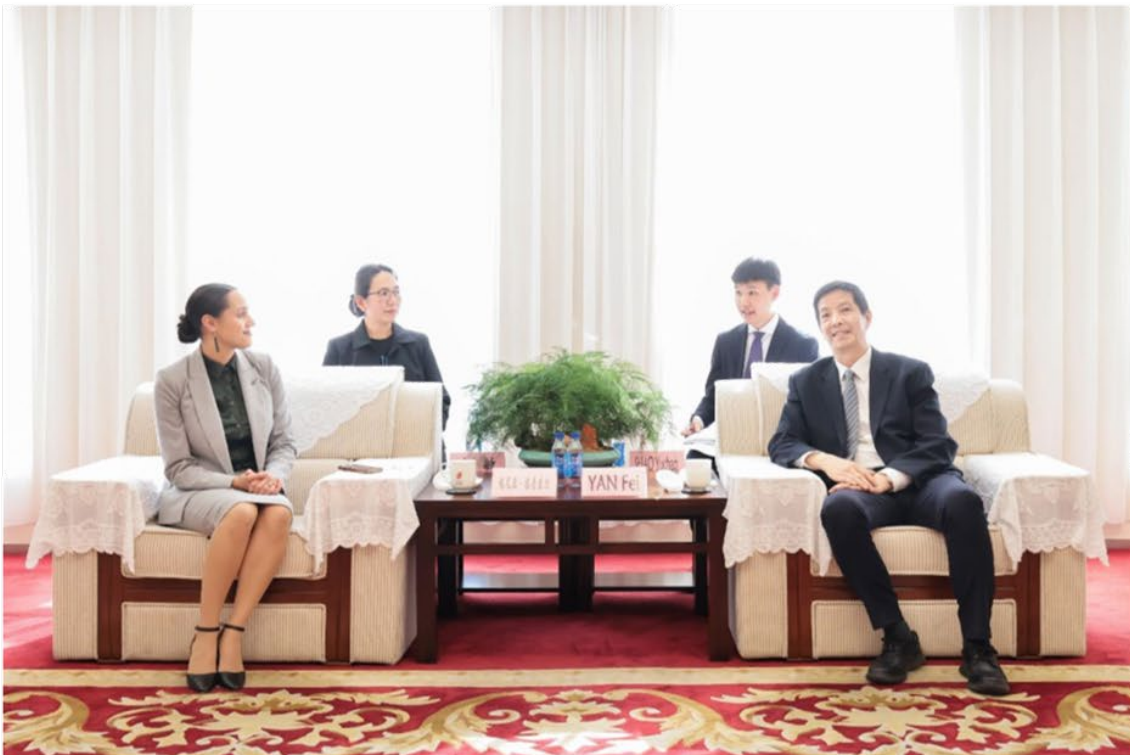
The objectives of the roadshow were to:

- Engage with a network of agents and build on existing business relationships.
- Facilitate new business relationships.
- Increase destination and product knowledge of agents.
- Provide a platform for negotiating new contracts.
- Showcase new and existing products.



In addition to the Roadshow events, RotoruaNZ and myself also arranged strategic meetings with key contacts:

- I meet with the Acting Ambassador and staff at the New Zealand Embassy in Beijing. I was able to talk about the roadshow and how we can all support tourism between China and Rotorua.
- I also had an opportunity to meet 1-1 with Michael Zhang from the NZ Embassy Office in Guangzhou and we had a very valuable discussion on China and NZ tourism and trade relationships and ways to better enhance and add value to sister-city relationships.
- Meeting with Air China Vice President and Executive team to promote Rotorua and talk further about future opportunities for partnership now that Air China and RotoruaNZ have signed a MOU for mutual benefits.



- Visit to major international company Tencent to discuss WeChat and online portals that could sell Rotorua in future.



- Visit to CTrip Head Office, Ctrip is a booking provider of accommodation, transport and activity bookings throughout China and the World. Their vision is to become the world's leading and most trusted online travel brand service, committed to providing travellers with cost effective journeys.



Overall it was a fantastic trip that had many benefits and great learnings. However, one of these learnings is an on-going issue that I would like to mention as if solved would significantly improve the access of the Chinese market are visa's. Currently the New Zealand Government requires Chinese to have a transit visa just to pass through Auckland Airport. And despite recent positive changes of 30 day entry to China for New Zealanders visa free, which was granted to NZ citizens earlier this year, we have not reciprocated this access as all the other countries have. I would encourage the Government and Minister of Immigration to consider how we can better support travel from this key market as China plays a valuable role as tourism, trade, and also international student partners.

