



Kaupapataka

Agenda

NOTICE OF MEETING FOR THE STRATEGY, POLICY & FINANCE COMMITTEE

Date: Thursday 15 April 2021

Time: 9.30am

Venue: Council Chamber

MEMBERSHIP

Chair

Cr Raukawa-Tait

Deputy Chair

Cr Kai Fong

Members

Mayor Chadwick

Cr Bentley

Cr Donaldson

Cr Kumar

Cr Macpherson

Cr Maxwell

Cr Tapsell

Cr Wang

Cr Yates

Mr Thomass (Lakes Community Board member)

Mrs Trumper (Rural Community Board member)

Mr Biasiny-Tule (Te Tatau o Te Arawa Board member)

Mr Berryman-Kamp (Te Tatau o Te Arawa Board member)

Quorum

8

STRATEGY, POLICY AND FINANCE COMMITTEE DELEGATIONS

Type of Committee	Committee
Subordinate to	Council
Subordinate Committees	n/a
Legislative Basis	Schedule 7, clause 30 (1) (a), Local Government Act 2002.
Purpose	The purpose of the Strategy, Policy and Finance Committee is to have oversight and make recommendations to the Council on the adoption and development of all Council's strategic, policy, planning and regulatory frameworks.
Reference	01-15-227
Membership	<p>Councillor Raukawa-Tait (Chair) Councillor Kai Fong(Deputy Chair)</p> <p>The Mayor and all councillors 2 Te Tatau o Te Arawa members 1 Lakes Community Board member 1 Rural Community Board member</p> <p>Full voting rights for all members</p>
Quorum	8
Meeting frequency	Monthly
Delegations	<p>The Committee's function is recommendatory only.¹ It is authorised to take actions precedent to the exercise by the Council of its statutory responsibilities, duties and powers, by:</p> <ul style="list-style-type: none"> • Receiving, considering, hearing submissions and making recommendations on draft plans (except the District Plan), strategies and policies (such as the Long-term Plan, Annual Plan; funding and financial policies; reserves management plans and asset management plans); • Considering and making recommendations on the development of the Council's rating policy; financial strategy and budgets; • Considering and making recommendations on the development of Council bylaws, including hearing submissions in relation to making, amending and revoking bylaws; • Considering and making recommendations on Council's strategic direction to ensure efficient and effective delivery of Council's objectives and District Vision; • Receiving and considering reports from working/strategy groups; • Considering and making recommendations on the development of guidelines for decision making to assist Council in achieving its strategic outcomes; • Considering and making recommendations on the establishment of levels of service across Council services to ensure alignment with strategic goals and priorities; • Considering and making recommendations on the development of Treasury and funding functions; • Considering and making recommendations on proposals for the establishment of Council controlled organisations (including the appointment

¹ Council is authorised to delegate anything precedent to the exercise of Council's powers, duties and functions - Schedule 7, clause 32, Local Government Act 2002

	<p>and remuneration of Directors, formation of constitutions and shareholder agreements);</p> <ul style="list-style-type: none"> • Considering and making recommendations on proposals for the sale and purchase of land; • Considering and making recommendations on issues relating to Council leases; • Considering and making recommendations on draft Council submissions/responses in relation to: <ul style="list-style-type: none"> ○ Central government policies, plans and proposed legislative reform; ○ Proposals by other organisations/authorities (Local and Regional). • Performing such other functions as the Council may direct from time to time.²
Relevant Statutes	All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.
Limits to Delegations	<p>The Committee does not have the delegated authority to make decisions for and on behalf of the Council. All matters requiring a decision of Council must be referred, by way of recommendation, to the Council for final consideration and determination.</p> <p>In the event that the Council resolves not to approve or adopt a Committee recommendation, the item shall be returned to the Committee via the Chief Executive for review and subsequent referral to the Council for further consideration and determination.</p>

² A committee is subject in all things to the control of the local authority, and must carry out all general and special directions of the Council given in relation to the committee - see Schedule 7, clause 30(3), Local Government Act 2002.

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1 Opening karakia - Karakia whakapuaki

2 Apologies - Ngā whakapāha

The Chairperson invites notice from members of:

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

3 Declarations of interest - Whakapuakitanga whaipānga

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 Urgent items not on the agenda - Ngā take whawhati tata kāore i te rārangi take

Items of business not on the agenda which cannot be delayed

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

Matters Requiring Urgent Attention as Determined by Resolution of Rotorua Lakes Council
The Chairperson shall state to the meeting.

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

The item may be allowed onto the agenda by resolution of the Rotorua Lakes Council.
s.46A (7), LGOIMA

Discussion of minor matters not on the agenda.

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

The Chairperson 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 Presentations – Ngā Tāpaetanga

5.1 Waikato Regional Council – Long Term Plan 2021-2031

6 Confirmation of Minutes – Te whakaū i ngā meneti

6.1 Strategy, Policy and Finance Committee Meeting Minutes 11 March 2021

01-15-227\02
RDC- 1110188

Minutes

**Strategy, Policy & Finance Committee meeting
held Thursday, 11 March 2021 at 9:30am
Council Chamber, Rotorua Lakes Council**

MEMBERS PRESENT: Cr Raukawa-Tait (Chair)
Cr Kai Fong (Deputy Chair), Cr Donaldson, Cr Kumar, Cr Macpherson, Cr Maxwell,
Cr Tapsell, Cr Wang, Cr Yates, Mr Berryman-Kamp (Te Tatau o Te Arawa), Ms Marks
(Te Tatau o Te Arawa), Mr Thomass (Lakes Community Board) and Mrs Trumper
(Rural Community Board).

APOLOGIES: Mayor Chadwick (on Council Business) and Cr Bentley.

IN ATTENDANCE: Chairman, Doug Leeder, Councillors Kevin Winters, Lyall Thurston, Te Taru White,
Jane Nees, Stacey Rose and Chief Executive Fiona McTavish, Bay of Plenty Regional
Council; Inspector Phil Taikato, Rotorua Area Commander, NZ Police; Tim Russell,
International Security Specialist.

STAFF PRESENT: G Williams, Chief Executive; C Tiriana, Manager, CE Office; O Hopkins, Manager
Corporate Planning & Governance; J.P Gaston, Group Manager Strategy; S Michael,
General Manager Infrastructure; T Collé, CFO/Group Manager Business Support;
J Mikaere, Group Manager Operations; G Rangī, Manahautū Māori; N Michael,
Senior Communications Advisor; R Dunn, Governance Lead; H King & G Konara,
Governance Support Advisors.

The meeting opened at 9.30am

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

1. **KARAKIA WHAKAPUAKI OPENING KARAKIA**

Mrs Trumper opened meeting with a Karakia.

2. **NGĀ WHAKAPĀHA APOLOGIES**

Resolved:

That the apologies from Mayor Chadwick (on council business) and Cr Bentley be accepted.

Moved: Cr Donaldson

Seconded: Cr Wang

CARRIED

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**3. WHAKAPUAKITANGA WHAIPĀNGA
DECLARATIONS OF INTEREST**

No conflicts of interest were received.

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

No urgent items were received.

**5. NGĀ TĀPAETANGA
PRESENTATIONS****5.1 BAY OF PLENTY REGIONAL COUNCIL LONG TERM PLAN 2021 - PUBLIC CONSULTATION UPDATE**

Bay of Plenty Regional Council's Chairman, Doug Leeder, Councillors Kevin Winters, Lyall Thurston, Te Taru White, Jane Nees, Stacey Rose and Chief Executive Fiona McTavish spoke to a PowerPoint presentation titled "2021-2031 Long Term Plan" (Attachment 1).

The meeting adjourned at 10.33 am and reconvened at 10.37am.

**6. TE WHAKAŪ I NGĀ MENETI
CONFIRMATION OF MINUTES****6.1 MINUTES OF THE STRATEGY, POLICY & FINANCE COMMITTEE MEETING 11 FEBRUARY 2021**

RDC-1099489

Resolved:

That the minutes of the Strategy, Policy & Finance Committee meeting held 11 February 2021 be confirmed as a true and correct record.

Moved: Mrs Trumper

Seconded: Cr Kai Fong

CARRIED

**7. PŪRONGO KAIMAHI
STAFF REPORTS****7.1 30 YEAR INFRASTRUCTURE STRATEGY - 2021-2051**

RDC-1104841

Resolved:

- 1. That the report "30 Year Infrastructure Strategy 2021-2051" be received.**

Moved: Cr Donaldson

Seconded: Cr Kai Fong

CARRIED

Stavros Michael spoke to a PowerPoint presentation titled “30 Year Infrastructure Strategy 2021-2051” (Attachment 2) and overviewed the report.

Further resolved:

- 2. That the Committee approve the [30 Year Infrastructure Strategy 2021-2051](#) (Attachment distributed separately) for inclusion into the 2021 Long Term Plan consultation process.**

Moved: Cr Donaldson

Seconded: Cr Macpherson

CARRIED

The Chair ruled that the Draft Rotorua Community Safety Plan (item 7.3) would be considered next.

7.3 DRAFT ROTORUA COMMUNITY SAFETY PLAN

RDC-1107298

Resolved:

- 1. That the report ‘Draft Community Safety Plan’ be received.**

Moved: Cr Yates

Seconded: Cr Tapsell

CARRIED

Jocelyn Mikaere introduced Inspector Phil Taikato, Rotorua Area Commander, NZ Police and Tim Russell, International Security Specialist and spoke to a Power Point presentation titled ‘Community Safety’ (Attachment 3) and overviewed the report.

Further resolved:

- 2. That the Committee recommends to Council that the Rotorua Draft Community Safety Plan be approved for public engagement (Attachment 4).**

Moved: Cr Yates

Seconded: Cr Donaldson

CARRIED

Cr Wang questioned Cr Macpherson in regards to a social media post of his, which commented on homelessness. Cr Wang requested that Cr Macpherson retract his comments and to apologise for misrepresenting the Council. Cr Macpherson stated that he would not apologise for the comments.

7.2 REPRESENTATION REVIEW PROCESS

RDC-1105304

Resolved:

1. That the report “2021 Representation Review Process” be received.

Moved: Cr Tapsell

Seconded: Cr Wang

CARRIED

Oonagh Hopkins overviewed the report.

Further resolved:

2. That the Committee recommends that Council note the “2021 Representation Review Process” along with the key dates.

Moved: Mr Thomass

Seconded: Mrs Trumper

CARRIED

8. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO EXCLUDE THE PUBLIC

Resolved:

That the committee move into public excluded session.

Moved: Cr Donaldson

Seconded: Cr Macpherson

CARRIED

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing of this resolution
Economic Recovery Project 4	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 48(1)(a) Section 7(2)(b)(ii)
	Maintain legal professional privilege.	Section 48(1)(a) Section 7(2)(g)

	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) Section 7(2)(i)
	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	Section 48(1)(a) Section 7(2)(h)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6 or 7 of the Act or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item.”

OPEN SESSION

Meeting closed at 12.37 pm

To be confirmed at the Strategy, Policy & Finance Committee meeting on 15 April 2021.

.....
Chairperson

Note 1: Rotorua Lakes Council is the operating name of Rotorua District Council

Note 2: Attachments to these minutes are available on request or on Council’s website www.rotorualc.nz

6.2 Strategy, Policy & Finance Committee Meeting Hearing Minutes 11 March 2021 – Draft Open Space Level of Service Policy

01-15-227\02
RDC-1110191

ROTORUA LAKES COUNCIL

Minutes

Strategy, Policy & Finance Committee Hearing for Draft Open Space Level of Service Policy held Thursday, 11 March 2021 at 1.15 pm in the Council Chamber, Rotorua Lakes Council

MEMBERS PRESENT: Cr Raukawa-Tait (Chair)
Cr Kai Fong (Deputy Chair), Cr Donaldson, Cr Kumar, Cr Macpherson, Cr Maxwell,
Cr Tapsell, Cr Wang, Cr Yates, Mr Berryman-Kamp (Te Tatau o Te Arawa), Ms Marks
(Te Tatau o Te Arawa), Mr Thomass (Lakes Community Board) and Mrs Trumper (Rural
Community Board).

APOLOGIES: Mayor Chadwick (on Council Business) and Cr Bentley.

STAFF PRESENT: C Tiriana, Manager, CE Office; O Hopkins, Manager Corporate Planning & Governance;
J Mikaere, Group Manager Operations; G Rangī, Manahautū Māori; N Michael, Senior
Communications Advisor; R Dunn, Governance Lead; G Konara, Governance Support
Advisor.

The meeting opened at 1.15 pm

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

1. NGĀ WHAKAPĀHA APOLOGIES

Resolved:

That the apologies from Mayor Chadwick (on council business) and Cr Bentley be accepted.

Moved: Cr Wang

Seconded: Mrs Trumper

CARRIED

2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

Cr Donaldson declared a non-financial interest.

3. PŪRONGO KAIMAHI STAFF REPORTS

3.1 HEARING ON DRAFT OPEN SPACE LEVEL OF SERVICE POLICY

RDC-1102285

Resolved:

That the report titled 'Hearing on Draft Open Space Level of Service Policy' be received.

Moved: Mrs Trumper

Seconded: Cr Kai Fong

CARRIED

ATTENDANCE: - Cr Kumar and Cr Maxwell joined the meeting at 1.17pm.

4. TE WĀ KI NGĀ HUNGA TONO HEARING OF SUBMITTERS

Following submitters spoke to their submissions:-

Time	Submitter	Sub No.
1.19pm	Cornelius Bapenfus from Grey Power Rotorua (Cornelius submitted in place of Miriam Ruberl (submitter), who has sent her apologies)	2
1.31pm	Robyn Cowley as the support person for Robyn McMillan (submitter)	5
1.37pm	Nireaha Pirika, Ralph Mosen and Brian Halligan from Tatau Pounamu Collective	8

Meeting closed at 1.48pm

To be confirmed at the Strategy, Policy & Finance Committee meeting on 15 April 2021.

.....
Chairperson

Rotorua Lakes Council is the operating name of Rotorua District Council.

7 Staff Reports – Pūrongo Kaimahi

60-12-023-03
RDC-1116510

ROTORUA LAKES COUNCIL

Mayor
Chair and Members
STRATEGY, POLICY AND FINANCE COMMITTEE

7.1 Deliberations and Adoption of the Open Space Level of Service Policy

Report prepared by: Stephanie Kelly, Senior Strategy Advisor

Report reviewed by: Jocelyn Mikaere, Group Manager Operations

Report approved by: Craig Tiriana, Acting Chief Executive

1. TE PŪTAKE PURPOSE

The purpose of the report is to enable the Committee to deliberate on submissions received and make a recommendation to Council on the adoption of the Open Space Level of Service Policy.

2. HE TŪTOHUNGA RECOMMENDATION

1. That the report 'Deliberations and Adoption of the Open Space Level of Service Policy' be received.
2. That the Committee recommends to Council that the Draft Open Space Level of Service Policy (Attachment 2 - Tracked Changes Version) is adopted with the amendments recommended by staff and included in Attachment 1.

3. TE TĀHUHU BACKGROUND

The Open Space Level of Service Policy will inform Council's open space requirements for new development areas including Council's structure planning and locality planning processes. The Policy will also provide guidance to assess the suitability of the existing open space network against the standards outlined in the policy to ensure the open space network is fit for purpose. In addition, the Policy is intended to:

- Provide clarity on what we want to achieve from our Open Space network
- Provide certainty to Council, developers and the community on future provision
- Ensure an integrated approach with walking, cycling, stormwater etc.
- Provide the rationale for financial contributions.
- Provide the link between the purpose of the reserve and how we maintain it.
- Ensure alignment with Council's strategic direction including the Housing and Thriving Communities Strategy and Sport and Recreation Strategy.

The proposed Policy identifies the following objectives for the open space network:

- The open space network is accessible to all.
- The open space network is connected.
- The open space network is protected and enhanced.
- The open space network is something that we are proud of.
- The open space network delivers great outcomes in partnership with Te Arawa and our community.

At its meeting on 29 October 2020 the Council adopted the draft Open Space Level of Service Policy for public consultation pursuant to Section 82 of the Local Government Act 2002.

The submission period ran from 16 November to 14 December 2020. Submissions were sought through:

- Advertisement in the local media informing the public of the draft Policy, where to get more information, and inviting submissions.
- Through Council's online engagement portal Let's Talk – Kōrero Mai.
- A direct letter to key stakeholders.
- Notice of the consultation was circulated through Council's regular e-pānui.

A total of eight submissions were received with three submitters electing to speak to their submissions at the hearing held on Thursday 11 March 2021.

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

A summary of the key submission topics/issues and the staff recommendations in response to submissions is included as Attachment 1.

A tracked changes version of the Open Space Level of Service Policy incorporating staff recommendations is also included as Attachment 2.

5. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The decisions in this report are not considered significant in accordance with Council's Significance Policy.

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

Full community consultation was undertaken on the draft Policy under section 82 of the Local Government Act 2002 between 16 November to 14 December 2020.

7. HE WHAIWHAKAARO CONSIDERATIONS

7.1 He Whaiwhakaarotanga Mahere Pūtea Financial/budget considerations

There are no costs associated with the recommendations of this report. Any wider financial considerations associated with implementation of the Policy will be considered through Council's Long Term Plan or Annual Plan processes or through alternative funding sources.

7.2 Kaupapa Here me ngā Hiraunga Whakariterite Policy and planning implications

The decisions in this report align with the Vision 2030 Goals of Outstanding Places to Play, a Resilient Community and Enhanced Environment.

The decisions in this report support the strategic outcomes identified in He Papakāinga, He Hāpori Taurikura – A Strategy for Homes and Thriving Communities and the Sport and Recreation Strategy.

7.3 Tūraru Risks

There are no major risks associated with the decisions or recommendations in this report.

7.4 Te Whaimana Authority

The Strategy, Policy and Finance Committee is delegated to make recommendations to Council on this matter.

8. NGĀ ĀPITI HANGA ATTACHMENTS

Attachment 1: Summary of Submissions including staff recommendations in response to submissions
(Page 17)

Attachment 2: Open Space Level of Service Policy – Tracked Changes Version (Page 21)

ATTACHMENT 1: SUMMARY OF SUBMISSIONS INCLUDING STAFF RECOMMENDATIONS

Issue/Topic	Submission No.	Summary of submission points	Staff comment	Staff recommendation
Support for Policy	5 6 8	<p>This is an important and essential policy needing careful consideration at a critical time in the development of the Rotorua community.</p> <p>Overall, we think that this Policy is a pragmatic approach to quality provision.</p> <p>Acknowledge that the Policy has informed the Eastside Community Wellness Plan to date. Support that the Policy provides equitable access for all.</p>	N/A	No amendments required.
Puketawhero Park development	1	Request for the development of a path and seating through Puketawhero Park.	Outside of the scope of the draft Policy. The development of specific reserves should be considered through the development of reserve management plans or parks specific projects.	No amendments required.
Accessibility standards	2	<p>Policy fails to recognise people with disabilities and those using mobility aids such as wheelchairs including provision for amenities that support this.</p> <p>500m is too far for a large number of people to walk. Request provision of a free hop on hop off service.</p>	<p>Clause 2.3 states that “the draft policy also seeks to ensure that as far as practicable, the open space network is developed in a way that everyone is able to access it regardless of their age, ability or location”. Provision of amenities to support the use of mobility aids should be considered through the development of individual reserve management plans.</p> <p>The base level of service for accessibility is that the majority (90%) of residents within the urban area are able to walk 10-15mins (or 500m) to a neighbourhood reserve or equivalent. Any increase in this level of service would not be achievable or practicable. The provision of a hop on hop off service is outside the scope of the draft Policy.</p>	No amendments required.
Exclusion of skateboards and Lime Scooters	2	Request the exclusion of lime scooters and skateboards from designated walking and mobility scooter paths.	Outside the scope of the draft Policy. The NZ Land Transport (Road User) Rule 2004 provides that wheeled recreational devices are permitted on footpaths and shared paths. On footpaths wheeled recreational devices must give way to pedestrians and drivers of mobility devices.	No amendments required.

Issue/Topic	Submission No.	Summary of submission points	Staff comment	Staff recommendation
Provision of additional facilities	2	Request for additional facilities including seating, water fountains and shelters.	Outside of the scope of the draft Policy. Provision of additional facilities should be considered through the development of individual reserve management plans or specific projects.	No amendments required.
Condition of footpaths	2	Council footpaths do not comply with disability access standards.	Outside of the scope of the draft Policy. Comments have been referred to the Sustainable Transportation team to follow up.	No amendments required.
Open space network maps	2	Council should make available maps of the open space network which show off lead dog walking areas and facilities.	Outside of the scope of the draft Policy. Maps are already available on Councils website.	No amendments required.
Springfield Golf Course	3 5	Save the Springfield golf course. Opposed to the proposal for a sport and recreation precinct on the Springfield golf course.	While the draft Policy states that the provision of Sport and Recreation Parks will be “determined by supply and demand for winter sports fields” and proposes a number of methods for increasing supply to meet demand, it does not inform any specific decision making about the future use of the Springfield Golf Course specifically.	No amendments required.
Reserve in Kawaha Point/Fairy Springs	4	Request provision of a family friendly park in Kawaha Point/Fairy Springs located near suburban commercial areas and the provision of a café.	The application of the draft Policy to the existing open space network will identify where there may be gaps in provision. Requests for specific amenities including appropriate commercial activities should be considered through the development of reserve management plans.	No amendments required.
Policy implementation	6	Policy states that implementation is subject to Council’s LTP and Annual Plan processes. Implementation should be based on outcomes that are tangible and have timeframes.	An outcomes based implementation approach is not realistically achievable as it is dependent upon Council’s existing budget processes.	No amendments required.
Definition of open space	6	The definition in the draft Policy does not mention gifted land.	The definition of Open Space in the Policy is “all open space under the control of Council, set apart for public recreation purpose inclusive of recreation reserves”. This definition also applies to land gifted for recreation purposes however for clarity and completeness staff support the inclusion of ‘gifted land’ under the definition of Open Space.	Under the definition of Open Space include the words “land gifted for reserve purposes” .

Issue/Topic	Submission No.	Summary of submission points	Staff comment	Staff recommendation
Acquisition, Divestment, Funding and Implementation	6	Clarification required around the use of financial contributions and how any shortfall will be funded for the acquisition of new reserves.	<p>Wherever possible Council will seek to acquire land in lieu of a financial contribution. Where this is not achievable and the financial contribution is not sufficient, the additional funding will be sought from the general rate subject to Council's LTP and Annual Plan processes.</p> <p>Targeted rates could be considered for proposals for new open space that is a higher level of service than provided for under the draft Policy.</p>	<p>Under the Acquisition, Divestment, Funding and Implementation section of the Policy including the following wording: <i>"additional funding will be sought from the general rate subject to Council's LTP and Annual Plan processes where financial contributions are insufficient to acquire new reserve land as required. A targeted rate could be considered for specific developments where the proposed open space is an increased level of service"</i>.</p>
Pocket Parks	6	There is limited amenities suggest for pocket parks. The value of these parks should not be underestimated particularly in high density areas.	The amenities listed for Pocket Parks in the provision metrics table are indicative only. The development of pocket parks including any amenities will be park specific and dependent on a number of factors including size, shape and contour of the park, the location and surrounding land use. It should be noted however the ability to provide amenities on Pocket Parks is generally limited due to the small size of these parks.	No amendments required.
Use of Open Space	6	Include a new policy statement that requires an evaluation to be undertaken to understand the potential uses of an open space.	The draft Policy includes a function level of service standard which aims to ensure a variety of open space and recreational experiences are provided from the open space network. The type of open space is indicative of the likely use or experience however specific uses of individual reserves is determined through community consultation during the reserve management planning process.	No amendments required.

