

ANNUAL REPORT

2024



ROTORUA
LAKES COUNCIL

PROGRESS AND HIGHLIGHTS 2023/24

WELCOMED OUR NEW CHIEF EXECUTIVE, ANDREW MORAES

OPENED THE INNER CITY COMMUNITY SAFETY HUB . THIS PROVIDES A SPACE FOR OUR SAFE CITY GUARDIANS, POLICE, MĀORI WARDENS, AND OTHER SECURITY STAFF TO WORK TOGETHER TO PROVIDE A BETTER, MORE VISIBLE, SAFETY SERVICE IN OUR CBD AND RESPOND MUCH FASTER WHEN ISSUES DO OCCUR.

ADOPTED THE ROTORUA FUTURE DEVELOPMENT STRATEGY WHICH WILL GUIDE WHERE ROTORUA WILL GROW AND DEVELOP OVER THE NEXT 30 YEARS.

DEVELOPED AND ADOPTED COUNCIL'S 2024-2034 LONG-TERM PLAN WHICH SETS A NEW DIRECTION AND PRIORITIES FOR COUNCIL AND THE DISTRICT.

OFFICIAL OPENING OF THE TE ARAWA WHARE WAKA MARKED THE COMPLETION OF THE LAKEFRONT REDEVELOPMENT PROJECT.

STAGE TWO OF THE ROTORUA AQUATIC CENTRE REVITALISATION PROJECT WAS COMPLETED WITH THE REOPENING OF THE REFURBISHED INDOOR FACILITIES.

100% OF ROTOMĀ AND MORE THAN 80% OF EAST ROTOITI PROPERTIES NOW CONNECTED TO WASTEWATER RETICULATION.

STARTED THE DEVELOPMENT OF THE STORMWATER MASTERPLAN THAT WILL PROVIDE FOR ENABLING INFRASTRUCTURE FOR 3,000 ADDITIONAL HOMES.

APPROXIMATELY 21,000 TONNES OF RESIDUAL WASTE AND RECYCLING COLLECTED FROM MORE THAN 28,000 PROPERTIES.

REDUCED EMERGENCY HOUSING MOTELS BY ALMOST 70% AND REDUCED HOUSEHOLDS IN EMERGENCY HOUSING MOTELS BY AROUND 50% BETWEEN OCTOBER 2022 TO JULY 2024.

REINSTATED THE YOUTH COUNCIL. THIS CREATES AN IMPORTANT OPPORTUNITY FOR OUR YOUNG PEOPLE, AND ALSO AN IMPORTANT CHANNEL FOR OUR COUNCIL TO HEAR FROM YOUTH.

COMMENCED THE EARTHQUAKE STRENGTHENING OF THE ROTORUA MUSEUM
TE WHARE TAONGA O TE ARAWA

THE FOLLOWING AWARDS WERE RECEIVED FOR THE LAKEFRONT REDEVELOPMENT:

PROPERTY COUNCIL NEW ZEALAND CENTRAL PROPERTY PEOPLE AWARDS – OCTOBER 2023

- COLLIERS PROJECT LEADERS SUPREME EXCELLENCE AWARD
 - CHOW: HILL ARCHITECTS URBAN DESIGN AWARD
-

NEW ZEALAND INSTITUTE OF LANDSCAPE ARCHITECTURE AWARDS - MAY 2024

- PARKS, RECREATION AND OPEN SPACES AWARD
 - GEORGE MALCOLM SUPREME AWARD - PUBLIC PARKS OR GARDENS, OPEN SPACE, RECREATION AND SPORT FACILITIES/SPACES
-

2024 LGFA TAITUARĀ LOCAL GOVERNMENT EXCELLENCE AWARDS - THE BECA AWARD FOR EXCELLENCE IN PLACEMAKING – JUNE 2024

PROPERTY COUNCIL NEW ZEALAND RIDER LEVETT BUCKNALL PROPERTY INDUSTRY AWARDS

- WARREN AND MAHONEY CIVIC, HEALTH & ARTS PROPERTY EXCELLENCE AWARD – JUNE 2024
-



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HE MIHI WELCOME

Ka pō, ka pō, ka ao, ka ao
Tākiri mai te ata
Kōrihi ngā manu
Ka āo, ka āo, ka awatea.
'Tis dark, 'tis dark, 'tis light, 'tis light
The morning breaks
The birds are singing
'Tis light, 'tis light, daylight has arrived.
E ngā reo, e ngā, mana, e ngā iwi
Koiane te hau o mihi e rere kau ana ki a koutou.
Tangihia wō tātau aituā, kia tau ai te āhuateanga ki a rātau.
Tātau e ora nei, e whiri nei i ngā whakaaro ki ngā tau e tū mai nei,
Tēnā koutou katoa.
To the many voices, authorities, and people
We extend our greetings to you all.
Let us farewell those who have passed, may they find everlasting peace.
We, of this mortal coil, who can now weave our thoughts for a
powerful tomorrow,
We greet you.



TE NGAKO O TĒNEI PŪRONGO

ABOUT THIS REPORT

This annual report covers the performance of Rotorua Lakes Council Group for the period 1 July 2023 to 30 June 2024.

Rotorua Lakes Council Group includes the council organisation and council-controlled organisations (CCOs).

The report reflects success and the challenges that Council has faced in delivering against the third year of the Long-term Plan 2021-31. It also includes a snapshot of our performance (both highlights and challenges), our progress and expenditure.

The group is required by legislation to produce both a summary annual report and a full annual report.

AUDIENCE FOR THIS REPORT

This report is intended to provide important information to a broad range of stakeholders including the Rotorua community, local businesses, non-government organisations, Council partners and other government departments and agencies. It also provides the staff of the Rotorua Lakes Council with information on how well we have performed over the year and how their efforts have contributed towards Council's priority work areas.



HE KUPU NĀ TE MANUKURA MAYOR'S MESSAGE

Tēnā koutou,

As promised, our Council has continued building momentum and working hard to ensure Rotorua is a better place for all.

Throughout the 2023/2024 year we've been focused on delivering in a couple of key areas. Rebuilding our reputation has been critical for our local businesses, residents, and for our identity as a top tourism destination.

Community safety and emergency housing issues were really impacting this. We've focused on delivering local solutions here and have seen great improvements as a result.

To improve safety in our CBD we actioned our joint community safety plan with Police and opened our Inner City Community Safety Hub.


The Hub ensures we're providing a more responsive and visible safety service in our CBD in collaboration alongside Police, Māori Wardens, and other security staff.

Since we actioned our community safety plan and opened the Hub we've seen a rapid reduction in CBD crime.

There's also been a big improvement in emergency housing with close to a 70% reduction in emergency housing motels and around a 50% reduction in households in emergency housing motels from October 2022 to July 2024.

This is great progress and further supported by this new Government committing to stop the use of contracted emergency housing motels by the end of 2025.

We've also seen a significant amount of new housing being built in Rotorua over the past year and our Council continues to support development of housing options that suit a variety of lifestyles and budgets.



While we've been tackling some pretty tough issues, we've also been making sure we invest in things that are important to our community.

We said we'd get the Rotorua Museum Te Whare Taonga o Te Arawa project back on track and construction is now underway. We know our Museum means a lot to our community and we can't wait to reopen this building in 2027.

Work on the Aquatic Centre upgrades was also completed and we loved opening this facility back up to our community.

We celebrated the completion of the Rotorua Lakefront Redevelopment with the opening of the Whare Waka, which houses the Te Arawa waka. It's great to finally have a refreshed lakefront for visitors and locals to share and enjoy.

Internally at Council we've also been making changes to ensure we're providing our community with excellent services.

We welcomed our new Chief Executive Andrew Moraes in March. Andrew is working with staff and Councillors to help us deliver on our key focus areas and unlock opportunities for our people and our district.

Throughout the year we've also put a significant amount of time into carefully planning for the future, and in June we adopted our 2024 - 2034 Long-Term Plan.

We were grateful to have very high community engagement throughout consultation on this plan and having heard our community, we adjusted final decisions accordingly.

We heard community concerns about past direction and increasing costs. As a new Mayor and Council, equipped with a new and capable Chief Executive, we were determined to reset this perception and deliver better outcomes for our community.

Our plan focuses on smart investment in our future, like protecting our people and environment through reliable infrastructure, supporting our economy through inner city revitalisation, and completing significant community projects.

Recognising the unprecedented financially challenging times, and the cost of living crisis our community was facing, we paused, reduced, and stopped some spending to minimise rates as much as possible.

The plan is also supported by a financial strategy that has been independently audited and will ensure our Council is operating within its budgets.

I'm really proud of our community for overcoming challenging times together and we appreciate the support that's been shown to our Council.

As we embark on the year ahead, we look forward to working closely with our community to deliver even more positive progress for Rotorua.

Ngā mihi



TANIA TAPSELL
Mayor



MANU MĀTĀRAE ELECTED MEMBERS - OUR COUNCIL



 GENERAL WARD

 MĀORI WARD

 RURAL WARD



ROTORUA LAKES COUNCILLORS

From left to right: Tania Tapsell - Mayor of Rotorua, Deputy Mayor Sandra Kai Fong, Cr Gregg Brown Cr Robert Lee, Cr Conan O'Brien, Cr Don Paterson, Cr Fisher Wang, Cr Lani Kereopa, Cr Trevor Maxwell, Cr Rawiri Waru, Cr Karen Barker



ROTORUA LAKES COMMUNITY BOARD

From left to right: Phill Thomass (Chair), Nick Chater (Deputy Chair), Peter MacMillan, Jennifer Rothwell



ROTORUA RURAL COMMUNITY BOARD

From left to right: Colin Guyton, (Chair), Ben Hollier (Deputy Chair), John Atkinson, Rachel Clarke

**Te Tatau o Te Arawa
represents the collective
interests of Te Arawa with
Rotorua Lakes Council.**





TE TATAU O TE ARAWA TE ARAWA PARTNERSHIP BOARD

Rotorua Lakes Council has in place a range of mechanisms which collectively provide opportunities for Māori to contribute to council decision-making processes, giving effect to schedule 10, section 35 of the Local Government Act 2002.

Te Tatau o Te Arawa is the board which represents the collective interests of Te Arawa under the Te Arawa partnership agreement with Rotorua Lakes Council.

The board of trustees comprises 14 members, representative of a cross section of Te Arawa stakeholders including koeke (elders), Ngāti Whakaue, Te Arawa iwi and hapū, land trusts and incorporations, pan-Te Arawa entities and rangatahi (youth). There were three vacancies on the board at time of reporting.



TE TATAU O TE ARAWA BOARD MEMBERS

TE ARAWA IWI AND HAPU (6 SEATS)

James Hamiora (Chair)

Te Taru White

Aroha Bray

Dr Kēpa Morgan

Mariana Vercoe

Vacancy 1

Kiri Potaka-Dewes

Rangitīaria Tibble

Vacancy 2

KOEKE (1 SEAT)

NGATI WHAKAUE (2 SEATS)

LAND TRUSTS & INCORPORATIONS (2 SEATS)

Andrew Te Amo

Vacancy 3

PAN TE ARAWA ENTITIES (1 SEAT)

Roku Mihinui

RANGATAHI (2 SEATS)

Kahutapeka Ututaonga

Te Waiarangi Collier-Merito



TE MANA KAUNIHERA HOW WE GOVERN

DELEGATING DECISION-MAKING

Councils make lots of decisions. Ensuring that decisions are made at the appropriate level is vital to ensure the efficient and effective operations of local government.

Councils have broad powers of delegation, as described in clause 32 of Schedule 7 of the Local Government Act 2002. Other Acts also contain powers of delegation, although these are specific to the particular powers in those Acts, such as the Building Act 2004.

Council introduced a Māori Ward and a Rural Ward for the 2022 election. Following the election the committee structure was developed. As at 30 June 2024 Te Tatau o Te Arawa and Council had established a working party to review the partnership agreement and make recommendations.

Certain decisions must be exercised by the full council and cannot be delegated.

These include:

- the power to make a rate
- the power to make a bylaw
- the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan
- the power to adopt a long-term plan, annual plan, or annual report
- the power to appoint a chief executive
- the power to adopt policies required to be adopted and consulted on under the LGA 2002 in association with the long-term plan, or developed for the purpose of the local governance statement; and
- the power to adopt a remuneration and employment policy
- the power to set and support strategies in measures related to emergency matters.
- all the powers, duties and discretions under the Civil Defence Act for the proper operation and administration of the approved Civil Defence Plan; such delegation to be executed solely within the defined policy guidelines as determined from time to time by the Council and subject to the Financial limits imposed by the approved Council estimates.

GOVERNANCE STRUCTURE

Nineteen Council meetings, twelve Infrastructure and Environment Committee and eleven Community and District Development Committee meetings were held from 1 July 2023 to 30 June 2024.

Attendance at Council, Infrastructure and Environment Committee and Community and District Development Committee meetings are listed in the table below.

COUNCILLOR ATTENDANCE	Council meetings attended - 19		Committee meetings attended - 23	
	Number	%	Number	%
Hon Tania Tapsell - Mayor	19	100	23	100
Cr Sandra Kai Fong - Deputy Mayor	17	89	21	91
Cr Gregg Brown	19	100	23	100
Cr Robert Lee	18	95	22	96
Cr Conan O'Brien	17	89	21	91
Cr Don Paterson	15	79	19	83
Cr Fisher Wang	18	95	23	100
Cr Lani Kereopa	18	95	21	91
Cr Trevor Maxwell	16	84	19	83
Cr Rawiri Waru	16	84	19	83
Cr Karen Barker	19	100	23	100



2023/24 TE HANGANGA KŌMITI COMMITTEE SET-UP

COMMUNITY AND DISTRICT DEVELOPMENT COMMITTEE

Chairperson: Cr Kai Fong
Deputy Chairperson: Cr Brown, Cr Waru
Members: The Mayor and all councillors

The purpose of the Community and District Development Committee is to oversee planning, monitoring, education and enforcement activities, and guide the economic and physical development and growth of the Rotorua District.

INFRASTRUCTURE AND ENVIRONMENT COMMITTEE

Chairperson: Cr Barker
Deputy Chairperson: Cr Wang
Members: Mayor and all councillors

The purpose of the Infrastructure and Environment Committee is to develop, implement, monitor and review strategies, policies, plans and functions associated with Infrastructure and environment activities.

DISTRICT LICENCING COMMITTEE

Chairperson: Karen Hunt
Council representative: Phill Thomass
Members: Trevor Owen, Edmond Carrucan, Shannon Eldridge, Caraline Metcalfe

The purpose of the District Licensing Committee is:

- to consider and determine applications for licences and manager's certificates
- to consider and determine applications for renewal of licences and manager's certificates
- to consider and determine applications for temporary authority to carry on the sale and supply of alcohol in accordance with section 136
- to consider and determine applications for the variation, suspension, or cancellation of special licences; and
- to consider and determine applications for the variation of licences (other than special licences) unless the application is brought under section 280
- with the leave of the chairperson for the licensing authority, to refer applications to the licensing authority
- to conduct inquiries and to make reports as may be required of it by the licensing authority under section 175
- any other functions conferred on licensing committees by or under this Act or any other enactment.



RURAL COMMUNITY BOARD

Chairperson: Colin Guyton
Members: Ben Hollier, John Atkinson, Rachel Clarke

The purpose of the Community Board is to:

- represent and act as an advocate for the interest of its community;
- consider and report on all matters referred to it by the territorial authority, or any matter of interest or concern to the community board;
- maintain an overview of services provided by the territorial authority within the community;
- prepare an annual submission to the territorial authority for expenditure within the community;
- communicate with community organisations and special interest groups within the community; and,
- undertake any other responsibilities that are delegated to it by the territorial authority.

LAKES COMMUNITY BOARD

Chairperson: Phill Thomass
Members: Nick Chater, Peter MacMillan, Jennifer Rothwell

The purpose of the Community Board is to:

- represent and act as an advocate for the interest of its community;
- consider and report on all matters referred to it by the territorial authority, or any matter of interest or concern to the community board;
- maintain an overview of services provided by the territorial authority within the community;
- prepare an annual submission to the territorial authority for expenditure within the community;
- communicate with community organisations and special interest groups within the community; and,
- undertake any other responsibilities that are delegated to it by the territorial authority.



AUDIT AND RISK COMMITTEE

Chairperson:	Mr Mike Garrett (Independent)
Deputy Chairperson:	Mr Stuart Henderson (Independent)
Members:	Mayor Tapsell Deputy Mayor Kai Fong Cr Barker, Cr Wang Cr Brown, Cr Waru

The purpose of the Audit and Risk Committee is to monitor and report to the Council on:

- The Council's external and internal audit process;
- The performance of Council's legal responsibilities (within the ambit of the Committee's delegated authority);
- The independence and effectiveness of Council's internal audit processes;
- Existing corporate policies (including recommending new corporate policies to prohibit unethical, questionable or illegal activities);
- Provide a communication link between management, internal auditors/external auditors and Council;
- Support measures to improve management performance and internal controls;
- Support the professional independence, effectiveness and accountability of the Risk Management Framework

CEO PERFORMANCE COMMITTEE

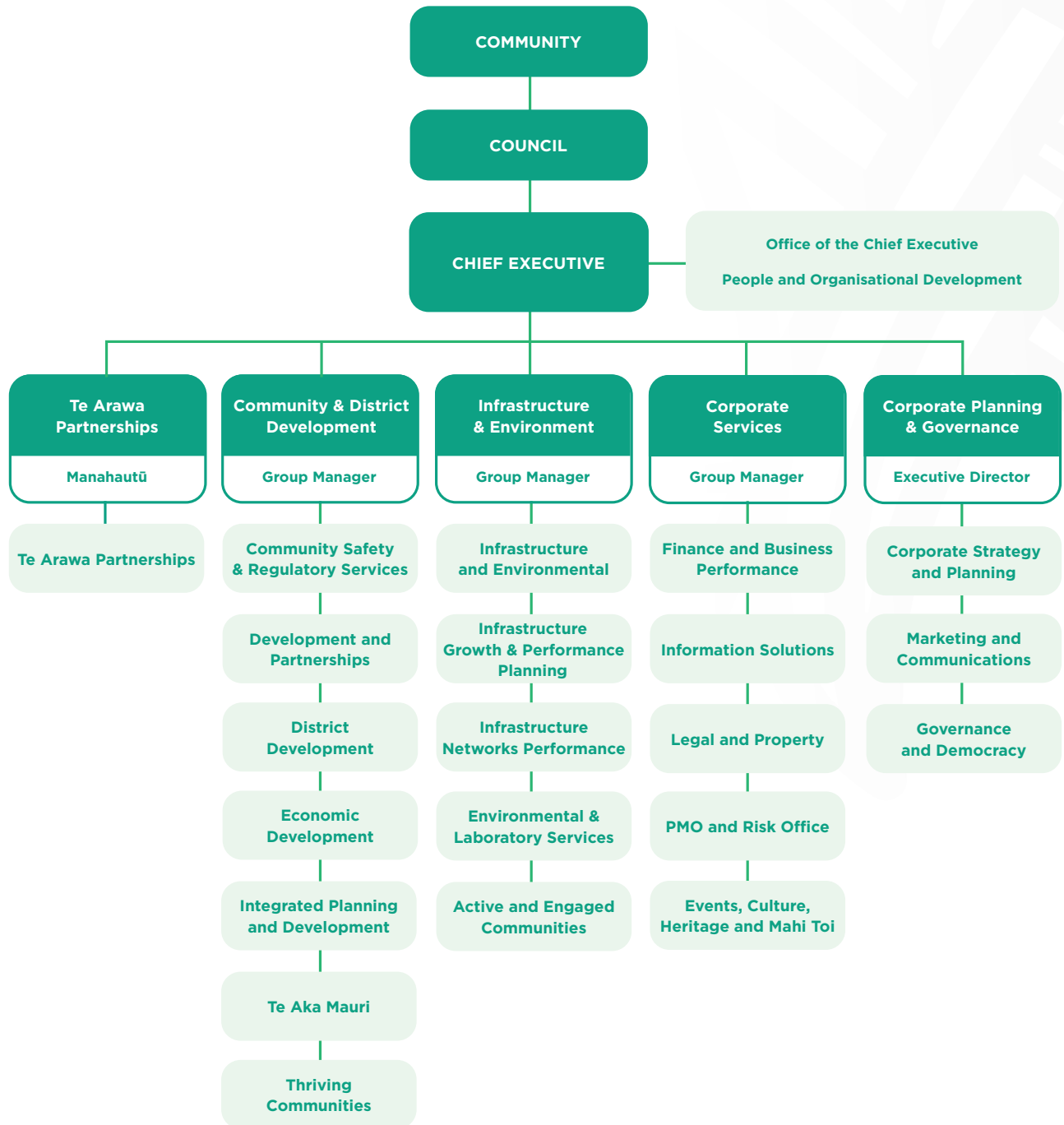
Chairperson:	Mayor Tapsell
Deputy Chairperson:	Deputy Mayor Kai Fong
Members:	All of Council

The purpose of this committee is to review the performance of the Chief Executive annually, and undertake the legislative requirements in relation to the Chief Executive's performance.

The Committee makes recommendations to the Council, who then decide upon final performance and remuneration outcomes.



TE OHU MANAHAUTŪ ORGANISATIONAL LEADERSHIP





TE OHU MANAHAUTŪ

ORGANISATIONAL LEADERSHIP

The Rotorua Lakes Council Executive Team is led by the Chief Executive and comprises six outcome areas:

- Te Arawa Partnerships
- Chief Executive's Group
- Corporate Planning & Governance
- Corporate Services
- Community & District Development
- Infrastructure and Environmental Solutions

Our organisation has many skilled and professional people who are passionate about our District, its future and delivering better value services. Within the six outcome areas, 23 Business Units deliver services and projects made up of 387 FTE (full time equivalent) employees.

EXECUTIVE TEAM

Chief Executive

Andrew Moraes

Deputy Chief Executive – Te Arawa Partnership

Vacant

Executive Director – Corporate Planning & Governance

Oonagh Hopkins

Group Manager – Corporate Services

Thomas Collé

Group Manager – Community & District Development

Jean-Paul Gaston

Group Manager – Infrastructure and Environmental Solutions

Stavros Michael



HE ARONGA POTO: TE WHAKAHAERE PŪTEA AT A GLANCE: FINANCIAL PERFORMANCE

	Actual	Budget
Operating surplus / (deficit)	\$2,157	\$20,731
Revenue	\$197,468	\$192,457
Expenditure	\$195,311	\$174,052
Revenue – from rates	\$128,139	\$131,022
Revenue – from other sources	\$69,329	\$63,762
Capital expenditure	\$117,556	\$136,000
Net debt	\$411,938	\$401,534
Credit rating – Fitch International Mar 24	AA-	
Outlook	Stable	

Over the past year, the Council has navigated a landscape marked by rising inflation and interest rates, workforce shortages, climate change, and severe weather events that have caused significant damage and disruption throughout the district. The Council's ability to address these challenges is contingent upon the financial capacity of both the Council and its communities, prompting a re-consultation process on the Annual Plan for this financial year.

As of June 30, 2024, the Council's core operating position reflects a surplus of \$2.1 million, compared to a budgeted surplus of \$20.7 million. Despite this surplus, the Council continues to face reduced fees and charges from event-related streams and lower parking revenue due to a decline in visitor numbers. This shortfall has been partially mitigated by external capital revenue recognized this year, as key CIP-funded capital programs near completion.

Operating expenses are trending higher than the year-to-date budget, primarily due to additional work required on the roading network. This has been partially offset by additional subsidy revenue from Waka Kotahi. Furthermore, waste management and wastewater operating expenses are exceeding budget projections due to cost fluctuations within core service delivery contracts.

The cost of debt has escalated sharply over the last financial year, resulting in higher interest costs than anticipated. However, this has been partially offset by investment revenue, as the Council has pre-funded future debt maturities and placed funds on term deposit at rates higher than borrowing rates.

NEW ISSUES

- 1. Rising Interest Rates:** The increasing interest rates are significantly impacting the cost of debt.
- 2. Changes in Central Government:** The recent changes in central government are influencing the investment and management of the Three Waters initiative.
- 3. Climate Change:** The effects of climate change are imposing substantial cost impacts on infrastructure, highlighting the need for adaptive measures.

ONGOING ISSUES

- 1. Elevated Operating Expenditure:** There is a continued rise in the cost of goods and services, affecting overall operating expenses.
- 2. Staff Recruitment and Retention:** Challenges persist in recruiting and retaining staff, coupled with the associated costs.
- 3. Supply and Resource Shortages:** There is an ongoing shortage of supplies and resources necessary for the delivery of capital projects.
- 4. Global Economic Decline:** The global economic downturn continues to exert pressure on local economic conditions.