Screenshots of examples of much of the positive travel agent feedback on social media:





Her Worship the Mayor
Tania Tapsell
Rotorua Lakes Council
P O Box 3029
Rotorua 3046

Kia ora Tania, (cc Cr Rawiri Waru)

A short note to thank you once again for taking part in helping lead the recent delegation that China Roadshow.

Your presence was critical to putting Rotorua back on the map as a collective force in this very important market. We are grateful that you could make the time in your busy schedule to help lead this delegation.

Post pandemic the southern regions of New Zealand have taken significant market share in this market. This roadshow was a collective effort to respond to that trend. The feedback we got was exceptional – with consistent effort we can put the upper North Island firmly back where it needs to be. It is critical to all businesses as well as the destination.

We certainly would want to invite you again. We are thinking we would want to go back each year for the next few years as we build profile. Having the Mayor present elevates our position and helps secure significantly greater engagement from the China travel trade.

Can you also pass on our appreciation to Cr Waru who played an important cultural leadership role on the Roadshow. That cultural leadership was also significant.

Thanks again. You both were nothing short of amazing on this Roadshow. The schedule was unrelenting but you both fronted up each and every time that you were required. It was an honour having you there and we are grateful for your time and efforts.

I would like this letter tabled at Council please if that is possible.

Ngā mihi

Tim Cossar

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6 March 2025

ROTORUA LAKES COUNCIL

Via email

Dear Worship the Mayor and Elected Members

Myself and the board of directors at Polynesian Spa Ltd wish to place on record our appreciation for her worship Mayor Tania Tapsell's presence during the recent 2025 North Island Roadshow through China.

This is an important market not only for our business but also for our destination. The support from the council and our Mayor in our own efforts there is invaluable to ensuring that we remain front of mind to visitors from that country.

It is worth noting that the profile and value of Chinese visitors has changed significantly compared to those we saw here in the '10's. They stay longer, spend more and are less discount focused than was evident in the past. All of these factors are key metrics for quality visitation to our city and its many fantastic tourist offerings.

A collective effort such as this from Rotorua and other North Island operators (and local government bodies) produced an event such as we had not seen in China previously and personally filled me with immense pride for our city.

We realise that the commitment of time and resources from her Worship is not taken lightly and would like to again express our appreciation for the support provided.

Yours sincerely,

Gert Taljaard
Chief Executive Officer

Historic. Therapeutic. World Famous.



Paul Button
CEO, Rotorua Canopy Tours
147 Fairy Springs Road
Rotorua, 3015.

6/03/2025

Her Worship the Mayor, Tania Tapsell.

Dear Your Worship,

I want to express my sincere appreciation for your leadership, support, and energy in driving tourism forward for Rotorua. Your participation in the Rotorua Roadshow to China was invaluable. By leading us alongside Councillor Waru and the 21 tourism operators, you showed the Chinese tourism market that we are a united force, serious about promoting Rotorua's unique offerings. Your presence reinforced our shared commitment and passion, making a significant impact and cementing Rotorua as a world-class tourism destination.

The tourism market we encountered in China is no longer just about low-value group or shopping tours. We met high-value, free independent leisure travellers who are educated, motivated by sustainability, and genuinely eager to experience this region—engaging with our culture, our people, and contributing meaningfully to our economy. We also saw strong off-peak travel demand, including educational visits, which presents a massive opportunity for building a resilient and sustainable tourism market for Rotorua.

Your involvement, alongside Councillor Waru and the rest of the Rotorua team, has put Rotorua back on the map. Traditionally, the Chinese market would visit Rotorua as a key destination, but it was clear that Queenstown has taken a significant share over the past decade by being consistently active in that space. If we want to regain our presence in this market, we need to maintain our efforts and build on the momentum we've created. The future of tourism looks brighter with the evolution of the Chinese market, and we simply couldn't have made the same impact without your presence.

Once again, please accept my sincere appreciation.

Ngā mihi,

A handwritten signature in blue ink, appearing to read "Paul Button", with a long horizontal flourish extending to the right.

Paul Button
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11 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:

RECOMMENDATION		
<p>1. That Council resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act:</p>		
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
<p>11.1 Confidential Minutes of the Ordinary Council Meeting held on 26 February 2025</p>	<p>Please refer to the relevant clause/s in the open meeting minutes.</p>	<p>Good reason for withholding exists under Section 48(1)(a).</p>
<p>11.2 Confidential Minutes of the Ordinary Council Meeting held on 05 March 2025</p>	<p>Please refer to the relevant clause/s in the open meeting minutes.</p>	<p>Good reason for withholding exists under Section 48(1)(a).</p>

12 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