Issue/Topic	Submission No.	Summary of submission points	Staff comment	Staff recommendation
Planting on reserves	6	Include a new Policy statement what where planting is required on an open space, that eco-sourced, native planting is the preferred species.	Outside of the scope of the Policy. Feedback will be considered in the development of Council's Tree Policy.	No amendments required.
Access to drinking water	7	Policy should include a requirement to provide water fountains to ensure access to safe drinking water.	Outside of the scope of the Policy. This should be considered through the development of reserve management plans or parks specific projects.	No amendments required.
Provision of reserves on the Eastside	8	The current provision of open spaces on the Eastside should remain in the future even if the use changes.	The application of the draft Policy to the existing open space network will identify where there may be gaps or an excess in provision. Any proposal to divest any reserves would require a significant community consultation process and would be undertaken in partnership with the Tatau Pounamu Collective.	No amendments required.
Development of Eastside open spaces	8	The development of and decisions about future activity on Eastside open spaces is undertaken in consultation with Tatau Pounamu, the surrounding community and Eastside Tamariki and Rangatahi.	The future development and activity of specific open spaces will be considered through reserve management planning processes which includes a full public consultation process.	No amendments required.



OPEN SPACE LEVEL OF SERVICE POLICY (DRAFT)

Date Adopted	Next Review	Officer Responsible
TBD	TBD	Manager Sport, Recreation and Environment

Purpose

To outline Council's approach to the provision and development of the open space network.

This will determine Council's open space requirements for new development areas and guide assessment of the suitability of the existing open space network against standards outlined in the Policy.

Scope

The Policy applies to all Council controlled open space, including lands gifted that are subject to the Ngāti Whakaue Gifted Reserves Protocol Agreement.

It is acknowledged that Council is one of a number of providers of open space in the district, and that there is a need to understand Council's role within the broader context of the network.

The Policy applies across the district however as 80% of the population are located within urban areas, the level of service standards are more applicable to these areas.

The Policy identifies opportunities to acknowledge mana whenua and represent the importance of Te Arawa to this place through the planning and development of the open space network. Te Arawa iwi are tangata whenua of the Rotorua district and Māori culture and heritage is a special characteristic and strength of this place.

Definitions

Open Space - Open space under the control of Council, set apart for public recreation purpose inclusive of recreation reserves, [land gifted for reserve purposes](#), freehold land, drainage reserves, esplanade strips and reserves, court, alley, lakeside reserves, cycle track and road reserves used for public recreation, excluding exclusive leased land.

Objectives

Council's strategic direction including Vision 2030, Spatial Plan, Sport and Recreation Strategy, Open Space Strategy and Sustainable Living Strategy provide the context for determining the following objectives that apply to the open space network:

- **The open space network is accessible to all.** The open space network is accessible for all regardless of age, ability, socio-economic status. Our community do not have to walk far to experience open spaces.
- **The open space network is connected.** Recreation, transport and ecological corridors are created. Communities are linked together.
- **The open space network is protected and enhanced.** The open space network plays a significant role in contributing to the environmental values of our district. We look after what we have and add value wherever possible. We educate our community and visitors to the area on the importance of our open spaces, culture and natural environment.
- **The open space network is something that we are proud of.** The open space network is highly valued by the community and is the outcome of good design and community involvement.
- **The open space network delivers great outcomes in partnership with Te Arawa and our community.** Te Arawa principles and partnership is a fundamental part of how we plan and deliver our open space network. Open spaces are reflective of our culture and history.

General Policies

1.1 Level of Service Standards

The level of service for the open space network is determined by the following:

- Quality standards - what our open spaces should look and feel like,
- Quantity standards - how much open space we should have,
- Accessibility standards - how far people should travel to get to open space, and
- Function standards - the range of experiences the open space network provides.

The standards are designed to ensure that the community have good access to the open space network and the variety of open space experiences that it provides while ensuring that the open space network is the outcome of good design and highly valued by the community.

1.2 Integrated Planning

Council takes an integrated approach to open space planning. This recognises that the open space network achieves multiple objectives of Council including recreation, conservation, amenity, transport, culture, sustainability, infrastructure, community development.

Bringing together considerations such as walking and cycling network plans, stormwater management, environmental objectives, cultural values and aspirations, growth planning and neighbourhood reinvigoration projects will achieve better outcomes for our community.

Level of Service Policies

2.1 Quality Standards

2.1.1 Purpose:

Quality standards define what we want our open spaces to look and feel like. They refer to the features and characteristics of open space that impact on its ability to meet community social and recreational needs. They influence the way that open spaces are valued and used.

While there is relatively good access to open space in many parts of the city and wider district, the quality is variable. In particular, low socio-economic areas tend to be associated with a lower quality of provision, which is often characterised by poor landscaping, utilitarian design, visible damage to plantings and park structures, and the presence of graffiti. The intention of the quality standards is to apply to all areas of the city and district..

2.1.2 Policy:

The planning, provision, development and management of the open space network will be guided by the following quality standards.

Consideration	Standards
Location of open space	<ul style="list-style-type: none"> - Central and prominent to surrounding residential area. - Have good connections to the surrounding area and other destinations. - Maximise street frontage to create good visual surveillance and safety. - Topography and proportion compatible with the intended purpose. - Located at the intersection of movement corridors, near transport routes and where a high level of use is anticipated. - Located to protect and enhance cultural, environmental and heritage values. - Located to maximise the value of adjacent existing open spaces, also a wider consideration for a proposed development or structure planning process (for example, streets could be located to provide good street frontage to an existing reserve or further open space could be provided to increase the size and function of an existing reserve).
Development of open space	<ul style="list-style-type: none"> - All open spaces have a clear purpose and function (primary and secondary). - Activities reflect needs of user groups and local communities. - Encourage sense of ownership over the space. - Apply universal design and flexibility to cater to changing demands. - Create visible activity nodes to encourage social interaction and safe environments. - Permeable fencing and avoidance of solid planting to encourage passive surveillance and improve safety of reserve users. - Understand cultural, heritage and natural values to create engaging and distinctive open spaces. - Contribution to environmental values including ecological corridors.
Maintenance of open space	<ul style="list-style-type: none"> - Aim to ensure maintenance standards reflect the purpose and function of the open space to maintain quality open spaces in the future.

The open space categories and provision metrics table provides further guidance on function, provision targets and indicative amenities for each type of open space.

2.1.3 Application:

The quality standards guide requirements for new areas of open space and are applied to the existing network to determine where improvements are required. For existing areas this could include the purchase of land to improve visibility and access into reserves. Divestment of land may be considered where there are limited options to improve quality or it is not practical from a cost/benefit point of view and an alternative area of land is available to better meet the quality standards.

It is recognised that some types of open space such as stormwater gully systems, while potentially providing open space values through amenity, ecological corridors and walking/cycling connections, the nature of the land may limit the extent to which the quality standards can be achieved.

Reserve Management Planning and Neighbourhood Reinvigoration processes will be used to help apply the quality standards, and engage with the community on their expectations with regard to their local reserves. Application of quality standards can be achieved through community design processes to encourage ownership and pride in the open space network and through partnerships with Tangata Whenua to reflect cultural values and activities.

A Best Practice Guide for Open Space will be developed to provide further guidance on expectations of these standards including illustrated examples to highlight good practice (and what not to do).

2.1.4 Application:

Implementation is subject to Council's Long Term Plan and Annual Plan processes.

2.2 Quantity Standards

2.2.1 Purpose:

Quantity standards determine how much open space is required. Through application of these standards, there is likely to be an increase in the quantity of open space available as an outcome of growth and other opportunities.

2.2.2 Policy:

The level of service is primarily driven by standards for the accessibility, quality and function of the open space network. In order to meet these standards, new open space may be required in both existing residential areas and new development areas. This will increase the amount of open space available to the community.

Council may also acquire (or receive) land for open space purposes through the following:

- Responding to strategic opportunities that achieve wider Council/community objectives.
- District Plan esplanade reserve provisions.

Acquisition can be through vesting of land, purchase of land or a works in lieu agreement with a developer or other organisation.

The requirement to provide on-site open space as part of a development may be considered in planning for areas of higher density. This will be considered through the District Plan review process.

Areas of medium to high density increase reliance on the open space network as this often fulfills the role of their own backyard, and provides amenity in a built-up environment. An evaluation will be

undertaken to determine the open space available, the quality of these spaces, and the function that they provide. Consideration will be given to community perceptions about their open space environment. Strengths and weaknesses will be identified and consideration will be given to a range of options available to address identified issues.

These options could include:

- improving the quality of open spaces (this is a critical component of attractive and liveable high density urban areas)
- improving the function of open spaces
- improving connections between open spaces (using streets, accessways, cycle ways etc)
- improving the amenity values of the open space network
- provision of additional areas of open space such as pocket parks
- enhancement of streetscape to provide amenity and recreational opportunities
- recognition of open spaces provided by schools, churches, marae and other organisations
- consideration of provision of on-site open space
- contribution of town centres and civic spaces

Council will measure the amount of open space using a population-based ratio, in other words the actual number of hectares of open space provided for every thousand people. This will only be used to identify how much open space is available based on actual provision, and how this changes over time. The ha/1000 ratio is a common way of comparing provision against other Councils. It will not be used to determine the quantity of open space required in the district as this is primarily driven by standards for the accessibility, quality and function of the open space network.

The open space categories and provision metrics table provides further guidance on function, provision targets and indicative amenities for each type of open space.

2.2.3 Application:

Implementation is subject to Council's Long Term Plan and Annual Plan processes.

2.3 Accessibility Standards

2.3.1 Purpose:

Accessibility standards primarily determine how far people should have to travel to get to the open space network, in other words, physical accessibility.

The policy also seeks to ensure that as far as practicable, the open space network is developed in a way that everyone is able to access it regardless of their age, ability or location.

2.3.2 Policy:

The aim is to ensure everyone has reasonable access to the open space network and the variety of experiences it provides. A no exclusions aspiration is in place so that accessibility is achieved regardless of age, ability or location. Accessibility to places that support cultural values and activities of importance to Tangata Whenua is a key consideration.

The base level of service for accessibility is that the majority (90%) of residents located in urban areas are able to walk 10-15 minutes (or 500 metres) to a neighbourhood park or the equivalent function of a neighbourhood park provided on a different type of reserve, for example a sports park. Urban areas are defined by the District Plan zones of Residential (1-5), Future Residential, City Centre (1-3) and Rural Village.

The role of other providers such as Schools and Marae can be considered as a way to achieve this standard although it needs to be recognised that this does not necessarily provide security of long-term access. In some situations it may be appropriate to enter into a community share partnership with the provider to provide and promote community access.

Walking distance will be measured as an actual distance, not as the crow flies to take into account the street network and physical barriers such as railways and main highways. Connectivity of the network is an important consideration as this provides easier access to areas of open space.

As the size and function of open spaces increases, the greater the distance that people will have to travel (walk, cycle, public transport or drive) to them.

If it is considered impractical to achieve accessibility standards because of the nature of the built environment or the cost/benefit involved in doing this (eg purchasing a number of residential properties), then the priority will be on increasing accessibility, visibility and quality of the nearest reserve(s).

The open space categories and provision metrics table provides further guidance on function, provision targets and indicative amenities for each type of open space.

2.3.3 Application:

Open Space Network Plans will be developed to map the 500 metre radius (ideally based on actual travel distance as opposed to as the crow flies) and identify gaps in provision. This will take into account future development areas.

Implementation is subject to Council's Long Term Plan and Annual Plan processes.

2.4 Function Standards

2.4.1 Purpose:

Function standards determine the diversity of experiences our community and visitors should expect from our open space network.

2.4.2 Policy:

The aim of the function standards is to ensure a variety of open space and recreational experiences are provided from the open space network, and provide a balance between small neighbourhood parks and larger premier parks.

The open space network will be categorised in accordance with Council's open space categories. Each space will have a clear primary (and secondary) purpose and function. This will guide the ongoing development and management approach to each reserve. It is recognised that some reserves have a higher level of service approach as they experience high levels of use at certain times of the year due to the purpose and function of the reserve (eg Lakeside Reserves).

The open space categories and provision metrics table provides further guidance on function, provision targets and indicative amenities for each type of open space.

2.4.3 Application:

Reserve Management Planning and Neighbourhood Reinvigoration processes will be used to help apply the function standards, and engage with the community on their expectations with regard to their local reserves. Implementation is subject to Council's Long Term Plan and Annual Plan processes.

Landuse and Development

It is recognised that geographic areas of the district have different characteristics, communities, landuse, development patterns and levels of existing open space provision. Therefore, it is not practical to have one consistent standard across the district.

The table below provides guidance on considerations when applying the level of service standards to different areas across the district.

Landuse Type	Considerations and areas of focus
Rural	<p>It is often assumed that because the rural environment is characterised by open landscapes and views and the feeling of openness, that public open space is not needed, however open space is essential in contributing to the rural sense of place and community. This is especially so for sport and recreation parks and community parks that are often the centre or hub of rural settlements. It is important that these parks meet quality, accessibility and function standards.</p> <p>The rural environment is also popular for recreation uses, such as walking, horse-riding, farm-stays, photography, sightseeing and off-road vehicle use (4-wheel drive vehicles and mountain bikes). The Department of Conservation manages a significant amount of the remaining natural areas found in rural environments.</p>
Rural Residential	<p>Council is starting to see a growing number of rural residential subdivisions. As these areas are predominately located close to a small town or urban area, it is important that connections are provided to any commercial, community or recreational destinations nearby.</p> <p>The larger lots provided by rural residential subdivisions do not necessitate the need for a neighbourhood or community park as they have larger sections that provide for play and amenity. However, the protection of significant cultural, heritage or environment features and connections to walking and cycling networks are important considerations in rural residential developments. Where the subdivision is of a significant scale (eg over 100 lots), consideration may be given to provision of local neighbourhood or community parks.</p> <p>It is also important that the wider cumulative impact of rural residential developments on high use areas such as premier parks, lakeside reserves and outdoor adventure areas across the district is recognised.</p>
Urban – existing	<p>Focus is on optimising the open space network through:</p> <ul style="list-style-type: none"> - Improving linkages and connections (including with new developments). - Improving quality. - Identify clear purpose and function for all areas. - Achieve 500m accessibility for neighbourhood parks. - Partnership and integrated approach. <p>Focus on high deprivation areas recognising role that open space planning and development can play in strengthening communities. Use neighbourhood reinvigoration projects to start to achieve standards.</p> <p>It is also important that the wider cumulative impact of infill development on high use areas such as premier parks, lakeside reserves and outdoor adventure areas across the district is recognised.</p>

Landuse Type	Considerations and areas of focus
Urban – new	<p>Focus on local neighbourhood reserve provision and walking and cycling, protection of natural areas, dual role of stormwater reserves.</p> <p>Focus on integrating with stormwater, transport, schools and community facilities, and connecting into existing neighbourhoods.</p> <p>It is also important that the wider cumulative impact of new growth areas on high use areas such as premier parks, lakeside reserves and outdoor adventure areas across the district is recognised.</p>
Urban – medium to high density	<p>Focus is on a range of methods of provide open space network outcomes:</p> <ul style="list-style-type: none"> - Improving quality of open spaces. - Improving function of open spaces. - Improving connections using streets and accessways. - Provision of additional open space. - Enhancement of streetscape. - Role of open space provided by other organisations. - Role of civic spaces. - Potential for provision of onsite communal open spaces. <p>It is also important that the wider cumulative impact of higher density living on high use areas such as premier parks, lakeside reserves and outdoor adventure areas across the district is recognised.</p>

Acquisition, Divestment, Funding and Implementation

This policy assists with identifying open space requirements and the investment needed to both respond to growth and ensure the existing network is achieving good outcomes.

The Ngāti Whakaue Gifted Reserves Protocol Agreement applies to decisions made under this policy. Under this agreement it is understood that if such reserves should not be used for their original purpose then they should be returned to Pukeroa Oruawhata Trust on behalf of Ngati Whakaue, unless there is agreement otherwise. Council will only consider disposal of open space land when it is clearly established that the land is surplus, and disposal would result in a clear benefit to the wider open space network and the open space needs of Rotorua residents. Any proposed disposal of land will follow relevant Council and legislative process including the Ngāti Whakaue Gifted Reserves Protocol Agreement, Reserves Act 1977 and Local Government Act 2002.

Council seeks to recover the costs of open space provision and development associated with growth. This primarily occurs through financial contribution charges in accordance with the Rotorua District Plan. Financial contributions are used to achieve positive effects on the environment as the result of growth. As more land is developed, the density of housing may increase and more pressure is placed on existing reserves. New reserves may also be required to provide for the higher demand for recreational space in the district and increased amenity.

[Additional funding will be sought from the general rate, subject to Councils' Long Term Plan and Annual Planning processes, where financial contributions are insufficient to acquire new reserve land as required. A targeted rate could be considered for specific developments where the proposed open space would result in an increased level of service.](#)

Council will consider the potential for vesting of land for reserves (and potential development of the land) subject to agreement on the land meeting the requirements of this policy. The type of land that could be vested in Council in lieu of financial contributions could include:

- A relatively flat area of land for a neighbourhood park, accessible to the user population and adequate to accommodate children's play equipment, tree plantings and open space.
- A linkage, or potential linkage, along or to significant natural features, or between other areas of public open space and community facilities (excludes linkages between roads).
- Land for the protection or enhancement of significant mature trees, significant areas of indigenous vegetation, indigenous wildlife habitat, margins of waterways, biodiversity, natural and cultural landscapes heritage places and buildings, or other significant natural features.
- Land for the protection or enhancement of historic or cultural features of significance to the population of the district.

In all respects, the Council will retain the right to decide on the appropriate level of money and/or land contribution in accordance with this Policy and the Rotorua District Plan financial contribution requirements.

In order to give effect to the Policy it is likely to be implemented in a variety of ways:

- Used by staff and developers to guide open space requirements for new developments.
- Used as a basis for the collection and use of financial contributions.
- Applied to the existing open space network to determine alignment.
- Development of an open space network plan (that also considers acquisition, rationalisation, divestment opportunities).
- Input into development of spatial plans and structure plans (eg Pukehangi).
- The above information to help inform Long Term Plan capital programmes.
- Development of appropriate performance measures.
- Open space assessment for large development proposals (eg Brent Block 179 lots).
- Set levels of service for incorporation into Asset Management Plans.

Implementation is subject to Council's Long Term Plan and Annual Plan processes.

Relevant Legislation, Bylaws and Policies

Policies

1.4 Property Disposal Policy

This policy provides a consistent approach when considering the disposal of Council-owned properties, provides a complete and robust process to clearly identify properties that may be considered for disposal and seeks to manage Council's risk and legal requirements in this regard.

5.2 Administration of Reserves Policy

This policy covers reserve management plans, easements and private access to reserves, and esplanade reserves.

5.7 Reserves Structures Policy

This policy covers the provision of playgrounds. The policy requires playgrounds that cater for pre-schoolers and children are to be located so that access and potential use within a catchment radius of approximately 500m is maximised. Exceptions to this will be when playgrounds are located within lakeside, rural and inner-city reserves that have high visitor numbers, but insignificant local residential users within 500m. Playgrounds that cater for young people are to be located within suburban or rural communities so that access and potential use within that suburb or community is maximised. Playgrounds are to be sited on reserves (or other land) according to the following principles:

- High visibility for safety and awareness and to deter vandalism.
- Safe and convenient access to roads, pathways, rights of way.
- Account to be taken of the presence of natural hazards and barriers to use.
- If possible, sufficient open space should be left around the playground for other activities, and to provide a buffer to residential housing.
- The area is to be well drained.
- To take advantage of the best features of the location.
- Following accepted methods of consultation with neighbouring residents and businesses.

If located on land that does not belong to Council, then a legal agreement protecting public rights to use the area must be executed

5.8 Sports Grounds and Facilities Policy

The overall aim of this policy is to ensure a consistent approach is undertaken with regard to the management, development and maintenance of sports grounds and associated facilities.

Rotorua District Plan

The District Plan identifies esplanade reserves required for access and ecological values with priority areas identified.

All designated reserves are scheduled in the District Plan.

The District Plan outlines requirements for reserve zoned land and financial contribution requirements for reserves.

Reserves Act 1977

Providing, for the preservation and management for the benefit and enjoyment of the public, areas of New Zealand possessing values including recreational use or potential, whether active or passive; or natural, scenic, historic, cultural, archaeological, biological, geological, scientific, educational, community, or other special features or value.

Open Space categories and provision metrics guideline

Type	Function	Examples	Indicative amenities	Provision metrics
Neighbourhood Parks	Provides basic informal recreation and social opportunities with a short walk of surrounding residential properties.	Scott Ave Reserve	<ul style="list-style-type: none"> - Playgrounds - Landscaping - Seats - Small grassed play space - Pathway connections 	Ideal size of 3000m ² . Urban - Located within 500m or 10-15-minute walk of 90% of residences in urban areas. Rural and rural residential – No requirement.
Pocket Parks	Small scale parks usually provided in high density living areas and/or within commercial areas to provide amenity relief from the built environment.		<ul style="list-style-type: none"> - Landscaping - Seats 	Usually less than 1000m ² in size. Provided in high density living areas and commercial areas.
Community Parks	Provides a variety of informal recreation and social experiences from residents across a suburb. Activities include family gatherings, small community events and informal games of sport. Also provides a neighbourhood park function to surrounding residents.	Linton Park	<ul style="list-style-type: none"> - Playgrounds - Landscaping - Seats - Large grassed play space - Pathway connections - BBQ and picnic areas - Cycle stands - Carparking - Possible sportsfields 	Minimum size of 1ha. Urban – TBD after application of standards. Rural – Village green for small rural towns and villages. Rural residential – No requirement.
Sport and Recreation Parks	Network of reserves with primary purpose to provide for organised sport and recreation activities. Also used for events	Westbrook Park	<ul style="list-style-type: none"> - Sportsfields - Clubrooms - Public toilets and changing rooms. - Cycle stands 	Provision and development determined by supply and demand for winter sports fields. Options for responding to under supply include: <ul style="list-style-type: none"> - Code reallocation - Artificial surfaces

Type	Function	Examples	Indicative amenities	Provision metrics
	and tournaments (sport and non-sport). Also provides a neighbourhood and community park function to surrounding residents.		<ul style="list-style-type: none"> - Carparking - Playgrounds - Pathway connections - Hard courts - Other play opportunities such as skateparks. 	<ul style="list-style-type: none"> - New sportsfields - Irrigation and drainage improvements - Floodlights
Premier Parks (also called Destination Reserves)	Showcase the best that the city and district has to offer, providing a unique experience for the community and visitors to the area. Offer a range of experiences and typically provide for a large number of visitors. Also provides a neighbourhood and community park function to surrounding residents.	Government Gardens	<ul style="list-style-type: none"> - Specialised facilities - High standards of landscaping and amenity. - Large events space. - Public artworks - Highly structured and developed spaces. - Walking and cycling connections. - Destination playgrounds. - Water access - Viewpoints - Distinctive natural, heritage or cultural features. - Public gardens - Signage/interpretation 	No quantity guidance. Tend to be outcome of historical provision or natural/cultural features. Existing areas identified as premier parks and focus on quality, function and accessibility improvements. Ensure maintenance level of service reflects primary purpose and function, and extent of use.
Lakeside Reserves	Many of Rotorua's lakes are destinations for locals and tourists particularly during summer months. For visitors to experience the lake	Hannahs Bay Reserve	<ul style="list-style-type: none"> - Boat ramps and lake access points. - Picnic/BBQ areas - Carparking 	No quantity guidance. Tend to be outcome of historical provision. Existing areas identified as Lakeside Reserves and focus on quality, function and accessibility improvements. Ensure maintenance level of

Type	Function	Examples	Indicative amenities	Provision metrics
	<p>environment, these reserves focus on providing maximum enjoyment and access/interaction with the water.</p> <p>Also provides a neighbourhood and community park function to surrounding residents.</p>		<ul style="list-style-type: none"> - Landscaping and amenity. - Public toilets - Events space - Playgrounds/nature play - Walking/shared paths - Signage/interpretation 	service reflects primary purpose and function, and extent of use.
Cultural/Historic Reserves	<p>Many cultural/historic reserves are in Maori ownership. Accessibility and connectivity of these reserves is important.</p>		Reserve development should reflect tangata whenua aspirations for the reserve.	No quantity guidance. Tend to be outcome of historical provision or protection of significant sites as part of a development process or where creating a reserve enables a site to be protected.
Recreation and Ecological Linkages	<p>Provides contiguous networks of open space that establish recreational, walking and cycling and ecological connections, integrated with on-street connections and stormwater networks. Often provide access to the water (lakes, rivers, streams etc).</p>	Waitete Stream Esplanade Reserve	<ul style="list-style-type: none"> - Walkways - Trails - Cycleways - Landscaping - Seating areas - Boardwalks - Native bush - Signage 	<p>No quantity guidance. Focus on connecting existing areas of open space. Establish district wide plan with network aspirations within and around urban areas (lakes, caldera, Green Corridor, Te Ara Ahi) and rural connections. Identify District Plan priority esplanade reserves and connections to/from these.</p> <p>Influence of topography – connections usually guided by gullies, streams, stormwater, escarpments requirements.</p> <p>Use of the road network (formed and unformed), waterways and rural areas to provide greater opportunities for community recreation activities and environmental benefit.</p> <p>Recognise limitations with applying some of the quality standards.</p>

Type	Function	Examples	Indicative amenities	Provision metrics
Outdoor Adventure	Large outdoor activity areas, mainly covered in forest. Used for range of activities including mountain biking, nature walking and associated commercial tourism activities.	Tokorangi and Whakarewarewa forests (The Redwoods).	<ul style="list-style-type: none"> - Cycle trails - Walking trails - Visitor centres - Specialised facilities - Outdoor adventure activities - High profile events - Signage/interpretation 	No quantity guidance. Significantly adds to the diversity of experiences available within the district. Popular with the local community and with visitors and tourism.