TE WHAKAHAERE PŪTEA MANAGING THE MONEY

The Rotorua Lakes Council allocated \$195 million this year to deliver direct community services, internal support functions, and additional community-benefiting services. An additional \$118 million was invested in capital works to renew assets and develop new facilities and amenities for Rotorua's future.

The Council manages assets valued at \$1.7 billion, encompassing roads, bridges, parks, playgrounds, halls, land, recreation and leisure facilities, drainage systems, water and wastewater infrastructure, and libraries.

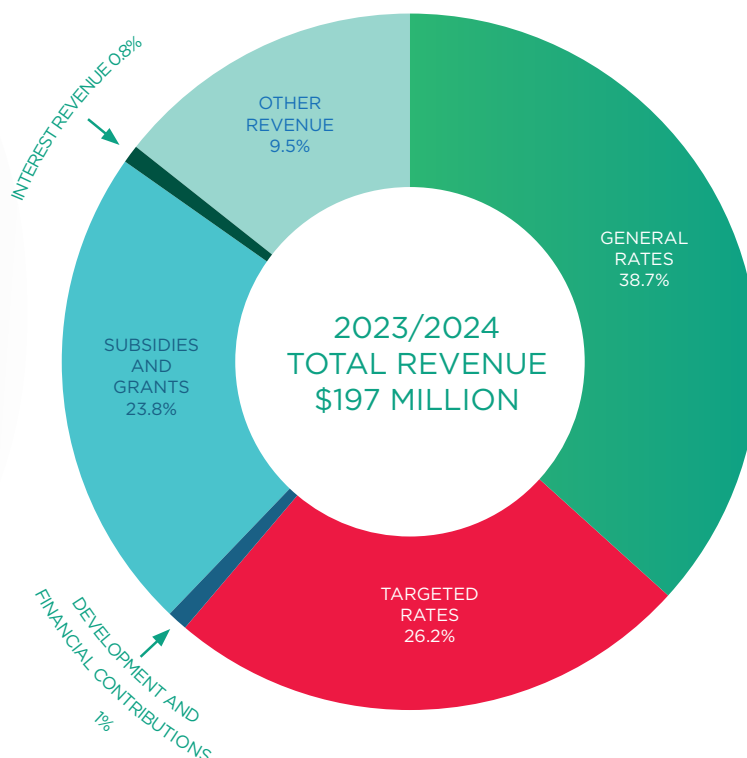
Key revenue sources include property rates (both general and targeted), government grants and subsidies, and user charges and fees. Major expense categories cover contractors, maintenance, personnel costs, depreciation, grants to community groups, and various community services.

The core services provided include roading and footpaths, drinking water, wastewater, stormwater, library services, the Aquatic Centre, emergency management, and planning and regulatory programs.

For comprehensive details, please refer to the Council's Financial Statements starting on page 71.

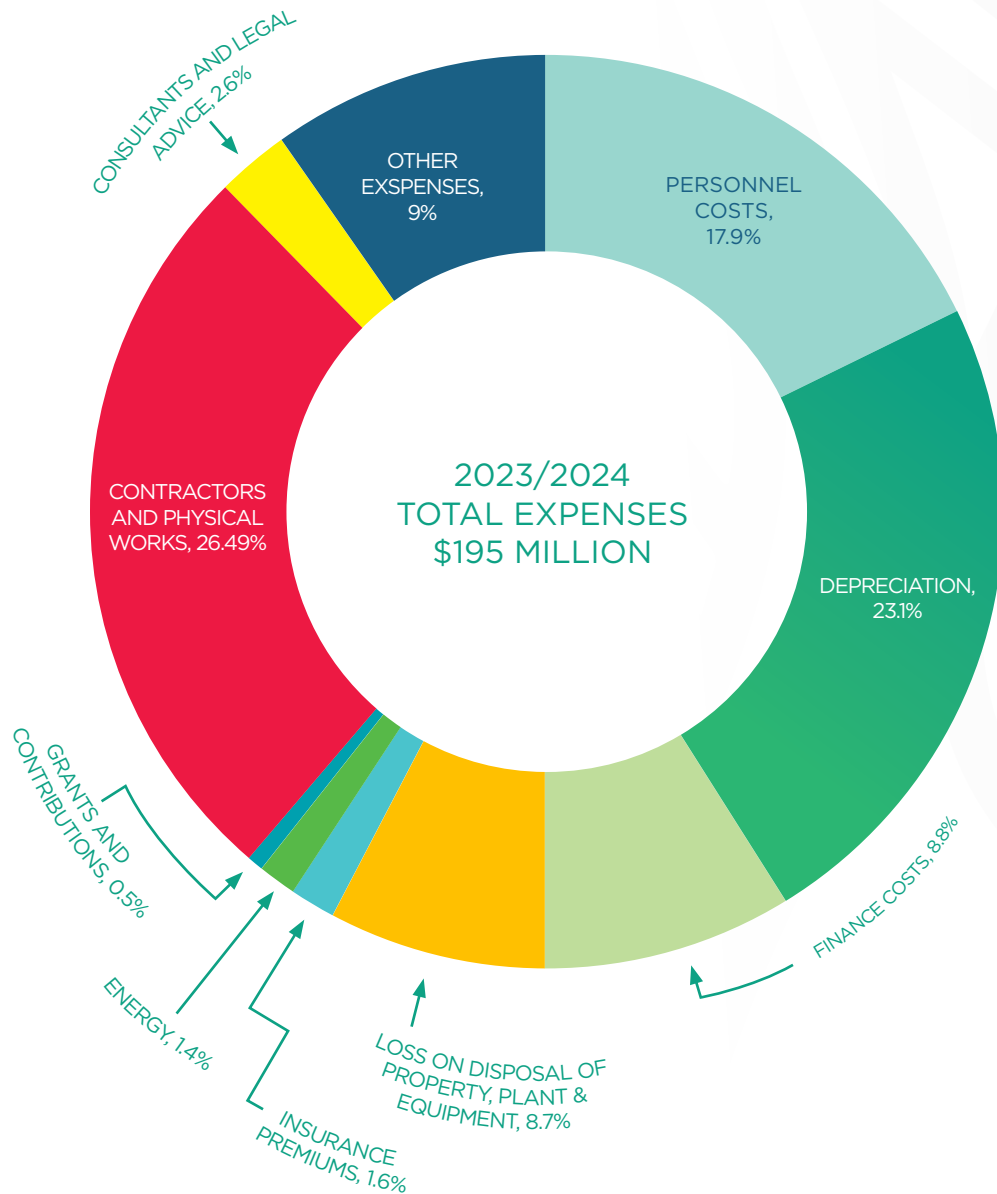
WHERE DID COUNCIL'S REVENUE COME FROM?

This year income from rates (general and targeted) contributed \$128 million or 61% of total operating revenues (2022/23 \$118 million; 71%). In addition to this, revenue was received from subsidies and grants of \$47 million; 23% (2022/23 \$26 million; 15%).



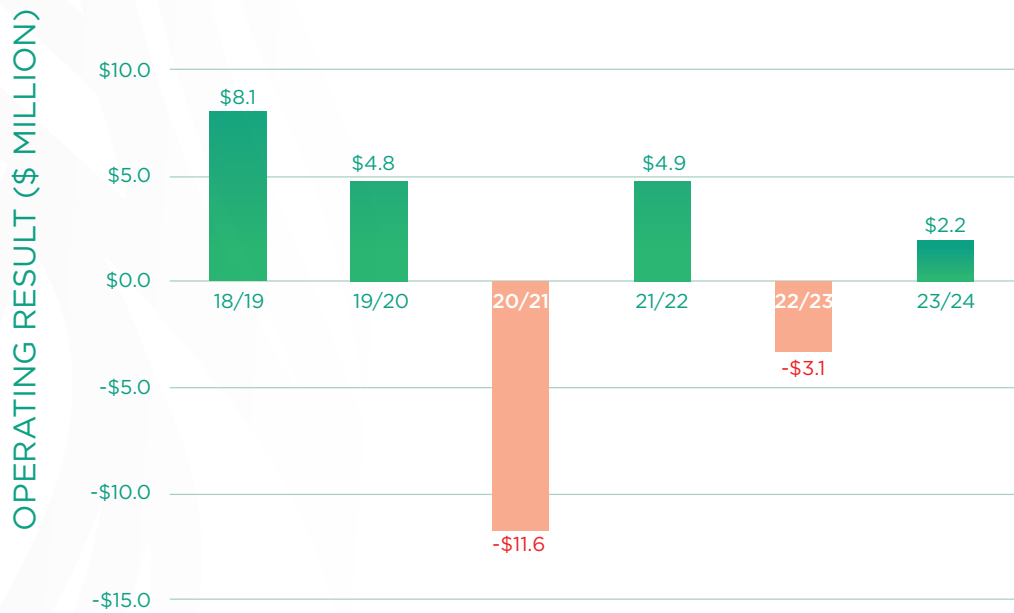
WHAT WERE COUNCIL FUNDS USED FOR?

This financial year, total operating expenditure for 2023/24 was \$195 million, Council experienced higher costs due to several factors. High inflation has led to rising costs in maintenance, personnel, and contractor services which contributed to the overall increase. These expenditures ensure the continued provision of essential services and the enhancement of infrastructure, ultimately benefiting the Rotorua community.



HOW DOES OUR PERFORMANCE COMPARE WITH PREVIOUS YEARS?

This financial year, the Rotorua Lakes Council has achieved a net surplus of \$2.2 million for 2023/24. This surplus is derived from the reported revenue of \$197 million, offset by the reported expenses of \$195 million.



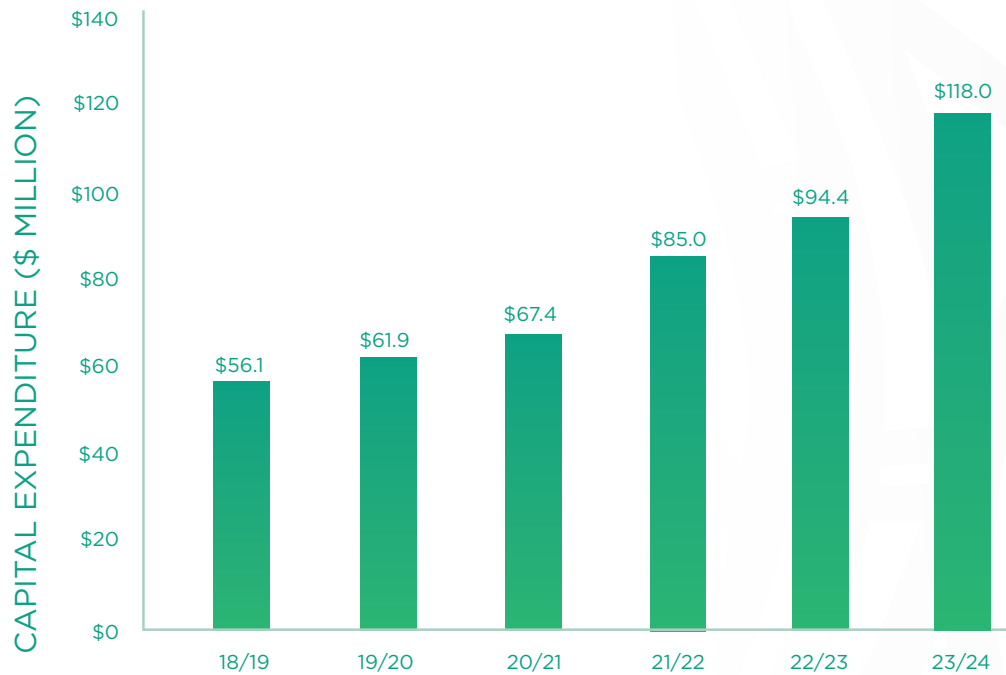
COUNCIL DEBT

The Council's debt increased by \$96 million from the previous year, reaching a total of \$447 million. This borrowing strategy ensures that the costs of new facilities, infrastructure, and associated improvements are equitably distributed across the generations who will benefit from and utilize these assets, rather than burdening a single generation with the entire expense. The debt increase for 2023/24 was primarily driven by significant investments in major capital projects.



CAPITAL EXPENDITURE

In the current fiscal period, the Council allocated a total expenditure of \$118 million towards strategic initiatives aimed at asset renewal (\$46 million), service enhancement (\$67 million), and growth (\$5 million). This figure represents a variance of \$18 million below the projected budget of \$136 million which has been our largest capital delivery historically. Major community projects which were completed this year was the Lakefront and housing of the Te Arawa Whare Waka, stage 2 of the Aquatic Centre redevelopment and core infrastructure projects such as the Rotoiti/Rotoma sewerage scheme and stormwater infrastructure investment across the district.











NGĀ KAUPAPA WHAKA-AHUA TAKIWĀ NGĀ KŌRERO O TE WĀ

PLACE - SHAPING PROJECTS PROGRESS

A number of key projects and focus areas were identified through the Long-term Plan 2021-2031 process. These projects bring about significant change through place shaping in the short to medium term.

AQUATIC CENTRE

Most of stage two of the Rotorua Aquatic Centre revitalisation project was completed by the end of June 2024, with the upgraded leisure pool and indoor facilities including refurbished change facilities, café, gym and front-of-house area.

Pool filtration and treatment systems were also significantly upgraded to optimise pool water quality.

Mayor Tania Tapsell officially re-opened the completed indoor facilities in June, noting that the upgrades were an investment in the future and would be enjoyed by all ages for years to come. This celebration was followed soon after by the re-opening of the upgraded main indoor pool.

Stage two was a partnership with Ngāti Kearoa Ngāti Tuara who had the opportunity in the design process to develop the cultural landscape to express their values and pūrākau/storytelling. Lead artist for Ngāti Kearoa Ngāti Tuara, Hakopa Pore, facilitated the cultural designs throughout the centre, taking inspiration from taiao/environmental elements in the rohe/district.

Stage two followed the completion of stage one which included upgrades of the outdoor pool and changing facilities.

Council began work on the Rotorua Aquatic Centre redevelopment in 2019.

Together, Council and Central Government contributed \$23.9m to Stage Two.



TARAWERA SEWERAGE SCHEME

Most homes at Tarawera currently rely on some form of septic tanks to manage their wastewater and leaching from these contributes to worsening lake water quality. Most Tarawera properties do not meet current standards for on-site wastewater treatment and ongoing use of septic tanks in reticulated areas is not supported by Bay of Plenty Regional Council rules or policies.

The scheme will see properties connected to council's sewerage mains network and will prevent the environmental impacts of untreated sewerage leaching into the lake, protecting the health of the community and lake.

As at the end of the 2023/24 financial year Stage 1 works were progressing including construction of the first pump station at Cliff Road and at that time 16km of pressure mains had been installed, 14km of pressure testing completed and 269 boundary assemblies installed.

The contract for Stage 2, the installation of 430 individual Low Pressure Grinder Pump units to connect properties to the reticulation system, has been awarded and physical works are expected to begin in October 2024.

The scheme is expected to be completed by the 2025/26 timeframe.

This project is expected to cost approximately \$29 million.

LAKEFRONT REDEVELOPMENT

The award-winning Lakefront Redevelopment emerged from a shared vision to create a world-class lakefront experience, elevating the district's tourism offerings with a uniquely Rotorua space that honours the deep connection of Ngāti Whakaue and Te Arawa to the land and lake.

The opening of the final element of the redevelopment, a new Te Arawa Whare Waka, was celebrated in March 2024.

This followed the completion of all major construction work and the lakefront now features play and activity areas, walkways and boardwalks, punctuated by artworks that represent a selection of Te Arawa stories and history.

The waka taua Te Arawa has inspired and driven a lot of the cultural design that features across the lakefront. There are connections between the waka and artworks created by Te Arawa master carver Lyonel Grant, including the pou tumu that stand along the lake edge.

Together with projects to enhance forest facilities, redevelopment of the lakefront aimed to enhance the district's offerings and create jobs, encourage private investment and create world-class destinations for the community to be proud of and enjoy alongside visitors.

Work on the lakefront redevelopment began in 2018 when a \$19.9m Government investment – through Kānoa – Regional Economic Development and Investment Unit (RDU) was secured, with Rotorua Lakes Council committing \$20m.

In July 2020, an additional \$1 million investment from Kānoa - RDU was announced to progress work on the cultural design foundation for the lakefront project. This consisted of artwork, interpretation and design, with local artists creating carved pou, and information panels that will tell the kōrero history of the area.



WASTE WATER TREATMENT PLANT

The upgrade of Rotorua city's wastewater treatment plant will cater for future community growth and ensure ongoing effective management of wai tātari (recovered water) for the district, in an environmentally sustainable and culturally appropriate way.

Originally constructed in 1973, the plant needs to be upgraded to meet new consent requirements and projected future growth demand.

The short to medium-term discharge solution involves the continued use of the forest irrigation system for discharge of recovered water, with operational improvements, while Council and mana whenua work towards a long-term solution.

The plant currently processes 19.7 million litres of wastewater daily which includes sewage, industrial wastewater, contaminated groundwater, stormwater and sediment. The upgrade will enable the plant to treat an average of 25.3 million litres per day with the ability to process 72 million litres during peak inflow periods.

The upgrade includes: new inlet screening systems; modification of the existing 'Bardenpho' unit to improve phosphorus and nitrogen removal; installation of new membrane reactor units to further clean wastewater and remove nutrients; ultraviolet treatment to remove all remaining pathogens and the addition of wastewater storage capacity to prevent spills from large in-flows that are typically caused by stormwater entering the sewer system.

The contract for the upgrade was awarded to Council's wastewater contractor TRILITY and civil construction of the new MBR (membrane bioreactor) and UV plant is now underway, along with foundations for the new inlet works and lift pump stations.

Construction is on track for completion in January 2026, followed by a one-year "proving period" to test and demonstrate performance compliance.

The upgrade will continue treating wastewater to an extremely high standard, removing pollutants like nitrogen and phosphorus and disinfecting bacteria like E. Coli. The recovered water will continue to meet our water quality targets, sustainability goals and will preserve and protect the region's lakes for present and future generations which is the vision of the Rotorua Te Arawa Lakes Programme.

To ensure uninterrupted service during the upgrade, Council successfully obtained bridging consent which allows it to continue using the existing systems while works are underway.

TE WHARE TAONGA O TE ARAWA ROTORUA MUSEUM

Rotorua Museum Te Whare Taonga has both local and national significance and June 2024 marked the final piece of funding needed to get construction underway.

The landmark Category 1 Bath House building has been closed since November 2016 due to seismic vulnerabilities. Prior to its closure it attracted up to 120,000 visitors each year.

There has been strong support from the community to re-open the museum and in August 2023 elected members voted in favour of proceeding with its strengthening and re-opening.

The restoration project promises significant economic benefits, including job creation and increased investment.

The museum's reopening will also bolster Rotorua's identity as a world-class tourism destination and a vital cultural hub.



Our museum has a nationally significant collection of more than 55,000 objects, including social history artifacts, art, photography, and more than 2000 taonga Māori.

The project, is now fully funded with fundraising for the exhibition work ongoing.

Council's contribution totals \$15.5m and we are grateful for our generous funding partners: Kānoa – RDU \$22m, Rotorua Trust \$15m, Manatū Taonga Ministry for Culture and Heritage \$9m, Lotteries (Significant Projects Funding) \$6m, Bay of Plenty Regional Council \$4.1m, New Zealand Community Trust \$0.4m and Lotteries (Environment and Heritage Funding) \$0.35m. Joe and Jo Anne La Grouw have generously committed the proceeds of sale from a significant artwork from their personal collection.

Construction work has begun and is expected to be completed by 2027.

The construction contract, confirmed in April 2024, was awarded to Watts & Hughes Construction which has experience in working on historic building projects.

EAST ROTOITI/RODOMĀ SEWERAGE SCHEME

Water quality has been declining in several Rotorua lakes over a period of time and organisations are now working together to help stop the rising nutrient levels.

For Rotoiti and Rotomā, domestic septic tanks contribute to the diminishing water quality as they are a source of pathogens and nutrients (nitrogen and phosphorus). One of the most effective ways to improve water quality (and protect the lakes) is to remove old septic tanks and replace them with a new system to collect human wastewater, reticulate (pipe) it to a wastewater plant where it can be treated and disposed of to protect the health of our communities and environment.

Biolytix pre-treatment units are being installed on properties, connecting to the underground network leading to the Rotoiti Wastewater Treatment Plant. The Plant was completed in the 2022/23 financial year and has since been fully operational and compliant with all resource consent conditions.

As at the end of June 2024, all units at Rotomā and more than 80 per cent of units at East Rotoiti had been installed and were operating.

Māori whenua/land and marae installations will progress as trustee consensus and/or Māori Land Court decisions occur.

The total cost of the scheme is expected to be \$56.2 million.









HE ARONGA POTO: TE ĀHUA O NGĀ RATONGA AT A GLANCE: SERVICE PERFORMANCE

The 2021-31 Long-term Plan arranges Council's services into eight activities, setting 55 key performance indicators (KPIs). For this financial year, 50 KPIs have been reported on.

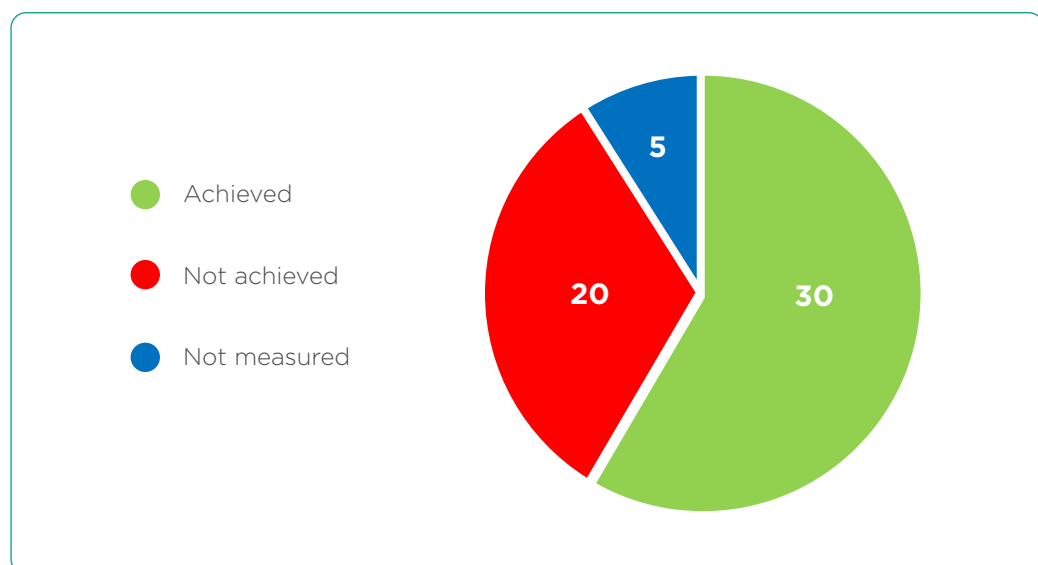
Of the 55 KPI's report on for this financial year, 55% are achieved and 36% are not achieved with 9% not measured. In comparison in 2022-2023, 58% KPIs were achieved, 33% not achieved and 9% not measured.

Of the measures achieved (55%), Council's three waters (Stormwater, Sewerage and Sewage and Water supplies) have performed well this year. Combined they have achieved 94% of their targets.

Throughout the course of the year, Council saw an increase in the number of submitters to consultation projects. These projects, notably the Museum Revitalisation, the changing of speed limits and the Long-Term Plan 2024-2034, saw a significant number of submissions received. These were also received from areas or groups within the community that may have not submitted to council consultation processes before.

This year has also seen fault response times across our water supply network and Sewerage and Sewage activity improving from the previous year. Areas of focus continue to be in the processing of building and resource consents while council works to resource these activities effectively.