Note over time, these categories will be applied to other relevant planning processes for consistency such as reserve management plans, asset management plans and the Rotorua District Plan.

ROTORUA LAKES COUNCIL

Mayor
Chair and Members
STRATEGY, POLICY AND FINANCE COMMITTEE

7.2 Community Funding Investment Policy Review - Consideration for Long Term Plan Budget

Report prepared by: Jill Campbell, Strategy Advisor

Report reviewed by: Rosemary Viskovic, Strategy Development Manager- Sustainability and Social Development

Report approved by: Craig Tiriana, Acting Chief Executive

**1. TE PŪTAKE
PURPOSE**

This paper outlines a review and proposed amendments to Council's Community Funding Investment Policy to support Council decision-making for allocation of grants and subsidies supporting the community sectors' contribution towards achieving the Rotorua 2030 vision and goals.

**2. TE TUHINGA WHAKARĀPOPOTOTANGA
EXECUTIVE SUMMARY**

A review of Council's Community Funding Investment Policy has been undertaken in alignment with the Long Term Plan.

Partnership Agreements, Community Grants, Neighbourhood Matching Fund, and Te Rākau Tū Pakari Fund are included within this review.

This paper provides an update on Council's community funding practice and allocation and advises matters for further consideration. The Community Funding Investment Policy purpose is to improve equity and overall transparency of funding practices and helps ensure that Council's investment is strongly aligned with Council's 2030 Goals. Current Partnership Agreements and Community Grants are distributed three yearly and are coming to the end of the three-year period. Amendments to the existing Community Funding Investment Policy will guide the implementation of the 2021-2024 funding schedule and distribution of these grants.

**3. HE TŪTOHUNGA
RECOMMENDATIONS:**

- 1. That the report "Community Funding Investment Policy Review – Consideration for Long Term Plan Budget" be received.**
- 2. That the Committee recommends to Council that the Draft Community Funding Investment Policy (Attachment 2 - Tracked Changes Version) is adopted with the amendments recommended by staff.**

3. That the Committee recommend to Council that the Te Rākau Tū Pakari Fund close in September 2021, one year after commencement.

4. TE TĀHUHU BACKGROUND

In preparation for Council's 2018-2021 Long Term Plan, a comprehensive policy review was undertaken to analyse the effectiveness of Council's community funding policies and processes. The review highlighted the need to ensure Council's funding was making a difference to those who need it and taking a more strategic and focussed approach targeting social investment for equity.

The development of the Community Funding Investment Policy considered other local government authorities processes including the grants and funding structures of Auckland, Hutt, New Plymouth and Nelson. Philanthropy New Zealand and Bay Trust's research were also considered in the analysis to better understand current funding philosophies and how Council grants could most effectively add value to the community.

As a result of the review, the Community Funding Investment Policy was adopted, incorporating the different funds. The policy's purpose is to guide RLC in the allocation and management of Community Grants, Neighbourhood Matching Fund and Partnership Agreements. The policy recognises the important contribution made by the community sector to the overall wellbeing of our district and residents. Council makes these funds available for the purpose of supporting the community sectors' contribution towards achieving the Rotorua 2030 goals.

In August 2020, Council included the Te Rākau Tū Pakari Fund to the policy with the aim of supporting our local communities to adapt and grow resilience due to the impacts of Covid-19.

The table below sets out the current community funding budget:

Funding Scheme	Funding Pool	Allocation	Administered By:	Administration Fee
Neighbourhood Matching Fund	\$120,000.00	Annual	Strategy / Council	Nil
Partnership Agreements	\$210,000.00	3 yearly	Strategy / Council	Nil
Community Grants	\$93,000.00	3 yearly	Geyser Community Foundation	\$13,950 (GST excl)
Total Value (inclusive of admin fees)		\$436,950.00		
Te Rākau Tū Pakari	\$1,000,000.00	Annual/One-off	Strategy / Council	Nil

Geyser Community Foundation

Community Grants have been administered by the Geyser Community Foundation since 2015 on behalf of Council. Geyser's Distribution Advisory Committee distributes the funds and includes members of the Foundations Board of Trustees and two Rotorua Lakes Councillors or Community Board Representatives. Annual reporting and receipts are followed-up by the Geyser Community Foundation.

5. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

The Community Funding Investment Policy purpose is to improve equity and overall transparency of funding practices and helps ensure that Council's investment is strongly aligned with Council's 2030 Goals. The one policy includes a funding schedule for each funding pool available to the Rotorua community.

The policy aims to:

- Direct funds to those who need it most, so that for all our diverse residents, the Rotorua District is *"a place for everyone"*
- Improve the clarity and simplicity of our funding processes for applicants
- Encourage innovation, improve relationships and foster longer term partnerships
- Provide our community partners with adaptable, flexible and long term funding where required and short term funding for community initiatives
- Approach grants from the perspective of community social investment to improve equitable outcomes rather than a cost model

Current Partnership Agreements and Community Grants are distributed three yearly and are coming to the end of the three-year period. Amendments to the existing Community Funding Investment Policy will guide the implementation of the 2021-2024 funding schedule and distribution of these grants.

Matters for Consideration

The following amendments are proposed to strengthen the existing Community Funding Investment Policy:

- Defining fiscal sponsor, i.e. how an informal community group can use an umbrella organisation to manage a grant for a grass-roots project.
- Addition of Community Safety in the objectives of the policy.
- Change Community Grants funding range to \$3000 - \$5000 (previously \$1000-\$5000). The majority of grant applications are for \$5000 yet the average grant is \$1500. This option may reduce the number of grants distributed, due to the increased value of each grant. However, raising the minimum grant will allow for increased focus on applicants which make a greater impact on Council's priority community outcomes. There are a number of funding avenues available for organisations which require small amounts, i.e. gaming trusts.
- Clarify the process of grant availability and decision-making. The current policy states that Partnership Agreements and Community Grants will be notified to the public through Council's Long Term Plan process. Those applying for Partnership Agreements must do so through the submission process. It is proposed that Partnership Agreements and Community grants run in parallel with the LTP (three yearly) but should have a separate application processes.
- RLC Officers regain administration of Community Grants and reallocate the **\$13,950 (GST excl)** paid to Geyser Community Foundation back into the putea for distribution. By managing the funds in-house it provides better value for money, targeting of fund objectives, and equitable participation in decision making, ensuring appropriate Te Arawa participation.
- Council Officers to evaluate applications, work with a sub-committee of elected members to confirm recommendations and report to SP&F Committee for approval.

Options

Option 1 - Status Quo

- Continue to implement the current Community Funding Investment Policy
- Continue to have Geyser Community Foundation Administer Community Grants for an annual fee of \$13,950 (GST excl).
- Community Grant funding allocation continues to range from \$1000 to \$5000
- Community safety is omitted from the policy objectives
- Lack of definitions for terms used in the policy such as, “fiscal sponsor”
- Nominated Committee recommend applications to Council
- Notification of Partnership Agreements and Community Grants part of Long Term Plan. Community organisations wishing to be considered for Partnership Grants submit their application through LTP submission. Call of proposals will be included as part of LTP community consultation.
- All Partnership Agreements, Community Grants and Neighbourhood Matching Fund financial allocations will be determined as part of the LTP deliberations

Option 2 – Amend Community Funding Investment Policy

- Inclusion of definitions for terms used in the policy such as “fiscal sponsor”.
- Inclusion of Community Safety in the policy objectives.
- Insert a closing date of September 2021 for the Te Rakau Tu Pakari Fund, allowing the fund to run for one year as intended.
- Change Community Grants funding range to \$3000 - \$5000 (previously \$1000-\$5000). The majority of grant applications are for \$5000 yet the average grant is \$1500. This option may reduce the number of grants distributed, due to the increased value of each grant. However, raising the minimum grant will allow for increased focus on applicants which make a greater impact on Council’s priority community outcomes. There are a number of funding avenues available for organisations which require small amounts, i.e. gaming trusts.
- Clarify the process of grant availability and decision-making. The current policy states that Partnership Agreements and Community Grants will be notified to the public through Council’s Long Term Plan process. Those applying for Partnership Agreements must do so through the submission process. It is proposed that Partnership Agreements and Community grants run in parallel with the LTP (three yearly) but should have a separate application processes.
- RLC Officers regain administration of Community Grants and reallocate the **\$13,950 (GST excl)** paid annually to Geyser Community Foundation back into the putea for distribution. By managing the funds in-house it provides better value for money, targeting of fund objectives, and equitable participation in decision making, ensuring appropriate Te Arawa participation.
- Council Officers to evaluate Partnership Agreement and Community Grant applications, work with a sub-committee of elected members to confirm recommendations and report to SP&F Committee for approval.

6. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The decisions or matters of this report are not considered significant in accordance with the Council’s Policy on Significance.

7. NGĀ KŌRERO O TE HAPORI ME TE WHAKATAIRANGA COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

Promotion and socialisation of available funding rounds will take place through usual Council communication channels and social media. Organisations listed on Council's community database will be sent notification on the funding process.

Current fund recipients will receive a letter advising that the terms of their funding agreements are ending, reporting requirements and information regarding the 2021-2024 funding rounds.

Information sessions for Council's 2021-2024 funding rounds will take place in May 2021 to socialise the criteria and application processes for each of the open funds.

Neighbourhood Matching Fund will continue to be advertised by RLC.

Communication Schedule 2021



8. HE WHAIWHAKAARO CONSIDERATIONS

8.1 He Whaiwhakaarotanga Mahere Pūtea Financial/budget considerations

The budget allocation for Community Grants, Neighbourhood Matching Funding and Partnership Agreements within in the Community Funding Investment Policy are determined through the LTP. These funds are then administered in line with the policy.

8.2 Kaupapa Here me ngā Hiraunga Whakariterite Policy and planning implications

Propose amendments to the current Community Funding Investment Policy. The policy is in keeping with:

Vision 2030

How do we best contribute to Council's Vision 2030? Ensuring everyone thrives requires improving equity and resilience across our district. We plan to contribute to this through:

- *Increasing access to opportunities and resources:* all our residents, particularly the young and old, to be able to easily access what they need to live a good life. Funding will support initiatives that increase equity of access.
- *Building participation and a sense of belonging:* leading safer and more fulfilling lives through strong connections to those round us – family, friends, community and colleagues. Funding will target initiatives that reduce social isolation, help people from every culture and background to feel accepted and respected, and encourage all residents to take an active role in their community.
- *Strengthening local leadership:* support local leaders to lead local solutions, funding will support initiatives with strong community involvement and leadership.

8.3 Tūraru Risks

There is potential for community perception that council is reducing the availability, value or access to grants for community organisations. There is also potential that organisations which have received funding consistently over a number of years may be concerned about how changes may affect their success in future. These risks may be managed through proactive provision of explanatory information allowing time for questions and understanding. Some community organisations may consider the process for seeking funding is not contestable and there is little change in recipients. Community workshops will be held to ensure community groups understand funding criteria and Council Officers can mitigate any misinformation.

8.4 Te Whaimana Authority

The Strategy and Partnership team will implement approved actions.

9. NGĀ ĀPITI HANGA ATTACHMENTS

Attachment 1: Current Community Funding Investment Policy (Page 42)

Attachment 2: Draft Community Funding Investment Policy (Track changes version) (Page 50)

Attachment 3: Funding Recipients 2018-2021;

- Partnership Agreement Recipients 2018-2021 (Page 59)
- Community Grant Recipients 2018-2021 (Page 60)
- Neighbourhood Matching Fund Recipients (Page 62)
- Te Rākau Tū Pakari Recipients (Page 65)



9.3 COMMUNITY FUNDING INVESTMENT POLICY

Date Adopted	Next Review	Officer Responsible
27 August 2020	1 September 2023	Strategic Development Manager, Sustainability & Social Development

Policy Purpose:

Rotorua Lakes Council (RLC) recognises the important contribution made by the community sector to the overall wellbeing of our district and residents. Council makes funds available for the purpose of supporting the community sectors' contribution towards achieving the Rotorua 2030 goals.

The policy's purpose is to guide RLC in the allocation and management of community funding to communities, groups and organisations within the Rotorua district.

Policy:

PRINCIPLES

The following principles will guide our behaviour and decision-making, and inform the design and implementation of the RLC Community Investment Programme:

- A focus on outcomes
- Community involvement and leadership
- Fairness and equity of opportunity
- Transparency and accountability
- Working together- mutual respect
- Innovation and collaboration.

DEFINITIONS

Social Capital – the value of social networks. The concept of social capital is used to group together the benefits of community connections, the threads that weave society together. Social connections are fostered through a range of organisations and activities, such as participation within iwi, social services, service groups, organised sport and recreational groups, arts and cultural organisations. These connections or social relations have productive benefits.

Community sector - 'not for profit', charitable and voluntary organisations established with the primary purpose of providing a benefit to the wider community; do not seek to generate profit or financial surpluses for commercial interests. This includes sport and recreation, social, kaupapa Maori, arts and culture groups and organisations.

Grant - a financial contribution to a group, organisation or sector of the community.

Rotorua district - within the territorial authority area boundaries.

Statutory functions - a function conferred or imposed by a statutory instrument and delivered in part through government funding which is provided to the organisation for the purpose of delivering the service.

Neighbourhood - The immediate environment or surroundings; the people of a particular area.

Communities - May have a geographic base, or be based on a common interest e.g. racial or ethnic group, people with disabilities.

OBJECTIVES

- Supporting community organisations' activities and services which contribute towards the achievement of Rotorua 2030 goals.
- Focussing on investment which improves equitable outcomes for our community.
- Strengthening the ability of local community groups to respond effectively to local needs.
- Building social capital.
- Building and strengthening the capacity of the community sector to move to financial sustainability.
- Building participation and a sense of belonging.
- Increasing community access to opportunities and resources.
- Complementing funding from other sources.

ELIGIBILITY- WHO CAN APPLY FOR GRANTS

The focus of the **Community Funding Investment Policy** is in providing assistance for the community sector to contribute to the social, economic, environmental or cultural wellbeing of the district, building and strengthening the capacity of local groups to meet local needs.

The following general requirements must be met in order to be eligible for funding; more specific requirements for a particular fund may also apply.

- Only groups and organisations which make up the community sector will be eligible.
- Only groups and organisations active in the Rotorua district, and activities specific to the benefit of Rotorua district communities will be eligible.
- Applications must outline the groups and organisation's contribution towards the Rotorua 2030 goals.
- Any groups or organisations benefiting from a Council lease subsidy, Rates Relief or any other form of support must identify this when applying for Council community funding.
- In regards to the Neighbourhood Matching Fund and Community Resilience Fund, groups that are not legal entities may appoint a fiscal sponsor.

EXCLUSIONS

- Applications from organisations applying for funds for which there is another specific funding pathway (e.g. Bay of Plenty Regional Council has an Environmental Enhancement Fund targeted at environmental wellbeing).
- Community organisations that provide a service to Rotorua District Ratepayers Associations and political groups.
- Activities for which the main purpose is to promote the religious, ethical, commercial or political views of the organisation.

- Retrospective funding.
- Previous grant applicants who failed to fulfil the obligations and terms of a previous grant agreement will be considered on a case-by-case basis.
- Statutory functions, activities and services (e.g. education, policing, health care).
- Commercial or private organisations whose purpose is profit generation.

GENERAL REQUIREMENTS

- All funds must be spent on the purpose for which the application was made and within the timeframe stated in the funding agreement unless changes are agreed with RLC.
- Those receiving funding will be required to meet agreed accountability requirements which detail their use of the money received and outcomes achieved.
- All organisations in receipt of funding must acknowledge Council support in their promotional materials and other communications.

TYPES OF COMMUNITY INVESTMENT

Council provides community investment as outlined in the table below:

Type	Description	Distribution
Partnership Agreements	Agreements are developed with established community organisations which are recognised as significantly contributing to Rotorua 2030 goals, with a focus on improving equitable outcomes in our community Provides for flexibility of use, 3 years' certainty and practical accountability Agreements may include financial grants as well as other forms of support	Allocated once every three years Paid annually following accountability achievement
Community Grants	Small grants of \$1,000-\$5,000 value Supports community organisations to identify and meet community needs with a focus on improving equitable outcomes in our community Provides for flexibility of use, 3 years' certainty and simple accountability	Allocated once every three years Administered by Geyser Community Foundation on behalf of Council. Paid annually following accountability achievement
Neighbourhood Matching Fund	Support for not for profit groups provides assistance to build and strengthen community driven activities Project or event focused Grants match the value of voluntary contributions	Small grants (under \$5,000) – open year round to applications Large grants – (\$5,001-\$20,000) open twice a year to applications
Te Rākau Tū Pakari Fund	Support for Community Sector to address the medium to long-term impacts of Covid-19 with the aim of building a strong, innovative, resilient and flourishing community sector that enables wide equitable participation.	One-off funding available from 2020 to 2021. Open application process until fund is allocated.

LEVEL OF COMMUNITY FUNDING

The amount of the funding pool for Partnership Agreements and Community Grants is determined as part of the Long-term Plan once every three years. Organisations need to meet their agreed requirements annually, for funding to continue into the next year. Should the allocation of funds be less than the budget in any financial year, the funds will be carried forward to the following year. The dollar value of each grant or agreement will be determined on a case by case basis during each funding round, subject to the content of the applications, the total funds available and the alignment or contribution to Rotorua 2030 goals.

In the case of the Neighbourhood Matching Fund, funding is allocated annually through the Annual Plan.

The Community Resilience Fund is a one-off fund determined as part of Council's 2020/2021 Annual Plan. The dollar value of each grant or agreement will be determined on a case-by-case basis, subject to the content of the applications, the total funds available and the alignment or contribution to the Fund's outcomes.

SCHEDULE ONE: NEIGHBOURHOOD MATCHING FUND

Purpose:

The purpose of the Neighbourhood Matching Fund (NMF) is to bring people together to build stronger communities and neighbourhoods by providing resources for self-help projects, which link to Rotorua 2030. This funding is project specific (a clear beginning and end), where the community identify a need for funding to achieve the following priorities (in no particular order):

- Bringing people together to collaborate on neighbourhood projects.
- Empowering people to enhance and strengthen their own neighbourhood.
- Contributing to families/whanau working, playing and talking together.
- Renewing and revitalizing of places and spaces within neighbourhoods.
- Improving equity / quality of life in a specific community or neighbourhood.

Management:

- There are two parts to the NMF funding pool - small and large grants.
- Guidelines for applicants will be made available to the public.
- The NMF will be promoted and advertised through a range of methods.
- Small NMF grants are available between February and November, with grants between \$50 and \$5,000.
- Small NMF grant applications will be considered by three RLC staff including a senior manager.
- The Large NMF pool has two funding rounds a year, with grants between \$5,001 and \$20,000.
- Applicants for funding from the Large NMF will be required to attend an interview with a NMF Grants Assessment Committee comprising a Councillor, Te Arawa representative and three community association representatives.
- If the large pool is not allocated at each round, it shall be re-allocated to the small pool for distribution within the financial year.
- Before submitting an application for either small or large projects, applicants must contact the RLC Administrator to discuss the project and the development of their application.
- Should the allocation of funds be less than the budget in any financial year, the remaining funds will be absorbed into the full Council result.

Accountability:

Applicants must submit a report including:

- Outcomes/ results of the project, ideally including photos.
- Accountability for how the grant was used including all receipts.

SCHEDULE TWO: PARTNERSHIP AGREEMENTS

Purpose:

The focus of the partnership agreements is to provide operational costs for community organisations whose services closely align to the RLC strategic direction of Rotorua 2030. Partnership agreement recipients will be organisations which have a longstanding relationship with the RLC and/or are well established in the community and demonstrating sound governance. Organisations will be making a contribution to improving equitable outcomes in the community. The value and makeup of support will be determined on a case by case basis and developed as a written partnership agreement.

Management:

- Applications for partnership agreements and associated support will be notified to the public and submissions sought through the Long-term Plan once every three years. All applications will be considered by Councillors during the submission deliberations.
- Partnership agreements may receive Council support including measures such as funding grants, subsidised lease. Assessment of support measures will take into account a range of factors including but not limited to degree of alignment with Rotorua 2030 goals; contribution to improving equity; other funding sources; and overall financial position.
- As partnership agreements are allocated based on close alignment with Rotorua 2030 goals, the agreements will support core organisation functions and key outcomes. This will be reflected in accountability requirements being met by standard organisation documents of strategic plan, annual plan, annual report and the organisation's annual financial statement as per their Constitution e.g. audited annual accounts.
- Successful applicants will jointly develop a written partnership agreement with RLC that seeks to achieve the specific outcomes of the partnership, with the Rotorua 2030 outcomes being the first priority.
- Successful applicants will work together with RLC in a transparent, honest and open partnership to achieve the outcomes agreed in the partnership agreement.

Accountability:

At the end of each year submit:

- An annual report which includes achievement of the outcomes agreed to in the partnership agreement along with the organisation's annual financial statement as per their Constitution e.g. audited annual accounts.
- An annual plan, and meet the RLC Relationship Manager by May of the current year to discuss and confirm the organisation's main objectives and functions for the next year will continue to be closely aligned with the achievement of Rotorua 2030 goals.

SCHEDULE THREE: COMMUNITY GRANTS

Purpose:

The purpose of Community Grants is to strengthen the ability of local community groups to respond effectively to local needs in the Rotorua district and contribute towards achieving the Rotorua 2030 goals. The focus of this fund is in providing assistance for small to medium sized community organisations.

The purpose of grants may include (but is not limited to):

- Administration and operational costs
- Training costs for personnel
- Initial project costs
- Public education events
- Non capital items

Management:

- Agreement will be reached with the Geyser Community Foundation to administer the fund on behalf of Council for an agreed price.
- RLC will advertise for fund applicants once every three years, or at other times if funding becomes available for redistribution.
- Written hard copy or electronic applications will be received by Geyser Community Foundation. The Foundation will convene a meeting of their Distribution Advisory Committee, which will include two Councillors, to consider all applications.
- Active consideration will be given by the Committee to the applicant's contribution to the Rotorua 2030 goals, and to improving equity in the community.
- Annual grant payments will be released at the beginning of each year by the Geyser Community Foundation upon receipt of previous year's annual accountability requirements.

Accountability:

At the end of each year, submit to the Geyser Community Foundation:

- A copy of the organisation's annual financial statement as per their Constitution e.g. audited annual accounts.
- A simple evaluation report based on the original application form, indicating the outcomes achieved in the years and the contribution the grant is making to achieving these.

SCHEDULE FOUR: TE RĀKAU TŪ PAKARI FUND

Purpose:

The purpose of the Te Rākau Tū Pakari Fund is to address the medium to long-term impacts of Covid-19 with the aim of building social capital through a strong, innovative, resilient and flourishing community sector that enables wide equitable participation.

The focus of this investment is to support the sector to adapt and respond to needs and new opportunities, support new operating models, grow capability to collaborate and innovate and adopt a “Build Back Better” approach. This fund is not for standard operation purposes.

Support may take different forms including:

- Funding application process for grants to support new opportunities or operating models, grow capability to collaborate and innovate, build resilience.
- Direct financial investment into support that will benefit many organisations such as capacity and capability development, support for innovation/adaptation, volunteer development.
- Support for volunteering, internships or redeployment from sectors undermined by the economic shock felt from Covid-19.
- Provision of skills sharing mechanisms e.g. capacity building, targeted training or the development of resource kits.
- Mechanisms to share resources e.g. IT, capital items, and backroom functions.

Implementation of this support package will run over a one-year period or until the funds are allocated.

Management:

- RLC will promote the fund for applications. Written hard copy or electronic applications will be received on an ongoing basis until the fund is allocated.
- A funding panel comprising representatives of elected members and staff will convene monthly to assess applications and decide grants.
- Active consideration will be given by the Committee to the applicant’s contribution to the Rotorua 2030 goals, and to improving equity in the community.
- Grant payments will be made within four weeks of decision-making. Successful applicants will work together with RLC in a transparent, honest and open relationship to achieve the outcomes agreed.

Accountability:

Application Process:

- Applications must outline how the funding will be used to support their sustainability, innovation or resilience (note this fund is not for operational funding, it is a one-off fund for development)
- Organisations must provide evidence that they comply with the requirements of the Charities Commission.

Accountability Reporting

- Provide an evaluation report based on the approved grant application indicating what outcomes were achieved (how did they grow, adapt, collaborate, innovate to benefit the community they serve)
- Confirm funds were used for the purpose intended within the approved application.



9.3 COMMUNITY FUNDING INVESTMENT POLICY

Date Adopted	Next Review	Officer Responsible
27 August 2020	1 September 2023	Strategic Development Manager, Sustainability & Social Development

Policy Purpose:

Rotorua Lakes Council (RLC) recognises the important contribution made by the community sector to the overall wellbeing of our district and residents. Council makes funds available for the purpose of supporting the community sectors' contribution towards achieving the Rotorua 2030 goals. The policy's purpose is to guide RLC in the allocation and management of community funding to communities, groups and organisations within the Rotorua district.

Policy:

PRINCIPLES

The following principles will guide our behaviour and decision-making, and inform the design and implementation of the RLC Community Funding Investment Policy programme:

- A focus on outcomes
- Community involvement and leadership
- Fairness and equity of opportunity
- Transparency and accountability
- Working together- mutual respect
- Innovation and collaboration.

DEFINITIONS

Social Capital – the value of social networks. The concept of social capital is used to group together the benefits of community connections, the threads that weave society together. Social connections are fostered through a range of organisations and activities, such as participation within iwi, social services, service groups, organised sport and recreational groups, arts and cultural organisations. These connections or social relations have productive benefits.

Community sector - 'not for profit', charitable and voluntary organisations established with the primary purpose of providing a benefit to the wider community; do not seek to generate profit or

financial surpluses for commercial interests. This includes sport and recreation, social, kaupapa Māori, arts and culture groups and organisations.

Grant - a financial contribution to a group, organisation or sector of the community.

Rotorua district - within the territorial authority area boundaries.

Statutory functions - a function conferred or imposed by a statutory instrument and delivered in part through government funding which is provided to the organisation for the purpose of delivering the service.

Neighbourhood - The immediate environment or surroundings; the people of a particular area.

Communities - May have a geographic base, or be based on a common interest e.g. racial or ethnic group, people with disabilities.

Fiscal Sponsor - Groups that are not legal entities may appoint a fiscal sponsor/umbrella organisation. This sponsor/umbrella must be an established-not-for-profit entity which agrees in writing to receive and manage the grant on behalf of the group.

OBJECTIVES

- Supporting community organisations' activities and services which contribute towards the achievement of Rotorua 2030 goals-
- Focussing on investment which improves equitable outcomes for our community-
- Strengthening the ability of local community groups to respond effectively to local needs-
- Building social capital-
- Increasing community safety
- Building and strengthening the capacity of the community sector to move to financial sustainability-
- Building participation and a sense of belonging-
- Increasing community access to opportunities and resources-
- Complementing funding from other sources.

ELIGIBILITY- WHO CAN APPLY FOR GRANTS

The focus of the **Community Funding Investment Policy** is in providing assistance for the Rotorua community sector to contribute to the social, economic, environmental ~~and~~ cultural wellbeing of the district, building and strengthening the capacity of local groups to meet local needs.

The following general requirements must be met in order to be eligible for funding; more specific requirements for a particular fund may also apply.

- Only groups and organisations which make up the community sector will be eligible-
- Only groups and organisations active in the Rotorua district, and activities specific to the benefit of Rotorua district communities will be eligible-
- Applications must outline the groups and organisation's contribution towards the Rotorua 2030 goals-
- Any groups or organisations benefiting from a Council lease subsidy, Rates Relief or any other form of support must identify this when applying for Council community funding-

- In regards to the Neighbourhood Matching Fund and Te Rākau Tū Pakari Fund Community Resilience Fund recipients, groups that are not legal entities may appoint a fiscal sponsor.

EXCLUSIONS

- Applications from organisations applying for funds for which there is another specific funding pathway (e.g. Bay of Plenty Regional Council has an Environmental Enhancement Fund targeted at environmental wellbeing).
- Community organisations that provide a service to Rotorua District Ratepayers Associations and political groups.
- Activities for which the main purpose is to promote the religious, ethical, commercial or political views of the organisation.
- Retrospective funding.
- Previous grant applicants who failed to fulfil the obligations and terms of a previous grant agreement will be considered on a case-by-case basis.
- Statutory functions, activities and services (e.g. education, policing, health care).
- Commercial or private organisations whose purpose is profit generation.

GENERAL REQUIREMENTS

- All funds must be spent on the purpose for which the application was made and within the timeframe stated in the funding agreement unless changes are agreed with RLC before incurring costs.
- Those receiving funding will be required to meet agreed accountability requirements which detail their use of the money received and outcomes achieved.
- All organisations in receipt of funding must acknowledge Council support in their promotional materials and other communications.

TYPES OF COMMUNITY INVESTMENT

Council provides community investment as outlined in the table below:

Type	Description	Distribution
Partnership Agreements	Agreements are developed with established community organisations which are recognised as significantly contributing to Rotorua 2030 goals, with a focus on improving equitable outcomes in our community. Provides for flexibility of use, 3 years’ certainty and practical accountability. Agreements may include financial grants as well as other forms of support.	Allocated once every three years Paid annually following accountability achievement
Community Grants	Small grants of \$3000-\$5,000 value. Supports community organisations to identify and meet community needs with a focus on improving equitable outcomes or safety in our community. Provides for flexibility of use, 3 years’ certainty and simple accountability.	Allocated once every three years. Administered by Geyser Community Foundation on behalf of Council. Paid annually following accountability achievement

Neighbourhood Matching Fund	Support for not-for-profit groups. <u>P</u> provides assistance to build and strengthen community driven activities Project or event focused Grants match the value of voluntary contributions. <u>Informal or grass-roots groups can access using a fiscal sponsor.</u>	Small grants (under \$5,000) – open year round to applications Large grants – (\$5,001-\$20,000) open twice a year to applications
Te Rākau Tū Pakari Fund ^[UC1]	Support for Community Sector to address the medium to long-term impacts of Covid-19 with the aim of building a strong, innovative, resilient and flourishing community sector that enables wide equitable participation.	One-off funding available from 2020 to 2021. <u>Open application process until fund is allocated or closed.</u>

LEVEL OF COMMUNITY FUNDING

The amount of the funding pool for Partnership Agreements, ~~and~~ Community Grants ~~and the~~ Neighbourhood Matching Fund is determined as part of the Long-term Plan once every three years. Organisations need to meet their agreed requirements annually, for funding to continue into the next year. Should the allocation of funds be less than the budget in any financial year, the funds will be carried forward to the following year. The dollar value of each grant or agreement will be determined on a case by case basis during each funding round, subject to the content of the applications, the total funds available and the alignment or contribution to Rotorua 2030 goals.

~~In the case of the Neighbourhood Matching Fund, funding is allocated annually through the Annual Plan.~~

The Te Rākau Tū Pakari Fund ~~Community Resilience Fund~~ is a one-off fund determined as part of Council's 2020/2021 Annual Plan. The dollar value of each grant or agreement will be determined on a case-by-case basis, subject to the content of the applications, the total funds available and the alignment or contribution to the Fund's outcomes.

SCHEDULE ONE: NEIGHBOURHOOD MATCHING FUND**Purpose:**

The purpose of the Neighbourhood Matching Fund (NMF) is to bring people together to build stronger communities and neighbourhoods by providing resources for self-help projects, which link to Rotorua 2030. This funding is project specific (a clear beginning and end), where the community identify a need for funding to achieve the following priorities (in no particular order):

- Bringing people together to collaborate on neighbourhood projects
- Empowering people to enhance and strengthen their own neighbourhood
- Contributing to families/whanau working, playing and talking together
- Renewing and revitalizing of places and spaces within neighbourhoods
- Improving equity / quality of life/community safety in a specific community or neighbourhood.

Management:

- There are two parts to the NMF funding pool - small and large grants
- Guidelines for applicants will be made available to the public
- The NMF will be promoted and advertised through a range of methods
- Applications for small NMF grants are available open between February and November, with grants between \$50 and \$5,000
- Small NMF grant applications will be considered by three RLC staff including a senior manager
- The Large NMF pool has two funding rounds a year, with grants between \$5,001 and \$20,000
- Applicants for funding from the Large NMF will be required to attend an interview with a NMF Grants Assessment Committee comprising a Councillor, Te Arawa representative and three community association-organisation representatives
- If the large pool is not allocated at each round, it shall be re-allocated to the small pool for distribution within the financial year
- Before submitting an application for either small or large projects, applicants must contact the RLC Administrator to discuss the project and the development of their application
- Should the allocation of funds be less than the budget in any financial year, the remaining funds will be absorbed into the full Council result.

Accountability:

Applicants must submit a report including:

- Outcomes/ results of the project, ideally including photos
- Accountability for how the grant was used including all receipts.

SCHEDULE TWO: PARTNERSHIP AGREEMENTS**Purpose:**

The focus of the partnership agreements is to ~~provide support~~ operational costs for community organisations whose services closely align to the RLC strategic direction of Rotorua 2030. Partnership agreement recipients will be organisations which ~~have a longstanding relationship with the RLC and/or [RV2]~~ are well established in the community and demonstrating sound governance. Organisations will be ~~[RV3]~~ making a ~~[UC4]~~ contribution to improving equitable outcomes in the community. The value and makeup of support will be determined on a case by case basis and developed as a written partnership agreement.

Management:

- Applications for partnership agreements and associated support will be notified to the public and ~~submissions applications sought through the Long term Plan~~ once every three years. All applications will be ~~reviewed by staff, with a recommendation report to Council Committee for approval, considered by Councillors during the submission deliberations.~~ ~~[RV5]~~
- Partnership agreements may receive Council support including measures such as funding grants, subsidised lease. Assessment of support measures will take into account a range of factors including but not limited to degree of alignment with Rotorua 2030 goals; contribution to improving equity; ~~contribution to community safety,~~ other funding sources; and overall financial position.
- As partnership agreements are allocated based on close alignment with Rotorua 2030 goals, the agreements will support core ~~community~~ organisation functions and key outcomes. This will be reflected in accountability requirements being met by standard organisation documents of strategic plan, annual plan, annual report and the organisation's annual financial statement as per their Constitution e.g. audited annual accounts.
- Successful applicants will jointly develop a written partnership agreement with RLC that seeks to achieve the specific outcomes of the partnership, with the Rotorua 2030 outcomes being the first priority.
- Successful applicants will work together with RLC in a transparent, honest and open partnership to achieve the outcomes agreed in the partnership agreement.

Accountability:

At the end of each year submit:

- An annual report which includes achievement of the outcomes agreed to in the partnership agreement along with the organisation's annual financial statement as per their Constitution e.g. audited annual accounts.
- An annual plan, and meet the RLC Relationship Manager by May of the current year to discuss and confirm the organisation's main objectives and functions for the next year will continue to be closely aligned with the achievement of Rotorua 2030 goals.

SCHEDULE THREE: COMMUNITY GRANTS**Purpose:**

The purpose of Community Grants is to strengthen the ability of local community groups to respond effectively to local needs in the Rotorua district and contribute towards achieving the Rotorua 2030 goals. The focus of this fund is in providing assistance for small to medium sized community organisations.

The purpose of grants may include (but is not limited to):

- Administration and operational costs
- Training costs for personnel
- Initial project costs
- Public education events
- Non capital items

Management:

- Applications for community grants will be notified to the public and applications sought once every three years. All applications will be reviewed by staff, with a recommendation report to Council Committee for approval.
- ~~Agreement will be reached with the Geyser Community Foundation to administer the fund on behalf of Council for an agreed price.~~
- ~~RLC will advertise for fund applicants once every three years, or at other times if funding becomes available for redistribution.~~
- ~~Written hard copy or electronic applications will be received by ~~RLC~~ Geyser Community Foundation. The Foundation will convene a meeting of their Distribution Advisory Committee, which will include two Councillors, to consider all applications.~~
- Active consideration will be given by the Committee to the applicant's contribution to the Rotorua 2030 goals, ~~and~~ to improving equity in the community, and improving community safety.
- Annual grant payments will be released at the beginning of each year ~~by the Geyser Community Foundation~~ upon receipt of previous year's annual accountability requirements.

Accountability:

At the end of each year, ~~submit to the Geyser Community Foundation~~ provide to the RLC Administrator:

- A copy of the organisation's annual financial statement as per their Constitution e.g. audited annual accounts.
- A **simple** evaluation report based on the ~~original~~ approved application form, indicating the outcomes achieved in the years ~~and~~ the contribution the grant is making to achieving these.

SCHEDULE FOUR: TE RĀKAU TŪ PAKARI FUND^[C7]**Purpose:**

The purpose of the Te Rākau Tū Pakari Fund is to address the medium to long-term impacts of Covid-19 with the aim of building social capital through a strong, innovative, resilient and flourishing community sector that enables wide equitable participation.

The focus of this investment is to support the sector to adapt and respond to needs and new opportunities, support new operating models, grow capability to collaborate and innovate and adopt a "Build Back Better" approach. This fund is not for standard operation purposes.

Support may take different forms including:

- Funding application process for grants to support new opportunities or operating models, grow capability to collaborate and innovate, build resilience.
- Direct financial investment into support that will benefit many organisations such as capacity and capability development, support for innovation/adaptation, volunteer development.
- Support for volunteering, internships or redeployment from sectors undermined by the economic shock felt from Covid-19.
- Provision of skills sharing mechanisms e.g. capacity building, targeted training or the development of resource kits.
- Mechanisms to share resources e.g. IT, capital items, and backroom functions.

Implementation of this support package will run over a one-year period or until the funds are allocated [or closed](#).

Management:

- RLC will promote the fund for applications. Written hard copy or electronic applications will be received on an ongoing basis until the fund is allocated.
- A funding panel comprising representatives of elected [and Community Board](#) members and staff will convene monthly to assess applications and decide grants.
- Active consideration will be given by the Committee to the applicant's contribution to the Rotorua 2030 goals, and to improving equity in the community.
- Grant payments will be made within four weeks of decision-making. Successful applicants will work together with RLC in a transparent, honest and open relationship to achieve the outcomes agreed.

Accountability:**Application Process:**

- Applications must outline how the funding will be used to support their sustainability, innovation or resilience (note this fund is not for operational funding, it is a one-off fund for development)
- Organisations must provide evidence that they comply with the requirements of the Charities Commission.

Accountability Reporting

- Provide an evaluation report based on the approved grant application indicating what outcomes were achieved (how did they grow, adapt, collaborate, innovate to benefit the community they serve)
- Confirm funds were used for the purpose intended within the approved application.

Partnership Agreements 2018-2021

Citizens Advice Bureau Rotorua Inc	\$40,000.00
Ka Pai Kai Rotorua Charitable Trust	\$30,000.00
Linton Park Community Centre	\$15,000.00
Mokoia Community Association Inc	\$25,000.00
Neighbourhood Support Rotorua Inc.	\$10,000.00
Older Persons Community Centre Trust	\$10,000.00
Rotorua Arts Village Trust	\$30,000.00
Rotorua Community Youth Centre	\$0.00
Rotorua Multicultural Council Inc.	\$10,000.00
St Chads Communication Centre Trust	\$10,000.00
Te Waiariki Purea Trust	\$30,000.00

Annual total

3 year total

Total	\$210,000.00	\$630,000.00
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Community Grant Recipient List 2018-2021

Age Concern Rotorua	\$3,500.00
Aphasia NZ Charitable Trust	\$1,000.00
Asthma NZ - Lakes Region	\$2,000.00
Autism New Zealand	\$2,000.00
Big Brothers Big Sisters Rotorua	\$5,000.00
Brain Injury Association Rotorua	\$2,000.00
Central North Island Kindergarten Trust	\$2,000.00
Dementia Lakes Rotorua	\$2,500.00
Diabetes NZ Rotorua Branch	\$2,500.00
Education and Achievement Association	\$2,000.00
Empowered Learning Trust	\$5,000.00
English Language Partners NZ	\$2,000.00
Epilepsy Association of NZ	\$2,000.00
Family Planning	\$2,000.00
Friends of Rotorua Museum	\$1,500.00
KidsCan Charitable Trust	\$5,000.00
Kiwi Coffin Club Charitable Trust	\$2,500.00
Korowai Aroha Trust	\$2,500.00
Koutu Playcentre	\$1,000.00
Lifelink / Samaritans	\$2,000.00
Love Soup Rotorua	\$3,000.00

Mid Island Gymsports	\$2,000.00
Ngongotaha Community Patrol of NZ	\$1,000.00
NZ Council of Victim Support	\$2,000.00
Parent to Parent Central Lakes	\$1,500.00
Rotorua Budget Advisory Service	\$4,000.00
Rotorua Community Hospice Trust	\$4,000.00
Rotorua Gospel Broadcasting Charitable Trust	\$1,500.00
Rotorua Hospital Chaplaincy Trust	\$3,000.00
Rotorua Municipal Band	\$1,500.00
Rotorua Parents Centre	\$2,000.00
Rotorua Prisoners Aid & Rehabilitation Society	\$2,500.00
Rotorua Riding for Disabled	\$3,500.00
Royal NZ Plunket Trust	\$2,500.00
Te Taumata o Ngati Whakaue Iho Ake Trust	\$1,500.00
Visions of a Helping Hand Charitable Trust Rotorua	\$5,000.00
Youth Projects Trust	\$2,500.00
Administration Fee (Geyser Community Foundation)	\$13,950.00

Annual total

3 year total

Total	\$106,950.00	\$ 320,850.00
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Neighbourhood Matching Fund 2018-2021

Rangiwewehi Charitable Trust	\$ 15,000.00	Awahou Community Playground Project
Rotorua Chinese Community Assn	\$ 4,721.87	Chinese New Year
Te Komiro o Te Utuhina, Under Infracore	\$ 5,000.00	Community planting day on the banks of Te Utuhina
Lake Tarawera Community Group Inc	\$ 3,196.00	Driveway development
Whakapoungakau Creative Arts	\$ 2,755.15	Nga Marae o Whakapoungakau Tupuna Portrait Painting Wananga
OneChance Charitable Trust	\$ 4,950.83	OneChance Youth Project - Amazing Race Rotorua
Rotorua Pacific Island Development Charitable Trust	\$ 4,419.00	Pacific Cultural Celebration Day
Kai Rotorua Inc Society	\$ 4,953.13	Plant and harvest potato and kumara on x2 one acre blocks
Rotorua BMX Club Inc	\$ 1,702.94	Planting BMX track bund
Dress for Success BOP	\$ 10,000.00	Refit/Fitout of Premises
Te Komiro o Te Utuhina, applying under Te Tatau Te Arawa	\$ 1,367.00	Remove bamboo from around Ngawha and replant with natives
Tarawera Landcare 2115, under Lake Tarawera Pest Control	\$ 10,000.00	Restoration of Kariri Point
Rotorua Japanese Playgroup, applying under Kai Rotorua	\$ 1,996.35	Rotorua Japanese Summer Festival 2019
Tatai Ora Charitable Trust, applying under BOP rugby League	\$ 4,799.08	Rotorua Youth Festival
Tatai Ora Charitable Trust, Under BOP Rugby League	-\$ 454.25	Rotorua Youth Festival
Sunset Primary School	\$ 20,000.00	School Playground Renewal Project
Rotorua Girls High School Childcare Trust	\$ 689.00	Spring Clean and planting in and around the childcare facility
All About Me Wellness - Running to Stop It	\$ 1,994.58	Tamariki programme and wananga
All About Me Wellness - Running to Stop It	-\$ 110.74	Amount Underspent
Rotorua Wacky Warm-Ups	\$ 5,000.00	Warm clothing for the needy
Rotorua Chinese Community Association	\$ 4,892.32	Chinese New Year Celebration 2020
Kaharoa School PTA	\$ 14,175.89	Community Beach Volleyball / Petanque Court
Otumutu (Lake Tarawera) Community Garden	\$ 581.84	Composting and cover protection of garden beds
BOP (Rotorua) Indian Assn Inc	\$ 4,965.00	Diwali Festival