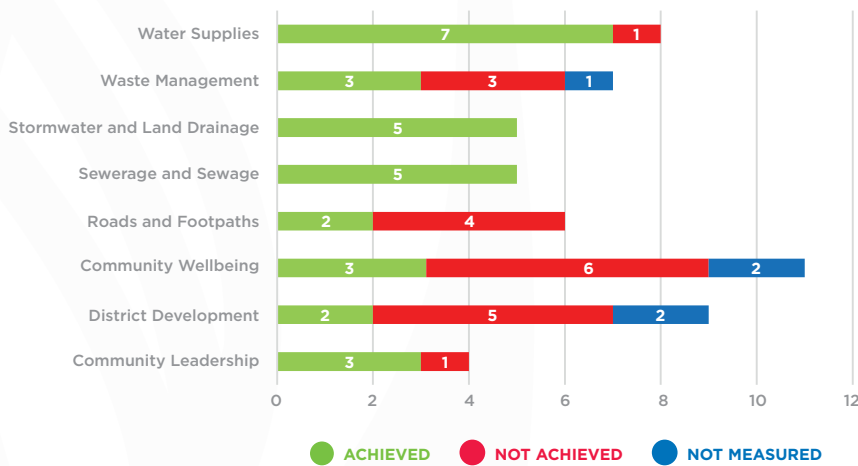
PERFORMANCE TARGETS SUMMARY



LOCAL GOVERNANCE FOR COMMUNITY WELLBEING

In May 2019, the Local Government Act 2002 was amended to reintroduce the ‘four well-beings’ into the purpose of Local Government. We, and all other councils across the country, are required to play a broad role in promoting the social, economic, environmental and cultural wellbeing of communities in the present and for the future. In this part of the Annual Report, we present the identified effects of our activities on the four dimensions of wellbeing. Some of our activities affect all four dimensions, while others may only touch on one. Effects can be positive or negative and are described in more detail within each activity.

KEY PERFORMANCE TARGETS BY ACTIVITY GROUP



PREPARATION OF SERVICE PERFORMANCE MEASURES

The Council's Statement of Service Performance information on pages 33 to 70 has been prepared in accordance with the latest Public Benefit Entity Financial Reporting Standards (PBE RFS 48) and with generally accepted accounting practice (GAAP).

For PBE FRS 48 it states that in reporting about the entity's objectives and how it intends to achieve them, the information should be drawn from the founding documents, governance documents and accountability documents.

As such, Council has drawn this information from the 2021-2031 Long-Term Plan (LTP), which sets the direction for the next 10 years.

Also, PBE FRS 48 states judgement is required in deciding how much information to provide about the current reporting period as well as comparatives for all performance measure and survey results. Please refer to the individual Statements of Service Performance for each activity.

SERVICE PERFORMANCE JUDGEMENTS AND ASSUMPTIONS

When Council prepared the forecast Statement of Service Performance in the 2021-2031 Long-Term Plan, Council made the following judgements in the selection of service performance measures detailed under each Group of Activities sections:

- Council reflected on the extent to which the levels of service Council plans to provide to the community were best captured by performance measures.
- Council have ensured that the performance measures adequately inform Rotorua residents and ratepayers of progress towards delivering Council's outcomes.

Relevant measurement judgements have been included within each group of activity section to which the judgement relates. This information applies to the Statement of Service Performance reporting from pages 33 to 70 of this report.

Under the Local Government Act 2002 Councils are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water supply, sewerage and the treatment and disposal of sewage, stormwater drainage and the provision of roads and footpaths.

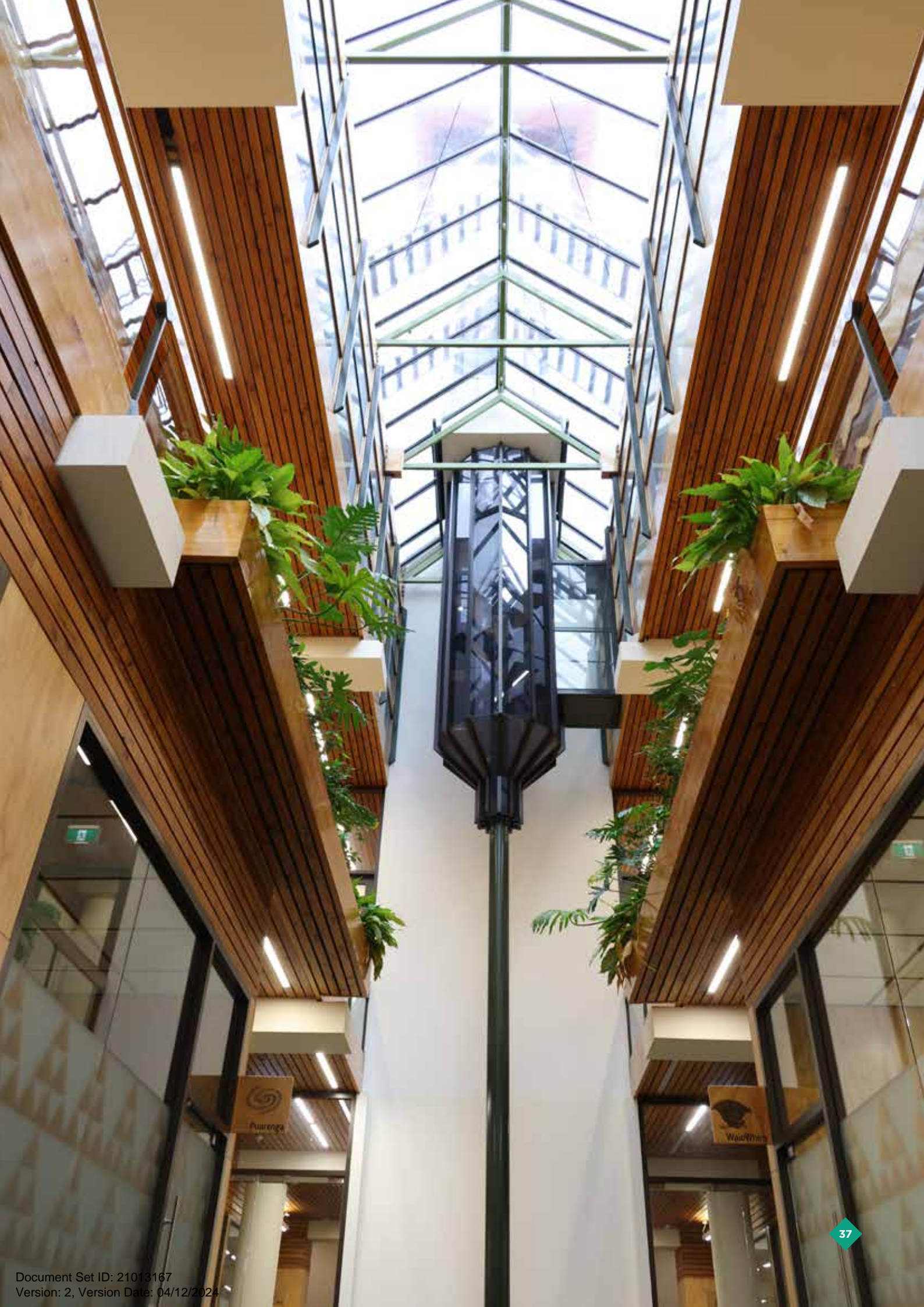
Department of Internal Affairs (DIA) guidance has been followed in measuring performance against all mandatory performance measures. Further to the above judgements being made in the selection of performance measures, Council also applies judgements in the measurement, aggregations, and presentation of service performance information.

EXTERNAL IMPLICATIONS FOR SERVICE PERFORMANCE STATEMENTS

There are conditions that affect the service performance results and may result in a variation from the targeted results. These are ones which are outside the control of the Council. Examples of this are, but not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions and international policy that may impact areas such as staff recruitment.

SURVEYS

Council conducts a number of satisfaction surveys that measure the community's satisfaction with a number of interactions with Council. The surveys are designed by in-house staff and external research experts, based on best practices in survey design. They are designed to measure changes in perceptions of service delivery over time. For example, questions are written so they are clearly understood by participants and neutral in tone; and response options are designed so they are balanced, do not lead participants to respond in a certain way and cover all possible responses a participant may wish to provide. Where neutrality is important these surveys are independently run.





KĀHUI HĀPORI ŌRANGA COMMUNITY WELLBEING

Council facilities and open spaces such as our public parks and reserves and sports facilities, Rotorua Library, the Aquatic Centre, redeveloped Lakefront Reserve and Government Gardens provide spaces for community interaction and activities that contribute to the social and cultural wellbeing of Rotorua.

Our visitor attractions and events, and public spaces like Kuirau Park, Government Gardens and Whakarewarewa Forest help to attract tourists to our city and contribute to our economy.

We protect, restore and enhance Rotorua's green spaces and enhance these through the provision of gardens, plantings and artworks. We provide attractions, spaces and educational programmes that contribute to the protection of the city's heritage and culture, and foster opportunities to showcase our unique history and diverse culture.

COMMUNITY OUTCOMES



Papa whakatipu
Outstanding places to play



Waahi pūmanawa
Vibrant city heart



Whakawhanake pākihi
Business innovation and prosperity



Kāinga noho, kāinga haumaruru
Homes that match needs



He hāpori pūmanawa
A resilient community



He huarahi hou
Employment choices



Tiakina to taiao
Enhanced environment

WHY WE DO IT

- To create connected thriving, communities that promote wellbeing and social cohesion.
- To have a range of activities, events and experiences that connect and engage our community.
- To support the development of communities to be to become more vibrant, resilient and sustainable.
- To support the development of community identity creation so people are proud of where they live.
- To ensure that people feel safe in public spaces and places.

WHAT WE DO

Council's Community Wellbeing activity contributes to the four well-beings of social, economic, environmental and cultural through:

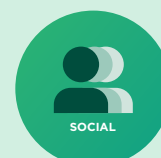
- Create a sense of place - building identity and pride
- Connect communities - bringing people together to build social cohesion, contribute to and experience their place
- Strengthen neighbourhoods - building community capability and resilience
- Support wellbeing - shaping strong and healthy communities

Positive impact on the four well-beings were achieved through the opening of the inner-city safety hub, refurbished aquatic centre opening and the completion of the lakefront revitalisation project.

WE WILL DELIVER THIS THROUGH PROVIDING SERVICES IN











- District Library
- Rotorua Museum
- Sir Howard Morrison Centre
- Energy Events Centre
- Markets Events and Festivals Sports
- Recreation and Environment
 - Gardens, reserves and sports grounds
 - Aquatic Centre

KEY IMPACT ON COMMUNITY WELLBEING



MEASURING OUR PERFORMANCE













Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
Community Wellbeing	Creation of safe public spaces and places	% decrease across the CCTV district network in criminal/ antisocial/ suspicious activity	15%	 Not measured	The data we have currently collected doesn't allow for accurate reporting on this measure. Moving forward, when we are able to combine our data with a feedback loop we will be in a position to confirm the outcome of any reported issue. We have been able to confirm the trends occurring in this space and our data capturing methods for this measure will be more robust moving forward.	 Not measured
		Number of CPTED/ public safety assessments completed annually including key priority locations.	% completion of assessments driven from priority plan	 Not measured	The data we have currently collected doesn't allow for accurate reporting on this measure. Moving forward this measure could consist of two different elements - firstly, formal Crime Prevention Through Environmental Design) (CPTED) reports (undertaken by a CPTED trained professional) and secondly, CPTED based actions or advice that is recorded by a staff member and subsequently implemented.	 Not measured
		Number of lesson in Learn to Swim School programmes per term ¹	≥18,000	 8080	The Learn to Swim programme continued to be effected by the close of the main leisure pool and the limited space available to offer swim classes. Numbers were high in the early part of 2024 due to the warmer weather but dropped again in the colder autumn and winter months.	 9892
	Creation of vibrant, energised experiences with loads of activity	Percentage of customers very/ fairly satisfied with Arts and Culture Offerings ²	90%	 90%	This measure has been achieved through this financial year. The survey was conducted on the Sir Howard Morrison Centre satisfaction in the first two quarters of the financial year.	 90%
		Percentage of customers very/ fairly satisfied with quality of Markets, Events and Festivals ²	90%	 85%	This measure is not achieved in this financial year. The satisfaction survey was conducted across a number of events with the Lakeside Concert and Waitangi producing high satisfaction results (94% and 96% respectively) with the markets and multicultural events producing a lower result (83% and 86% respectively).	 87%

 Not Measured  Achieved  Not Achieved

¹ This measure is collected by CLM (Aquatic Centre contractor) based on the number of enrolments over the year.

² The customer satisfaction surveys are developed by Council staff at different events and venues. Night market surveys are conducted through the "Happyornot" machine at the markets. Satisfaction measures for other events are conducted online and through emails to ticket purchasers and/or shared online through social media. These surveys are conducted through an opt-in sample. Responses were collected over a number of different platforms which leads to varied response rates per survey.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
Community Wellbeing	Facilitate social outcomes by working with other organisations, and coordinate approaches to enable community-led initiatives and community capacity building.	Number of projects funded via the Neighbourhood Matching Fund each year.	25	 18	While this target was not achieved for the financial year, the distribution of the fund saw an increase in larger grants than previous years.	 18
		Number of community plans supported	Three community plans	 1	This measure has not been achieved this financial year. Work continues on the eastside wellness plan with current programmes and plans being developed with alternate groups such as the disability groups, youth groups and migrant communities.	 1
		Number of people participating in community programmes for skills development and lifelong learning. ³	plus 5%	 7.6% decrease from prior year (35966)	This measure is not achieved in this financial year. The prior year result saw a significant increase in programmes following the Covid 19 pandemic and lockdown. The current year result, while not achieved, has seen a return to a more "normal" operating environment.	 62% (38,926)
	Provide for and develop a sustainable open space network	Percent of residents located in urban areas are able to walk 10-15 minutes (or 500 metres) to a neighbourhood park or equivalent function.	90%	 99.5%	As development increased on urban fringes, there is a possibility of this result decreasing slightly	 99.6%
		Percentage of users very/fairly satisfied with Council's open space network ⁴	90%	 86%	Park user surveys are carried out over the summer months. There has been a decrease in satisfaction in Destination Parks and Neighbourhood Parks with the lack of toilets or aged toilets being a commonly cited concern affecting overall scores. Karenga Park scored poorly and had a playground and toilet renewal after the survey was completed. There has been a large increase in satisfaction for sports parks users across the sports field network.	 99.6%
		The visitor experience satisfaction rating for security in open space locations ⁴	85%	 92%	Park user satisfaction with the security of their park experience this year was higher in destination and nature parks and lower in neighbourhood and sport parks with an overall result higher than target. Summer park user surveys are carried out from December to February across city parks.	 92%

 Not Measured  Achieved  Not Achieved

³ This is compiled from the community programme register for the number of registered attendees to offered programmes.

⁴ This survey is compiled by Yardstick Parks Benchmarking and is carried out over the summer period targeting park users. A total of 210 surveys were undertaken in various Rotorua Lakes District Council parks and reserves in the summer of 2023 and 2024. Surveying was carried out between 20 November 2023 and 14 February 2024 and included responses from 17 different park locations. The methodology recommended for the surveys is to gather a minimum of 30 surveys per park type and/or major park (i.e. 30 per destination park and a total of 30 for other park types). This is undertaken to provide a level of confidence of 95% for the entire survey as a representative sample of users of the parks that were surveyed.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2024 for Community Wellbeing

Long-term Plan	Long-term Plan	Actual
2022/23 (\$000)	2023/24 (\$000)	2023/24 (\$000)

Sources of operating funding			
General rates, uniform annual general charges, rates penalties	32,909	34,857	34,123
Targeted rates	-	-	-
Subsidies and grants for operating purposes	236	236	468
Fees and charges	4,411	4,935	2,300
Internal charges and overheads recovered	22	22	-
Local authorities fuel tax, fines, infringement fees, and other receipts	429	429	1,780
Total operating funding (A)	38,007	40,480	38,671
Applications of operating funding			
Payments to staff and suppliers	22,754	22,945	26,178
Finance costs	3,786	4,453	6,540
Internal charges and overheads applied	5,574	5,834	4,907
Other operating funding applications	-	-	-
Total applications of operating funding (B)	32,115	33,232	37,625
Surplus (deficit) of operating funding (A – B)	5,892	7,248	1,046
Sources of capital funding			
Subsidies and grants for capital expenditure	27,774	20,419	9,991
Development and financial contributions	-	-	864
Increase (decrease) in debt	26,537	8,405	36,541
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	54,312	28,824	47,397
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	-	-	132
• to improve the level of service	46,689	31,399	5,655
• to replace existing assets	13,515	4,673	22,592
Increase (decrease) in reserves	-	-	20,065
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	60,204	36,072	48,443
Surplus (deficit) of capital funding (C – D)	(5,893)	(7,248)	(1,046)
Funding balance ((A - B) + (C - D))	-	-	-

TE HAUTŪTANGA A TE HAPORI

COMMUNITY LEADERSHIP

The Community Leadership activity impacts mainly the social and cultural wellbeings as this activity provides leadership and partnerships for the communities of Rotorua, enables informed and inclusive decision-making and ensures that iwi are engaged and consulted and provided a forum that enables participation in Council decision-making.

COMMUNITY OUTCOMES



Papa whakatipu
Outstanding places to play



Waahi pūmanawa
Vibrant city heart



Whakawhanake pākihi
Business innovation and prosperity



Kāinga noho, kāinga haumarū
Homes that match needs



He hāpori pūmanawa
A resilient community



He huarahi hou
Employment choices



Tiakina to taiao
Enhanced environment

WHY WE DO IT

- To support the Council's role in setting the future direction and priorities for the District
- To lead, partner and advocate for the communities of Rotorua
- To enable informed and inclusive decision making
- To partner effectively with Te Arawa to achieve enhanced outcomes for iwi and the Rotorua District

WHAT WE DO

Council's Community Leadership activity contributes to two of the four well-beings being social and cultural through:

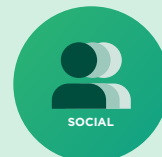
- Nurture sustainable relationships that allow people to participate
- Support engagement between Council and Māori communities, marae, rūnanga, iwi, hapū and whānau, and facilitating Māori input into council decision-making
- Enable and support good decision-making processes of the mayor, elected members, and committees
- Enable the organisation to deliver Council's Vision to the District
- Enable and support organisational efficiency and decision-making through a strong business analysis approach and the application of effective project management principles
- Ensure business assurance, integrity and transparency
- Provide leadership, advice, planning and resources to enable the community to respond to and recover from any significant disaster that could affect the area
- Manage the Council's property portfolio, ensuring that the investments that have been made provide a gross return that is sustainable and meets the needs of our community

Positive impacts on the well-beings of social and cultural were experienced through the development and adoption of Council's Long-term Plan 2024 - 2034 which sets the direction for the District for the next 10 years. This plan saw significant consultation from the community.

WE WILL DELIVER THIS THROUGH PROVIDING SERVICES IN









- Governance
- Customer Centre
- Finance
- Information services
- Communications
- Kaitiaki Māori
- Organisation Development and Capability
- Property and Legal
- CE Office

KEY IMPACT ON COMMUNITY WELLBEING



MEASURING OUR PERFORMANCE

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
Community Leadership	Provide opportunities for the community and individuals to participate	Percentage of residents who are satisfied with the Let's Talk platform - quality, reliability and value ¹	78%	 54%	This measure has not been achieved this year. There has been a decrease in customer satisfaction across value, reliability and quality of the platform against the prior year result. The main area of improvement identified by respondents relate to updates on projects to submitters.	 74%
		Increase the "reach" attained through engagement campaigns ²	Increase by 15%	 94% increase	Engagement campaign reach has been achieved for this financial year. Large engagement projects such as the Annual Plan 2023/24 contributed to this achieved measure.	 20% increase
	Create a sense of trust and confidence within our community around Council's decision making	No decision is overturned by judicial review	Achieved	 Achieved	No decisions of the governing body have been overturned by Judicial Review.	 Achieved
	Demonstrate principles of partnership in working on shared outcomes	% of Māori groups satisfied/highly satisfied with Council's performance as a good partner ³	75%	 75%	This measure was met this financial year. Areas of improvement from previous years were cited as greater Council engagement with mana whenua at an early stage, mana ki te mana approach, increasing staff capability to engage with iwi and mutual trust. Areas for improvement are timeliness of responses and a need for more consistent and proactive engagement.	 66%

 Not Measured  Achieved  Not Achieved

¹The survey has been compiled by staff annually and offered on our Let's talk/korero mai platform. Questions are designed to capture feedback on satisfaction, reliability and value of the platform. The Percentage of Residence Satisfied with the Let's Talk platform previously utilised a scale where any response other than '1. not satisfied' was recorded as satisfactory. In the interest of refining accuracy, the methodology has been updated to a balanced scale, recording only '4. satisfied' and '5. very satisfied' responses towards achieving the measure.

² Engagement campaign reach has been calculated by new users of the Let's Talk/Kōrero mai platform in the current financial year against total number of users of the platform

³ The survey is conducted annually to seek feedback from partners on protocol meeting logistics, meeting processes to support relationships and project partnerships

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2024 for Community Leadership

Long-term Plan	Long-term Plan	Actual
2022/23 (\$000)	2023/24 (\$000)	2023/24 (\$000)








Sources of operating funding			
General rates, uniform annual general charges, rates penalties	11,972	11,801	12,552
Targeted rates	-	-	504
Subsidies and grants for operating purposes	-	-	9
Fees and charges	2,302	2,097	1,261
Internal charges and overheads recovered	18,435	19,234	14,889
Local authorities fuel tax, fines, infringement fees, and other receipts	556	556	1,396
Total operating funding (A)	33,265	33,687	30,610
Applications of operating funding			
Payments to staff and suppliers	25,245	25,385	26,346
Finance costs	1,578	1,602	2,321
Internal charges and overheads applied	1,540	1,597	1,107
Other operating funding applications	-	-	-
Total applications of operating funding (B)	28,363	28,584	29,774
Surplus (deficit) of operating funding (A – B)	4,902	5,103	836
Sources of capital funding			
Subsidies and grants for capital expenditure	303	232	112
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,009	(4,110)	12,970
Gross proceeds from sale of assets	-	-	11
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,311	(3,878)	13,093
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	-	-	-
• to improve the level of service	493	468	91
• to replace existing assets	4,383	3,417	3,927
Increase (decrease) in reserves	-	-	9,910
Increase (decrease) of investments	3,338	(2,661)	-
Total applications of capital funding (D)	8,214	1,224	13,928
Surplus (deficit) of capital funding (C – D)	(4,902)	(5,102)	(836)
Funding balance ((A - B) + (C - D))	-	-	-



TE WHAKAMAHERE ME TE WHAKATURE DISTRICT DEVELOPMENT AND REGULATORY:

District Development activities are responsible for encouraging and facilitating economic growth in the district, ensuring the community grows in a planned and sustainable way while regulatory services contribute to community safety. Economic wellbeing is contributed to by ensuring that the right policies and plans are in place to make doing business in Rotorua easy while regulating, monitoring and acting to protect public health and safety and to improve standards (both cultural and environmental) in the home, commercial and public environment.

COMMUNITY OUTCOMES

- | | |
|---|---|
|  Papa whakatipu
Outstanding places to play |  Waahi pūmanawa
Vibrant city heart |
|  Whakawhanake pākihi
Business innovation and prosperity |  Kāinga noho, kāinga haumarū
Homes that match needs |
|  He hāpori pūmanawa
A resilient community |  He huarahi hou
Employment choices |
|  Tiakina to taiao
Enhanced environment | |

WHY WE DO IT

- To create community wealth and a sustainable economy
- To grow business and investor confidence
- To enable land to be developed to support residential, industrial and business growth opportunities
- To promote and lead Rotorua's unique destination as a great place to live, work, play, visit and invest

WHAT WE DO

Council's District Development and Regulatory activity contributes to the four well-beings of social, economic, environmental and cultural through:

- Rotorua is a confident and strong District, with growing business and investor confidence. The land is being developed to support residential, industrial and business growth opportunities.
- Enable residential land development through partnerships with landowners to provide for the delivery of housing across all sizes and typologies (social, affordable and market) to meet community needs.
- Enable development ready land to support the business sector to support business expansion, relocation or new investment.
- Destination Marketing and development with a continued energy into strengthening our quality and value in tourism, strengthening our position nationally and improving sector resilience. Enabling new projects and investment that will build on our cultural strengths and the environment.

Positive impacts on the four well-beings were achieved through the adoption of Council's Future Development Strategy which outlines council's growth planning for the next 30 years. Continued support for destination marketing and the reputation of Rotorua through RotoruaNZ was another positive impact on the four wellbeing for the community.

WE WILL DELIVER THIS THROUGH PROVIDING SERVICES IN

- Animal control
- Inspection and compliance
- Parking enforcement

ENABLE INNER-CITY TRANSFORMATION THROUGH:

Significant residential projects to bring new vibrancy and activity across the inner city.

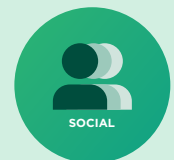
FOCUS ON:

Wood processing and technology-focused investment to create an opportunity to see the District recognised as a centre of excellence for forestry and biotechnology.

WE WILL DELIVER THIS THROUGH PROVIDING SERVICES IN:









Strategy, Planning, Policy and Consenting; Destination Marketing; Economic Development

KEY IMPACT ON COMMUNITY WELLBEING













MEASURING OUR PERFORMANCE

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
DISTRICT DEVELOPMENT	Support and enable growth by unlocking development opportunities	Provide sufficient development capacity for residential housing as per the requirements of the NPS-UD. ¹	Achieved	 Not measured	This result is 'Not measured' this year. Plan Change 9 (PC9) was made operative on 1st March 2024. PC9 will certainly have increased the Reasonably Expected to be Realised (RER) dwelling capacity, but the quantity of this increase is yet to be assessed. Therefore, the result for 2023/24 is 'not measured'.	 Not measured
		Provide sufficient development capacity for businesses as per the requirements of the NPS-UD. ¹	Achieved	 Achieved	Result for this year is 'achieved' as assessed. The assessment (HBA 2021) showed that Rotorua has enough short-term development capacity for businesses. This assessment indicated that there is likely to be a shortfall in the medium term. Infrastructure provision to Peka Block and Airport Industrial Park as well as the adoption of the Rotorua Future Development Strategy addresses the potential medium-term shortfall.	 Achieved
		Cumulative number of dwellings constructed from 1/7/2021	>=1800	 1072 Target not achieved	1072 cumulative dwellings constructed since 1 July 2021 is not achieved against the target yet is still a very positive result considering the ongoing national and international headwinds in the housing sector. The local house construction sector continues to 'ramp-up' with another annual record for Rotorua achieved, 436 dwellings constructed in 2023-2024.	 636 Target not achieved
		Cumulative gross floor area (sqm) of buildings for business use constructed since 1/7/2021	>=57,000	 Not measured	This measure is yet to be developed. Current reporting does not facilitate the accurate measure for this performance measure.	 Not measured

 Not Measured  Achieved  Not Achieved

¹This measure is based on the Housing and Business Assessment 2021. This assessment is conducted every three years.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
DISTRICT DEVELOPMENT	Support and enable businesses to grow job creation opportunities	Number of recipients of the Job Seeker Support - Work Ready benefit as a proportion of the working age population. ²	<6.5%	 6.9%	As of the end of June 2024, 3,408 people were receiving the Job Seeker Support - Work Ready (JS-WR) benefit. There were 132 more JS-WR recipients when compared to June 2023. The number of recipients of the JS-WR benefit as a proportion of the working age population is at 6.9%. This is attributed to the slowing down of the economy across New Zealand.	 6.8%
		Number of CBD retail and office spaces not tenanted ³	<130	 126	CBRE (formerly Telfer Young) December 2023 survey found 126 vacant tenancies in the CBD, 55 Retail, and 71 Office.	 125
	Support and enable development by processing Resource and Building consents	Percentage of non-notified resource consents processed within 20 working days (Land Use)	100%	 40.5%	The percentage of land-use consents processed within 20 days is lower than the previous year and has not been achieved against the target for this year. Resourcing continues to be a focus for these teams, particularly at review stage.	 61.6%
		Percentage of non-notified resource consents processed within 20 working days (Subdivision)	100%	 31.5%	The percentage of non-notified resource consents processed within 20 days is lower than the previous year and has not been achieved against the target for this year. Resourcing continues to be a focus for these teams, particularly at review stage.	 50.9%
		Percentage of consents processed within 20 working days (Building Consents)	100%	 96.2%	This measure has not been achieved for this financial year although there has been a trending improvement from prior years. An increase in complex building consents have been observed over the year and have put pressure on available resources.	 94.5%

 Not Measured  Achieved  Not Achieved

² The Jobseeker report is extracted from the Ministry of Social Development and is compiled monthly and aggregated over the year.

³ The Telfer young (CBRE) report is compiled once a year in December with vacant office space in the CBD being extracted from this report.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2024 for District Development & Regulatory

Long-term Plan	Long-term Plan	Actual
2022/23 (\$000)	2023/24 (\$000)	2023/24 (\$000)

Sources of operating funding			
General rates, uniform annual general charges, rates penalties	7,674	7,568	8,637
Targeted rates	6,472	6,311	6,980
Subsidies and grants for operating purposes	10	10	102
Fees and charges	6,419	6,210	6,336
Internal charges and overheads recovered	60	60	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3,604	3,622	2,904
Total operating funding (A)	24,238	23,781	24,958
Applications of operating funding			
Payments to staff and suppliers	20,581	20,043	19,771
Finance costs	490	457	795
Internal charges and overheads applied	3,058	3,162	2,598
Other operating funding applications	-	-	-
Total applications of operating funding (B)	24,129	23,662	23,164
Surplus (deficit) of operating funding (A - B)	110	119	1,794
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	36
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1,984)	(1,969)	4,440
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(1,984)	(1,969)	4,476
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	-	-	-
• to improve the level of service	30	30	30
• to replace existing assets	95	120	18
Increase (decrease) in reserves	-	-	6,222
Increase (decrease) of investments	(2,000)	(2,000)	-
Total applications of capital funding (D)	(1,875)	(1,850)	6,270
Surplus (deficit) of capital funding (C - D)	(109)	(119)	(1,794)
Funding balance ((A - B) + (C - D))	-	-	-

NGĀ HUARAHI ME NGĀ ARA ROADS AND FOOTPATHS

Roading and footpaths activity provides and maintains our roading network to ensure public safety, facilitate economic activity and help people to maintain their social networks. This activity also supports sustainable growth of the district and contributes to economic growth through linking the community and customers to suppliers. We consider cultural importance, climate change adaptation and emissions reduction when planning, designing, and building transport infrastructure.

COMMUNITY OUTCOMES



He hāpori pūmanawa
A resilient community



Waahi pūmanawa
Vibrant city heart

WHY WE DO IT

- To provide a safe and efficient transport network that supports the District's economy provides access for utilities; supports the facilitation of events and other activities; promotes road safety; and encourages the use of other sustainable forms of travel.

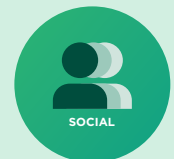
WHAT WE DO

Council's Roads and Footpaths activity contributes to the four well-beings of social, economic, environmental and cultural. This is done through the below actions.

- This activity includes the development and management of the roading network, including public transport infrastructure, safety programmes, alternative transport modes and long-term planning. Roding networks are critical to supporting and developing the economy, particularly in the Rotorua District where three major economic drivers of forestry, agriculture and tourism are so reliant on efficient transport systems.

Positive impacts on the four well-beings continue to be achieved through the completion of Council's renewal programmes which contribute to safer driver conditions for our community.

KEY IMPACT ON COMMUNITY WELLBEING



SOCIAL



ECONOMIC











ENVIRONMENTAL







CULTURAL

MEASURING OUR PERFORMANCE

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
ROADS AND FOOTPATHS	Safety	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. (DIA measure) ¹	≤ -1	 0	<p>Previous year data from crash database indicates:</p> <p>2020/21 - 14 crashes (Fatal 2 Serious Injuries 15)</p> <p>2021/22 - 14 crashes (Fatal 0 Serious Injuries 15)</p> <p>2022/23 - 13 crashes (Fatal 2 Serious Injuries 11)</p> <p>2023/24 - 13 crashes (Fatal 2 Serious Injuries 16)</p> <p>The number of fatal accidents are consistent with the prior year at 2 with the number of serious injuries increasing by 5 to 16</p>	 -1
	Condition	The average quality of ride on a sealed local road network, measured by smooth travel exposure. (DIA measure) ²	≥75%	 91%	Considerable effort is made each year to optimise resurfacing treatments for the extensive roading network of Rotorua. The effort made each year is to optimise pre-see preparation and detailed design for each treatment length to ensure maximum waterproofness as risk reduction measures, and this achieves better results for riding condition.	 90%
	Maintenance	The percentage of the sealed local road network that is resurfaced. (DIA measure)	≥7-9%	 5.7%	The total re-see programme for 2023-24 was reduced from previous years due to significant cost fluctuations.	 5.2%
	Condition	The percentage of footpaths within the Rotorua district that fall within the condition four (4) or better, set out in the council's asset management plan. (DIA measure)	≥98%	 99.7%	Of the 3528 footpath assets, 3519 have a condition rating 4 or better.	 99.6%

 Not Measured  Achieved  Not Achieved

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
ROADS AND FOOTPATHS	Response time	The percentage of customer service requests relating to roads and footpaths which are responded to within five (5) working days. (DIA measure)	≥90%	 87%	All of the 870 'public' maintenance requests (RAMM dispatches) received an immediate response through logging directly to the Asset Management System, and of the 568 'Transport' complaints and/or new service requests, 386 were responded to within five working days. Therefore 87% of the total 1438 enquires were responded to within five working days. This has seen an increase on the previous year result of 86%.	 86%
	Utilisation	Number of cycleways users (Average Daily use)	279	 240	The target has not been achieved during the financial year.	 236

 Not Measured  Achieved  Not Achieved

¹ DSI numbers may differ for the same time period due to dependency on Waka Kotahi's Crash Analysis System which is updated continuously.

² Smooth Travel Exposure (STE) is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road.

³ Condition 4 means that the condition of the footpath is in poor condition with condition 5 being very poor and condition 1 being excellent.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2024 for Roothing and Footpaths

Long-term Plan	Long-term Plan	Actual
2022/23 (\$000)	2023/24 (\$000)	2023/24 (\$000)

Sources of operating funding			
General rates, uniform annual general charges, rates penalties	12,392	12,913	13,294
Targeted rates	-	-	-
Subsidies and grants for operating purposes	4,260	4,413	5,510
Fees and charges	141	141	64
Internal charges and overheads recovered	27	27	-
Local authorities fuel tax, fines, infringement fees, and other receipts	665	665	657
Total operating funding (A)	17,485	18,159	19,525
Applications of operating funding			
Payments to staff and suppliers	9,921	10,193	11,806
Finance costs	1,440	1,579	2,421
Internal charges and overheads applied	2,133	2,254	1,976
Other operating funding applications	-	-	-
Total applications of operating funding (B)	13,494	14,022	16,203
Surplus (deficit) of operating funding (A - B)	3,991	4,134	3,321
Sources of capital funding			
Subsidies and grants for capital expenditure	5,433	5,433	9,973
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,334	2,193	13,527
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	7,766	7,625	23,501
Applications of capital funding			
Capital expenditure—			
• to meet additional demand	500	500	443
• to improve the level of service	3,800	3,800	5,924
• to replace existing assets	7,457	7,457	9,537
Increase (decrease) in reserves	-	-	10,917
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	11,757	11,757	26,822
Surplus (deficit) of capital funding (C - D)	(3,991)	(4,134)	(3,321)
Funding balance ((A - B) + (C - D))	-	-	-

PARAKAINGAKI ME TE WAI-PARA SEWERAGE AND SEWAGE

Wastewater services protect the health of people and the environment. A reliable and sustainable wastewater service is also essential for existing businesses and encouraging new businesses to the city. We manage potential effects of the wastewater network such as odour, noise and discharges into waterways, and upgrade and renew infrastructure as necessary to protect the environment and in particular, protect our lakes and waterways. We consider Maori values in relation to the discharge of water in all our wastewater activities and consult with local iwi as part of resource consent processes.

COMMUNITY OUTCOMES



Whakawhanake pākihi
Business innovation and prosperity



Kāinga noho, kāinga haumaruru
Homes that match needs



He hāpori pūmanawa
A resilient community

WHY WE DO IT

- To protect and promote public health and minimise the impact of communities on the environment.

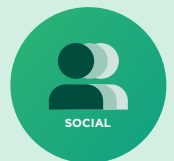
WHAT WE DO

Council's Sewerage and Sewage activity contributes to the four well-beings of social, economic, environmental and cultural through:

- Provide reliable wastewater (sewage and trade wastes) collection and treatment infrastructure service to specific areas of the District. This activity comprises the collection, treatment and disposal of sewage from toilets and drains, from the three urban areas of Rotorua (Ngongotahā, city and eastern suburbs) as well as identified rural lakeside communities. This is provided by effective strategic planning, asset development and management, service provision and liaison with stakeholders and the community in general.

Positive impacts were achieved in relation to the four well-beings through the continued progression of the District Sewerage Schemes of Rotoiti/Rotoma and the Tarawera Sewerage Schemes. The Waste Water Treatment Plant upgrade will also have a significant impact on the community once completed.

KEY IMPACT ON COMMUNITY WELLBEING



SOCIAL



ECONOMIC









ENVIRONMENTAL







CULTURAL

MEASURING OUR PERFORMANCE

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
SEWERAGE AND SEWAGE	Systems and adequacy	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. (DIA measure) ^{1,2}	≤ 5 / 1000 connections	 1.33/ 1000 connections	34 dry weather overflows reported from 25,603 properties rated for sewer. The improvement on prior year result is reflective of the collective effort from Council and contractors to identify overflow causes and remedy to avoid recurrence.	 2.15/1000 connections
	Discharge compliance	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents. (DIA measure)	0	 No abatement or infringement notices, enforcement orders or convictions were received during the period.	No abatement or infringement notices, enforcement orders or convictions were received during the period.	 No abatement or infringement notices, enforcement orders or convictions were received during the period.
	Fault response times	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the median attendance time from the time that the territorial authority receives notification to the time that service personnel reach the site. (DIA measure)	≤60 minutes	 31 minutes	The target of 60 minutes is a maximum tolerable response time to assess a fault in order to minimise health effects. Our contracts and notifications systems are designed to achieve constant performance improvements inside the 60 minute response assessment envelope and provide a safe buffer zone to the community.	 32 minutes

 Not Measured  Achieved  Not Achieved

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
SEWERAGE AND SEWAGE	Fault response times	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the median resolution time from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. (DIA measure)	≤ 180 minutes	 101 minutes	180 minutes is a maximum tolerable response time to correct a fault in order to minimise health effects. Our contracts and notifications systems are designed to achieve constant performance improvements inside the 180 minute repair envelope and provide a safe buffer zone to the community.	 100 minutes
	Customer satisfaction	The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> • sewage odour • sewerage system faults • sewerage system blockages, and • the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system. (DIA measure) 	≤ 25 / 1000 connections	 11 odour 409 faults 50 blockages 8 response complaints Total number (478) Total 18.67/1000 connections	478 complaints and service faults received from 25,603 properties rated for sewer. Important to note, that of the total faults recorded, 409 or 85.56% are related to Low Pressure Grinder Pump (LPGP) faults. These pumps were not originally included in setting the LTP KPI target and have adversely affected the full result.	 15 odour 573 faults 39 blockages 8 response complaints Total number (635) Total 24.80/1000 connections

 Not Measured  Achieved  Not Achieved

¹ Sewage overflow means sewage that escapes Council's sewerage system and enters the environment.

² Dry weather sewerage overflow means sewage that escapes a territorial authority's sewerages system and enters the environment during periods of dry weather. Dry weather overflows generally indicate a specific network fault.

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2024 for Sewerage and Sewage

Long-term Plan	Long-term Plan	Actual
2022/23 (\$000)	2023/24 (\$000)	2023/24 (\$000)

Sources of operating funding

General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	21,249	23,408	24,917
Subsidies and grants for operating purposes	-	-	-
Fees and charges	560	560	1,324
Internal charges and overheads recovered	417	417	-
Local authorities fuel tax, fines, infringement fees, and other receipts	9	9	168
Total operating funding (A)	22,236	24,394	26,410

Applications of operating funding

Payments to staff and suppliers	11,215	11,501	13,562
Finance costs	1,458	2,090	3,142
Internal charges and overheads applied	3,116	3,236	2,242
Other operating funding applications	-	-	-
Total applications of operating funding (B)	15,789	16,827	18,946
Surplus (deficit) of operating funding (A - B)	6,447	7,567	7,464

Sources of capital funding

Subsidies and grants for capital expenditure	8,951	14,041	5,842
Development and financial contributions	440	637	72
Increase (decrease) in debt	27,096	13,377	17,554
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	36,486	28,054	23,469

Applications of capital funding

Capital expenditure—			
• to meet additional demand	-	-	94
• to improve the level of service	37,530	30,060	41,425
• to replace existing assets	5,403	5,561	5,156
Increase (decrease) in reserves	-	-	(15,742)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	42,933	35,621	30,932
Surplus (deficit) of capital funding (C - D)	(6,447)	(7,567)	(7,464)
Funding balance ((A - B) + (C - D))	-	-	-

WAI ĀWHĀ

STORMWATER AND LAND DRAINAGE

We manage the piped stormwater network and stormwater overflow paths to minimise the impact of storm events on people and property. A reliable and sustainable stormwater network is essential for businesses and for supporting growth. We consider Māori values in all our water-related activities and consult with local iwi as part of resource consent processes.

COMMUNITY OUTCOMES



Whakawhanake pākihi
Business innovation and prosperity



Kāinga noho, kāinga haumaruru
Homes that match needs



He hāpori pūmanawa
A resilient community



Tiakina to taiao
Enhanced environment

WHY WE DO IT

- To manage the drainage of excess rainfall so that property and people are protected from flood damage, and to mitigate the adverse effects of stormwater run-off on the District's lakes and waterways.

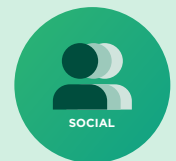
WHAT WE DO

Council's Stormwater and Land Drainage activity contributes to the four well-beings of social, economic, environmental and cultural through:

- Provide and maintain a stormwater drainage network of piped and open channels across the District and where appropriate stormwater treatment infrastructure.
- Maintain stormwater systems and operate to manage drainage of excess rainfall.
- Develop and implement programmes to progressively improve stormwater systems in areas that experience localised flooding usually resulting from extreme rainfall episodes.
- Manage an integrated approach to planning and maintaining a stormwater system that includes: ecosystems, people, urban design, communities and businesses, as well as cultural, amenity and social values. Regulate property owner responsibilities to utilise public stormwater facilities to assist in the provision of a fully functional stormwater system











Positive impacts on the four well-beings for our community have been achieved through the starting of the Stormwater masterplan. This will assist in enabling approximately 3000 homes when completed.

KEY IMPACT ON COMMUNITY WELLBEING



MEASURING OUR PERFORMANCE

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
Stormwater And Land Drainage	System adequacy	The number of flooding events that occur in a territorial authority district. (DIA measure)	≤ 2	 0	No flooding events reported	 0
	System adequacy	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system). (DIA measure)	≤ 0.5 / 1000 rated properties	 0.11/1000 customer complaints - not service requests . Number of properties connected 28,376	No habitable buildings flooded	 0/1000 customer complaints - not service requests . Number of properties connected 28,376
	System adequacy	Council's stormwater compliance with resource consents for discharge from its stormwater system measured by the number of: a. abatement notices; b. infringement notices; c. enforcement orders; d. convictions received in relation to those resource consents. (DIA measure)	0	 0	No abatement or infringement notices, enforcement orders or convictions we received during the period	 0
	System adequacy	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (DIA measure)	≤ 60 minutes	 0	No flooding events (no calls to attend where habitable floors were flooded)	 0 minutes
	System adequacy	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. (DIA measure)	≤ 20 / 1000 rated properties	 1.7/1000 rated properties	47 service requests / complaints received from 28,378 rated properties. Although there were two significant rain events, in contrast reduced total precipitation to the year prior, no reports of flooding into dwellings were received. Overall, low stormwater request for services have been received.	 3.6/1000 rated properties

 Not Measured  Achieved  Not Achieved

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended
30 June 2024 for Stormwater and Land Drainage

Long-term Plan	Long-term Plan	Actual
2022/23 (\$000)	2023/24 (\$000)	2023/24 (\$000)

Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,352	4,836	4,237
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	747
Fees and charges	32	32	19
Internal charges and overheads recovered	-	-	1,123
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	25
Total operating funding (A)	4,384	4,868	6,151

Applications of operating funding			
Payments to staff and suppliers	1,629	1,579	3,059
Finance costs	412	528	877
Internal charges and overheads applied	946	992	1,268
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,987	3,099	5,205
Surplus (deficit) of operating funding (A – B)	1,396	1,769	946

Sources of capital funding			
Subsidies and grants for capital expenditure	6,000	5,953	13,636
Development and financial contributions	1,384	2,004	839
Increase (decrease) in debt	4,220	2,727	4,901
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	11,604	10,684	19,377

Applications of capital funding			
Capital expenditure—			
• to meet additional demand	9,500	8,953	4,762
• to improve the level of service	500	500	12,008
• to replace existing assets	3,000	3,000	(43)
Increase (decrease) in reserves	-	-	3,595
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	13,000	12,453	20,323
Surplus (deficit) of capital funding (C – D)	(1,396)	(1,769)	(946)
Funding balance ((A - B) + (C - D))	-	-	-



TE WHAKAHAERE PARA WASTE MANAGEMENT

We provide rubbish collection services to protect people's health and the environment. A reliable and sustainable rubbish and recycling service is also essential for businesses and we monitor gas and leachate at our closed landfill site and manage these within the requirements of our resource consent. Education provided by council maintains awareness and understanding of the need to dispose of waste responsibly, for the good of the community overall.

COMMUNITY OUTCOMES



Tiakina to taiao
Enhanced environment

WHY WE DO IT

- To provide for the collection, reduction, reuse, recycling, and disposal of waste sustainably.

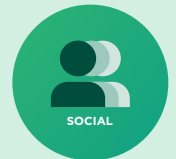
WHAT WE DO

Council's Waste Management activity contributes to the four well-beings of social, economic, environmental and cultural through:

- The activities provide a weekly refuse collection service for residential properties, manages and provides recycling and re-use services and plans, provides and manages waste disposal facilities.

Positive impacts on the four well-beings have been felt through the collection of approximately 21,000 tonnes of residual waste and recycling collected over the year.

KEY IMPACT ON COMMUNITY WELLBEING



SOCIAL



ECONOMIC

















ENVIRONMENTAL



CULTURAL

MEASURING OUR PERFORMANCE

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
WASTE MANAGEMENT	Sustainability	Number of tonnes per annum of green + wood waste recovered at landfill.	≥5,000 tonnes	 5160	Green and wood waste is lower than the previous years result. This could be due to seasonal and rainfall fluctuations that is driving the decrease from the previous year.	 6054
	Sustainability	Number of tonnes per annum of concrete waste recovered.	≥1,000 tonnes	 1335	This result is consistent with the prior year result and is dependant on projects and redevelopments occurring during the year.	 1349
	Sustainability	Number of tonnes per annum of recycled material recovered.	≥5,000 tonnes	 4975	This measure is not achieved this financial year. A reduction in recycled material has returned to normal levels following Covid19 which drives the variance from the prior year. Continued education programmes are carried out to educated the community on the benefits of recycling.	 9213
	Sustainability	Reduce the amount of rubbish/waste that is collected from kerbside collection per capita.	≤ 160 kg / capita Per Year	 220	The average yearly waste collection was above the target minimum. The increase is driven by high waste collections during the summer months.	 211.2
	Compliance	Compliance with resource consent conditions at the landfill	100%	 100%	No incidents reported	 100%
	Sustainability	Reducing the percentage of contaminants in kerbside recycling collection across the Rotorua District.	<18%	 23%	The average yearly contamination was 23%, not meeting the target for less than 20%. However, there are opportunities to improve the recycling quality further through the implementation of new legislation	 23%
	Sustainability	Number of tonnes per annum of food and green waste diverted from kerbside FOGO collections	>50 Kg / capita per year	 Not measured	The food and organic waste collection service has not yet been introduced. This is expected to be introduced in 2027.	 Not measured

 Not Measured  Achieved  Not Achieved

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2024 for Waste Management

Long-term Plan	Long-term Plan	Actual
2022/23 (\$000)	2023/24 (\$000)	2023/24 (\$000)

Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,453	2,494	2,450
Targeted rates	7,801	7,951	7,704
Subsidies and grants for operating purposes	277	277	625
Fees and charges	-	-	(1)
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	615	621	1,124
Total operating funding (A)	11,146	11,343	11,902

Applications of operating funding			
Payments to staff and suppliers	9,801	9,959	12,096
Finance costs	-	-	-
Internal charges and overheads applied	912	925	470
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,713	10,885	12,566
Surplus (deficit) of operating funding (A – B)	433	458	(664)

Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(433)	(458)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(433)	(458)	-

Applications of capital funding			
Capital expenditure—			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(664)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	(664)
Surplus (deficit) of capital funding (C – D)	(433)	(458)	664
Funding balance ((A - B) + (C - D))	-	-	-



TE TUKU WAI WATER SUPPLIES

We provide the Rotorua community with a high-quality, reliable, and sustainable water supply, essential for a healthy community. This is also essential for businesses. We consider Māori values in relation to the take and discharge of water in all our water management practices, consult with local iwi as part of resource consent processes and where water supply is obtained from Māori-owned land, partner with mana whenua to maintain access to water supply for the benefit of the wider community.