Tatau Pounamu Collective, under Mokoia CA	\$ 3,254.80	Eastside Community Spring Clean
Harvest Apostolic Church Trust	\$ 4,495.80	Family Fun Night (Halloween)
Kimiora Community Trust	\$ 1,798.00	Fun in the Park
Kimiora Community Trust	-\$ 929.93	Fun in the Park events
Progress Mamaku Community Hub Inc	\$ 18,965.13	Mamaku 125th celebrations
Mamaku School		Mamaku Interactive Play Areas
Hinemihī Marae, under Mokoia CA	\$ 4,750.81	Planting of fire-resistant natives/new lawn on eastside only of Hinemihī Marae
Hinemihī Marae, under Mokoia CA	-\$ 3,353.41	Planting of fire-resistant natives/new lawn on eastside only of Hinemihī Marae
Mokoia CA	-\$ 1,166.05	Puketawhero Park
Ohinemutu Community Garden	\$ 1,162.00	Scion Volunteer Day
Ngati Tahu Ngati Whaoa Runanga Trust	\$ 4,975.20	Taha Tinana (health programme)
Ngati Tahu Ngati Whaoa Runanga Trust	-\$ 871.43	Taha Tinana (health programme)
Reporoa Community Patrol, under Community Patrols of New Zealand Charitable Trust	\$ 4,930.00	Vehicle running costs incurred while patrolling
Rotorua BMX Club	\$ 5,000.00	Waipa BMX Track stabilisation
Rotorua BMX Club	-\$ 372.90	Waipa BMX Track stabilisation
Tunohopu Marae	\$ 5,000.00	Waitangi Day - branding & website
Rotorua Chinese Community Association	\$ 4,254.83	Chinese New Year 2021
Mamaku Residents Assn	\$ 2,914.00	Clean up Dansey Road
The Hub Trust	\$ 3,325.39	Create a vegetable garden for the community
BOP (Rotorua) Indian Assn	\$ 4,965.00	Diwali Festival 2020
Te Waiariki Pūrea Trust	\$ 3,972.35	Fun in the Park Summer Series 2021
Fordlands Community Centre	\$ 4,991.95	Launch of Tu Totara programme
Ko Te Tuara Totara o Fordlands Inc	\$ 10,553.00	Maara Kai Movement
Mamaku School BOT	\$ 20,000.00	Mamaku courts and bike/pump tracks
Older Persons Community Centre Trust	\$ 2,704.38	Open day garden Working B & BBQ

Plunket's multicultural playgroups	\$ 2,245.30	Plunket Children of the World Festival
Nga Ara o Taporā Charitable Trust	\$ 1,805.73	Raranga and Art Exhibition
Aspen Community Garden	\$ 3,811.73	re-establish the Aspen Community Garden
Hillcrest Community Garden	\$ 2,582.79	upgrade of existing garden

3 year total

<u>Total 2018-2021</u>	<u>\$ 242,359.46</u>
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Te Rakau Tu Pakari Fund 2020-2021	Funds Allocated
Hinehopu Golf Club Inc	\$10,000.00
Ko Te Tuara Totara O Fordlands	\$10,000.00
Putake Nui	\$30,000.00
Rotorua Pacific Islands Development Charitable Trust	\$20,000.00
St Chads	\$20,000.00
Central North Island Kindergarten Trust	\$7,000.00
Citizens Advice Bureau Rotorua Inc	\$12,000.00
Neighbourhood Support Rotorua Inc	\$5,000.00
Older Persons Community Centre Trust	\$60,000.00
Rotorua BMX Club Inc	\$25,000.00
Rotorua Mountain Bike Club Inc	\$17,000.00
Association of Blind Citizens of NZ Inc - Rotorua Branch	\$25,000.00
New Zealand Nutrition Foundation	\$8,000.00
Putake Nui	\$25,000.00
Rotorua Primary School	\$35,000.00
Te Takinga Marae	\$30,000.00
Patua Te Taniwha Charitable Trust	\$18,505.85
Save Our Babies Charitable Trust	\$11,501.51
Te Roopu a Iwi o Te Arawa Charitable Trust	\$18,782.20
Rotorua Careers Expo	\$22,200.00
Moko Ora	\$24,200.00
Wacky Warm Ups	\$10,000.00
Rotorua Arts Village Trust	\$32,000.00

Total funds distributed (as at 30.03.21)	<u>\$476,189.56</u>
Balance	\$ 523,810.44
Total Fund	<u>\$1,000,000.00</u>

ROTORUA LAKES COUNCIL

Mayor
Chair and Members
STRATEGY, POLICY AND FINANCE COMMITTEE

7.3 Rotorua Lakes Council's Waste Assessment 2021

Report prepared by: Prashant Praveen, Waste Services & Sustainability Manager

Report reviewed by: Stavros Michael, General Manager Infrastructure

Report approved by: Craig Tiriana, Acting Chief Executive

1. TE PŪTAKE PURPOSE

The purpose of this report is to seek the agreement of the Strategy, Policy and Finance Committee to refer the Waste Assessment 2021 to Council for their approval as required by the Waste Minimisation Act (WMA) 2008.

2. TE TUHINGA WHAKARĀPOPOTOTANGA EXECUTIVE SUMMARY

The Waste Minimisation Act 2008 (WMA) requires the Rotorua Lakes Council to consider and adopt a Waste Management and Minimisation Plan (WMMP) for the purpose of enabling the effective and efficient management and minimisation of waste within this District.

WMMPs must be reviewed at least every six years. Not keeping to the statutory timeframes for a WMMP review may result in a council's waste levy funding payments being withheld under section 33 of the Waste Minimisation Act 2008 (WMA). Rotorua Lakes Council's current WMMP was adopted in 2016, and the next WMMP is due for adoption in 2022.

The waste assessment is a statutory requirement for undertaking WMMP review. The waste assessment establishes the planning foundations for the WMMP by describing the waste situation, setting the vision, goals objectives and targets for the district, and developing options for meeting future demand. The waste assessment is the first step towards a new WMMP and most of the information presented in the waste assessment will be summarised in the final WMMP.

This waste assessment summarises the waste services and facilities available in Rotorua and reviews progress against the objectives and targets set out in the 2016-22 WMMP. The overall vision of the waste assessment is to empower Rotorua communities to minimize waste generation, and maximize waste diversion and resource recovery, by offering convenient, effective and innovative waste services. It identifies a new set of goals, objectives and targets for inclusion in 2022-28 WMMP.

The waste assessment presents a series of options to Council to meet future demand pertaining to waste services and sustainability in Rotorua. These include new services to facilitate organic waste diversion, as well as, improvements in the current waste collection services and management of waste services facilities. Diversion of organic waste has been identified as the preferred option to improve Rotorua's waste and carbon footprints.

3. HE TŪTOHUNGA RECOMMENDATION

1. That the report “Rotorua Lakes Council’s Waste Assessment 2021” be received.
2. That the Committee recommends to Council to approve “[Rotorua’s Waste Assessment 2021](#)” (Attachment 1).

4. TE TĀHUHU BACKGROUND

Local Authorities play an important role in managing waste, reducing the harm waste can cause and encouraging communities and businesses to reduce the creation of waste.

This role is recognised in the Waste Minimisation Act 2008 (the Act). Under the Act councils are required to develop a Waste Management and Minimisation Plan (WMMP). Section 43 of the Act requires a WMMP to contain a summary of the council’s objectives, policies, methods and funding to achieve effective and efficient waste management and minimisation within its district.

The WMMP is a guiding document which identifies Rotorua’s waste, recycling and general waste minimisation objectives in addition to illustrating the method as to how these can be achieved. Territorial authorities are required to review their existing WMMP every six years by undertaking a waste assessment.

The purpose of the waste assessment is to review progress against current WMMP and provide foundation for the development of a new WMMP. A waste assessment contains three parts:

- Part 1 – where are we now?
It covers the current waste situation, including waste flows, waste infrastructure and services, and forecast of future demand.
- Part 2 – where do we want to be?
It includes the vision, goals, objectives and targets for the waste assessment, which will form part of a draft WMMP.
- Part 3 – how are we going to get there?
It identifies options and assesses the suitability of each option and includes consultation with the Medical Officer of Health. The preferred options will be presented in the WMMP.

The waste assessment considers waste and diverted materials in keeping with the order of priority in the Act. It recognises the current NZ Waste Strategy goals of: (1) reducing the harmful effects of waste, and; (2) improving the efficiency of resource use.

The waste assessment 2021 outlines the vision, goals, objectives and possible targets for Rotorua lakes Council’s 2022-28 WMMP, which are aimed at minimising waste generation and maximising resource recovery in Rotorua, to reduce waste and carbon footprint and improve environmental outcome. The targets for 2022-28 WMMP are envisaged to be:

- 30% reduction in municipal waste to landfill
- Reduction in recycling contamination from 22% to 12%
- Contamination-free glass collection
- 60% reduction in kerbside food waste to landfill

- 60% reduction in kerbside green waste to landfill

These targets can be achieved via diversion of food and green waste from landfills; improvements in the quality of recycling collection, and; delivery of waste education programs to create awareness on waste effects on environmental outcomes.

These targets are linked to the goals and priorities of waste services outlined in Rotorua Lakes Council's Long-term plan 2021-31.

5. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

The approval of the waste assessment 2021 is a statutory requirement and a required prerequisite for Council to be entitled to receive quarterly waste levy payments from Ministry for the Environment.

Waste levy fund is dispersed through a formula based on relative population distribution of Districts. The disbursement for Rotorua is between \$250,000 – 280,000 per annum.

Once the waste assessment 2021 is approved by Council, a draft 2022-28 WMMP will be developed for public consultation.

6. 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.

7. NGĀ KŌRERO O TE HAPORI ME TE WHAKATAIRANGA COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

According to the guidelines provided by the Ministry for the Environment, the waste assessment does not require community consultation. In the next stage, when the 2022-28 WMMP has been drafted, community consultation will be undertaken.

8. HE WHAIWHAKAARO CONSIDERATIONS

8.1 Kaupapa Here me ngā Hiraunga Whakariterite Policy and planning implications

The options proposed in the waste assessment 2021 are consistent with the vision of Rotorua's 2016-22 WMMP and LTP 2021-31.

The options, goals and targets proposed in the waste assessment 2021 are aligned with two major goals of Rotorua's Vision 2030: a resilient community, and enhanced environment.

8.2 Tūraru Risks

The only major risk pertains to a delay in approving the waste assessment 2021, which will result in the loss of waste levy payments from the Ministry for the Environment.

8.3 Te Whaimana Authority

The waste assessment 2021 provides a foundation for development of Rotorua's 2022-28 WMMP, and there are no actions required at this stage. The WMMP will be drafted by waste services team and reviewed by GM Infrastructure.

9. TE WHAKAKAPINGA CONCLUSION

The approval of "ROTORUA'S WASTE ASSESSMENT 2021" will ensure Council's compliance with statutory requirements and will support the delivery of Rotorua's 2022-28 Waste Management and Minimisation Plan.

10. NGĀ ĀPITI HANGA ATTACHMENTS

Attachment 1: Rotorua's Waste Assessment 2021 (Distributed separately)

Note: Statement from the Medical Officer of Health is included in page 37 of Attachment 1.

01-15-422; 01-11-609; 01-15-338
RDC-1118959ROTORUA LAKES COUNCIL

Mayor
Chair and members
STRATEGY, POLICY & FINANCE COMMITTEE

7.4 Statements of Intent for Council Controlled Organisations for the Year Commencing 1 July 2021

Report prepared by: Tristan Adams, Economic Development Programme Manager

Report reviewed by: Jean-Paul Gaston, Group Manager Strategy

Report approved by: Geoff Williams, Chief Executive

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to consider the draft Statements of Intent for Council Controlled Organisations and for the Council to provide feedback to each company before the companies provide their finalised Statement of Intent to Council prior to 30 June 2021.

Feedback is not significant and reflects the good understanding and clarity that exists between Council and the Boards leading the Council Controlled Organisations.

**2. HE TŪTOHUNGA
RECOMMENDATION**

- 1. That the report 'Statements of Intent for Council Controlled Organisations for the year commencing 1 July 2021' be received.**
- 2. That the Committee recommends to Council to submit the agreed comments on the Draft Statements of Intent for InfraCore Limited, Rotorua Regional Airport Limited and Rotorua Economic Development Limited.**

**3. TE TĀHUHU
BACKGROUND**

Each Council controlled organisation (CCO) is required to have a statement of intent (SOI) in place by 30 June of each year.

The requirements for a SOI are stated in the 8th schedule of the Local Government Act (see Attachment 4).

The SOI is drafted in response to a Letter of Expectation (LOE) issued to each CCO by RLC, outlining council's requirements and expectations from that CCO over the coming 3-years.

The Board must submit a draft SOI to council by 1 March. Council may make comments on the draft SOI.

The Board must consider any comments on the draft SOI and deliver the completed SOI on or before 30 June.

The purpose of the SOI is to:

- Publicly state the activities and intentions of a CCO for the year and the objectives to which those activities will contribute.
- Provide an opportunity for shareholders to influence the direction of the organisation.
- Provide a basis for the accountability of directors to the shareholders for the performance of the organisation.

Section 60 of the Act requires that any decision made by the Board is consistent with the Statement of Intent and the company's constitution.

Rotorua Lakes Council has 3 CCO's: Rotorua Regional Airport Limited, InfraCore Limited and Rotorua Economic Development Limited

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

All council CCO's submitted their SOIs in a timely fashion for council's review, feedback and ratification. All have been reviewed by the relevant RLC executive team members.

Feedback is required to be delivered to the CCO's by May 1st such that SOI's can be revised and finalised by 1st June, ready for formal final approval by council before 1st July.

The sections below provide an overview of each SOI and a summary of comments made by RLC executive.

Elected Members are asked to review the below and to bring any additional comments they have to the meeting, such that feedback can be finalised and agreed at the full council meeting at the end of the month.

4.1 Infracore Limited

4.1.1 Overview of draft SOI and key points of interest

The InfraCore SOI is prepared in accordance with Section 64(1) of the Local Government Act 2002 and is a comprehensive document covering all items required in a SOI.

The SOI sets out the:

- Nature and scope of activities;
- Purpose, vision and objectives;
- Strategy;
- Governance;
- Financials;
- Relationship with and distributions to the Shareholder; and
- Performance targets

InfraCore's SOI outlines its role in two parts:

- 1) InfraCore's core work in delivering essential services to Rotorua Lakes Council, its residents and visitors by maintaining, managing and constructing infrastructure and facilities assets. The SOI states "InfraCore's traditional capabilities are in the management of the programming and physical execution of these works and as such we employ a wide variety of field staff, with a diverse array of skills and capabilities."
- 2) Emergency response – both in terms of 24hr maintenance call outs and resources that can be drawn upon almost instantly in times of emergency including civil defence situations.

The SOI comprehensively sets out InfraCore's purpose, vision and strategy in alignment with the LoE that was previously provided and has a clear focus on InfraCore's purpose as a Social Enterprise, and interpreting its mandate as "applying commercial strategies to maximize improvements in financial, social and environmental well-being. "

In achieving this, an expectation is also set out by InfraCore for "realistic support from RLC to enable delivery of the social enterprise element. For Capital and operational project works InfraCore expects to be supported by means RLC adopting a social procurement process whereby InfraCore's social contribution is scored appropriately".

Regarding distributions to the shareholder, the SOI states "In accordance with the RLC's long term planning assumptions InfraCore's social enterprise intent, InfraCore is not forecasting to generate any dividend for its shareholder over the next three years."

Regarding risk management, the SOI states an intention to introduce "a strengthened governance structure and discipline, to be reviewed quarterly at Board level."

4.1.2 *Summary of feedback proposed by RLC executive*

Council has identified a specific project from the assigned economic recovery fund that has not been public announced at this time. This project needs to be identified in the final SOI and aligned to an announcement about the project.

Note that financial performance targets are currently missing ("To be completed") and require completing before the final version can be ratified. However, comprehensive broader performance targets are set out (Table 4).

4.2 **Rotorua Regional Airport Limited (RRAL)**

4.2.1 *Overview of draft SOI and key points of interest*

The RRAL SOI is prepared in accordance with Section 64(1) of the Local Government Act 2002 and is a comprehensive document covering all items required in a SOI.

The SOI sets out the:

- Nature and scope of activities;
- Purpose, priorities and objectives;
- Governance;
- Financial information;
- Distributions to Shareholder; and
- Performance metrics & targets

It should be noted that the SOI as a governing document, sits alongside a separate service funding agreement supporting ongoing Airport capital development, infrastructure maintenance and operations. This was agreed as part of the Council's 2015 LTP process.

An early focus of the Airport SOI are the impacts of COVID-19 on the airports operations and revenue streams, articulated as follows:

“The potential impact of Coronavirus (Covid-19) on aircraft movements, passenger movements, car parking and lease concession revenues continues to significantly impact RRAL's revenues. Whilst RRAL benefits from both domestic and international tourist movements supplementing domestic business travel, the recovery of these markets is forecast to take in excess of thirty (30) months, subject to the reopening of New Zealand's international borders. RRAL's key SOI assumptions have been reforecast to address any direct and indirect impacts of this event over this period. Should the extent of COVID to impact on passenger flows throughout the period of the SOI creating softening in passenger movements, further updates of RRAL's cashflows will be required.

The threatened withdrawal of Air Traffic Control (ATC) services from Rotorua could significantly impact RRAL's forecast revenues and costs. RRAL has now completed an Aeronautical Study and this will be presented to the Civil Aviation Authority in early March 2021. The study emphatically concludes that ATC provides a superior traffic management service which ensures that collision risks are minimised so far as is reasonably practicable in accordance with RRA's health and safety duties, which no other management service or flight procedure can comparably achieve. On this basis the service should be retained.”

RRAL's vision is set out as « to be a uniquely Rotorua hub our community can be proud of”. The SOI states five key intended priorities to support this:

- Be a safe airport
- Help Council achieve its growth aspirations
- Manage and maintain assets to a high standard
- Be financially sustainable
- Be environmentally conscious

Alongside its priorities relating to operational service delivery, RRLA states a number of priorities related to growth and development. This includes the following:

- Support the wider plan change for the area surrounding the Rotorua Regional Airport, which is intended to support the new 'liveable communities' priority, alongside other key stakeholders SOI – FY22-24
- Support Rotorua Lakes Council's partnership with Te Arawa by working with the broader Te Arawa stakeholders, especially mana whenua from within the Rotorua Regional Airport area.
- Develop a funding model to facilitate building non-aviation revenue and optimise existing assets
- Develop the airport precincts in line with the agreed master plan to further unlock the unused airport land
- Be advocates for achieving wider wellbeing outcomes (Social, Cultural, Economic) through planned economic investment, and incorporate into procurement practices

Also included is a commitment to progress development of additional strategic initiatives that were discussed and funded (via. Approval to borrow directly from LGFA) during November 2020 Strategy, Policy & Finance committee.

The SOI includes CAPEX proposals for a total of \$4.26m over the three year effective period. This is associated with the following major capital works:

- Continuation of planned cyclical runway and airside pavements maintenance programme

- Continued replacement of operational equipment to ensure it meets requisite Civil Aviation operating standards
- Upgrade of the airport's IT / IS framework (Following Board approval)
- Progress business case approvals and deliver the Strategic Project portfolio of opportunities as discussed in the November Strategy Policy & Finance Committee.

4.2.2 *Summary of feedback proposed by RLC executive*

The scheduled funding and debt repayment is negotiated in the service funding agreement and not negotiated or changed via their SOI. On this basis, we will ask that this information is removed from the final SOI document.

4.3 **Rotorua Economic Development Limited (RED)**

4.3.1 *Overview of draft SOI and key points of interest*

The RED SOI is prepared in accordance with Section 64(1) of the Local Government Act 2002 and is a comprehensive document covering all items required in a SOI.

The SOI sets out the:

- Nature and scope of activities;
- Purpose and objectives;
- Governance;
- Summary of Financials;
- Distributions to Shareholder;
- KPIs / Monitoring Indicators, and;
- Strategy

The Rotorua Economic Development SOI identifies RED's purpose as "to unlock the potential of Rotorua"

The activities RED intends to conduct to achieve this are described as follows:

"We'll unlock the potential of Rotorua by:

- Lifting economic performance across the Rotorua district, with a particular focus on tourism, forestry and wood processing, natural hot springs and wellness, film/TV, alternative land use opportunities, and Te Arawa investments
- Attracting, retaining and growing investment, talent and business across the district
- Ensuring the impact of change achieves a balance between social, environmental, economic and wellness benefits for the people of Rotorua
- Inspiring visitors to come to the destination and create unforgettable memories
- Working closely with existing entities and networks to continue to grow the Te Arawa economy.
- We'll also continue to focus on delivering projects and priorities established during the Whakahouhia te Whare Ohanga (Build Back Better Sector Groups) and Economic Recovery Taskforce, guided by the Economic Development Strategy Framework and developing Long Term plan.
- By developing and telling our story in partnership with Te Arawa in a way that reinforces the true spirit of our community
- By continuing to lead on commercial investment partnerships at the Lakefront and Whakarewarewa Forest

- By supporting RLC in the development of an inner city plan and transformational investment projects and the unlocking of residential, industrial and commercial land for development
- By supporting the development of a Forestry Futures Action Plan that leverages our unique strengths in forestry, wood processing and bio-materials/technology and science in the timber sector.”

These activities are in alignment with the direction set by the draft RLC Economic Development Strategy framework.

The SOI then breaks REDs work plan in to three key areas:

- Destination development and Tourism Transformation
- Business Development
- Investment Attraction

Also of note is the commitment from the RED board to implement a revised, ‘two-phase’ monitoring approach for monitoring performance and outcomes of the CCO, described as follows:

- "Phase-One is a set of organisation-wide performance measures and targets which are within the CCO’s control and form the basis for accountability to delivering on the priority outcomes in the areas of Business Development, Investment Attraction and Tourism Growth.
- Phase- two is a set of key monitoring indicators that reflect outcomes at the regional level which are impacted by a range of factors outside of the CCO’s direct control but which the CCO aims to influence at a local level, where possible, through their activity.
- Progress against these performance measures and indicators will be monitored by the board on a regular basis and reported to council and stakeholders on a quarterly basis. The board proposes the following as the controllable organisation-wide performance measures to form the basis for accountability to the Shareholder.

4.3.2 *Summary of feedback proposed by RLC executive*

After receiving the first draft Rotorua Economic Development SOI, the CCO was requested to include:

- Reference to supporting economic aspirations of Te Arawa as identified in Te Arawa 2050.
- Attract investment section change ‘Lead’ to ‘Support’ on the development of wood action plan.
- Reference closer working relationship with Chamber of Commerce around Covid-19 recovery and information/support to businesses.

The second draft (attached) reflects these additions/amendments.

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

The decisions or matters of this report are not considered significant in accordance with the Council’s Policy on Significance.

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

No further consultation is required.

7. HE WHAIWHAKAARO CONSIDERATIONS

7.1 He Whaiwhakaarotanga Mahere Pūtea Financial/budget considerations

Funding for the Council Controlled Organisations is detailed in the Long-term Plan.

7.2 Kaupapa Here me ngā Hiraunga Whakariterite Policy and planning implications

The proposal is consistent with Council Policy and plans. Statutory time frames are identified in the report.

7.3 Tūraru Risks

No major risks have been identified.

7.4 Te Whaimana Authority

Council is required to provide formal feedback on the draft SOIs and final approval of SOIs.

8. NGĀ ĀPITI HANGA ATTACHMENTS

Attachment 1: Draft Statement of Intent for InfraCore (Page 78)

Attachment 2: Draft Statement of Intent for Rotorua Regional Airport Limited (Page 91)

Attachment 3: Draft Statement of Intent for Rotorua Economic Development Limited (Page 114)

Attachment 4: 8th Schedule of LGA (Page 137)

Attachment 1: Draft Statement of Intent for InfraCore



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Statement of Intent

For InfraCore Ltd

For the three years commencing 1 July 2021

DRAFT

February 2021



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1. INTRODUCTION

This Statement of Intent (Sol) is prepared in accordance with Section 64(1) of the Local Government Act 2002. The Sol specifies for InfraCore Limited the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the company may be judged in relation to its objectives.

The Sol is a public and legally required document, reviewed and agreed annually with the Shareholder, Rotorua Lakes Council (RLC) and covers a three year period.

Contact details for both the Chairman and Chief Executive Officer are at InfraCore's registered office:

Address:

1061 Haupapa Street, Rotorua
Private Bag 3029, Rotorua
Telephone: 07 348 4199

Email: Information@Infracore.co.nz

InfraCore Limited is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002. It was originally formed under the name Rotorua Contracting Limited with the name being changed to InfraCore Limited in February 2017.

2. NATURE AND SCOPE OF ACTIVITIES

2.1 Core Work

InfraCore is a Council Controlled Organisation created as a social enterprise to deliver essential services to Rotorua Lakes Council, and its residents and visitors. InfraCore is in the business of maintaining, managing and constructing infrastructure and facilities assets. The company's main service offerings are:

- Asset management of above and underground infrastructure assets including planned and reactive activities, life cycle data analysis and capital build activities.
- Maintaining and constructing parks infrastructure, including but not limited to public gardens, reserves, playgrounds, sports fields and tree surgeon services.
- Maintaining and constructing drinking water, wastewater and storm-water infrastructure networks.
- Civil construction and maintenance work associated with transport solutions including footpath, paving and street furniture type assets.
- Providing janitorial services, street cleaning and maintenance services for public and park infrastructure assets.
- Cemetery and Crematorium management and operation services.
- Nursery services, including plant propagation, sale, lease and care services.
- Project management of capital budget works from build through to asset management of new and existing infrastructure networks.

InfraCore's traditional capabilities are in the management of the programming and physical execution of these works and as such we employ a wide variety of field staff, with a diverse array of skills and capabilities.



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2.2 Emergency Response

As the core provider of asset management and reactive maintenance of core public infrastructure (including fresh and storm water, and waste water capabilities) InfraCore provides a 24/7 callout response to localised incidents and issues to its clients.

Beyond this, as the Rotorua Lakes Council's CCO delivering essential services, InfraCore has multiple resources that can be drawn upon almost instantly in times of emergency including civil defence situations. These include:

- A large site that can be used to house a control centre, plant and equipment, emergency supplies and temporary accommodation.
- A management team that can be used to coordinate operations and direct field staff.
- A dispatch centre that can be used as a diverse call centre to field resident calls and information distribution.
- A workflow management system that can be used to coordinate and prioritise workflow during emergency situations.
- 150 field staff covering a plethora of work types, all of which can be used to conduct emergency tasks.
- Various plant and equipment that can be used for emergency related tasks.

All of this is ready to be made available to our partner Rotorua Lakes Council (RLC) as their CCO partner without the need for commercial discussion, thereby allowing immediate deployment if required.

3. PURPOSE, VISION, STRATEGY AND OBJECTIVES

3.1 Purpose

A **social enterprise** is an organization that applies commercial strategies to maximize improvements in financial, social and environmental well-being.

Infracore's purpose is to partner and support the Rotorua Lakes Council operational requirements in alignment with the Vision 2030 – The Rotorua Way. For Infracore as a business, this translates into improving the quality of life for Rotorua residents and visitors by cultivating and maintaining the areas in which they work and play. We do this by ensuring that the essential services are delivered appropriately and efficiently.

In summary, InfraCore's purpose is to:

- Partner with Rotorua Lakes Council in creating liveable communities.
- To offer asset management and social enterprise opportunities and solutions in order fulfil RLC's 2030 and 2050 goals.
- Provide high quality, cost effective solutions efficiently to fulfil RLC's 'Vision to Action' priorities.
- To deliver the core services as contracted to InfraCore:
 - service and maintain Rotorua's Parks and Open Spaces to predetermined Council specified standards
 - construct and maintain Rotorua's Waters infrastructure by conducting planned and unplanned maintenance activities
 - maintain the CBD and Premium sites with city cleaning activities



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- propagate and supply of nursery products both to service the CBD flower bed displays and wider Bay of Plenty residents
- Operate the business in an efficient and sustainable way; to be able to clearly demonstrate that goods and services delivered are to industry standard and compliant to all laws, by-laws and Industry standards. Where practicable, best practice should be followed.
- To work in partnership with Local and Central Government to actively support local youth and adult return to employment initiatives; to explore wider opportunities to support social good and well-being initiatives in order to further contribute towards the well-being of Rotorua Incorporated (Rotorua Inc).
- To provide Rotorua Lakes Council an increased flexibility and partnership model that isn't present with pure commercial arrangements, including the delivery of services and projects that are not currently contracted out to InfraCore.

3.2 Vision

InfraCore has a vision to become a cornerstone to delivering the Rotorua Lakes Council priorities, many of which are invisible to the residents and visitors. By acting in partnership and operating efficiently, InfraCore will become the partner of choice not only by delivering a quality product, but by also delivering other tangible benefits to the region.

InfraCore is committed to working with central and local Government to deliver positive social outcomes, by providing an opportunity for Rotorua residents to constructively enter or re-enter the workforce and to break the cycle that leads to negative life choices. In the long-term, this will reduce the burden on the ratepayer and lead to more positive, sustainable outcomes that provide a bright future for Rotorua inc.

InfraCore is committed to treating our employees with respect and dignity, and to operating to our company values. We believe that this is necessary to provide workers with an employment status that allows them build a life and to contribute towards the Rotorua region as active members of the community. InfraCore supports the belief that active employment contributes towards making positive life choices and therefore supports Rotorua Incorporated.

InfraCore will achieve this by:

- Aligning and partnering with Rotorua Lakes Council vision and providing an unprecedented level of flexibility.
- Aligning and partnering with Central Government departments including the Ministry of Social Development and The Corrections Department
- Strategically partnering 3rd party suppliers in order to further increase the level of opportunity.
- Creating opportunities for Rotorua residents, to work locally in an environment that is meaningful to them.
- Setting our standards high and paying an appropriate wage, and in turn enable workers to live with dignity and to participate as active citizens in the Rotorua Region.
- Being a good place to work, by supporting our employees to be the best that they can be.
- Growing to become a high quality, high value organisation that delivers more than operational outcomes for the region, the employee and the ratepayer.



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3.3 Strategy

InfraCore will diligently manage its business under strong leadership in order to deliver upon our vision. The creation of key metrics will allow benchmarking and provide transparency and accountability of unit costs, with clear Key Performance Measures to provide accountability for operational delivery.

To achieve our Vision InfraCore will:

- Partner and align ourselves to the Rotorua Lakes Council Vision 2030 key outcomes; maintain alignment by means of a robust governance structure including regular executive meetings.
- Live by our InfraCore Values that are aligned with delivering the best outcomes for Rotorua Lakes Council, their residents and the InfraCore Board of Directors, in partnership.
- Keep our people and public safe: by using best practice lead and lag indicators InfraCore will demonstrate that we are a safe and caring employer.
- Invest in our people by means of wellbeing, creating career opportunities, and building upon our existing skills and competencies base.
- Provide transparency to RLC; confidence will continue to be enhanced by providing increased visibility of unit costs versus deliverable outcomes.
- Develop a network of strategic alliances in order to lower unit costs and strengthen our position and market capability.
- Work with national and local organisations to deliver socioeconomic outcomes, leveraging off of the opportunity for InfraCore to offer fit for work type work programmes to fulfil labouring portions of capital works projects.

In order to facilitate our vision InfraCore will:

- Understand our financial position and manage investment and debt strategically.
- As part of partnering with RLC leverage off of all resource sharing opportunities by utilising resources made available from our Board of Directors and our Shareholder to deliver best value.
- Operate as an efficient supplier offering value for money services rendered.
- Reinvest profit into capital investment, to further increase our capability and capacity.
- Work with government departments to offer placements that result in social enterprise opportunities for the betterment of Rotorua inc.

Key Business Metrics

In order to continually improve our efficiencies and partnership value InfraCore will measure our key business metrics. This will allow us to:

- Constructively seek capital investment to strengthen our balance sheet; re-evaluate our biological assets to meet standard valuation methodologies.
- Strategically grow the business over a 3 year period, focussing on partnering with RLC, alignment, investment and sustainable growth.
- Invest in our people and continue to strengthen our leadership team.
- Manage our risks and opportunities via a robust risk governance structure.
- Devise robust measure to monitor the level of social enterprise that InfraCore delivers to Rotorua inc.



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Risk

InfraCore will manage our risk profile by:

- Introducing a strengthened governance structure and discipline, to be reviewed quarterly at Board level.
- Means of using a robust risk profile methodology based upon unmitigated risk, mitigation actions and residual risk management. All mitigations are to have actions, owners and a timeline.
- Recording operational risks and opportunities against budget, to be reviewed monthly.

InfraCore will manage its funding investment over time by:

- Driving efficiencies to generate a profit margin; reinvesting margin into capital expenditure.
- Work with RLC on asset management principle partnership opportunities; explore design / construct and maintain opportunities with Rotorua Lakes Council for targeted asset management.

Retaining work

It is essential that InfraCore continues to deliver the essential services to Rotorua Lakes Council and its residents. In order to retain work InfraCore needs to:

- Work together with RLC maintaining a high standard of work and solid relationships
- Be able to clearly demonstrate the *value* that we add to Rotorua Incorporated, both financially and from a well-being and social enterprise perspective
- Be able to demonstrate beyond reasonable doubt that we are a safe and compliant operator, and that we care for our people
- Be competitive on a 'like for like' delivery basis; use best practice wherever practicable
- Partner and align with Rotorua Lakes Council; understand how we can further increase our value proposition to our key client and shareholder
- Demonstrate an enhanced level of flexibility to Rotorua Lakes Council as the InfraCore shareholder; demonstrate that InfraCore continues to add value by being more flexible than a purely commercial partner
- By retaining the existing contracted work InfraCore are able to encourage economic plough back into Rotorua by means of sustaining positive employment opportunities for the local people

Growing the InfraCore business

To maximise our efficiencies InfraCore will seek additional work outside of, but complimentary to the Rotorua Lakes Council portfolio. In order to achieve this InfraCore needs to:

- Be efficient
- Be competitive
- Be trusted in the market, with a good reputation and solid safety record

Social Enterprise

Aside from technical delivery InfraCore will contribute towards the social well-being of Rotorua incorporated. In order to deliver these outcomes InfraCore will:

- Partner with local and national organisations. Create opportunities for people that are disadvantaged due to their personal history and / or long term beneficiaries, to break the cycle and reintroduce them back into the workplace
- Engage with the local community and seek realistic opportunities to assist



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- InfraCore will expect realistic support from RLC to enable delivery of the social enterprise element. For Capital and operational project works InfraCore expects to be supported by means RLC adopting a social procurement process whereby InfraCore's social contribution is scored appropriately

3.4 Objectives

In order to achieve our Vision InfraCore has set a number of objectives. These are:

- To live and operate by our **Company Values**
 - **Dynamic** – be flexible and innovative. Be proactive, progressive and energetic
 - **Authentic** – Do what we say, be committed to our community. Have the courage to speak up
 - **Accountable** – take ownership for what needs to be done. Take responsibility to get things done. Deliver only quality solutions
- Health, Safety Environment and Well-being
 - To lead and create a positive HSE culture where human, flora and fauna, wellbeing and the wider environment is understood, valued and protected.
- To drive for positive socioeconomic opportunities leading to positive outcomes for Rotorua's disadvantaged
 - To partner with local and national organisations
 - To partner with RLC to be awarded work packages that support the social enterprise element, with tender submissions evaluated under social procurement terms
- To drive for Innovation and Client Engagement
 - To partner with RLC and to deliver on our commitments, obligations and promises
 - To be courageous and to actively seek new ways and methodologies to reduce costs
 - To present win : win prices to RLC as our partner
- People, Capability and Team Engagement
 - To lead a motivated and competent team
 - To invest in the skills and competencies required to deliver the contracted outcomes
- Financial and Commercial
 - To deliver on the Budgetary commitments, to be monitored by means of key metrics
 - To ensure solid financial discipline to drive positive cash flows
 - Sound Capital Investment decisions are made in alignment with the desired outcomes
- Continual Improvement and Process Simplification
 - To achieve and maintain ISO 9001 and 45001 Standards
 - To maximise the use of technology, and the systems deployed
 - To review all processes with an intent to eliminate waste and to drive efficiency



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4. GOVERNANCE

4.1 Board Role and Responsibility

InfraCore's Board of Directors is responsible for the corporate governance of the company within the parameters of the governance framework as set down in the company's constitution.

The Board and management are committed to ensuring the company operates to the recognised principles of best practice governance and adheres to high ethical standards.

4.2 Responsibility to the Shareholder

InfraCore's Board of Directors is appointed by the Shareholder, and is responsible for the direction and control of the company's activities.

The primary objective of the Board is to build long-term Shareholder value with due regard to other stakeholder interests. The Board does this by setting strategic direction and context and focusing on issues critical for its successful execution.

The role and responsibilities of the Board are formalised in the Board Charter, which is reviewed periodically. The purpose of the Board Charter is to provide high standards of corporate governance and clarify the Board's role and responsibilities. Some of the Board's responsibilities are delegated to Board Committees and the role and responsibilities of those committees are similarly set out in charters for those committees.

The Board has approved a formal delegated authority framework for management under which the Board has delegated to the Chief Executive Officer the day-to-day leadership and management of the company.

The Board endorses and adheres to the principles of the Institute of Directors of New Zealand and the Four Pillars of Governance Best Practice for New Zealand Directors.

4.3 Board Composition

The company's Constitution provides that the Board will consist of between four and six Directors. Currently the Board comprises three independent non-executive Directors while recruitment is underway. Directors retire and are eligible for re-appointment after serving the term for which they were appointed, but no director may serve more than three consecutive terms. The Shareholder has the right to appoint the Chairperson of the Board while the Board must elect the Deputy Chairperson for such periods as it sees fit.

The Board supports the separation of the role of Chairman and Chief Executive Officer. The Chairman's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the Chief Executive Officer.

4.4 Board Members

(As at 1 March 2021)

- John McRae (Chair)
- Vivienne Scott
- Brent Whibley
- Vacant Position
- Vacant Position
- Vacant Position



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5. FINANCIALS

5.1 Financial Overview

The financial management focus for InfraCore is to build robustness, flexibility and agility into the business.

As such the following are the key objectives;

- Ensuring InfraCore's core services are self-sustaining financially, able to cover the businesses core direct, indirect and reasonable overhead costs.
- Ensuring the business is able to tolerate reasonable market and work volume fluctuations
- Driving efficiency and productivity improvements in existing operations, supported by key metric reporting to drive ongoing improvements
- Building the financial capacity within the business to support investment in developing the capacity and capability of the organisation.
- To work in partnership with RLC to develop and grow a social enterprise contribution to break the cycle that leads to negative life choices for Rotorua's residents and communities.

5.2 Financial Performance Targets

Revenue —

[to be completed]

Costs:

[to be completed]

Financial Metrics:

[to be completed]

5.3 Capital Investments

[to be completed]

6. DISTRIBUTIONS TO THE SHAREHOLDER

In accordance with the RLC's long term planning assumptions InfraCore's social enterprise intent, InfraCore is not forecasting to generate any dividend for its shareholder over the next three years.

Should a situation arise where distributions to the shareholder could be considered, the Board will take into account the following elements in any distribution it may consider:

- The Company's working capital requirements
- Maintenance of the desired ratio of equity to total assets
- The retention of an appropriate level of earnings for reinvestment in the business and capital needs



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7. PERFORMANCE TARGETS

7.1 Key performance measures

The performance measures outlined in Table 4 reflect the key metrics the company has set to track its success in pursuing its objectives as outlined in this Sol.

The performance measures have been grouped into four categories

- Financial focused measures
- Customer focused measures
- Internal process focused measures
- Organisational capability focused measures

Table 4 – Performance Targets

	Performance measure	Target for FY22	Target for FY23	Target for FY24
1	To achieve financial budget	To achieve financial budget allowing any future surpluses to be used to enhance business capability and invest in further plant and equipment and/or capability.	To achieve financial budget allowing any future surpluses to be used to enhance business capability and invest in further plant and equipment and/or capability.	To achieve financial budget allowing any future surpluses to be used to enhance business capability and invest in further plant and equipment and/or capability.
2	To secure additional revenue within this financial year that upon completion has a positive contribution to margin.	To secure additional revenue streams within the financial year that increases EBITDA compared to budget. This will be measured upon project completion, and monitored on a monthly basis.	To secure additional revenue streams within the financial year that increases EBITDA compared to budget. This will be measured upon project completion, and monitored on a monthly basis.	To secure additional revenue streams within the financial year that increases EBITDA compared to budget. This will be measured upon project completion, and monitored on a monthly basis.
3	Consolidated KPI scoring Parks and Open Spaces	80%	80%	80%
4	Consolidated KPI Utilities	80%	80%	80%
5	Targeting full employee engagement with Health and Safety	85%	85%	85%
6	Individual performance plan in place per employee	90%	90%	90%
7	Develop and document social enterprise project of work	3	3	3



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	Performance measure	Target for FY22	Target for FY23	Target for FY24
8	Social outcomes measure currently under discussion – will be presented in the final document.			

8. RELATIONSHIP WITH THE SHAREHOLDER

8.1 No Surprises

The company will operate on a 'no surprises' basis in respect of significant Shareholder-related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

Any sensitive issues that could result in media attention or issues will be communicated to the Shareholder as soon as possible.

8.2 Reporting Requirements

Quarterly reporting will be presented to the Rotorua Lakes Council and the O&M Board accordingly. Monthly reporting will be presented to the InfraCore Board of Directors.

8.2.1 Statement of Intent

The statement of Intent will be presented to the Shareholder annually, as required by the Local Government Act 2002. The Directors will include any other information they consider appropriate. Where appropriate, revised forecasts will be submitted to the Shareholder when required.

8.2.2 Annual Report

An Annual Report will be submitted to the Shareholder within three months of the end of the financial year. The report will include the information required to be included by:

- (a) Sections 68 and 69 of the Local Government Act;
- (b) the Statement of Intent; and
- (c) the Companies Act.

This will include audited financial statements and such other information as necessary to permit an informed assessment of the company's performance and financial position during the reporting period.

8.2.3 Half yearly reporting

Half yearly reports will be provided to the Shareholder. These reports will include financial results for the year to date, performance compared to SoI and an operational overview. It will also report on health and safety practices and performance within the company.

8.3 Commercial Relationship with the Rotorua Lakes Council (RLC) Group

InfraCore acknowledges that there may be commercial opportunities within, or in partnership with, other group companies that can be developed to benefit InfraCore, RLC and the Rotorua region. InfraCore will work actively with other RLC group companies to explore any opportunities that could be mutually beneficial.



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InfraCore as a purchaser of materials and equipment, actively participates in the “All of Government” procurement initiative to maximise the value from this spend.

9. ACQUISITION / DIVESTMENT PROCEDURES

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long-term commercial objectives of InfraCore.

When the subscription, acquisition or divestment is considered by Directors to be significant to the company’s business operations, it will be subject to consultation with the Shareholder. Major transactions as defined by the Companies Act 1993, Section 129(2), will be subject to the Shareholder’s approval by special resolution.

Where the company decides to incorporate or subscribe for shares in subsidiaries to undertake its commercial activities, the company will ensure effective management. Board control of any subsidiary is exercised by InfraCore’s Directors and staff.

10. SPECIAL SHAREHOLDER REQUESTS

At the request of the Shareholder, the company may undertake activities that are not consistent with normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of providing such activities. Currently, no such activities are undertaken or contemplated.

11. ACCOUNTING POLICIES

The financial statements for the company are prepared in accordance with New Zealand Generally Accepted Account Practice (NZ GAAP) and in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE-RDR). The financial statements also comply with the Companies Act 1993, the Local Government Act 2002 and the Financial Reporting Act 1993. A full set of accounting policies are available on request and will be detailed in each annual report the company produces.

12. COMPENSATION

Contracts for services as required will be entered into between the Company and its clients.

The Company may, at its discretion, seek reimbursement for any redundancies and loss of overhead recovery resulting from a loss of work streams removed from the current service offering.

Other than the above the Company will not be seeking any other compensation.

13. ESTIMATE OF COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT

[to be completed]

Attachment 2: Draft Statement of Intent for Rotorua Regional Airport Limited

SOI – FY22-24

Rotorua Regional Airport Ltd

Statement of Intent

For the period 1 July 2021 to 30 June 2024

SOI – FY22-24

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SOI – FY22-24

1. INTRODUCTION

1.1 Statement of Intent

This Statement of Intent (SOI) is presented by Rotorua Regional Airport Ltd (RRAL) in accordance with the requirements of Section 64(1) of the Local Government Act 2002. It represents the objectives, nature and scope of activities to be undertaken and performance targets by which RRAL will be measured. It covers the three (3) years of operations from 1 July 2021 to 30 June 2024 and supersedes the previous SOI. This SOI will also have primacy over any conflicts between RRAL's constitution and the SOI unless a clause of the SOI breaches the Companies Act.

Analysis of the community benefits of the Airport support Rotorua Lakes Council (RLC) contributing to the Airport operations due to its importance in supporting economic development, the tourism sector and Rotorua air travellers. A separate Service Funding Agreement has been established to assist with the ongoing Airport capital development, infrastructure maintenance and operations. This was agreed as part of the Council's 2015 Long Term Plan process and sits alongside and in support of this SOI.

1.2 COVID-19 Impacts

The potential impact of Coronavirus (Covid-19) on aircraft movements, passenger movements, car parking and lease concession revenues continues to significantly impact RRAL's revenues. Whilst RRAL benefits from both domestic and international tourist movements supplementing domestic business travel, the recovery of these markets is forecast to take in excess of thirty (30) months, subject to the reopening of New Zealand's international borders. RRAL's key SOI assumptions have been reforecast to address any direct and indirect impacts of this event over this period. Should the extent of COVID to impact on passenger flows throughout the period of the SOI creating softening in passenger movements, further updates of RRAL's cashflows will be required.

The threatened withdrawal of Air Traffic Control (ATC) services from Rotorua could significantly impact RRAL's forecast revenues and costs. RRAL has now completed an Aeronautical Study and this will be presented to the Civil Aviation Authority in early March 2021. The study emphatically concludes that ATC provides a superior traffic management service which ensures that collision risks are minimised so far as is reasonably practicable in accordance with RRRA's health and safety duties, which no other management service or flight procedure can comparably achieve. On this basis the service should be retained.

2. ROTORUA REGIONAL AIRPORT LTD

2.1 The Organisation

RRAL is 100% owned by RLC and operates as a Council Controlled Organisation (CCO). RRAL has an independent skills-based Board of four Directors and a Chairperson, as well as an Independent Board Advisor, and employs its own Chief Executive and staff.

RRAL operates under an SOI agreed to by its Directors and RLC. A Service Funding Agreement is also in place between RRAL and RLC with the funding agreement being part of the Councils annual planning process.

RRAL's prime purpose is to maintain a safe and efficient Airport operation whilst optimising the use of its assets to facilitate, and grow tourism and trade, other commercial activity, and Airport profitability. RRAL is responsible for the ongoing capital development and maintenance of the Airport assets and ownership of the core infrastructure.