COMMUNITY OUTCOMES



Whakawhanake pākihi
Business innovation and prosperity



Kāinga noho, kāinga haumaruru
Homes that match needs



He hāpori pūmanawa
A resilient community



Tiakina to taiao
Enhanced environment

WHY WE DO IT

- To protect and promote public health, ensure fire-fighting water supplies are available in specific areas and enable businesses to operate and grow.

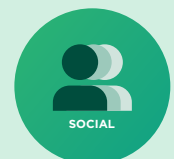
WHAT WE DO

Council's Water Supply activity contributes to the four well-beings of social, economic, environmental and cultural through:

- Provide a cost-effective, constant, adequate, sustainable and high-quality supply of water to three urban supply areas, five residential supply areas and two farming supply areas. Assess and where appropriate, plan for water supply provision to other areas of the District.

Positive impacts on the four-well beings are achieved through Council's water supply continually achieving high customer satisfaction through quality. Completion of a new water reservoir for the eastern area which provides more resilience for the eastern area and completed the redevelopment of the Taniwha Spring to address and improve cultural impacts.

KEY IMPACT ON COMMUNITY WELLBEING



SOCIAL



ECONOMIC









ENVIRONMENTAL



CULTURAL

MEASURING OUR PERFORMANCE

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
WATER SUPPLIES	Safety of drinking water	The extent to which Council's drinking water supplies comply with: "The extent to which Council's drinking water supplies comply with Part 4 of the Drinking Water Standards (bacteria compliance criteria)" "The extent to which Council's drinking water supplies comply with Part 5 of the Drinking Water Standards (protozoal compliance criteria)" Part 4 of the Drinking Water Standards (bacteria compliance criteria) Part 5 of the Drinking Water Standards (protozoal compliance criteria) (DIA measure) ¹	Achieved for all supplies	 Bacterial Compliance All ten treatment plants and distribution zones = Yes Protozoal Compliance All ten treatment plants = Yes (Note -no protozoa compliance criteria for distribution zones)	All actual water supplied is fully compliant with the Drinking Water Standards for NZ. The 10 treatment plants are: Deep Creek, Hamurana, Mamaku, Matipo, Reporoa, Rotoiti, Rotoma, Taniwha Springs, Utuhina, Whakarewarewa Forest Springs.	 Bacterial Compliance All ten treatment plants and distribution zones = Yes Protozoal Compliance All ten treatment plants = Yes (Note -no protozoa compliance criteria for distribution zones)
	Maintenance of the reticulation network	The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). (DIA measure) ²	≤ 25%	 31.6%	Water NZ water loss benchmarking methodology - Current Annual Real Losses. This measure combines all 10 water supplies (Urban and Rural)	 33%
	Fault response times	In response to a fault or unplanned interruption to its networked reticulation system, the median response times measured: attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site. (DIA measure) ³	≤ 60 minutes	 29 minutes	Our contract management model encourages constant improvement through collaboration, and overall this enables the performance and results to be kept consistently high. The objective is to remedy the identified fault to minimise the effects on the public within the tolerable limit of 1 days. The improved performance time between the prior and current year is due to quicker response and resolve times for service requests located in rural areas.	 34 minutes











 Not Measured  Achieved  Not Achieved

1 There was a change in rules of measurement from 1 January 2023. The information about the old rules (DWSNZ) can be found at: [https://www.moh.govt.nz/notebook/nbbooks.nsf/0/B9917ABBB22BE387CC2583B2007928FE/\\$file/dwsnz-2005-revised-mar2019.pdf](https://www.moh.govt.nz/notebook/nbbooks.nsf/0/B9917ABBB22BE387CC2583B2007928FE/$file/dwsnz-2005-revised-mar2019.pdf) Further details about the new standards (DWQAR) can be found at: <https://www.taumataarowai.govt.nz/for-water-suppliers/newcompliance-rules-and-standards/>

2 This measure tracks unexplained water losses as a percentage of total water produced. These losses are calculated by deducting water sales volumes and estimated unbilled water usage from the total volume of water produced.

3 An urgent call-out is one that leads to a complete loss of supply of drinking water or risk of damage to persons and/or property. A non-urgent call-out is one where there is still a supply of drinking water and low risk of damage to persons and/or property.

4 A Department of Internal Affairs (DIA) mandatory measure to provide information on whether the water supply system is being managed to ensure demand does not outstrip capacity. Careful management of the demand for water is an important component of integrated water resources management to ensure that demand does not exceed capacity, that water is allocated efficiently, and that productivity is maximised.

Activity	Level of service	How will it be measured? (Measures)	2023/24 Target	2023/24 Result	Year-end comment as at 30 June 2024	2022/23 Result
WATER SUPPLIES	Fault response times	In response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (DIA measure) ³	≤ 210 minutes	 96 minutes	Our contract management model encourages constant improvement through collaboration, and overall this enables the performance and results to be kept consistently high. The objective is to repair service interruptions below the tolerable limit of 210-minutes.	 95 minutes
	Fault response times	In response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site. (DIA measure) ³	≤ 1 day	 14 hours 20 minutes	Our contract management model encourages constant improvement through collaboration, and overall this enables the performance and results to be kept consistently high. The objective is to remedy the identified fault to minimise the effects on the public within the tolerable limit of 1 days. Management improvements have been achieved, enabling high performing workforce collaborations and measures to facilitate and complete request for service demands. This has driven the improvement against the prior year result.	 45 hours 40 minutes
	Fault response times	In response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (DIA measure) ³	≤ 3 days	 26 hrs 46 minutes	Our contract management model encourages constant improvement through collaboration, and overall this enables the performance and results to be kept consistently high. The objective is to remedy the identified fault to minimise the effects on the public within the tolerable limit of 3-days. Operational management of service request job numbers to workforce ratios have been achieved. In the year prior there were 200 more service request jobs to the current year, where low staffing levels were significant to give the response times outside of the KPI measures.	 74 hours 50 minutes
	Customer satisfaction	The total number of complaints received by the local authority about any of the following: • drinking water clarity • drinking water taste • drinking water odour • drinking water pressure or flow • continuity of supply, and • the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system. (DIA measure)	≤ 10 / 1000 connections	 86 complaints 7 clarity 18 taste 1 odour 38 pressure or flow 11 continuity of supply 11 service complaints Total =3.27 / 1000 connections	86 complaints from 26,267 connected properties. The Rotorua water quality is kept consistently high so complaints about these will be generally low. There were a reduced number of pressure or flow complaints due to weekly monitoring processes. The continuity of supply and service complaints were reduced due to workforce efficiency.	 187 complaints 9 clarity 10 taste 0 odour 73 pressure or flow 95 continuity of supply 18 service complaints Total =7.80 / 1000 connections
	Demand management	The average consumption of drinking water per day per resident within the territorial authority based on water leaving the water treatment plants in litres per capita per day (annual consumption and based on population of 25,641 connections supplied with water) (DIA measure) ⁴	≤ 320 litres per person per day	 217 litres per person per day	The average consumption of drinking water in litres per capita per day is calculated per household, per day, per resident within the RLC territorial authority. Based on rating data of 26,641 properties connected to water with 2.61 people per household. Average consumption data can also be calculated from Domestic Monitoring Metered data and/ or Quarterly Accumulating Consumption data.	 234 litres per person per day

 Not Measured  Achieved  Not Achieved

ROTORUA LAKES COUNCIL:

Funding Impact Statement for the year ended 30 June 2024 for Water Supplies

Long-term Plan	Long-term Plan	Actual
2022/23 (\$'000)	2023/24 (\$'000)	2023/24 (\$'000)

Sources of operating funding

General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	11,080	11,746	12,739
Subsidies and grants for operating purposes	-	-	-
Fees and charges	13	13	28
Internal charges and overheads recovered	245	245	414
Local authorities fuel tax, fines, infringement fees, and other receipts	228	228	420
Total operating funding (A)	11,565	12,233	13,601

Applications of operating funding

Payments to staff and suppliers	6,358	6,627	7,225
Finance costs	629	754	1,139
Internal charges and overheads applied	1,824	1,900	1,849
Other operating funding applications	-	-	-
Total applications of operating funding (B)	8,811	9,281	10,213
Surplus (deficit) of operating funding (A - B)	2,755	2,951	3,389

Sources of capital funding

Subsidies and grants for capital expenditure	-	-	3
Development and financial contributions	539	780	199
Increase (decrease) in debt	5,431	1,473	6,364
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	5,970	2,254	6,566

Applications of capital funding

Capital expenditure—			
• to meet additional demand	30	480	(111)
• to improve the level of service	5,645	1,675	1,429
• to replace existing assets	3,050	3,050	4,488
Increase (decrease) in reserves	-	-	4,149
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	8,725	5,205	9,954
Surplus (deficit) of capital funding (C - D)	(2,755)	(2,951)	(3,389)
Funding balance ((A - B) + (C - D))	-	-	-

NGĀ TAUĀKI
PŪTEA
**FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED
30 JUNE 2024





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RĪPOATA
KAIAROTAKE
**AUDITOR'S
REPORT**

TO THE CUSTOMERS OF
ROTORUA LAKES COUNCIL

Independent Auditor's Report

To the readers of Rotorua Lakes Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Rotorua Lakes Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 84 to 165:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2024; and
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Reporting Standards;
- the funding impact statement on page 166 to 167, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the service performance information on pages 33 to 70:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 42 to 70, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District’s long-term plan; and
- the funding impact statement for each group of activities on pages 42 to 70, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District’s long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 197 to 201, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plan.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan and long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our

opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the service performance information, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 32, pages 71 to 75, pages 81 to 82, pages 168 to 196 and page 202, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of the long-term plan and Debenture Trust Deed, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



David Walker
Audit New Zealand
On behalf of the Auditor-General
Auckland New Zealand



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STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The governing body and management of Rotorua Lakes Council confirm that all the statutory requirements in relation to this annual report, as outlined in the Local Government Act 2002, have been complied with.

RESPONSIBILITY

The governing body and management of Rotorua Lakes Council accept responsibility for the preparation and completion of the financial statements and the related judgements. The governing body and management adopted the financial statements as presented here on 8th May 2024.

The governing body, the management of Rotorua Lakes Council and the Rotorua Lakes Council Group accept responsibility for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and performance reporting.

In the opinion of Rotorua Lakes Council, the Group annual report, for the year ended 30 June 2023 fairly presents the financial performance, financial position, cash flows and service performance of the Rotorua Lakes Council Group and Rotorua Lakes Council.



Jean-Paul Gaston
Acting Chief Executive

Date: 31/10/2024



Tania Tapsell
Her Worship the Mayor

Date: 31/10/2024

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Council		Group		Restated Actual 2023 \$'000
		Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	
Revenue						
Rates	2a	128,139	131,022	118,185	128,025	118,082
Subsidies and grants	2b	47,055	38,226	25,592	47,137	26,144
Development and financial contributions	2c	1,975	3,592	1,114	1,975	1,114
Finance income	3	1,544	575	1,207	1,157	754
Other revenue	2d	18,755	21,369	21,053	28,941	28,450
Total revenue		197,468	194,784	167,151	207,235	174,544
Expenses						
Personnel costs	4	34,866	36,850	32,119	49,670	45,995
Depreciation and amortisation expense	15	45,060	43,730	40,427	47,558	42,657
Finance costs	3	17,236	14,025	11,220	17,261	11,261
Other expenses	5	98,149	79,448	86,528	89,993	76,811
Total expenses		195,311	174,053	170,294	204,482	176,724
Surplus/(deficit) before tax		2,157	20,731	(3,143)	2,750	(2,180)
Income tax expense/(refund)	6	-	-	-	71	(5,637)
Surplus/(deficit) after tax		2,157	20,731	(3,143)	2,679	3,456
Other comprehensive revenue and expense						
<i>Items that could be reclassified to surplus/(deficit)</i>						
Net change in fair value of investment	20	2,818	-	5,974	-	(16)
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Revaluation on property, plant and equipment	20	156,369	58,435	112,537	160,045	121,779
Revaluation on intangibles	20	310	-	-10	310	-10
Other transfers		4,160			4,160	
Prior Year Equity Correction		-	-	184	-	184
Income tax related to gain on Revaluation of Airport Assets		-	-	-	(1,389)	-3,321
Total other comprehensive income		163,657	58,435	118,685	163,126	118,616
Total comprehensive income		165,814	79,167	115,542	165,805	122,072

Explanations of major variances against budget are provided in note 27.
The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Council			Group	
		Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Restated Actual 2023 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	7	8,990	12,872	7,725	11,231	9,146
Receivables	8	42,768	17,356	21,053	43,915	22,025
Other financial assets	10	26,000	-	2,000	26,243	2,231
Inventories	11	117	-	83	1,116	938
Current tax receivables	6	61	-	57	129	88
Non-current assets held for sale	12	3,098	4,944	1,228	3,098	1,228
Total current assets		81,034	35,172	32,146	85,732	35,656
Non-current assets						
Shares in associates	9	109	-	90	109	90
Other financial assets:						
- Investment in CCO's and other similar entities	10	83,577	74,666	82,159	1	-
- Investment in other entities	10	10,237	7,397	7,714	10,237	7,714
Trade and other receivables	8	8	-	39	8	39
Property, plant and equipment	13	1,917,349	1,801,326	1,738,662	2,007,134	1,826,344
Work in progress	13	148,920	-	114,425	148,920	114,425
Intangible assets	14	15,629	233	15,450	15,896	15,496
Deferred tax asset	6				5,794	6,011
Total non-current assets		2,175,829	1,883,622	1,958,539	2,188,099	1,970,117
Total assets		2,256,863	1,918,794	1,990,685	2,273,831	2,005,773
LIABILITIES						
Current liabilities						
Borrowings	17	27,927	21,000	23,629	27,927	23,629
Employee entitlements	18	3,664	2,772	2,957	4,925	3,991
Provisions	19	18	21	18	18	51
Payables and deferred revenue	16	45,587	41,750	43,317	46,187	42,672
Total current liabilities		77,196	65,543	69,921	79,057	70,343
Non-current liabilities						
Borrowings	17	419,000	393,406	327,000	419,600	328,400
Employee entitlements	18	113	487	123	113	123
Provisions	19	2,105	1,978	1,882	2,105	1,882
Deferred tax liabilities	6	-	-	-	6,516	5,273
Payables and deferred revenue	16	875			875	
Total non-current liabilities		422,093	395,871	329,005	429,209	335,678
Total liabilities		499,289	461,414	398,926	508,270	406,021
Net assets		1,757,574	1,457,380	1,591,759	1,765,564	1,593,742
EQUITY						
Accumulated funds	20	640,479	754,010	712,989	648,469	721,232
Reserves	20	1,117,095	703,368	878,770	1,117,095	878,522
Total equity attributable to the Entity		1,757,574	1,457,378	1,591,759	1,765,564	1,599,754
Total equity		1,757,574	1,457,378	1,591,759	1,765,564	1,599,754

Explanations of major variances against budget are provided in note 27.
The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Council			Group	
		Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Restated Actual 2023 \$'000
Balance as at 1 July		1,591,760	1,378,213	1,476,217	1,599,746	1,477,674
Surplus/(deficit) after tax		2,157	79,367	(3,144)	2,683	3,456
Other comprehensive revenue and expense		163,659	-	118,685	163,135	118,616
Balance as at 30 June	20	1,757,574	1,457,378	1,591,759	1,765,564	1,599,754

The accompanying notes form an integral part of these financial statements.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Council			Group	
		Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Cash flows from operating activities						
Receipts from rates revenue		127,611	130,322	118,082	127,489	117,979
Receipts from other revenue		(951)	21,261	17,769	9,065	24,555
Subsidies and grants received		45,792	38,226	20,599	45,524	20,480
Development and financial contributions received		1,975	3,592	1,114	1,975	1,114
Interest received		1,544	575	1,207	1,157	754
Dividends received		-	-	-	-	-
Payments to suppliers*		(78,794)	(77,466)	(80,956)	(68,330)	(72,293)
Payments to employees		(34,169)	(36,850)	(31,926)	(48,769)	(45,737)
Interest paid		(16,049)	(14,025)	(10,083)	(16,074)	(10,124)
Income tax paid		(4)	-	3	(38)	(1)
Goods and Services Tax (net)		1,802	-	(612)	1,802	(612)
Net cash flow from operating activities		48,757	65,635	35,197	53,801	36,115
Cash flows from investing activities						
Receipts from sale of property, plant, and equipment		(1,256)	-	1,778	(873)	2,918
Receipts from sale of intangible assets		11	-	588	20	-
Loan advances repaid		-	2,000	-	-	(588)
Receipts from sale or maturity of investments		-	-	-	-	-
Purchase of property, plant and equipment		(115,432)	-135,887	(83,116)	(119,247)	(83,813)
Purchase of intangible assets		(1,958)	-	(14,009)	(2,200)	(14,030)
Payments to suppliers - capital expenditure		-	-	-	-	-
PPE reval non-cash		-	-	-	(1,316)	-
Purchase of financial assets		(25,158)	(339)	(2,779)	(23,752)	(2,809)
Net cash flow from investing activities		(143,793)	(134,226)	(97,538)	(147,368)	(98,322)
Cash flows from financing activities						
Proceeds from borrowings		232,056	85,276	83,158	231,214	83,158
Repayment of borrowings		(135,758)	(16,700)	(29,103)	(135,711)	(29,362)
Payments of finance leases		-	-	-	(5)	(171)
Net cash flow from financing activities		96,299	68,576	54,055	95,498	53,625
Net increase / (decrease) in cash and cash equivalents		1,265	(15)	(8,286)	2,085	(8,582)
Cash and cash equivalents at the beginning of the year		7,725	12,888	16,011	9,146	17,728
Cash, cash equivalents and bank overdrafts at the end of the year	7	8,990	12,873	7,725	11,231	9,146

* This includes amounts received and paid on behalf of and from Bay of Plenty Regional Council, New Zealand Transport Agency and petrol tax. Refer to Note 25 for further detail.

The accompanying notes form an integral part of these financial statements.

RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2024

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Surplus/(deficit) after tax	2,157	(3,144)	2,905	(2,554)
Add/(less) non-cash items				
Depreciation	43,294	39,938	44,467	42,162
Amortisation	1,768	488	1,775	495
Impairment of property, plant and equipment and intangible assets	(2,334)	39	(1,919)	1,049
Impairment of accounts receivable	3,388	(1,290)	3,378	353
Bad debts written off	1,711		1,711	
Vested assets and assets recognised for the first time	(483)	(2,703)	(483)	(2,709)
Disposal non-cash	11	-	20	-
Decrease in landfill	-	-	-	-
Share of associate's surplus	(19)	25	(19)	25
(Gains)/losses in fair value on investments through surplus and deficit	16	-	16	-
Total non-cash items	47,352	36,497	48,946	41,375
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant, and equipment	17,049	4,999	17,084	4,999
Total items classified as investing or financing activities	17,049	4,999	17,084	4,999
Add/(less) movements in working capital items				
Receivables	(21,667)	1,537	(21,835)	(2,855)
Prepayments	(17)	-344	(31)	(375)
Inventories	(34)	13	(177)	(117)
Payables and deferred revenue	3,145	-4,563	4,422	(4,604)
Provision for taxation	(4)	3	(38)	-1
Provisions	697	5	895	(15)
Employee benefits	223	193	1,431	257
Net movement in working capital items	(17,657)	(3,156)	(15,333)	(7,710)
Net cash inflow/(outflow) from operating activities	48,901	35,196	53,602	36,110



1.1 Reporting entity

Rotorua Lakes Council is a territorial local authority under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Rotorua Lakes Council group (Group) consists of the ultimate parent, Rotorua Lakes Council (Council) and its subsidiaries Rotorua Regional Airport Limited (100% owned), Rotorua Economic Development Limited (100% owned), InfraCore Limited (100% owned), and Kauae Cemetery Trust Board by special relationship. The Council's subsidiaries are incorporated and domiciled in New Zealand.

The Council and Group provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself and the Group as public benefit entities (PBEs) to comply with generally accepted accounting practices and applies New Zealand Tier 1 Public Benefit Entity accounting standards (PBE standards).

The financial statements of the Council and Group are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 31 October 2024.

1.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets and liabilities as identified in the significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

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

Statement of compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA, and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practices in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with Tier 1 PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than the remuneration payment disclosure in Note 24 and related party disclosures in Note 23, which are rounded to the nearest dollar.

Service Performance Reporting:

PBE FRS 48 Service Performance Reporting is mandatory for annual periods beginning on or after 1 January 2022. This Standard establishes new requirements for public benefit entities to select and present service performance information.

This is the second year that the Council has implemented PBE FRS 48.

Standards issued and not yet effective and not early adopted

There are currently no issued Standards which meet this criteria.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

1.3 Basis of consolidation

The Group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the Group on a line by line basis. All intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

The Group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the Council and Group obtains control of the entity and ceases when the Council and Group loses control of the entity.

1.4 Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into functional currency (NZD) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the surplus or deficit in the period they arise.

1.5 Goods and Services Tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense. Net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. Net GST paid to, or received from, the IRD, including GST relating to 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.

1.6 Budget figures

The budget figures are approved by the Council in the Long Term Plan 2021 2031 and the 2023 24 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing the financial statements.

1.7 Cost allocation

Rotorua Lakes Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs:

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Indirect costs:

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities utilising an appropriate driver.

There have been no changes to the cost allocation methodology during the year.

1.8 Critical accounting estimates and judgements

In preparing these financial statements, estimates and assumptions have been made 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

- Note 13 provides information about the estimates and assumptions applied in determining the fair value of land, buildings, infrastructural assets and art collections.
- Note 19 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying Rotorua Lakes Council's accounting policies for the period ended 30 June 2024:

- Note 2 provides information about the judgements applied in accounting for donated or vested land and buildings with use or return conditions.
- Note 13 provides information about the judgements applied in determining the classification of property held.
- Note 22 provides information about the judgements applied in accounting for the suspensory loan from Housing New Zealand.
- Note 8 provides information about the judgements applied in determining impairment of debtors.
- Note 10 provides information about the judgements applied in determining the fair value of subsidiaries
- Note 13 provides information about the judgements applied in determining the classification of property held.
- Note 22 provides information about the judgements applied in accounting for the suspensory loan from Housing New Zealand.
- Note 8 provides information about the judgements applied in determining impairment of debtors.

Accounting Policy

Revenue is measured at the fair value of consideration received or receivable to the extent that it is probable that economic benefits or service potential will flow to the Group and the revenue can be reliably measured.

Critical accounting estimates and judgement

Accounting for donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received. The Council considers an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

2a Rates

Accounting Policy

- Rates are set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when the Council has struck the rate and that rate becomes payable.
- The following policies for rates have been applied:
 - General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
 - Rates arising from late payment penalties are recognised as revenue when rates become overdue.
 - Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
 - Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
General rates	76,357	70,490	76,243	70,387
Targeted rates attributable to activities:				
Water, excluding water supply rates	7,116	6,899	7,116	6,899
Targeted water supply rates	6,178	5,789	6,178	5,789
Sewerage	23,565	20,400	23,565	20,400
Refuse and sanitation	7,710	7,263	7,710	7,263
Lakes enhancement rate	637	531	637	531
Eastern sewerage capital rates	611	649	611	649
Business development targeted rates	6,955	6,982	6,955	6,982
Urban sewerage development rates	73	71	73	71
Rates penalties	1,734	1,705	1,734	1,705
Less rates charges to Council properties	-2,797	-2,594	-2,797	-2,594
Total rates, excluding targeted water supply rates	128,139	118,185	128,025	118,082

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2024 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

Rates remissions

Rates revenue is shown net of rates remissions. The Council's rates remission policy allows rates to be remitted on condition of a ratepayer's extreme financial hardship, land used for sport, and land protected for historical or cultural purposes.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Total gross rates	128,918	118,815	128,804	118,712
Rates remissions:				
- General rates remissions	386	305	386	305
- Targeted rates remissions	393	324	393	324
Total remissions	779	630	779	630
Rates (net of remissions)	128,139	118,185	128,025	118,082

Non-rateable land

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens, and reserves. These non rateable properties may be subject to targeted rates in respect of sewerage, water, refuse, and sanitation. The non rating of non rateable land does not constitute a remission under the Council's rates remission policy.

Rating base information

The number of rating units within the district or region of Rotorua Lakes Council at 30 June 2024 was 30,952 (2023: 29,158).

The total capital value of rating units within the district or region of Rotorua Lakes Council at 30 June 2024 was \$28,223,555,700 (2023: \$22,540,609,300).

The total land value of rating units within the district or region of Rotorua Lakes Council at 30 June 2024 was \$14,232,047,100 (2023: \$11,240,110,200).

2b Subsidies and grants

Accounting Policy

NZ Transport Agency (NZTA) roading subsidies

The Council receives funding assistance from the Waka Kotahi / NZ Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
NZTA roading subsidies	13,062	11,312	13,062	11,312
Capital grants and subsidies	31,970	12,479	31,967	12,479
Other operating grants, subsidies and donations	2,023	1,801	2,106	2,353
Total subsidies and grants	47,055	25,592	47,135	26,144

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2023 : \$Nil).

2c Development and financial contributions

Accounting Policy

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Financial contributions	1,975	1,114	1,975	1,114
Total development and financial contributions	1,975	1,114	1,975	1,114

2d Other revenue

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Dividend income

Dividends are recognised when the right to receive payment has been established.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Traffic and parking infringements	1,089	1,085	1,089	1,085
Rendering of services (other trading revenue)	4,956	5,253	14,984	12,383
Petrol tax	616	621	616	621
Vested assets	483	2,703	483	2,703
Fees and charges	7,831	7,368	7,831	7,368
Lease and rental revenue	3,500	3,457	3,268	3,694
Other revenue	269	348	659	348
Gain on disposal of property, plant and equipment	27	170	27	199
Gain/(loss) on fair value of investments	-16	42	-16	42
Found assets	-	6	-	6
Total other revenue	18,755	21,053	28,940	28,449

Accounting Policy

Interest income

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Interest expense

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

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Finance income				
Interest income:				
- term and call deposits	1,544	1,207	1,157	754
Total finance income	1,544	1,207	1,157	754
Finance costs				
Interest expense:				
- interest on bank borrowings	17,236	11,220	17,261	11,261
Total finance costs	17,236	11,220	17,261	11,261
Net finance costs	15,692	10,013	16,104	10,507

Accounting Policy

Superannuation Schemes

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Scheme are expensed in the surplus or deficit as incurred.

Defined benefit schemes

The Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in Note 22.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Salaries and wages	33,137	30,998	47,585	44,221
Defined contribution plan employer contributions	970	929	1,326	1,274
Increase/(decrease) in employee entitlements	698	193	698	500
Restructuring	61	-	61	-
Total personnel costs	34,866	32,120	49,670	45,995

Employer contributions to defined contribution plans include contributions to KiwiSaver and the Defined Benefit Plan (DBP) Contributors Scheme.

During the year, Council made three severance payments totalling \$68,500.00 (2023 : Nil). The value of each severance payment was \$40,000.00, \$6,000.00 and \$22,500.00.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Grant expenditure

The Council's grants awarded have no substantive conditions attached.

Non discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Fees to auditors				
- fees to Audit New Zealand for audit of the financial statements	336	278	336	277
- fees to Audit New Zealand for audit of the Council's debenture trust deed	12	12	12	12
- fees to Audit New Zealand for audit of the Council's long term plan	114	-	114	-
- fees to Audit New Zealand for under provision of prior year audit fees	-	-	-	-
- fees to other providers for Councils Subsidiaries Audits	-	-	128	125
Grant and contributions	1,049	1,614	1,049	1,614
Contractors and physical works	51,627	47,800	38,372	26,756
Insurance premiums	3,158	2,586	3,236	2,653
Consultants and legal advice	5,073	5,420	5,949	5,574
Marketing and promotion	91	367	1,174	1,418
Energy	2,653	2,508	2,722	2,733
ACC	80	66	80	188
Bad debts written off	1,711	1	1,711	1
Elected member remuneration (incl. hearing fees)	1,079	947	1,157	947
Impairment of receivables	(3,330)	1,285	(3,330)	1,295
Loss on disposal of property, plant and equipment	17,076	5,169	17,111	5,177
Operating lease expense	-	-	347	703
Increase/(decrease) in landfill provision	-	-	-	-
Other expenditure	17,603	17,310	20,009	26,173
Impairment of property, plant and equipment	(183)	1,165	(183)	1,165
Total other expenses	98,149	86,528	89,994	76,811

Accounting Policy

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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

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 or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

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

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Restated Actual 2023 \$'000
Components of tax expense				
Income tax expense	-	-	-	-
Deferred tax expense	-	-	71	(5,637)
Tax expense	-	-	71	(5,637)

Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	2,157	(3,144)	2,750	(2,180)
Tax at 28%	604	(880)	770	(610)
Plus/(less) tax effect of:				
Non taxable revenue	-	-	(59)	(27)
Non deductible expenditure	(786)	966	(722)	999
Loss to carry forward	(317)	-	(102)	81
Tax loss not recognised	-	-	(127)	-
Group loss offset	499	-86	(2)	(145)
Deferred tax on temporary differences	-	-	217	(5,960)
Deferred tax adjustment	-	-	95	25
Deferred tax not recognised	-	-	-	-
Tax expense	-	-	71	(5,637)

	Property, plant and equipment \$'000	Employee entitle- ments \$'000	Other provisions \$'000	Tax losses \$'000	Total
Group Deferred tax assets/(liabilities)					
Balance at 30 June 2022	(1,751)	19	28	175	(1,529)
Charged to surplus or deficit	(374)	4	16	5,982	5,628
Charged to other comprehensive revenue and expense	(3,361)	-	-	-	(3,361)
Restated Balance at 30 June 2023	(5,486)	22	44	6,157	738
Charged to surplus or deficit	(9)	14	8	(83)	(70)
Charged to other comprehensive revenue and expense	(1,389)	-	-	-	(1,389)
30 June 2024	(6,884)	36	52	6,074	(721)

A deferred tax asset has not been recognised in relation to the unused tax losses of Council of \$19,696,812 (2023: \$20,947,679), Group \$20,697,022 (2023: \$21,471,082).

The deferred tax asset has been recognised at Group level.

7 CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Cash at bank and on hand	8,990	7,725	11,231	9,146
Total cash and cash equivalents	8,990	7,725	11,231	9,146

The carrying value of cash at bank and short term deposits with maturities less than three months approximates their fair value.

Cash, cash equivalents and bank overdrafts include the above for the purpose of the Statement of Cash Flows.

8 RECEIVABLES

Accounting Policy

Receivables are held for collection of contractual cash flows and classified as financial asset measured at amortised cost.

Loans to subsidiaries and associates, and community loans (loans and receivables)

Loans made at nil or below market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future

cash flows of the loan is recognised in the surplus or deficit as a grant expense.

After initial recognition, loans to subsidiaries and associates, and community loans are measured at amortised cost using the effective interest rate method, less any expected credit losses (ECL).

These assets are assessed for indicators of impairment. Impairment is established when there is evidence that the council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current receivables				
Rates receivables	11,269	10,673	11,269	10,673
Other receivables	30,112	10,596	30,961	11,267
GST receivable	818	2,620	854	2,620
Finance lease receivables	31	31	31	31
Prepayments	2,240	2,223	2,535	2,547
Current gross receivables	44,470	26,143	45,650	27,138
Allowance for credit losses	(1,702)	(5,090)	(1,735)	(5,113)
Total current portion	42,768	21,053	43,915	22,025
Non-current portion receivables				
Loans to subsidiaries (refer Note 10)			-	-
Finance lease receivables	8	39	8	39
Total non-current portion	8	39	8	39
Total receivables	42,776	21,092	43,923	22,064
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	17,671	14,561	18,486	13,945
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	25,105	6,531	25,437	8,119
	42,776	21,092	43,923	22,064

Allowance for credit losses

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The impairment provision is calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collective history and debt write offs.

When Council provides for impairment on rates receivables, it takes into account its various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Rates are “written off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

The Chief Executive approved the write off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: \$Nil (2023: \$Nil)
- Section 90B: \$Nil (2023: \$Nil)

Other Receivables

The ageing profile of receivables at year end is detailed below:

The status of receivables as at 30 June 2024 and 2023 are detailed below:

	2024			2023		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
Council						
Not past due	28,948	(19)	28,929	14,810	(183)	14,627
Past due 1-60 days	4,209	(100)	4,109	1,921	(147)	1,774
Past due 61-120 days	1,562	(320)	1,242	168	(73)	95
Past due > 121 days	9,751	(1,263)	8,488	9,244	(4,687)	4,557
Total	44,470	(1,702)	42,768	26,143	(5,090)	21,053
Group						
Not past due	29,863	(19)	29,844	15,466	(183)	15,283
Past due 1-60 days	4,223	(100)	4,123	2,138	(147)	1,991
Past due 61-120 days	1,566	(320)	1,246	228	(96)	132
Past due > 121 days	9,998	(1,296)	8,702	9,306	(4,687)	4,619
Total	45,650	(1,735)	43,915	27,138	(5,113)	22,025

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write offs.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Individual impairment	742	999	742	999
Collective impairment	960	4,091	993	4,114
Total provision for impairment	1,702	5,090	1,735	5,113

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Not past due	-	-	-	-183
Past due 1-60 days	53	39	53	39
Past due 61-120 days	26	11	26	11
Past due > 121 days	663	949	663	949
Total individual impairment	742	999	742	816

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
As at 1 July	5,090	3,800	5,113	3,801
Additional provisions made during the year	370	1,290	380	1,313
Provisions reversed during the year	(2,042)	-	(2,042)	(2)
Receivables written-off during the period	(1,716)	-	(1,716)	1
At 30 June	1,702	5,090	1,735	5,113

The Council and Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.



Accounting Policy

An associate is an entity over which the Council and Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of another entity but is not control or joint control of those policies. Investments in associates are measured using the equity method in the Council and Group financial statements.

Equity method of accounting in Group financial statements

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Council and Group's share of the change in net assets of the entity after the date of acquisition. The Council and Group's share of the surplus or deficit is recognised in the Council and Group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Council and Group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the Council and Group discontinues recognising its share of further deficits. After the Council and Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Council and Group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the Council and Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Associates of the Council and Group:

- Mountain Bike Events Limited
- Pukaki Trust
- Rotorua Museum Centennial Trust

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Mountain Bike Events Limited	109	90	109	90
Pukaki Trust	-	-	-	-
Rotorua Museum Centennial Trust	-	-	-	-
Total associates	109	90	109	90

Mountain Bike Events Limited

For the purposes of the PBE IPSAS 34 - 38 standards, Mountain Bike Events Limited is assessed by Council as an associate due to Council having significant influence over the company. On balance the following key judgements and assumptions in making this assessment were:

- Council has the right to appoint two of a maximum of six directors thereby exerting influence but not power;
- Non financial benefits arise from the company promoting major events in Rotorua;
- Council holds 4,900 shares out of a total of 10,000 shares, representing 49% of ordinary shares on issue; and
- Council has no control of the organisation but does have some rights and exposure to its variable benefits.

For the 30 June 2022 - 2027 financial years the Council approved sponsorship funding of \$250,000 per year. There is no binding arrangement in place with Mountain Bike Events Limited which would give rise to significant restrictions of any kind.

Pukaki Trust

Pukaki Trust was established by Trust Deed on 13 November 2001 to provide for the care, conservation and custody of the Pukaki carving on behalf of the Crown. It requires there to be four trustees represented as follows:

- Minister for Culture and Heritage;
- One Ngati Whakauae representative;
- One appointee of the Auckland Museum Trust Board; and
- One appointee of Rotorua Lakes Council.

For the purposes of the PBE IPSAS 34 – 38 standards, Pukaki Trust is assessed by Council as an associate due to Council having significant influence of the Trust. The following key judgements and assumptions in making this assessment are:

- In accordance with the Trust Deed, Council has the right to appoint one of four trustees, giving it a 25% portion of influence over the Trust's policies, financial affairs and governance;
- Council derives a non financial benefit from the Trust in the care and protection of a Crown taonga, the Pukaki carving;
- Council provides Pukaki Trust with funding; and
- Council performs the financial administration of the Trust.

Council pays the expenses of the Trust on its behalf and has not yet been reimbursed by the Trust. Council has no binding arrangements in place with the Pukaki Trust which would give rise to significant restrictions of any kind.

Rotorua Museum Centennial Trust

The Rotorua Museum Centennial Trust was established by Trust Deed on 17 March 2006 to raise funds to celebrate, in 2008, the centennial of Rotorua Museum and also to apply such funds towards a proposed expansion of the Rotorua Museum. The Trust's purpose is also to promote public awareness of, and interest in, care of the architectural and historic importance of the Rotorua Museum and its surroundings. Trustees may number up to twelve but no less than five. Mayor Tania Tapsell is a current Trustee of the Trust.

For the purposes of the PBE IPSAS 34 – 38 standards, Rotorua Museum Centennial Trust is assessed by Council as an associate due to Council having significant influence of the Trust. The following key judgements and assumptions in making this assessment were:

- Council derives a non financial benefit from the Trust in the enhancement and increased public awareness of, and interest in, Rotorua Museum and its surroundings;
- The Mayor of Rotorua is one of five appointed Trustees;
- The Trust Deed cannot be altered without a further resolution of the Council; and
- Council performs the financial administration of the Trust.

Council does not provide funding to the Rotorua Museum Centennial Trust and has no binding arrangements in place with the Trust which would give rise to significant restrictions of any kind.



Accounting Policy

Shares in subsidiaries

Rotorua Regional Airport Limited
Rotorua Economic Development Limited
Infracore Limited
Kauae Cemetery Trust Board

The Council and Group consolidates in the Group financial statements those entities it controls. Control exists where the Council and Group is exposed, or has rights, to variable benefits (either financial or non financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council and Group.

Investments in subsidiaries is measured at fair value through other comprehensive revenue and expense using the net asset backing value method in the Council financial statements. The net asset backing method is assessed as an appropriate fair value technique as the assets and liabilities on the entities' balance sheets are predominantly carried at fair value rather than cost.

Investments in subsidiaries are assessed at each year end for impairment. A significant or prolonged decline in the fair value of the investment below its costs is considered to be objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

The Council and Group will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. The difference reflects the goodwill to be recognised by the Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

Borrower notes

Borrower notes are subordinated convertible debt instruments that the Council is required to subscribe for when borrowing from LGFA being an amount equal to 2.5% of the amount borrowed (2023: 2.5%). LGFA will redeem borrower notes or convert to equity under specific circumstances when the Council's related borrowings are repaid or no longer owed to LGFA.

The fair value of borrower notes is calculated using the discounted cashflow method. The significant input used in the fair value measurement of borrower notes is the forward interest rate yield curve.

Shares in other entities

BOP Local Authority Shared Services Limited
Waikato Local Authority Shared Services Limited
Civic Financial Services Limited

Shares (other than shares in subsidiaries) and listed bonds (other than those designated as held to maturity) are initially recognised at fair value plus transaction costs and are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares and listed bonds are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its costs is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of the listed bonds increases and the increase can be objectively related to an event after the impairment loss was recognised the impairment loss is reversed in the surplus or deficit.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current portion				
Term deposits	26,000	2,000	26,243	2,231
Loans to related parties	910	-	-	-
Total current portion	26,910	2,000	26,243	2,231
Investment in CCO's and other similar entities:				
Unlisted shares Rotorua Regional Airport Limited	69,105	65,836	-	-
Unlisted shares Rotorua Economic Development Limited	384	227	-	-
Unlisted shares InfraCore Limited	2,028	2,636	-	-
Loan to realated parties	11,150	13,460		
Total investment in CCO's and other similar entities	82,667	82,159	-	-
Investment in other entities:				
Unlisted shares Waikato Local Authority Shared Services Limited	109	153	109	153
Unlisted shares BOP Local Authority Shared Services Limited	9	5	9	5
Unlisted shares Civic Financial Services Limited	164	159	164	159
Borrower notes	9,955	7,397	9,955	7,397
	10,237	7,714	10,237	7,714
Total non-current portion	92,904	76,413	10,238	7,714
Total other financial assets	119,814	78,413	36,481	9,945

	Rotorua Regional Airport Limited	Rotorua Economic Development Limited	Infracore Limited
Number of shares	28,645,000	100	2,366,081
Cost Price	22,322,821	232,493	2,366,000
Book value as at 1 July 2022	59,030,883	187,476	3,489,813
Revaluation gain/(loss) through other comprehensive revenue and expense	6,805,373	39,124	(854,018)
Acquisition/(disposal) of shares	-	-	-
Book value as at 30 June 2023	65,836,256	226,600	2,635,795
Book value as at 1 July 2023	65,836,256	226,600	2,635,795
Revaluation gain/(loss) through other comprehensive revenue and expense	3,268,419	156,979	(607,488)
Acquisition/(disposal) of shares	-	-	-
Revaluation gain/(loss) through Surplus/(Deficit)	-	-	-
Book value as at 30 June 2024	69,104,675	383,579	2,028,307

	Waikato LASS Limited	BOP LASS Limited	Civic Financial Services Limited
Other financial assets			
Number of shares	134,220	5	175,906
Cost Price	181,511	15,968	167,911
Book value as at 1 July 2022	122,229	8,398	174,859
Revaluation gain/(loss) through other comprehensive revenue and expense	-	-	(16,003)
Acquisition/(disposal) of shares	-	-	-
Revaluation gain/(loss) through Surplus/(Deficit)	31,009	(3,706)	-
Book value as at 30 June 2023	153,238	4,692	158,856

Book value as at 1 July 2023	153,238	4,692	158,856
Revaluation gain/(loss) through other comprehensive revenue and expense	-	-	-
Acquisition/(disposal) of shares	-	-	-
Revaluation gain/(loss) through Surplus/(Deficit)	(44,185)	4,275	4,937
Book value as at 30 June 2024	109,053	8,967	163,793

Unlisted shares

Subsidiaries

Rotorua Regional Airport Limited

For the purposes of the PBE IPSAS 34 – 38 standards, Rotorua Regional Airport Limited is assessed by Council as a subsidiary due to Council having control of the organisation and rights or exposure to its variable benefits. The key judgements and assumptions in making this assessment are:

- Council is the sole shareholder;
- A reasonable level of economic dependence exists; and
- A special relationship exists to the extent of the interests of the Rotorua region's tourism industry.

Rotorua Lakes Council and Rotorua Regional Airport Limited are subject to a Service Funding Agreement dated 18 February 2016. In the agreement, Council is committed to providing funding to the airport for a 20 year term due to the company purchasing the airport assets and maintaining acceptable levels of stewardship. Currently, the funding sits at \$179,166 excl GST per month. Rotorua Regional Airport Limited also has a loan from Council for the sum of \$11,150,000 which it is repaying on an interest only basis in the short term.

Rotorua Economic Development Limited

For the purposes of the PBE IPSAS 34 – 38 standards, Rotorua Economic Development Limited is assessed by Council as a subsidiary due to Council having control of the organisation and rights or exposure to its variable benefits. The key judgements and assumptions in making this assessment are:

- Council is the sole shareholder;
- A reasonable level of economic dependence exists, including a letter of comfort dated 11 September 2015 stating Council's intention to supply sufficient funding and support to the company to ensure it operates efficiently;
- A special relationship exists to the extent of the interests of the Rotorua region's tourism industry; and
- The activities of the company were predetermined by Council prior to incorporation.

Council provides monthly funding of \$351,666 (excl GST) to Rotorua Economic Development Limited as part of the Statement of Intent when the functions performed by the company were separated from within Council.

InfraCore Limited

For the purposes of the PBE IPSAS 34 – 38 standards, InfraCore Limited is assessed by Council as a subsidiary due to Council having control of the organisation and rights or exposure to its variable benefits. The key judgements and assumptions in making this assessment are:

- Council is the sole shareholder;
- A high level of economic dependence exists. Council have agreed in the Letters of Comfort dated 30 June 2016 and 19 August 2020 to provide working capital where necessary and support the success of the company; and
- The activities of the company were predetermined by Council prior to incorporation.

Council has no binding arrangements in place with InfraCore Limited which would give rise to significant restrictions of any kind. Council have however loaned InfraCore Limited amounts totalling \$910,000 pursuant to the loan agreement dated 22 June 2016.

Kauae Cemetery Trust Board

Kauae Cemetery Trust Board was formed by a Maori Land Court Order on 4 February 2003 and is controlled by a Board of eight trustees. Four of the trustees must be of Ngati Whakaue descent and four trustees represent Rotorua Lakes Council. The Board fixes the scale of fees, appoints a secretary, sexton and grave diggers. It has delegated the administrative operations of the urupa to Council.

For the purposes of the PBE IPSAS 34 – 38 standards, Kauae Cemetery Trust Board is assessed by Council as a subsidiary due to Council having a special relationship with the Trust. The key judgements and assumptions in making this assessment are:

- Council has the ability to direct the relevant activities of the Trust via a majority representation of Trustees;
- Council provides the majority of services to the Kauae Cemetery including operational and administrative support; and

- Council derives some non financial benefits from the Kauae Cemetery Trust Board activities, ie if the Trust Board did not provide cemetery services, the Council would have to provide an alternative for people in the district. The Trust Board and Council therefore have congruent activities. These non financial benefits are deemed to be variable as the Council is exposed to the performance risk of the Trust Board.

Council has no binding arrangements in place with Kauae Cemetery Trust Board which would give rise to significant restrictions of any kind. Council does not provide financial support to Kauae Cemetery Trust Board.

Other financial assets

Civic Financial Services Limited

The cost price of the share investment in Civic Financial Services Limited amounts to \$167,911. The recoverable amount is approximated by using the net asset backing method and amounts to \$163,793 (2023: \$158,856). The shares in this entity are fair valued through Other Comprehensive Revenue and Expense. The net change in fair value for this year is a increase of \$4,937 (2023: \$16,003). The Council holds 175,906 ordinary shares.

Council has no binding arrangements in place with Civic Financial Services Limited which would give rise to significant restrictions of any kind. The gain of \$4,937 was recognised through surplus/deficit this year (2023: loss of \$16,003 recognised through Other Comprehensive Revenue and Expense).

Waikato Local Authority Shared Services Limited

The cost price of the share investment in Waikato Local Authority Shared Services Ltd amounts to \$181,511. The recoverable amount is approximated by using the net asset backing method and amounts to \$109,053 (2023: \$153,328). The shares in this entity are fair valued through surplus/deficit. The net change in fair value for this year is an decrease of \$44,185 (2023: increase of \$31,009). The Council holds 134,220 shares.

The Waikato LASS share investment comprises:

- 1 ordinary share;
- 126,703 Shared Valuation Database shares; and
- 7,516 WRAP service shares, which are uncalled as at balance date.

The service shares are non voting and do not carry the right to share in any distributions of the company.

Council makes an annual contribution to the operating costs of Waikato Local Authority Shared Services Limited. The decrease of \$44,185 was recognised through surplus/deficit this year (2023: increase of \$31,009).

Council has no binding arrangements in place with Waikato Local Authority Shared Services Limited which would give rise to significant restrictions of any kind.

BOP LASS Limited

The cost price of the share investment in BOP LASS Limited amounts to \$15,968. The recoverable amount is approximated by using the net asset backing method and amounts to \$8,967 (2023: \$4,962). The shares in this entity are fair valued through Other Comprehensive Revenue and Expense. The net change in fair value for this year is a increase of \$4,275 (2023: \$3,706 decrease). The Council holds 5 ordinary shares.

Council makes an annual contribution to the operating costs of BOP LASS Ltd. The gain of \$4,275 (2023: \$3,706 decrease) was recognised through surplus/deficit this year.

Council has no binding arrangements in place with BOP LASS Limited which would give rise to significant restrictions of any kind.

Impairment

A total impairment write back of \$ 34,973 (2023: \$66,426) has been recognised in the surplus/deficit of the Statement of Comprehensive Revenue and Expense. This related to investment in subsidiaries and other entities.



Accounting Policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first in first out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non exchange transactions are measured at fair value at the date of acquisition. Any write down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Non-commercial inventory:				
Water and sewerage reticulation spare parts	51	36	371	368
Other	15	13	15	13
Total non-commercial inventory	66	49	386	381
Commercial inventory:				
Nursery store	3	1	313	322
Museum retail stock	29	24	29	24
Other	19	9	387	211
Total commercial inventory	51	34	729	557
Total inventories	117	83	1,115	938

No inventories are pledged as security for liabilities (2023: \$Nil). However, some inventories are subject to retention of title clauses.

Non commercial inventory

The carrying amount of inventory held for distribution that is measured at current replacement cost as at 30 June 2024 amounted to \$66,000 (2023: \$49,000).

The write down of inventory held for distribution because of a loss in service potential amounted to \$Nil (2023: \$Nil). There have been no reversals of previous write downs (2023: \$Nil).

The loss in service potential of inventory held for distribution is determined on the basis of obsolescence.