SOI – FY22-24

The Airport is viewed as an essential infrastructure asset for Rotorua and has a key role to play in the economic performance, growth and development of the region. This includes being an enabler to help RLC deliver on its 2030 goals.

2.2 The Directors

The RRAL directors are:

Mr Peter Stubbs (Chairman)
Ms Danielle Auld (Director)
Mr John Fenwick (Director)
Mrs Mere George (Director)
Mr Tony Marks (Director)

3. KEY PRIORITIES AND OBJECTIVES

RRAL's vision is **"to be a uniquely Rotorua hub our community can be proud of"** and the board and management have identified five key priorities for the airport:

- Be a safe airport
- Help Council achieve its growth aspirations
- Manage & maintain assets to a high standard
- Be financially sustainable
- Be environmentally conscious

The delivery of these priorities will be supported by the following key objectives over the following three (3) year period:

- Manage health and safety risks and provide a safe environment for everyone affected by the activities of the Airport including employees, customers, tenants, contractors and visitors
- Develop a commercial network that best meets the needs of the residents and businesses in the Region
- Continue the terminal development, taking the opportunity to showcase the best of what Rotorua has to offer
- Engage the community and staff by being welcoming and ensuring the Airport is an asset they can be proud of
- Manage and maintain business-critical infrastructure, services and facilities for all users of the Airport
- Support the wider plan change for the area surrounding the Rotorua Regional Airport, which is intended to support the new 'liveable communities' priority, alongside other key stakeholders

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- Support Rotorua Lakes Council's partnership with Te Arawa by working with the broader Te Arawa stakeholders, especially mana whenua from within the Rotorua Regional Airport area. The redevelopment of the terminal has been a key opportunity to include bilingual signage and to represent Te Arawa stories and values.
- Develop a funding model to facilitate building non-aviation revenue and optimise existing assets
- Develop the airport precincts in line with the agreed master plan to further unlock the unused airport land
- Be advocates for achieving wider wellbeing outcomes (Social, Cultural, Economic) through planned economic investment, and incorporate into procurement practices, (aligned with any changes in Councils procurement policy when completed).

Additional priorities

Through Council's recent work to support economic recovery and accelerate long term economic development in our regions, additional funding was identified (by way of authorisation for additional borrowing) to support a number of key strategic initiatives from the airport master plan if finalised businesses cases are signed off by the Board. These were:

- Hangar & Facility Development for flight school and general aviation services (Precinct B)
- Ground / Aviation Services training facility
- Private Jet Fixed Base Operations (FBO) facilities
- Heliport and Rotary Aircraft Maintenance facilities
- Enhanced Terminal Services offering (retail + activation space)

RRAL will progress the above initiatives over the course of FY22-23.

4. GOVERNANCE

The Board has adopted the following governance objectives:

- Approve corporate strategy and direction, laying down solid foundations for management and oversight
- Employ a Chief Executive who monitors the organisations performance against pre-established Board criteria and has overall responsibility for implementing the company's strategic direction
- Ensure the organisation complies with all internal and externally imposed compliance requirements and policies
- Identify and monitor the management of organisation and operational risks
- Utilise the expertise of Directors to add value and regularly review the Director's skill base to ensure it can support RRAL's strategy
- Promote ethical and responsible decision-making

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- Safeguard the integrity of its financial reporting and make timely and balanced disclosure
- Respect the rights, and recognise the legitimate interests of its Shareholder and stakeholders and ensure that RRAL and RLC work together on a 'no surprise' basis
- Actively engage with other key stakeholders in the region, in particular, Rotorua Economic Development and the Bay of Plenty Regional Council

4.1 Responsibilities of Directors

Meeting legal requirements

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

In particular Directors have the following obligations:

- To act in good faith in the interests of all stakeholders of RRAL
- To exercise their powers for a proper purpose
- To avoid actual or perceived conflicts of interest
- To act honestly
- To act with reasonable care and diligence
- To not make improper use of their position or of information gained while in that role
- To ensure that RRAL does not trade while insolvent

Board members, either individually or collectively, are potentially liable if they act illegally or negligently.

Governance philosophy and approach

The Board will govern RRAL with an emphasis on:

- A clear distinction between Board and Chief Executive roles
- Remaining up-to-date in terms of key stakeholders' concerns, needs and aspirations
- Developing a future focus rather than being preoccupied with the present or past (outward vision rather than inward concern)
- Providing leadership in the exploration of strategic issues rather than becoming distracted by administrative detail
- Behaving proactively rather than reacting to events and others' initiatives
- Bringing a diversity of opinions and views to bear on its decisions
- Developing and expressing collective responsibility for all aspects of the Board's performance
- Continuing improvement in Board and individual Board member effectiveness and the interest of RRAL as a whole

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The Board will:

- Cultivate a sense of group responsibility and achieve a high level of governance excellence
- Govern RRAL through careful design and review of written policies that reflect the Board's values
- Not allow any officer, individual or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.
- Establish an internal audit and risk committee to assist in the establishment of effective risk management and governance control processes.

Board Observers– providing governance experience to young business owners

The Board will continue an annual Board Observer programme for up to two (2) young business owners. The roles commence in January and conclude after the Annual General Meeting, held in November each year.

Direction of executive performance

The Board will:

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

Public statements

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

Other

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

4.2 Expectations of Board members

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

Fiduciary duty

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

Strategic orientation

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

Integrity and accountability

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

Informed and independent judgement

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

Financial literacy

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

Industry and sector knowledge

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

Participation

Each Director is expected to enhance the Board's deliberations by actively offering questions and comments that add value to the discussion. Each should participate in a constructive manner that acknowledges and respects the contribution of others at the table, including the executive team.

4.3 Governance process policies

- Policies are to be clear, unambiguous and provide continuity and a consistent point of accountability
- RRAL acknowledges Maori as tangata whenua, accepts Te Tiriti/The Treaty as a founding document of the nation and acknowledges its responsibility to ensure Maori needs are met in culturally appropriate ways

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

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

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

- The Board may establish standing committees and working parties to support it in its governance work, provided they do not conflict with the Chief Executive’s delegated responsibilities
- The majority of Board business will be conducted in Board meetings
- The Chairperson provides leadership to the Board consistent with its policies, and represents the Board and the organisation to outside parties. It is expected that the Chairperson will promote a culture of stewardship, collaboration and co-operation, modelling and promulgating behaviours that define sound Board membership
- The Board delegates to the Chief Executive responsibility for implementation of its strategic direction/strategic plan while complying with the Chief Executive delegation policies

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5. RESPONSIBILITY TO SHAREHOLDER

5.1 Statement of Intent

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

5.2 Information flows and reporting

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

- Quarterly reporting against SOI's performance measures and financial forecasts. Reporting to be provided within five weeks of the end of the quarter
- Delivery of a half year report (draft by mid-February) and an annual report (draft by mid-September) to the RLC's Chief Financial Officer
- RRAL Chief Executive and senior Council executives to meet on a regular basis
- RRAL Chair and Chief Executive to meet with the Mayor and Council Chief Executive a minimum of twice per year
- Other ad-hoc reports and occasional briefings

In addition, RRAL will proactively develop positive relationships with other local key stakeholders to ensure effective communication of the initiatives being pursued through the implementation of the respective strategic plans.

5.3 Acquisition and or Disposal of Shares or Other Investments.

RRAL is not in the business of purchasing or otherwise acquiring shares in another company or organisation.

Should RRAL proceed to acquire or dispose of shares such acquisition or disposal shall not proceed without an ordinary resolution first being confirmed by RLC.

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6. CAPITAL EXPENDITURE PROPOSALS

RLC transferred all of the Airport assets to RRAL in February 2016. A programme of capital improvements has been established and recently seen the re-development of the original terminal and fire station.

The capital improvements programme is updated on an annual basis. This reflects the nature of RRAL's business as an owner of significant infrastructural assets that must be maintained to meet its obligations under for example the Airport Authorities Act 1996, the Civil Aviation Act 1990, and the Civil Defence and Emergency Act 2002.

In this three (3) year SOI period, RRAL will complete the following major capital works;

- Continue with the planned cyclical runway and airside pavements maintenance programme
- Continue to replace operational equipment to ensure it meets requisite Civil Aviation operating standards, including airside maintenance vehicles and mowers
- Following Board approval undertake an upgrade of the airport's IT / IS framework.
- Progress business case approvals and deliver the Strategic Project portfolio of opportunities.

A total CAPEX budget for the three (3) year period of **\$4,262,500** has been allowed in financial forecasts.

- FY22 \$3,912,500 (Incl Strategic Projects, infrastructure renewals and operational asset replacements)
- FY23 \$ 250,000 (Incl Strategic Projects, infrastructure renewals and operational asset replacements)
- FY24 \$ 100,000 (Incl infrastructure renewals and operational asset replacements)

In accordance with RLC's requirement under the FY21 Letter of Expectation that RRAL "**Develop the airport precincts in line with the agreed master plan to further unlock the unused airport land**" RRAL has allowed funding for the Strategic Projects, the substantive drawdown being in FY22 with retentions paid in 2023.

7. PERFORMANCE MEASURES

The following table outlines RRAL's anticipated 'business as usual' financial performance for the three (3) year period ending 30 June 2024, and the performance measures it will be assessed against. These measures and forecasted performance are based on the following key assumptions:

- Current and known future commercial network changes based on discussions with Air New Zealand
- No further material external or internal economic shocks impacting business and aviation resulting from COVID-19 or any other un-forecast significant event.
- New Zealand GDP tracks to the current consensus of economic forecasts
- The continuation of the RLC and BNZ Loan Facilities and provision of a new short term RLC facility to address liquidity issues resulting from COVID-19 on RRAL's operations (**Note 6**)
- No material movement in the fair value assessment of the airport land and buildings

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- The suspension of the Service Funding Agreement with RLC (SFA) and the adoption of funding assumptions made by RLC in its most recent Long Term Plan (**Note 1**)

	2022	2023	2024
a. Aircraft			
Aircraft movements	6,100	7,280	7,517
b. Passengers			
Domestic	160,000	180,000	230,000
c. Financial			
Total Revenue (note 5)	\$5,234,670	\$5,722,374	\$6,320,098
Total Expenses (excl Depreciation)	\$3,452,149	\$3,499,032	\$3,526,254
Net Surplus (before Depreciation)	\$1,782,521	\$2,223,342	\$2,793,844
Net Surplus / Loss (after Depreciation & before tax) (note 2 & note 5)	(\$695,263)	(\$316,642)	\$227,121
Capital expenditure (note 4)	\$3,912,500	\$250,000	\$100,000
Shareholders' funds to total assets (note 3)	67%	67%	69%
d. Customer			
Customer service and facility rating	8.0 out of 10	8.0 out of 10	8.0 out of 10
e. Operational			
Number of controllable safety incidents	0	0	0
f. Team			
Number of employee injuries (resulting in days off work)	0	0	0
g. Project Performance (note 4)			
Build non-aviation revenue and optimise existing assets, including unlocking the potential of the unused airport land	Deliver portfolio of strategic Projects	Identify and deliver Phase 2 Strategic projects	Identify and deliver Phase 2 Strategic projects

Note 1: Statement of Intent – FY22-24

A requirement of clause 3(b) of schedule 8 of the Local Government Act 2002 is that the board must deliver the completed statement of intent to the shareholder on or before 30 June each year. RRAL and RLC are presently engaged in a review of the existing Service Funding Agreement whereby the parties are endeavouring to agree on a revised funding model that may achieve a reduced net cost to the ratepayer in running the operations of the Airport. Accordingly, the parties have agreed to suspend the SFA pending the outcome of discussions for a new funding mechanism to replace the current SFA.

Note 2: Due to the availability of a group loss offset from RLC, the provision for taxation has been excluded in the financial forecast.

Note 3: Total assets represent the RRAL's total assets, both intangible and tangible. Shareholders' funds represent net equity of the shareholder. This includes issued share capital, capital reserves and retained earnings. There is currently no intention to distribute any of these funds to the shareholder.

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Note 4: Strategic Projects - It is intended that funding generated from these projects will provide coverage on debt costs and will be directed towards lowering the ratepayer Service Funding Payment to RRAL over time. Phase 1 projects comprise the five (5) identified initiatives. Phase 2 and 3 projects will be identified and confirmed in future RRAL Strategy Workshops (including future and additional CAPEX requirements for FY23 and FY24 not currently allowed for within RRAL's financial forecast).

Note 5: The potential impact of Coronavirus (Covid-19) on aircraft movements, passenger movements, car parking and lease concession revenues will continue to be material until such time as NZ's international borders fully reopen. RRAL's key SOI assumptions have been reforecast to reflect any direct and indirect impacts of this event. Materially though RRAL's revenues will be impacted. On this basis we have considered options in relation to the deferral of non-essential capital works and the removal or deferral of non-essential operating expenses.

With respect to operating legislation RRAL must observe and meet its obligations under the Airport Authorities Act which requires it to operate "commercially". From a Civil Aviation perspective this requirement ensures airports meet and maintain a profitable operating position to ensure they can fund necessary operating and safety costs associated with our Aerodrome Operators Certification (CAA Pt 139) and pending Safety Management System (SMS) Certification.

Note 6: As a result of the material impact of COVID-19 on RRAL's profitability RRAL will defer the RLC debt repayment programme to ensure required profitability (pre depreciation allowances) and operational compliance of the Airport is maintained. Additionally RLC will provide a further \$1M debt facility to maintain RRAL liquidity against opex and capex forecasts, if required.

The following forecast payments have been provisioned (pre any adjustment for the impacts of Covid-19) over the ensuing three (3) year period:

Current RLC Debt Balance 30.06.20 **\$14.4M**

- FY22 forecast payment - \$0
- FY23 forecast payment - \$0
- FY24 forecast payment - \$2M

Note 7: Given the dynamic nature of COVID-19 on Passenger and flight movements the forecasts for FY22-24 have been reforecast. These forecasts will be regularly updated on a rolling monthly basis.

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8. COMPANY VALUATION

8.1 Valuation

The book value of Shareholders' funds as at **30 June 2020** was:

Shares:

Rotorua District Council (100%)	28,645,000 shares
Total Book Value of Shares	\$28,645,000
Capital Reserve and Retained Earnings:	\$22,001,648
Ratio of Shareholders' Funds to Total Assets	72%

The value of the company's non-current assets at 30th of June 2020 was:

Asset Type	\$	Basis
Property, Plant & Equipment	\$70,164,117	
Intangible Assets	\$ 5,520	
TOTAL NON-CURRENT ASSETS	\$70,169,637	Book value

NOTE: The non-current assets carrying amount of **\$70,169,637** has been pledged as security for loans under a general security agreement with Rotorua Lakes Council

The Company is not intending to pay dividends for the next few years as any surplus funds will be used to repay debt and to fund capital projects.

Reporting against Financial Forecast set out in the SOI as at **30 June 2020** was:

	FY20 Actual	FY20 Budget
Revenue from airport operations	\$2,403,561	\$2,971,702
Service funding agreement	\$2,663,580	\$2,706,080
Total income	\$5,067,141	\$5,677,782
Direct expenses	\$1,125,283	\$1,211,317
Depreciation & debt interest	\$2,917,571	\$2,919,368
Other expenses	\$1,345,460	\$1,307,143
Total expenses	\$5,388,314	\$5,437,828
Surplus (deficit) after tax	(\$321,173)	\$239,954
Rotorua Lakes Council Debt	\$14,400,000	\$14,400,000
BNZ CARL (Cash Facility)	\$3,750,000	\$1,742,023

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8.2 Commercial Value of Shareholder’s Investment

The commercial value of the shareholder’s investment in the Company is considered by the Board of Directors to be not less than the Shareholder’s Equity as disclosed in the Statement of Financial Position published in the last Annual Report.

The Board estimates the commercial value of the shareholder’s investment in the Company as follows:

	2022	2023	2024
Commercial value of shareholder's investment	48,010,635	47,693,993	47,921,114

The commercial value is made up by way of subscribed share capital, retained earnings and asset revaluation reserve.

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9. COMPENSATION AND ACCOUNTING POLICIES

9.1 Compensation

In February 2016 RLC transferred the Airport's assets from RLC to RRAL for greater efficiency, certainty and transparency. RRAL is now responsible for the ongoing capital development and maintenance of the Airport assets and core infrastructure as well as airport operations. RLC still retains ownership of the Airport company and is the sole Shareholder.

In conjunction with the asset transfer a Service Funding Agreement was put in place which recognises the strategic importance of the Airport to the wider community.

Except for the Service Funding Agreement with RLC mentioned above, the Board is not proposing any activities for which it would seek compensation from any local authority in the current planning period.

9.2 Accounting policies

Accounting policies will be consistent with legal requirements in the Companies Act and generally accepted accounting standards as promulgated by the External Reporting Board and modified as necessary for the circumstances of the company.

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10. STATEMENT OF ACCOUNTING POLICIES

10.1 Reporting entity

Rotorua Regional Airport Limited ('the Company') is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company is fully owned by the Rotorua Lakes Council and is a Council Controlled Trading Organisation as defined under section 6 of the Local Government Act 2002. The Company has designated itself as a public benefit entity for financial reporting purposes.

10.2 Basis of preparation

The financial statements have been prepared on the going concern basis.

Statement of compliance

The Company is a reporting entity for the purposes of the Financial Reporting Act 1993. These financial statements comply with the Financial Reporting Act 1993, the Companies Act 1993, and Section 69 of the Local Government Act 2002.

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards.

The entity is eligible and has elected to report in accordance with Tier 2 PBE Standards RDR on the basis that the entity has no public accountability and has expenses >\$2m and revenue ≤ \$30m.

These financial statements comply with PBE standards.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, and infrastructure assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Company is New Zealand dollars.

Changes in accounting policies

There have been no changes in the Company's accounting policies since the date of the last audited financial statements.

10.3 Significant accounting policies

The following accounting policies which materially affect the measurement of financial results and financial position have been adopted in the preparation of the financial statements.

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from exchange transactions

Operating revenue recognised when earned

Lease income is recognised on an accrual basis with reference to the leases and rental agreements in force at balance date, with adjustment for rent paid in advance.

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Interest income is recognised using the effective interest method.

Revenue from non-exchange transactions

Service funding from Rotorua Lakes Council is recognised as revenue when it becomes receivable.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowings

Borrowings are initially recognised at their fair value, net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Trade debtors and other receivables

Trade debtors and other receivables are recognised at cost less provision for doubtful debts.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

Trade creditors and other payables

Trade creditors and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and call deposits. Bank overdrafts that are repayable on demand and form part of the Company's cash management are included for the purposes of the statement of cash flows.

Employee Entitlements

Liabilities for accumulating short-term entitlements are measured at nominal value based on unused entitlement accumulated at current rate of pay at balance date.

Goods & Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the Inland Revenue Department, including GST relating to the investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax expense includes current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to revenue tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the

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carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) enacted or substantially enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue or directly in equity.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, the sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at balance date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Property, Plant & Equipment

Property Plant and Equipment consists of:

Operational Assets

These assets include land, buildings & fit-out, furniture and office equipment, computer equipment, motor vehicles and various plant and equipment.

The Company owns a number of residential properties as a land bank to cover possible future expansion of the runway and safety areas. The receipt of market-based rental from these properties is incidental to this purpose. The properties are held for service delivery objectives as part of the Airport's overall operating strategy. The properties are therefore accounted for as property, plant, and equipment rather than investment property.

Infrastructure Assets

These assets include runways, aprons, taxiways, surround security fences, other paved areas (pavements, car parks & roads) and underground reticulated systems.

Measurement

Property plant and equipment are measured at cost less accumulated depreciation and impairment losses with the following exception:

- Land is measured at fair value
- Buildings and infrastructure assets are measured at fair value less accumulated depreciation and impairment losses.

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Revaluations

Land, buildings and infrastructure assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and are revalued at least every five years. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then the off-cycle asset classes are revalued.

Accounting for Revaluations

The Company accounts for revaluations on a class of assets basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposal

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the statement of comprehensive revenue and expense.

When revalued assets are sold, the amount included in revaluation reserve in respect to those assets is transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial recognition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Infrastructure assets

Runway, Taxiways, Aprons	10-80 years
Other Paved Areas	13 years
Surround Security Fences	10 years

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Operational assets

Buildings and Fit-out	10-80 years
Motor Vehicles	5-10 years
Furniture & Office Equipment	10 years
Computer Equipment	4 years
Plant & Equipment	4-10 years

Impairment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised in the statement of comprehensive income.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

The carrying amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer Software	4 years	25%SL
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Critical accounting estimates and assumptions

In preparing these financial statements the company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

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The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

At balance date, the Company reviews the useful life of its buildings and infrastructural assets. Assessing the appropriateness of useful life and residual value estimates requires the Company to consider a number of factors, such as the physical condition of the assets, expected period of use of the assets by the Company, and expected disposal proceeds from the future sale of the assets. An incorrect estimate of the useful life will impact on the depreciation expense recognised in the profit and loss, and the carrying amount of the assets in the statement of financial position. The Company will minimise the risk of this estimation uncertainty by physical inspections of assets, and asset replacement of programmes in line with useful life expectations.

Impairment of property, plant and equipment and intangible assets

The Company performs impairment testing with respect to its property, plant and equipment and intangible assets. In determining whether impairment exists, the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less cost of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation for cash generating assets is based on a discounted cash flow model.

The cash flows are derived from the forecasted cashflows. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model and well as the expected future cash inflows.

SOI – FY22-24

10.4 Auditors

Section 70 of the Local Government Act 2002 requires that Council Controlled Organisations be audited by the Auditor General.

10.5 Public notification

The Act requires that any completed Statement of Intent and each modification adopted must be made available to the public within one month after the date on which it is delivered to the Shareholder or adopted, as the case may be.

11. ADDITIONAL NOTES**11.1 Contingent liabilities**

There are no known contingent liabilities as at balance date (30 June 2020).

12. SIGNATORIES

Chair – Rotorua Regional Airport Ltd		Chief Executive – Rotorua Regional Airport Ltd	
Peter Stubbs	Mark Gibb
Date	Date

Attachment 3: Draft Statement of Intent for Rotorua Economic Development Limited

Rotorua Economic Development Statement of Intent 2021-2022

Mihi

He mānuka tū ki te ahi

[Note will be included in final presentation version]

Foreword

Rotorua has the opportunity now to reinforce and build upon its strong legacy of resilience through meaningful collaboration, innovation and expression of kaitiakitanga and manaakitanga.

Our city's history tells a unique story of indigenous entrepreneurship and tourism leadership that has evolved and perpetuated across generations. Over the past 30 years however, Rotorua has seen a significant increase in its population. Unmatched by available housing stock, a looming housing crisis has been accelerated by the COVID-19 pandemic. We know the economic ramifications of both the housing issues and the pandemic for Rotorua will be felt for some time and our business communities have told us we need to do more.

The purpose of RED is to unlock the potential of Rotorua in alignment with the Rotorua Lakes Council's key priorities underpinned by the Rotorua 2030 Vision and in line with the Draft Economic Development Strategy and developing Long Term Plan.

Telling our story in a way that improves the desirability of Rotorua as a place to live, study, work, invest, do business and visit is central to all that we do. Soon, we'll launch a new brand for Rotorua that tells our story and aims to capture the hearts and minds of all people from across the world, but more importantly our own communities. We are a people ambitious in the face of adversity, this is our unique story, and it is this way of thinking that defines who we are as Rotorua. We adapt, we overcome, and we thrive.