Commercial inventory

The write down of commercial inventory to net realisable value during the year amounted to \$Nil (2023: \$Nil). There have been no reversals of write downs (2023: \$Nil).

Accounting Policy

Non current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write downs of non current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell), are recognised up to the level of any impairment losses that have been previously recognised.

Non current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

As at 30 June 2024, Council had a number of properties surplus to requirements and held available for sale. The sale of these assets are expected to be concluded within twelve months from balance date.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Non-current assets held for sale are:				
Land	626	1,160	626	1,160
Buildings	2,472	68	2,472	68
Total non-current assets held for sale	3,098	1,228	3,098	1,228

Accounting Policy

Property, plant and equipment of the Council and Group are classified into three categories:

- Operational assets

These include property, plant and equipment used to provide core council services, either as a community service, for administration or as a business activity. These operational assets include land, buildings, library books, motor vehicles, art collections, public artworks, plant and equipment, and landfill post closure.

- Infrastructure assets

These include land under roads and systems and networks integral to the city's infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded. These infrastructure assets include land, parks and reserves, recreational forests, roading and footpaths, sewerage assets and water assets. Each class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

- Restricted assets

Restricted assets include property and improvements where the use or transfer of title outside the Group or the Council is subject to restrictions. This includes restriction imposed by legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the asset can be used). These restricted assets include airport infrastructure, land and landfill pre closure.

- Property Plant and Equipment Artworks

During 2023, Rotorua Lakes Council changed its accounting policy for Public Artworks from a revaluation model to a cost model.

In prior years, the entity has not been able to establish a readily available “active” market for valuation purposes, in order to determine an accurate fair value for Public Artworks. These artworks have been procured due to their cultural significance and beautification of the Rotorua District.

The change in policy provides a more practical and faithfully representative way of accounting for these artworks.

There is no adjustment to the value of the Public Artworks, as these assets have been historically recorded at cost less accumulated depreciation and impairment due to their low value.

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 Council and Group and the cost of the item can be measured reliably.

Initial recognition:

Property, plant and equipment is measured at initial costs directly attributable to acquisition of the items or valuation, less accumulated depreciation and impairment losses.

Where an asset is acquired in a non exchange transaction for nil or nominal consideration the asset is initially measured at fair value as at the date of acquisition.

Subsequent costs:

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

The costs of day to day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals:

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset or when no further economic benefits or service potential are expected. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Revaluations:

Land (operational, infrastructural and restricted), buildings (operational and restricted), art collections, infrastructural assets (including landfill pre closure) and airport are revalued at fair value with sufficient regularity to ensure that their carrying amount does not differ materially from fair value, and at least every three years (except for airport assets which are at least every 5 years). The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off cycle asset classes are revalued.

The value of recreational forests is at deemed cost. All other assets are carried at depreciated historical cost.

Revaluations of property, plant and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to an asset revaluation reserve in equity for that class of asset. Where this result is a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue 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.

The value of land and buildings is their market value as determined by a registered valuer.

Depreciation:

Depreciation is provided on all fixed assets with certain exceptions. The exceptions are:

- Land is not depreciated.
- Roading, wastewater reticulation, stormwater systems and water reticulation assets are depreciated as noted below. A number of the components of the roading network, such as excavation, sub base materials and compaction, are not depreciated as these assets have an infinite life. Stormwater channels are also considered to have an infinite life and are not depreciated. Signs and markings are not depreciated as these assets are maintained to the same level.
- The useful lives of Rotorua Museum collections and the library reference collection are considered to be extremely long (with potential for appreciation of value). Therefore, due to its insignificance, no depreciation has been brought to charge.

Vehicles are depreciated on the basis of diminishing value and at a rate of 20%, calculated to allocate motor vehicles' cost over their estimated useful lives.

All other assets are depreciated on a 'straight line' basis at rates that will write off their cost or valuation over their expected useful economic lives.

The expected lives of major classes of assets are:

Buildings	
Structure	10-101 years
Services	20-50 years
Fit-out	2-120 years
Site specific	2-20 years
Plant and equipment	1-96 years
Parks and reserves	1-100 years
Airport Assets	
Runway, Taxiways, Aprons	5-42 years
Other paved areas	10-42 years
Surround security fences	10 years
Landfill improvements	2-100 years
Roads and footpaths	
Seals - first coat and base	80 years
Seal - second coat	20 years
Footpaths	1-162 years
Streetlights (Poles, Brackets and Lamps)	30 years
Bridges	70-100 years
Water	
Treatment plants and facilities	5-100 years
Water and reticulation (other assets)	10-130 years
Sewage System	
Treatment plants and facilities	3-100 years
Wastewater and reticulation (other assets)	10-100 years
Stormwater drainage	2-100 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Impairment of property, plant, and equipment

Property, plant and equipment assets subsequently measured at cost that have a finite useful life are reviewed for impairment at each balance date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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, a 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.

Recreation forestry assets

Standing forestry assets are held for the prime purpose of recreation at deemed cost.

Council may from time to time harvest minor portions of a forest. At the time of sale a proportion of deemed cost of area of forest evidenced within a felling plan is offset against proceeds and felling costs at the time. The net value is recognised in the surplus or deficit.

Recreational forest assets not managed for harvesting into agricultural produce, or being transformed into additional biological assets are reported as property, plant and equipment in accordance with the policies for property, plant and equipment.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that the cost is incurred, and excludes costs of day to day maintenance.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property, through valuation or retirement, are recognised in the surplus or deficit.

Critical accounting estimates and judgement

Classification of property

The Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market based rental from these properties is incidental to holding them. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are held as property, plant and equipment rather than as investment property.

Council 2024	Cost / revaluation 1 Jul 2023 \$'000	Accumulated depreciation and impairment charges 1 Jul 2023 \$'000	Carrying amount 1 Jul 2023 \$'000	Current year additions \$'000	Transfers from capital work in progress \$'000	Assets transferred (to)/from held for sale \$'000
Operational assets						
Land	62,800	-	62,800	-	-	317
Building	186,269	(9,655)	176,614	-	6,732	(2,404)
Library books	5,871	(2,729)	3,142	-	-	-
Motor vehicles	3,482	(1,842)	1,640	-	555	-
Art collections	20,002	-	20,002	-	-	-
Public Artwork	2,044	(143)	1,901	-	1,148	-
Plant and equipment	63,347	(26,012)	37,335	-	5,770	-
Total operational assets	343,815	(40,381)	303,434	-	14,206	(2,087)
Infrastructural assets						
Land	862	-	862	-	-	-
Parks and reserves	82,231	(5,233)	76,998	-	7,657	-
Recreational forests	1,895	-	1,895	-	-	-
Roading and footpaths	506,146	-	506,146	-	24,965	-
Sewerage - treatment plant and facilities	70,221	(4,835)	65,386	-	2,759	-
Sewerage - other	226,725	-	226,725	-	16,697	-
Water - treatment plant and facilities	44,341	-	44,341	-	5,067	-
Water - other	143,322	-	143,322	-	6,469	-
Stormwater	152,397	(5,273)	147,124	-	3,560	-
Land under roads	46,723	-	46,723	-	-	-
Total infrastructural assets	1,274,863	(15,341)	1,259,522	-	67,174	-
Restricted assets						
Airport	771	(507)	264	-	-	-
Land	170,333	-	170,333	-	-	-
Landfill	5,276	(167)	5,109	-	-	-
Total restricted assets	176,380	(674)	175,706	-	-	-
Total Council	1,795,058	(56,396)	1,738,662	-	81,380	(2,087)



Other transfers \$'000	Current year disposals \$'000	Current year impairment charges \$'000	Current year depreciation \$'000	Revaluation surplus/ depreciation write back \$'000	Other cost & depreciation movements \$'000	Cost/ revaluation 30 Jun 2024 \$'000	Accumulated depreciation and impairment charges 30 Jun 2024 \$'000	Carrying amount 30 Jun 2024 \$'000
15,918	(597)	-	-	-	-	78,438	-	78,438
36,285	(739)	1,954	(9,446)	-	-	227,086	(18,089)	208,997
(950)	-	-	-	-	-	4,920	(2,729)	2,191
-	(67)	-	(490)	-	-	3,699	(2,062)	1,637
-	-	-	-	-	-	20,002	-	20,002
1,902	-	-	-	-	-	5,094	(143)	4,951
(31,432)	(271)	-4	(2,411)	-	-	23,029	(14,043)	8,986
21,723	(1,674)	1,950	(12,348)	-	-	362,270	(37,067)	325,204
(862)	-	-	-	-	-	-	-	-
(11,790)	(6,209)	181	(4,869)	(8,328)	-	53,639	-	53,639
-	(68)	-	-	-	-	1,827	-	1,827
3,487	(5,382)	20	(8,760)	149,717	-	670,194	-	670,194
373	(887)	-	(3,124)	96	-	64,603	-	64,603
366	(196)	-	(5,048)	-	-	243,542	(4,997)	238,545
8	(72)	-	(913)	-	-	49,355	(924)	48,431
967	(705)	-	(3,671)	-	-	150,054	(3,673)	146,381
420	(335)	-	(4,438)	14,884	-	161,215	-	161,215
-	-	-	-	-	-	46,723	-	46,723
(7,031)	(13,853)	201	(30,823)	156,369	-	1,441,152	(9,594)	1,431,558
-	(264)	-	-	-	-	-	-	-
(14,732)	-	-	-	-	-	155,602	-	155,602
-	-	-	(123)	-	-	5,276	(290)	4,986
(14,732)	(264)	-	(123)	-	-	160,878	(290)	160,588
(40)	(15,791)	2,151	(43,294)	156,369	-	1,964,300	(46,951)	1,917,350

Council 2023	Cost / revaluation 1 Jul 2023 \$'000	Accumulated depreciation and impairment charges 1 Jul 2023 \$'000	Carrying amount 1 Jul 2023 \$'000	Current year additions \$'000	Transfers from capital work in progress \$'000	Assets transferred (to)/from held for sale \$'000
Operational assets						
Land	62,499	-	62,499	-	-	301
Building	183,208	-	183,208	-	3,104	-68
Library books	5,871	(2,729)	3,142	-	-	-
Motor vehicles	3,199	(1,399)	1,800	-	324	-
Art collections	24,655	-	24,655	-	-	-
Public artwork	2,033	(143)	1,890	-	12	-
Plant and equipment	30,147	(22,991)	7,156	-	33,164	-
Total operational assets	311,612	(27,263)	284,350	-	36,604	233
Infrastructural assets						
Land	862	-	862	-	-	-
Parks and reserves	65,109	-	65,109	-	18,053	-
Recreational forests	1,895	-	1,895	-	-	-
Roading and footpaths	455,236	(5,722)	449,514	-	7,485	-
Sewerage - treatment plant and facilities	64,184	(4,501)	59,683	-	6,037	-
Sewerage - other	192,513	-	192,513	-	4,537	-
Water - treatment plant and facilities	40,694	(2,405)	38,289	-	796	-
Water - other	119,284	-	119,284	-	14,201	-
Stormwater	147,434	(800)	146,634	-	5,444	-
Land under roads	46,723	-	46,723	-	-	-
Total infrastructural assets	1,133,935	(13,428)	1,120,507	-	56,553	-
Restricted assets						
Airport	771	(507)	264	-	-	-
Land	170,333	-	170,333	-	-	-
Landfill	5,204	(43)	5,161	-	-	-
Total restricted assets	176,308	(550)	175,758	-	-	-
Total Council	1,621,855	(41,241)	1,580,615	-	93,157	233



Other transfers \$'000	Current year disposals \$'000	Current year impairment charges \$'000	Current year depreciation \$'000	Revaluation surplus/ depreciation write back \$'000	Other cost & depreciation movements \$'000	Cost/ revaluation 30 Jun 2023 \$'000	Accumulated depreciation and impairment charges 30 Jun 2023 \$'000	Carrying amount 30 Jun 2023 \$'000
-	-	-	-	-	-	62,800	-	62,800
25	-	(1,259)	(8,396)	-	-	186,269	(9,655)	176,614
-	-	-	-	-	-	5,871	(2,729)	3,142
-	(42)	-	(443)	-	-	3,482	(1,842)	1,639
-	-	-	-	(4,653)	-	20,002	-	20,002
-	-	-	-	-	-	2,045	(143)	1,902
35	-	-	(3,022)	-	-	63,347	(26,013)	37,334
60	(42)	(1,259)	(11,861)	(4,653)	-	343,816	(40,382)	303,434

-	-	-	-	-	-	862	-	862
(807)	(124)	(297)	(4,936)	-	-	82,231	(5,233)	76,998
-	-	-	-	-	-	1,895	-	1,895
-	-	(20)	(8,269)	57,436	-	506,146	-	506,146
-	-	-	(334)	-	-	70,221	(4,835)	65,386
807	(3,839)	-	(6,649)	39,356	-	226,725	-	226,725
-	-	-	(782)	6,038	-	44,341	-	44,341
(141)	(3,424)	-	(2,509)	15,911	-	143,322	-	143,322
8	(488)	-	(4,474)	-	-	152,397	(5,273)	147,124
-	-	-	-	-	-	46,723	-	46,723
(133)	(7,875)	(317)	(27,953)	118,741	-	1,274,863	(15,341)	1,259,523

-	-	-	-	-	-	771	(507)	264
-	-	-	-	-	-	170,333	-	170,333
73	-	-	(124)	-	-	5,276	(167)	5,110
(73)	-	-	(124)	-	-	176,380	(674)	175,707

-	(7,917)	(1,576)	(39,938)	114,088	-	1,795,059	(56,397)	1,738,664
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Group 2024	Cost / revaluation 1 Jul 2023 \$'000	Accumulated depreciation and impairment charges 1 Jul 2023 \$'000	Carrying amount 1 Jul 2023 \$'000	Current year additions \$'000	Transfers from capital work in progress \$'000	Assets transferred (to)/from held for sale \$'000
Operational assets						
Land	62,800	-	62,800	-	-	317
Building	208,900	(9,481)	199,419	167	6,732	(2,404)
Library books	5,871	(2,729)	3,142	-	-	-
Motor vehicles	8,482	(4,861)	3,638	563	555	-
Art collections	20,002	-	20,002	-	-	-
Public artwork	2,045	(143)	1,902	-	1,148	-
Plant and equipment	67,674	(28,908)	38,879	387	5,770	-
Total operational assets	375,774	(46,122)	329,782	1,117	14,206	(2,087)
Infrastructural assets						
Land	29,202	-	29,202	200	-	-
Parks and reserves	81,934	(4,936)	76,998	-	7,657	-
Recreational forests	1,895	-	1,895	-	-	-
Roading and footpaths	506,146	-	506,146	-	24,965	-
Sewerage - treatment plant and facilities	70,221	(4,835)	65,386	-	2,759	-
Sewerage - other	226,725	-	226,725	-	16,697	-
Water - treatment plant and facilities	44,341	-	44,341	-	5,067	-
Water - other	143,322	-	143,322	-	6,469	-
Stormwater	152,397	(5,273)	147,124	-	3,560	-
Land under roads	46,723	-	46,723	-	-	-
Total infrastructural assets	1,302,906	(15,044)	1,287,862	200	67,174	-
Restricted assets						
Airport	33,260	(507)	32,754	-	-	-
Land	170,838	-	170,838	-	-	-
Landfill	5,276	(167)	5,109	-	-	-
Total restricted assets	209,374	(674)	208,701	-	-	-
Total Group	1,888,054	(61,840)	1,826,345	1,317	81,380	(2,087)



Other transfers \$'000	Current year disposals \$'000	Current year impairment charges \$'000	Current year depreciation \$'000	Revaluation surplus/ depreciation write back \$'000	Other cost & depreciation movements \$'000	Cost/ revaluation 30 Jun 2024 \$'000	Accumulated depreciation and impairment charges 30 Jun 2024 \$'000	Carrying amount 30 Jun 2024 \$'000
15,918	(597)	-	-	-	-	78,438	-	78,438
36,285	(1,066)	1,954	(8,828)	(1,285)	-	251,836	(19,212)	232,624
(950)	-	-	-	-	-	4,920	(2,729)	2,191
-	(274)	-	(722)	-	-	8,414	(4,494)	3,920
-	-	-	-	-	-	20,002	-	20,002
1,901	-	-	-	-	-	5,094	(143)	4,951
(31,432)	(420)	(17)	(2,757)	-	-	27,032	(16,518)	10,514
21,721	(2,357)	1,937	(12,306)	(1,285)	-	395,737	(43,097)	352,641

(862)	-	-	-	980	-	27,255	-	27,255
(11,790)	(6,209)	(181)	(4,869)	(8,328)	-	53,639	-	53,639
-	(68)	-	-	-	-	1,827	-	1,827
3,487	(5,382)	(20)	(8,760)	149,717	-	670,194	-	670,194
373	(887)	-	(3,124)	96	-	64,603	-	64,603
366	(196)	-	(5,048)	1,016	-	243,542	(4,997)	238,545
8	(72)	-	(913)	-	-	49,355	(924)	48,431
967	(705)	-	(3,671)	1,464	-	150,054	(3,673)	146,382
420	(335)	-	(4,438)	14,884	-	161,215	-	161,215
-	-	-	-	-	-	46,723	-	46,723
(7,031)	(13,854)	(201)	(30,823)	159,829	-	1,468,407	(9,594)	1,458,813

-	-	-	(1,214)	-	-	36,538	(1,952)	34,586
-	-	-	-	-	-	156,107	-	156,107
-	-	-	(123)	-	-	5,276	(290)	4,986
-	-	-	(1,338)	-	-	197,921	(2,242)	195,679

14,690	(16,211)	1,736	(44,467)	158,657	-	2,062,065	(54,933)	2,007,133
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Group 2023	Cost / revaluation 1 Jul 2023 \$'000	Accumulated depreciation and impairment charges 1 Jul 2023 \$'000	Carrying amount 1 Jul 2023 \$'000	Current year additions \$'000	Transfers from capital work in progress \$'000	Assets transferred (to)/from held for sale \$'000
Operational assets						
Land	62,499	-	62,499	-	-	301
Building	207,182	(1,443)	205,739	29	3,104	(68)
Library books	5,871	(2,729)	3,142	-	-	-
Motor vehicles	8,114	(4,174)	3,940	149	324	-
Art collections	24,655	-	24,655	-	-	-
Public artwork	2,033	(143)	1,890	-	12	-
Plant and equipment	34,260	(25,481)	8,779	224	33,164	-
Total operational assets	344,614	(33,970)	310,644	402	36,604	233
Infrastructural assets						
Lands	25,597	-	25,597	-	-	-
Parks and reserves	65,109	-	65,109	-	18,053	-
Recreational forests	1,895	-	1,895	-	-	-
Roading and footpaths	455,236	(5,722)	449,514	-	7,485	-
Sewerage - treatment plant and facilities	64,184	(4,501)	59,683	-	6,037	-
Sewerage - other	192,513	-	192,513	-	4,537	-
Water - treatment plant and facilities	40,694	(2,405)	38,289	-	796	-
Water - other	119,285	-	119,285	-	14,201	-
Stormwater	147,434	(800)	146,634	-	5,444	-
Land under roads	46,723	-	46,723	-	-	-
Total infrastructural assets	1,158,670	(13,428)	1,145,242	-	56,553	-
Restricted assets						
Airport	27,553	(1,482)	29,036	-	-	-
Land	170,838	-	170,838	-	-	-
Landfill	5,299	(136)	5,163	-	-	-
Total restricted assets	203,690	(1,618)	205,037	-	-	-
Total Council	1,706,974	(49,016)	1,660,923	402	93,157	233



Other transfers \$'000	Current year disposals \$'000	Current year impairment charges \$'000	Current year depreciation \$'000	Revaluation surplus/ depreciation write back \$'000	Other cost & depreciation movements \$'000	Cost/ revaluation 30 Jun 2022 \$'000	Accumulated depreciation and impairment charges 30 Jun 2022 \$'000	Carrying amount 30 Jun 2022 \$'000
-	-	-	-	-	-	62,800	-	62,800
25	(24)	(1,259)	(8,946)	5,179	-	208,900	(9,481)	199,419
-	-	-	-	-	-	5,871	(2,729)	3,142
-	(105)	-	(688)	-	154	8,482	(4,861)	3,638
-	-	-	-	(4,653)	-	20,002	-	20,002
-	-	-	-	-	-	2,045	(143)	1,902
35	(9)	-	(3,426)	-	2	67,674	(28,908)	38,880
60	(138)	(1,259)	(13,060)	526	156	375,774	(46,122)	329,783

-	-	-	-	(2,620)	-	29,202	-	29,202
(807)	(124)	(297)	(4,936)	-	-	81,934	(4,936)	76,998
-	-	-	-	-	-	1,895	-	1,895
-	-	(20)	(8,269)	57,436	-	506,146	-	506,146
-	-	-	(334)	-	-	70,221	(4,835)	65,386
807	(3,839)	-	(6,649)	39,356	-	226,723	-	226,725
-	-	-	(782)	6,038	-	44,341	-	44,341
(141)	(3,424)	-	(2,509)	15,911	-	143,322	-	143,322
8	(488)	-	(4,474)	-	-	152,397	(5,273)	147,124
-	-	-	-	-	-	46,723	-	46,723
(133)	(7,875)	(318)	(27,953)	116,121	-	1,302,904	(15,044)	1,287,862

-	-	-	(976)	6,683	-	33,260	(507)	32,754
-	-	-	-	-	-	170,838	-	170,838
73	-	-	(124)	-	-	5,276	(167)	5,109
73	-	-	(1,100)	6,683	-	209,374	(674)	208,701

-	(8,013)	(1,577)	(42,113)	123,330	156	1,888,052	(61,840)	1,826,346
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Core infrastructure asset disclosures

Council 2023	Last valuation date	Replacement Cost 2024* \$'000	Replacement Cost 2023* \$'000
Water supply:			
– treatment plants and facilities	2023	25,331	20,416
– other assets (such as reticulation systems)	2023	358,547	339,557
Sewerage:			
– treatment plants and facilities	2024	103,682	96,325
– other assets (such as reticulation systems)	2023	460,679	433,565
Stormwater drainage	2024	245,928	220,005
Roads and footpaths	2024	1,110,724	831,478

*The above replacement costs exclude capital work in progress.

Critical accounting estimates and judgement

Estimating the fair value of land, buildings, infrastructure and art collections assets

Land (operational, infrastructural and restricted)

The fair value of land is reviewed at three yearly intervals. The most recent valuation was performed by independent registered valuer Beca Limited, and was effective as at 30 June 2022.

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which is based on the valuer's judgement.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Land is valued as if vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.

Buildings (operational and restricted)

The fair value of buildings is reviewed at three yearly intervals. The most recent valuation was performed by independent registered valuer Beca Limited. The valuation is effective as at 30 June 2022.

The non specialised properties have been valued on a market based approach with research and analysis of market data compiled and applied to the valuation of these assets.

For the specialised properties which are rarely if ever traded on the open market, valuations are based on depreciated replacement cost approach. In assessing if a building is specialist in nature, Beca has taken into regard the surrounding neighbourhood and likely alternative use demand.

The depreciated replacement cost reflects the minimum cost to provide the current level of utility or service. In this way the DRC approach is often referred to as the optimised depreciated replacement cost (ODRC) approach.

The ODRC approach method uses the assessment of replacement cost new of a modern equivalent asset as the starting point and applies optimisation and depreciation to adjust for age, condition, use and performance and remaining useful life.

Infrastructural asset classes: sewerage, water, drainage and roads

Where fair value of a class of assets is not able to be reliably determined using market based evidence, depreciated replacement cost (DRC) is considered to be the most appropriate basis for determination of fair value.

The ODRC approach method uses the assessment of replacement cost new of a modern equivalent asset as the

starting point and applies optimisation and depreciation to adjust for age, condition, use and performance and remaining useful life.

Infrastructural asset classes: sewerage, water, drainage and roads

Sewerage, water, drainage, and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using this method. These include:

- The replacement costs where appropriate reflect optimisation due to over design or surplus capacity.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index (replaced by the Business Price Index in 2015) for civil constructions to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The fair value of infrastructural assets will be revised at three yearly 'rolling' intervals. The most recent valuations are performed by Council engineers and are peer reviewed by independent registered valuers Beca Limited. The effective dates of these valuations are:

- Water reticulation system: 30 June 2023
- Wastewater reticulation system: 30 June 2023
- Wastewater treatment plant & facilities: 30 June 2024
- Water treatment plant & facilities: 30 June 2023
- Stormwater and land drainage system: 30 June 2024
- Roothing network: 30 June 2024
- Parks and reserves assets: 30 June 2024
- Landfill assets: 30 June 2022

A fair value assessment was performed for all non revalued assets classes as at 30 June 2024, the fair value assessment was prepared by Beca Projects NZ Limited, applying available price indices. Management then reviewed the value movement against the asset class's last revaluation, with any movement above 10% considered material.