Over the past year our stakeholders and the wider community have shared with us their challenges and aspirations for a future in this post-COVID environment. Whilst 2020 began on a surge of consumer confidence with the Bay of Plenty recording the highest level of optimism of any New Zealand region, 2021 has started on a more somber note. The data tells us our situation is serious, and that a solution lies within an all-of-Rotorua approach working in partnership with iwi, and alongside local businesses and Central Government.

In December 2020 we began the journey to develop a Destination Management Plan for Rotorua in partnership with iwi and in collaboration with our community. This piece of work is a significant step forward as we navigate an uncertain time for our city. Tatau tatau, we together.

John McRae

Chair

Andrew Wilson

Interim Chief Executive

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1. Introduction

In accordance with Section 64(1) of the Local Government Act, this Statement of Intent (SOI) sets out the strategic framework, activities and performance measures for Rotorua Economic Development Limited (RED) for the next 12 months. It has been written in response to the priorities set by the Rotorua Lakes Council's (RLC's) January 2021 Letter of Expectation and in line with their focus on the delivery of key plans or actions as part of the Economic Development Strategy Framework and the developing Long Term Plan priorities for 2021 – 2031. There is also an additional priority for RED to support Rotorua Reorua (Bi-lingual Rotorua) alongside RLC's iwi partners - Te Tatau o Te Arawa.

2. About RED

RED is the Economic Development Agency (EDA) and Regional Tourism Organisation (RTO) for the Rotorua district. Our work supports the development of the Rotorua economy, unlocking opportunities for commercial investment and providing employment, wealth and wellbeing for all of our people.

RED's key trading activities and brands are Destination Rotorua, i-SITE and Rotoruanz.com. RED is committed to developing and promoting Rotorua as a destination of choice to work, study, visit, invest and live in.

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

RED is led by Interim Chief Executive Andrew Wilson and governed by an independent Board of Directors who are appointed by the shareholder (RLC).

Our Directors are:

John McRae (Chairman)

Mr Chris Auld (Director)

Mr Tim Cossar (Director)

Mr Mana Newton (Director)

Mr Aaron Donelley (Director)

3. Our purpose

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

This reflects RED’s primary role as the Regional Tourism Organisation (RTO) and Economic Development Agency (EDA). In alignment with RLC’s Rotorua Vision 2030, RED will continue to work as a key partner in the economic development components of the Vision to help bring about further change and progress. We’ll look to the Te Arawa 2050 Vision to understand and intertwine the moemoea and aspirations identified by Te Arawa whānui.

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

We’ll unlock the potential of Rotorua by:

- Lifting economic performance across the Rotorua district, with a particular focus on tourism, forestry and wood processing, natural hot springs and wellness, film/TV, alternative land use opportunities, and Te Arawa investments
- Working closely with Te Arawa whānui to support the growth of their economy in alignment with the values set out in the Te Arawa 2050 Vision.
- Ensuring the impact of change achieves a balance between social, environmental, economic and wellness benefits for the people of Rotorua
- Attracting, retaining and growing investment, talent and business across the district
- Inspiring visitors to come to the destination and create unforgettable memories
- Focusing on the projects and priorities established during the Whakahouhia te Whare Ohanga (Build Back Better Sector Groups) and Economic Recovery Taskforce, guided by the Economic Development Strategy Framework and developing Long Term plan.
- Strengthening our working relationship with the Chamber of Commerce to best support local businesses as they recover from the impact of COVID-19.
- Developing and telling our story in partnership with Te Arawa in a mana-enhancing way that reinforces the true spirit of our community
- Continuing to lead on commercial investment partnerships at the Lakefront and Whakarewarewa Forest
- Supporting RLC in the development of an inner city plan and transformational investment projects and the unlocking of residential, industrial and commercial land for development
- Leading the development of a Forestry Futures Action Plan that leverages our unique strengths in forestry, wood processing and bio-materials/technology and science in the timber sector.

4. Our strategic framework

RED's vision for Rotorua is a place for everyone offering diverse opportunities, a unique natural environment and a vibrant centre of Māori culture and expression.

Our strategic framework aligns with five of the key focus areas of Vision 2030 – The Rotorua Way:

- Business innovation and prosperity – Whakawhānake pākihi
- Employment choices – He huarahi hōu
- Outstanding places to play – Papa whakatipu
- Vibrant city heart – Waahi pūmanawa
- Homes that match needs – Kāinga noho, kāinga haumaruru

Vision 2030 - The Rotorua Way, seeks to establish a way forward for the Rotorua district and drive everything council does, working with the community to achieve a positive future. It focuses on what makes Rotorua special – the district's active environment, the strong Te Arawa culture and manaakitanga, the fantastic lifestyle and the diverse economic opportunities that exist here. Together, these make Rotorua a unique place in which to live, work, invest and to visit.

[Graphic to be included in the final presentation version]

5. Our work plan

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

Destination development and tourism transformation

We have embarked on a journey alongside our community to develop a Destination Management Plan for the Rotorua district. This project provides opportunity to strengthen our partnership with iwi and work collaboratively with stakeholders and community to understand their challenges and aspirations. Our emphasis will be on ensuring the people of Rotorua are engaged throughout the planning process, including the plan's implementation.

We will continue to focus on the development of a strong, cohesive Rotorua brand and destination story to communicate the reasons why people want to live, work, study, visit and invest here. We will focus on stories that reflect what makes Rotorua special: active geothermal environment, our vibrant and expressive Māori culture and the rich, invigorating experiences that are accessible to all.

The outcomes of our work in this area include:

- Identification of a unique place brand built around Te Ngako o te Kaupapa – a central pou that acts as a call to action and an invitation, which will sit at the heart of all our communications and activations
- The completion of a Destination Management Plan for the Rotorua region that brings together different stakeholders to achieve the common goal of developing a well-managed, sustainable visitor destination.
- Rotorua people are engaged with the development of the destination, recognising the benefits that new investment, economic development and a strong tourism sector offer
- The completion of an events strategy, in partnership with RLC, to support the place brand and destination management plan
- Improved digital delivery to support a more fit for purpose sales channel
- Improved insights delivery to support business and investor confidence and decision making
- Marketing campaigns that attract and grow the value of visitors to the city year-round
- Rotorua recognised as a leader in business events and conference delivery
- Elements of te reo Māori me ōna tikanga (the Māori language and its cultural practices) are incorporated in our work where relevant
- Industry capability building and product development in support of the destination management plan

Business development

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

We will strengthen our relationships with iwi and Māori lands trusts to support their economic development aspirations and support our local businesses to embrace our status as the first bilingual city of Aotearoa.

The outcomes of our work in this area include:

- Providing market insights that support quality decision-making, reduce risk, build resilience and improve productivity
- Working closely with partners to continue to grow the Te Arawa economy
- Leveraging existing local networks to foster connectivity, collaboration and consistent expression of the districts priorities and needs
- Providing support for current businesses in the attraction of investment, or removal of barriers for growth and retention

Attract Investment

We will continue to create collateral to attract investment by showing that Rotorua is a great community that offers a strong opportunity for investment and growth. We will also work with local partners, central government, local government and Te Arawa to build persuasive business relocation programs as required.

We will continue to support initiatives that build business capability through coaching, mentoring, connectivity and sharing of market intelligence and insights. This includes leveraging initiatives focused on business growth and innovation that address Rotorua business capacity and capability needs which accelerate growth and improve our local offering.

The outcomes of our work in this area include:

- Actively work with RLC to enable the delivery of partnership mechanisms for property development, including residential, industrial and commercial land development,
- Support investments led by Te Arawa that strengthen their asset base and future aspirations.
- Working collaboratively on key transformation initiatives that leverage funding and accelerates outcomes identified in the EDS framework. E.g. bio-pilot plant.
- Ensure Rotorua is recognized as an attractive and viable investment destination in areas of comparative advantage

including the tourism, forestry and wood processing, film, TV and creative as well as other emerging sectors,

- Support the development of a prioritization plan for the inner city which includes:
 - Inner city residential development,
 - Identification of opportunities and facilitation of partnerships to enable development,
 - Promote targeted interventions to encourage commercial development in the right areas.
- Support the investment and development of industrial commercial business parks to support business growth and expansion.
- Support the development of a Wood Action Plan that looks at opportunities to transform our forestry, timber processing and leverages our science capability.
- Support the business case for the construction of an engineered timber building that showcases Rotorua's Wood First Policy.
- Ensure there is a robust process in place to analyze potential growth opportunities, and where appropriate develop the investment case and promotion process to support commercial investment realization and decision-making.

6. RED Operating Principles

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

- o Partnering with public and private sector organisations to create a platform for private sector investment
- o Identifying and validating potential areas of focus that will support private sector investment, ensuring that robust information is provided to assist decision-making
- o Assisting with the reduction of regulatory barriers
- o Leading with business insights and intelligence
- o Delivering value for money
- o Applying commercial disciplines
- o Not duplicating or competing with the activities of the private sector
- o Ensuring a disciplined approach to the delivery of services
- o Driving a customer-centric approach to seamless service delivery
- o Contributing to the goals and objectives of the Te Arawa Partnership Agreement
- o Destination Development is part of our DNA to deliver value to the Rotorua economy
- o Create a High Performance Culture within RED so strong that it fosters and attracts top talent

7. Performance Update

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

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

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

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

7.1 Key Performance Measures

	Measure	2018/19 Target	2019/20 Target	2020/21 Target	2021/22 Target	2022/23
Business development	The number of Te Arawa economic development projects directly supported by Rotorua Economic Development Ltd.	Not available	Not available	New measure	At least 3 Te Arawa economic development projects are directly supported by RED	At least 3 Te Arawa economic development projects are directly supported by RED
	Level of satisfaction of businesses going through the ACCELERATE programme	Achieved 90% satisfaction rate for ACCELERATE Programme (May 19)	New measure	At least 80% satisfaction	At least 80% satisfaction	At least 80% satisfaction
Attract investment	Relevant destination data and insights developed to support investment decision making by businesses in target sectors. Subject matter will be delivered during the year based on relevance and need.	Not available	Not available	New measure	Data and insights for at least 6 target sectors developed and shared	Data and insights for at least 6 target sectors developed and shared
	The number of new developments (residential, industrial and commercial) supported or led by Rotorua Economic Development that are initiated	Not available	Not available	New measure	At least 3 new developments (residential, industrial and commercial) supported or led by RED are initiated	At least 3 new developments (residential, industrial and commercial) supported or led by RED are initiated

Develop & promote the destination	i-SITE to be financially self-sufficient	Not available	Cost neutral	Revenue at least 50% pre-COVID levels ++	Cost neutral	Cost neutral
	Business events – value of bid won in financial year based on MBIE data and DR lead sheet confirmed conferences	\$8.8m	At least \$5.3m	At least \$3m ++	At least \$6.1m	At least \$7m
	Total international expenditure data for Rotorua (based on MBIE statistics)	\$356m*	At least \$361m	At last \$35m ++	MBIE has paused collection of data	MBIE has paused collection of data
	Total domestic expenditure data for Rotorua (based on MBIE statistics)	\$485m*	At least \$482m	At least +2%	MBIE has paused collection of data	MBIE has paused collection of data
	Domestic visitor card expenditure for Rotorua (based on MBIE TECT data set)	Not available	Not available	New measure	Target to be confirmed by 30 June 2021	Target to be confirmed by 30 June 2021
	Rotorua Tourism Sentiment score (based on Destination Think) is at least approximately the same or better than the December 2017 base year (=54). Tourism Sentiment Score (ranging from -100 to 100) is a measure of the destination's performance in driving online word of mouth and the perception of Rotorua's tourism offering internationally	59 points (year ending December 2018)	New measure	At least 52 points	Target to be confirmed by 30 June 2021	Target to be confirmed by 30 June 2021
	Domestic consumer perception - % intend to visit (Delve loyalists + considerers) Rotorua from Auckland AND one target market is at least approximately the same or better than the June 2017/18 year	Auckland 52% Christchurch 25% Wellington 43%	New measure	Auckland At least 50% +/-MOE Christchurch At least 20% +/-MOE Wellington At least 40% +/-MOE	Auckland At least 50% +/-MOE Christchurch At least 20% +/-MOE Wellington At least 40% +/-MOE	Auckland At least 50% +/-MOE Christchurch At least 20% +/-MOE Wellington At least 40% +/-MOE

* MBIE estimates are subject to revision and therefore the value as at publication of this document will not reconcile with the latest MBIE release for the stated period

++ These targets have been adjusted to reflect the impact of the COVID-19 pandemic.

7.2 Monitoring Indicators

In addition to our performance measures, RED has identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our direct control (e.g. exchange rates, natural disasters, government policy) but which we aim to influence through our activity. As the city's economic growth agency, we take a leadership role in monitoring, reporting and influencing these indicators as we can, however we do not measure the performance of our organisation against them.

These indicators reflect outcomes at the regional level. As the district's economic growth agency, Destination Rotorua will monitor report and where possible influence these indicators at a local level, however they are not the measure of the organisation's performance.

[Following table to be updated in final presentation version]

Monitoring Indicators	Year Ending							2018-19 change	
	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Rotorua	NZL
Real GDP	\$3.084b	\$3.126b	\$3.160b	\$3.234b	\$3.321b	\$3.423b	\$3.496b	2.1%	2.7%
Business Confidence Overall (-100 to +100)*	+13.0	+26.0	+26.0	+40.0	+50.0	+21.0	+1.0	-20.0pts	-27.0pts
Finding Skilled Labour*	#N/A	-35.2	-24.7	-32.6	-30.8	-48.8	-35.5	-13.3pts	
Finding Unskilled Labour*	#N/A	+30.5	+25.3	+26.4	+7.8	+2.7	+8.3	5.6pts	
Building Consents									
Residential Consents (Volume)	98	64	75	118	117	160	176	10.0%	5.9%
Non-Residential Consents (Value)	\$49m	\$37m	\$42m	\$53m	\$58m	\$46m	\$64m	39.1%	7.9%
Health Enrolments*	70,110	67,860	66,503	67,039	68,202	69,145	68,236	-1.3%	2.2%
Workforce									
Unemployment Rate*	6.7%	6.5%	7.7%	6.3%	7.8%	6.4%	4.6%	-1.8pts	-0.5pts
Job Support Recipients*	3,154	3,215	3,200	3,046	3,205	3,291	3,682	11.9%	11.2%
Visitor Expenditure	\$534m	\$574m	\$676m	\$736m	\$774m	\$814m	\$841m	3.4%	3.6%
Friends & Family Guest Nights	1.327m	1.320m	1.384m	1.501m	1.566m	1.611m	1.640m	1.8%	
Attractions & Activities Visits	2.315m	2.300m	2.545m	3.028m	3.271m	3.302m	3.420m	3.6%	

* As at the indicated date (ie. versus the YE period)

8. Summary of Financials

Council Funding CCO Budget YE June 30 2022

The total level of Council funding provided for the CCO in financial year 2021-22 to deliver on the expected outcomes contained within this SOI is \$4,220,000 million. For clarity this investment is exclusive of any externally generated revenue by the CCO including the i-SITE, partner programmes, and private sector joint ventures and/or agreements.

Ratio of Shareholders Funds to Total Assets

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

Accounting Policies

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

Dividend Policy

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

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

Acquisition and Divestment Policy

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

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

Operating Budgets	Annual Plan	LTP 2021-2031 Forecast		
	2020/2021	2021/22	2022/23	2023/24
Revenue	\$	\$	\$	\$
Funding from Rotorua Lakes Council	4,220,004	4,220,004	4,220,004	4,220,004
iSITE commission received	420,004	500,000	600,000	700,000

Trading revenue	440,004	331,000	400,000	500,000
Other revenue – Wage Subsidy	126,533			
Other revenue – MBIE STAP Funding	1,000,000			
Total revenue	6,206,545	5,051,004	5,220,004	5,420,004
Expenditure				
Employee	2,697,562	2,360,992	2,479,042	2,602,994
Administration & office	96,488	73,996	77,696	81,581
Finance costs and charges	61,096	26,096	31,315	37,578
Repairs & maintenance	94,184	94,500	95,000	95,000
Operating expenses	3,177,732	2,435,420	2,474,951	2,538,851
Utilities	67,812	60,000	62,000	64,000
Total expenses	6,194,874	5,051,004	5,220,004	5,420,004
Net operating income	11,671	0	0	0

Other Financial Information

Current value of assets	The current value of RED Ltd's assets as 30 June 2020 was \$396,000 based on the net asset value of the RED Ltd to be confirmed by the disclosed in the audited financial statements.
Accounting Policies	RED accounting policies are consistent with those of the Rotorua Lakes Council policies.
Financial Reporting	RED financial reporting to Council will be in accordance with requirements of the CCO with requirements of a CCO under the LGNZ Act
Budget allocation from Rotorua Lakes Council	The funding allocation from Council is based on the Long Term Plan funding.

9. Governance

9.1 Responsibilities of Directors

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

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

Meeting legal requirements

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

In particular Directors have the following obligations:

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

Direction of executive performance

The Board will:

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

Public statements

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

Other

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

9.2 Expectations of Board members

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

Fiduciary duty

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

Strategic orientation

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

Integrity and accountability

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

Informed and independent judgement

Each Director must have the ability to provide wise, thoughtful counsel on a broad range of issues. He or she must have or develop a sufficient depth of knowledge about RED to understand and question the assumptions, underlying strategic and business plans and important proposals and be able to form an independent judgement on the probability that such plans can

be achieved or proposals successfully implemented. Each Director must be willing to risk rapport with fellow Directors in taking a reasoned, independent position.

Financial literacy

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

Industry and sector knowledge

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

Participation

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

9.3 Governance process policies

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

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

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

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

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

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

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

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

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

10. Responsibility to Shareholder

10.1 Statement of Intent

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

10.2 Information flows and reporting

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

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

11. Health and Safety

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

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

Attachment 4: 8th Schedule of LGA relevant to SOI setting**Schedule 8
Statements of intent for council-controlled organisations**

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Schedule 8: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).**Part 1
Adoption of statement of intent**Schedule 8 Part 1 heading: inserted, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).**1 Draft statement of intent**

- (1) The board of a council-controlled organisation must deliver a draft statement of intent—
 - (a) to its shareholders; and
 - (b) in the case of an organisation that is indirectly controlled by 1 or more local authorities (for example, a subsidiary of a holding company owned by a local authority), to each local authority that indirectly controls the organisation.
- (2) The draft statement of intent must be delivered on or before 1 March in the year preceding the financial year to which the draft statement of intent relates.

Schedule 8 clause 1: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).**2 Consideration of shareholder comments**

The board must consider any comments on the draft statement of intent that are made by the shareholders, and by local authorities with indirect control, or by any of them, on or before 1 May in the year preceding the year to which the draft statement relates.

Schedule 8 clause 2: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).**3 Final statement of intent**

The board must deliver the completed statement of intent to the shareholders before the commencement of the financial year to which it relates.

Schedule 8 clause 3: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).**4 Shareholding local authority may extend deadlines by up to 1 month**

The shareholders of a council-controlled organisation may, by written notice, extend a deadline specified in [clause 1\(2\), 2, or 3](#) for a period or periods not exceeding in total 1 calendar month.

Schedule 8 clause 4: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).**5 Modifications of statements of intent**

The board may, by written notice, modify a statement of intent at any time if the board has first—

- (a) given written notice to the shareholders of the proposed modification; and
- (b) considered any comments made on the proposed modification by the shareholders or by any of them within—
 - (i) 1 month after the date on which the notice under paragraph (a) was given; or
 - (ii) any shorter period that the shareholders may agree.

Schedule 8 clause 5: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).**6 Modifications of statements of intent by resolution of shareholders**

- (1) The shareholders of a council-controlled organisation may, by resolution, require the board to modify the statement of intent in the manner specified in the resolution.
- (2) Every modification that is required by a resolution under subclause (1) must be—
 - (a) consistent with the objectives of the constitution; and
 - (b) lawful.
- (3) Before making a resolution under subclause (1), the shareholders must consult the board as to the proposed content of the resolution.
- (4) As soon as practicable after receiving a resolution that complies with subclause (2), the board must—
 - (a) prepare and adopt a modified statement of intent that incorporates the modifications in the resolution; and
 - (b) deliver the modified statement of intent to each shareholder within 1 month of the date of its adoption; and
 - (c) make the modified statement of intent publicly available within 1 month of the date of its adoption.

- (5) Subclause (1) applies despite any other provision of this Act or of the constitution of the council-controlled organisation.

Schedule 8 clause 6: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

Part 2

Content of statements of intent: all council-controlled organisations

Schedule 8 Part 2 heading: inserted, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

7 Content of statement of intent

- (1) The statement of intent for a council-controlled organisation must include the information described in subclause (2)—
- for the group comprising the council-controlled organisation and its subsidiaries (if any); and
 - in respect of the financial year to which it relates and each of the immediately following 2 financial years.
- (2) The information required by subclause (1) is—
- the objectives of the group; and
 - a statement of the board's approach to the governance of the group; and
 - the nature and scope of the activities to be undertaken by the group; and
 - the non-financial performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
 - any additional information that is required to be included in the statement of intent.

Schedule 8 clause 7: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

8 Additional content of statement of intent

- (1) This clause applies to a council-controlled organisation that provides services, other than under a contract or similar arrangement, in relation to the following groups of activities:
- water supply;
 - sewerage and the treatment and disposal of sewage;
 - stormwater drainage;
 - flood protection and control works;
 - the provision of roads and footpaths.
- (2) The council-controlled organisation's statement of intent must state the matters in subclause (3) in relation to each group of activities described in subclause (1).
- (3) The matters required by subclause (2) are—
- any performance measures specified in a rule made under [section 261B](#) in relation to a group of activities described in subclause (1); and
 - the performance target or targets of the council-controlled organisation for each performance measure.

Schedule 8 clause 8: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

Part 3

Additional content of statements of intent of council-controlled trading organisations

Schedule 8 Part 3 heading: inserted, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

9 Additional content of statement of intent of council-controlled trading organisations

The statement of intent for a council-controlled trading organisation must include, as well as the information required by [Part 2](#) of this schedule, the following information:

- the major accounting policies of the organisation or group; and
- the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
- an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
- the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed.

Schedule 8 clause 9: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

Part 4

Additional content of statements of intent of council-controlled organisations that are not trading organisations

Schedule 8 Part 4 heading: inserted, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

10 Additional content of statement of intent of council-controlled organisations that are not trading organisations

The statement of intent for a council-controlled organisation that is not a council-controlled trading organisation must include, as well as the information required by [Part 2](#) of this schedule, the following information:

- (a) the major accounting policies of the organisation or group; and
- (b) forecast financial statements of the organisation for the financial year to which the statement of intent relates, and each of the 2 following financial years.

Schedule 8 clause 10: replaced, on 22 October 2019, by [section 35](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

8 Resolution To Go Into Public Excluded - Ka Matatapu Te Whakataunga I Te Tūmatanga

(to consider and adopt confidential items)

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing of this resolution
Confidential Minutes of Previous Meeting Held on 11 march 2021	Please refer to the relevant clause/s in the open meeting minutes.	Good reason for withholding exists under Section 48(1)(a).
Appointment of Board Members for Council Controlled Organisations	Protect the privacy of natural persons, including that of deceased natural persons. Maintain effective conduct of public affairs through free and frank expression of opinions by or between or to members or officers or employees of any local authority in the course of their duty.	Section 48(1)(a) Section 7(2)(a) Section 48(1)(a) Section 7(2)(f)(i)
Procurement Strategy	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 48(1)(a) Section 7(2)(b)(ii)
	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) Section 7(2)(i)

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing of this resolution
All of Government Work Update	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) Section 7(2)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6 or 7 of the Act or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item.