When applying the assessment of fair value to these asset classes, the increase in value was not considered material, and accordingly management has concluded these asset classes did not require revaluation for 30 June 2024.

The valuation for wastewater reticulation system is included within the classification 'sewerage other'.

Airport

An independent valuation of the Airport assets was performed by Beca Projects NZ Limited to determine the fair value of the assets as at 30 June 2023. The next valuation is scheduled for 30 June 2026.

Art collections

The Museum art collections are valued at fair market value. Determination of fair value is made by:

- if an active market exists for the same or similar asset the market prices are deemed to be the fair value; or
- if there is no active market fair value should be determined by other market based evidence adjudged by us as active and knowledgeable participants in the market.

Accounting estimate - Public Artworks

The Public Artworks are accounted for using the cost model. Under this model the public artworks are initially recognised at their acquisition cost and subsequently adjusted for depreciation and impairment. The useful life is determined based on factors such as wear & tear, exposure to environmental conditions and any specific preservation efforts. Impairment is assessed annually to identify permanent decrease in value and this is recognised as a loss in the income statement and a reduction to the carrying amount of the public artwork to its recoverable amount.

Impairment

Impairment reversals of \$756,162 (2023 losses of: \$1,164,536) have been recognised for the year. The impairment has been recognised in the Statement of Comprehensive Revenue and Expense in the line item 'impairment of property, plant and equipment'.

Forestry assets

Council's forestry assets are recognised as recreational forests, as part of Council's operating assets. The Council owns five forestry stands located at:

- Near the Rotorua Landfill measures 6.8 hectares of Pinus Radiata with a current age of 6 years.
- Great West Road spring reserve measures 2.5 hectares of Pinus Radiata with a current age of 4 years.
- Hill Road spring reserve measures 1.6 hectares of Pinus Radiata forest with a current age of 34 years.
- Reservoir Road spring reserve measures 7.6 hectares of Pinus Radiata forest with a current age of 21 years.
- Tokorangi Forest measures 112.2 hectares and consists of multiple species including Redwood, Douglas Fir, Pinus Radiata, Pinus Patula, Eucalyptus, Larch and Blackwood. The age of each stand of species varies, depending on the year of planting and ranges from 9 to 120 years.

Tokorangi Forest (Redwood Forest)

In 1993 the Crown Forest License for the Tokorangi Forest (Redwood Forest) was transferred to the Council from the Crown in recognition of the significant recreation resource with the valuable aesthetic and landscape features that the forest represents for the people of Rotorua, as well as its national and international visitors. There are covenants in place that restrict the license to this effect. The majority of the forest will therefore not be managed commercially.

The land on which the forest grows is owned by the Central North Island Iwi Collective. Council has the license to continue managing the forest until 2049.

Work in progress

Accounting Policy

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

Property, plant and equipment in the course of construction by class of asset is detailed below:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Operational assets				
Land	-	189	-	189
Buildings	37,920	22,659	37,920	22,659
Art collections	44	253	44	253
Plant and equipment	252	525	252	525
Infrastructural assets			-	-
Parks and reserves	3,232	7,547	3,232	7,547
Roading and footpaths	1,948	10,127	1,948	10,127
Sewerage - treatment plant facilities	53,228	18,534	53,228	18,534
Sewerage- other	11,930	19,476	11,930	19,476
Stormwater	37,245	22,766	37,245	22,766
Water - treatment plant facilities	2,964	12,322	2,964	12,322
Restricted Assets				
Intangibles				
Computer software	156	28	156	28
Total work in progress	148,920	114,425	148,920	114,425

Leasing

The net carrying amount of plant and equipment held under financing leases is \$Nil (2023: \$Nil).

Security

No tangible assets are pledged as security for liabilities.





Accounting Policy

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are amortised over the assessed useful economic life or pattern of consumption. The amortisation expense is recognised in the surplus or deficit as an expense category consistent with the function of the intangible asset.

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Impairment losses are recognised immediately in surplus or deficit. For further details, refer to the policy for impairment of Property, Plant and Equipment in Note 13. The same approach applies to the impairment of intangible assets.

Goodwill

Goodwill on acquisition of businesses and controlled entities (subsidiaries) is included in 'intangible assets'. Goodwill on acquisition of associates is included in 'investments in associates' and is tested for impairment as part of the overall investment balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Impairment losses relating to goodwill cannot be reversed in future periods.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs, costs associated with maintaining computer software and costs associated with the development and maintenance of Council's website are recognised as an expense when incurred.

Carbon credits

Purchased carbon credits are recognised initially at cost on acquisition. They are not amortised, but are instead tested for impairment annually, and otherwise revalued to fair value annually. They are 'derecognised' when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value 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 surplus or deficit.

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

Computer Software	2 - 30 years
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Software as a Service (SaaS)

In April 2021, the IFRS Interpretations Committee (IFRIC), a committee supporting profit oriented reporting, published an agenda decision clarifying how configuration and customisation costs incurred in implementing SaaS should be accounted for. The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard specifically dealing with such costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of the group in accordance with PBE IPSAS 31 Intangible assets. The group revised its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The IFRIC concluded where SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement, can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier(s) of the cloud based software and/or to the supplier's agent, to significantly customise the cloud based software for the group, in which case, the costs paid upfront may be recorded as a prepayment for services and amortised over the expected term of the cloud computing arrangement.

At 30 June 2024 Council have assessed their software values and costs and applied the accounting policy. No adjusting entries were required for the 2024 financial year (2023 : No adjusting entries were required). No other Council software previously classified as intangible has been assessed to be SaaS. OneCouncil ERP software currently live and in progress is not SaaS as Council is using the on premise version of this software and will continue to do so for the foreseeable future.

Cost	Goodwill \$'000	Computer software \$'000	Carbon credits \$'000	Total Council \$'000	Total Group \$'000
Balance as at 1 July 2023	95	24,177	163	24,435	25,419
Additions from internal development	-	1,413	-	1,413	1,413
Other transfers	-	545	-	545	545
Additions acquired separately	-	-	-	-	243
Revaluations	-	-	-	-	-
Disposals	-	(2,312)	-	(2,312)	(2,322)
Prior year reallocation between cost and amortisation	-	84	9	93	93
Balance as at 30 June 2024	95	23,907	172	24,174	25,390

Cost	Goodwill \$'000	Computer software \$'000	Carbon credits \$'000	Total Council \$'000	Total Group \$'000
Balance as at 1 July 2022	95	10,169	173	10,437	11,379
Additions from internal development	-	14,008	-	14,008	14,008
Other transfers	-	-	-	-	-
Additions acquired separately	-	-	-	-	42
Revaluations	-	-	(10)	(10)	(10)
Disposals	-	-	-	-	-
Balance as at 30 June 2023	95	24,177	163	24,435	25,419

Accumulated amortisation and impairment	Goodwill \$'000	Computer software \$'000	Carbon credits \$'000	Total Council \$'000	Total Group \$'000
Balance as at 1 July 2023	(95)	8,888	-	8,983	9,919
Amortisation charge	-	1,768	-	1,768	1,785
Disposals	-	(2,301)	-	(2,301)	(2,307)
Impairment	-	-	-	-	-
Revaluations	-	-	-	-	-
Prior year reallocation between cost and amortisation	-	95	-	95	95
Balance as at 30 June 2024	(95)	8,450	-	8,545	9,493

Accumulated amortisation and impairment	Goodwill \$'000	Computer software \$'000	Carbon credits \$'000	Total Council \$'000	Total Group \$'000
Balance as at 1 July 2022	(95)	8,400	-	8,495	9,376
Amortisation charge	-	488	-	488	543
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Balance as at 30 June 2023	(95)	8,888	-	8,983	9,919

Carrying amounts					
As at 30 June 2023	-	15,287	163	15,450	15,496
As at 30 June 2024	-	15,457	172	15,629	15,896

Carbon credits

As at 30 June 2024 the Council's residual closing balance of 3,956 carbon credit units were revalued based on the market spot rate at balance date.

The Council considers there has been no impairment of carbon units held, as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations. Carbon units have been assessed as having an indefinite useful life as they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

Goodwill

The carrying amount of the goodwill on the Museum Cafe was impaired to nil in the 2021 financial year due to the on going work surrounding the Museum and cafe closure.

Security

There are no restrictions over the title of any intangible assets. No intangible assets are pledged as security for liabilities.



	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Directly attributable depreciation and amortisation expense by group of activity				
Community Leadership	5,535	5,127	8,033	7,357
Community Wellbeing	12,830	10,737	12,830	10,737
District Development	106	97	106	97
Sport, Recreation and Environment	-	-	-	-
Roads and Footpaths	9,155	8,792	9,155	8,792
Sewerage and Sewage	8,275	7,019	8,275	7,019
Stormwater and Land Drainage	4,401	5,079	4,401	5,079
Waste Management	124	185	124	185
Water Supplies	4,636	3,391	4,636	3,391
Total directly attributable depreciation and amortisation by group of activity	45,060	40,427	47,558	42,657
Depreciation and amortisation not directly related to group of activities	-	-	-	-
Total depreciation and amortisation expense	45,060	40,427	47,558	42,657

Accounting Policy

Short term creditors and other payables are recorded at their face value.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Exchange - current portion				
Trade payables and accrued expenses	18,768	15,521	19,625	16,478
Deposits and bonds	1,435	100	1,435	92
Accrued interest	3,982	2,795	3,982	2,795
Amounts due to subsidiaries and associates	-	1,647	-	-
Retentions accrued for contract work	1,776	1,692	1,776	1,692
Other payables	-	-	5	-
Metered water and revenue received in advance	549	546	549	326
Total payables under exchange transactions	26,510	22,302	27,367	21,383
Non-exchange - current portion				
Trade payables and accrued expenses	458	1,028	458	1,037
Revenue received in advance	-	-	126	8
Rates received in advance (excluding metered water)	4,546	4,490	4,546	4,701
Grants received in advance	1,063	671	282	-
Other payables	4,192	4,351	4,192	4,350
Deferred grant revenue	8,820	10,475	8,820	10,475
Taxes payable	-	-	396	508
Total payables under non-exchange transactions	19,077	21,015	18,820	21,289
Total payables and deferred revenue - current portion	45,587	43,317	46,187	42,672
Exchange - Non current portion				
Deposits and bonds	875	-	875	-
Total payables under exchange transactions	875	-	875	-

Payables and deferred revenue are non interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of payables and deferred revenue approximates their fair value.

Deferred grant revenue and grants received in advance consist of grants received which have substantive conditions attached to the value provided. These conditions include for instance, requiring the full amount to be used or used in accordance with agreed terms otherwise the value is to be returned to the Grantor.

As at 30 June 2024, all grant funding received from the Department of Internal Affairs under the Three Waters Stimulus Programme has been spent.



Accounting Policy

Borrowings are initially recognised at their fair value plus transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Interest due on the borrowings is subsequently accrued and added to the borrowing's balance.

Borrowings are classified as current liabilities unless Council or the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current portion				
Bank facilities	-	-	-	-
LGFA borrowings	27,927	23,629	27,927	23,629
Registered debenture stock	-	-	-	-
Other loans	-	-	-	-
Non-current portion				
Bank facilities	-	-	-	-
LGFA borrowings	419,000	327,000	419,000	327,000
Registered debenture stock	-	-	-	-
Other loans	-	-	600	1,400
Total non-current portion	419,000	327,000	419,600	328,400
Total borrowings	446,927	350,629	447,527	352,029
Fair values of non-current borrowings				
LGFA borrowings	419,000	327,000	419,000	327,000
Registered debenture stock	-	-	-	-
Other loans	-	-	-	-
Total	419,000	327,000	419,000	327,000

LGFA borrowings

Borrowing from the Local Government Funding Agency (LGFA) of \$338,000,000 (2023: \$310,629,000) is at a fixed interest rate for the term of the stock.

Borrowing from the local Government Funding Agency (LGFA) of \$108,926,669 (2023: \$40,000,000) is at floating interest rates. The interest rate is reset quarterly, based on the equivalent bank bill rate plus a margin for credit risk.

Security

All Council's borrowings are secured by a floating charge over the future rate revenue of the district through the operation of a Debenture Trust Deed.

The Council does not have an overdraft facility.

	Limit	Actual 2024 \$'000	Actual 2023 \$'000
Treasury Policy compliance ratios			
Net Debt / Total Revenue	<295%	2	2
Net Interest / Total Revenue	<20%	0	0
Net Interest / Annual Rates Income	<30%	0	0
Liquidity [a]*	>110%	1	1
Liquidity [b]**	0		Within limit

* Liquidity [a]: (external debt + cash or near cash financial investments + unutilised but committed loan facilities, to existing external debt)

** Liquidity [b]: (cash or near cash financial investments + unutilised but committed loan facilities emergency risk funding of \$15,000,000, to equal a minimum period of forecast net cash outflow including maturing debt on a rolling basis)

The weighted average effective interest rate on borrowings is 4.66% (2023: 4.2%).

18 EMPLOYEE ENTITLEMENTS

Accounting Policy

Short-term employee entitlements:

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, sick leave and e Bike loans.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements:

Entitlements that are payable beyond 12 months, after the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements:

Sick leave, annual leave, vested long service leave, and non vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non current liability.

The expense relating to these provisions is presented in the Statement of Comprehensive Revenue and Expense net of any reimbursement.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current portion				
Payroll payables	587	145	587	145
Accrued Pay	589	424	651	480
Accrued leave	2,501	2,398	3,700	3,372
Long service leave	-	-	-	4
Employee Loans	(13)	(10)	(13)	(10)
Total current portion	3,664	2,957	4,896	3,991
Non-current portion				
Long service leave	42	55	42	55
Retirement gratuities	71	68	71	68
Total non-current portion	113	123	113	123
Total employee entitlements	3,777	3,080	5,009	4,114

19 PROVISIONS

Accounting Policy

The Council and Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of expenditures expected to be required to settle the obligation, using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'. Refer to Note 3.

ACC Accredited Employers Programme:

The Council belongs to the ACC Accredited Employers Programme (the "Full Self Cover Plan") whereby the Council accepts the management and financial responsibility for employee work related illnesses and accidents. Under the programme, the Council is liable for all its claims costs for a period, the Council pays a premium to ACC for the value of residual claims, and from that point the liability for ongoing claims passes to ACC.

The liability for the ACC Accredited Employers Programme is measured using actuarial techniques at the present value of expected future payments to be made in respect of the employee injuries and claims up to balance date. Consideration is given to anticipated future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows

Council		Group	
Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000

Current provisions are represented by:

ACC Accredited Employers Programme	-	-	-	33
Weathertightness claims	18	18	18	18
Total current provision	18	18	18	51

Non-current provisions are represented by:

Landfill aftercare provision	2,036	1,813	2,036	1,813
Provision for refund of rates	69	69	69	69
Total non-current provisions	2,105	1,882	2,105	1,882

Total provisions	2,123	1,900	2,123	1,933
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Movements for each class of provisions are as follows:

Movement in current provisions	Weather-tightness claims \$'000	Landfill aftercare \$'000	Refund of rates \$'000	ACC accreditation \$'000	Total \$'000
Council and Group 2024					
Balance at 1 July 2023	18	1,813	69	11	1,911
Change in provision	-	223	-	(11)	212
Balance at 30 June 2024	18	2,036	69	-	2,123

Movement in current provisions	Weather-tightness claims \$'000	Landfill aftercare \$'000	Refund of rates \$'000	ACC accreditation \$'000	Total \$'000
Council and Group 2023					
Balance at 1 July 2021	18	1,808	69	11	1,906
Change in provision	-	5	-	-	5
Balance at 30 June 2023	18	1,813	69	11	1,911

Weathertightness claims

There are currently no claims lodged with the Weathertight Homes Resolution Service (WHRS) and the Financial Assistance Package as at 30 June 2024 (2023: no claims). Council has recognised a provision of \$18,000 for actual and any potential future claims, which has been based on historical average claim levels and other information held.

The actual costs to Council may vary significantly from the amount of the provision currently recognised, particularly the estimations of unreported claims, which is based on historical data collected on the number of claims lodged. This allows assumptions to be made on the percentage of homes that experience issues and that will likely result in a successful weathertightness claim.

Landfill aftercare costs

Council has resource consent to operate the Rotorua Landfill until 31 January 2030. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

The cash outflows for landfill post closure costs are expected to cease in 2066. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements.

The overall Landfill Aftercare Provision has increased by \$223,516 in the 2024 financial year to \$2,036,240 with the following significant assumptions having been made in estimating the provision:

The overall Landfill Aftercare Provision has increased by \$223,516 in the 2024 financial year to \$2,036,240 with the following significant assumptions having been made in estimating the provision:

- Inflation factor An annual inflation factor of 5.3% has been applied in estimating the future cash outflows (2023: 5.4%).
- Discount rate A discount rate of 5.04% has been applied (2023: 4.77%) to discount the estimated future cash outflows.
- Length of aftercare The assumption for the length of aftercare has remained at 35 years (2023: 35 years).

The cash outflows for the landfill are expected to cease in 2066 when the strength of any discharges are expected to have reduced to a level at which they are unlikely to have any adverse effects on the environment. The management of the landfill site will continue to be contracted to an external party to maintain the landfill site beyond the current consent and into the foreseeable future.

The future management of the landfill will influence the timing of recognition of some liabilities. In 2018 Council selected Waste Management New Zealand Limited as a partner to work with to review the future development of the site. Due to identified financial, environmental and health and safety risks with the landfill, Council and Waste Management New Zealand Limited have capped and sealed the current landfill stages after constructing a transfer station on site to act as a collection point for the District waste before being loaded to another waste disposal facility. The landfill has potential airspace for more stages, however the investment required to develop additional stages is subject to further study with regards to the viability of the landfill as a regional facility. The Council assumes the landfill will remain capped until 2030 at which point the resource consent will expire, the landfill will close and the cash outflows in relation to the maintenance and monitoring of the site will start. The landfill aftercare provision does not reflect the Request for Proposal implications, due to their current uncertainty.

Refund of rates

This relates primarily to a provision created for historical errors for rates charged in prior years.

Accounting Policy

Net assets/equity is the community's interest in the Rotorua Lakes Council and is measured as the difference between total assets and total liabilities. Net Assets/equity is disaggregated and classified into a number of components.

The components of net assets/equity are:

- Accumulated funds; and
- Reserves, consisting of:
 - Self funding reserves;
 - Council created reserves;
 - Restricted reserves;
 - Fair value through equity reserve; and
 - Asset revaluation reserves.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Restated Actual 2023 \$'000
Accumulated funds				
Balance as at 1 July	712,989	717,044	721,233	721,152
Net surplus/(deficit)	2,157	(3,144)	2,688	3,457
Transfer of RRAL asset reserve to Reserves	176	-	176	-
Transfers (to)/from council-created reserve	3	1	3	1
Transfers (to)/from restricted reserve	(866)	(1,096)	(866)	(1,096)
Transfers (to)/from fair value through equity reserve	-	-	-	-
Transfers (to)/from asset revaluation reserves on disposal of PPE and intangible assets	(73,980)	1,140	(74,764)	(1,886)
Prior Year Equity Correction	-	(956)	-	(396)
Balance as at 30 June	640,479	712,989	648,470	721,232

Reserves				
Council-created reserves	59	62	59	62
Restricted reserves	8,257	7,391	8,257	7,390
Fair value through equity reserve	39,021	36,204	2,399	2,399
Asset revaluation reserve - property, plant and equipment	1,069,288	834,953	1,105,910	868,511
Asset revaluation reserve - intangibles	469	160	469	160
Total reserves	1,117,095	878,770	1,117,095	878,522

Self-funding reserves

Self funding reserves are reserves established at Council's will for activities that will generate enough revenue over time to cover the cost of their operation. The reserve balances represent accumulated balances to date of such activities. Council does not currently have any self funding reserves.

Council-created reserves

Council created reserves are established by Council resolution. Transfers to and from these reserves are at the discretion of Council.

	Opening balance 1 July 2024 \$'000	Deposits \$'000	Withdrawals \$'000	Interest earned / charged \$'000	Transfer to accumulated funds \$'000	Closing balance 30 June 2024 \$'000
Council and Group 2024						
Reporoa Domain	56	-	(3)	-	-	53
Waikite Domain	6	-	-	-	-	6
Total restricted reserves - 2024	62	-	(3)	-	-	59

	Opening balance 1 July 2022 \$'000	Deposits \$'000	Withdrawals \$'000	Interest earned / charged \$'000	Transfer to accumulated funds \$'000	Closing balance 30 June 2023 \$'000
Council and Group 2023						
Reporoa Domain	57	10	(11)	-	-	56
Waikite Domain	7	1	(2)	-	-	6
Total restricted reserves - 2023	64	11	(13)	-	-	62

The Reporoa and Waikite Domain reserves were established to account for the domain board committee current account balances. These were established when the Reserves Act came into effect. The reserve recognises a future call on funding towards improvements to various categories of capital assets; for example, the Waikite Domain reserve assists with the development of the Waikite Hot Pools.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

	Opening balance 1 July 2023 \$'000	Deposits \$'000	Withdrawals \$'000	Interest earned / charged \$'000	Closing balance 30 June 2024 \$'000
Council and Group 2024					
Reserves development	7,265	864	-	-	8,129
Creative NZ Reserve	126	81	(79)	-	128
Total restricted reserves - 2024	7,391	945	(79)	-	8,257

	Opening balance 1 July 2022 \$'000	Deposits \$'000	Withdrawals \$'000	Interest earned / charged \$'000	Closing balance 30 June 2023 \$'000
Council and Group 2023					
Reserves development	6,153	1,112	-	-	7,265
Creative NZ Reserve	142	59	(75)	-	126
Total restricted reserves - 2023	6,295	1,171	(75)	-	7,391

Restrictions

Reserve development Section 108 of the Resource Management Act 1991 requires funds to be set aside for the development of reserves.

Creative NZ Reserve Funds are held and used in accordance with the policies of organisations external to Council; for example Council allocates funds on behalf of Creative New Zealand on application for funding. Funding rounds occur approximately two times per year, dependent on funds available.

Fair value through equity reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Opening balance	36,203	30,228	2,399	2,415
Transfers (to)/from accumulated funds	-	-	-	-
Valuation gains/(losses) taken to equity	2,818	5,974	-	(16)
Balance 30 June	39,021	36,204	2,399	2,399

Asset revaluation reserves - Property, Plant and Equipment

This reserve relates to the revaluation of property, plant and equipment to fair value.

2024 asset revaluation reserve for each asset class consist of:

Council 2024	Opening balance 1 July 2023 \$'000	Transfers relating to prior period \$'000	Transfers between asset classes \$'000	Revaluation gains / (losses) during year \$'000	Transfer to accumulated funds on disposals \$'000	Other transfers \$'000	Closing balance 30 June 2024 \$'000
Art collections	14,282	-	-	-	-	(177)	14,105
Buildings	102,069	-	-	-	(48)	1,928	103,949
Land - operational	20,210	-	-	-	(450)	-	19,760
Land - restricted	89,323	-	-	-	-	-	89,323
Landfill	1,205	-	-	-	-	-	1,205
Library books	335	-	-	-	-	-	335
Parks and reserves	10,953	-	-	(8,328)	-	1,384	4,009
Roading and footpaths	275,279	-	-	149,718	75,235	-	500,232
Stormwater	104,259	(4,059)	-	14,884	278	-	119,421
Sewerage - other	85,479	4,059	-	(1,368)	(391)	-	79,661
Water - other	131,557	-	-	1,464	208	-	137,288
Total	834,951	-	-	156,370	74,832	3,135	1,069,288

Group 2024	Opening balance 1 July 2023 \$'000	Transfers relating to prior period \$'000	Transfers between asset classes \$'000	Revaluation gains / (losses) during year \$'000	Transfer to accumulated funds on disposals \$'000	Other transfers \$'000	Closing balance 30 June 2024 \$'000
Art collections	14,282	-	-	-	-	(177)	14,105
Buildings	111,270	-	-	(1,285)	(48)	1,928	111,865
Land - operational	20,210	-	-	980	(450)	-	20,740
Land - restricted	109,317	-	-	-	-	-	109,317
Landfill	1,205	-	-	-	-	-	1,205
Library books	335	-	-	-	-	-	335
Parks and reserves	10,953	-	-	(8,328)	-	1,384	4,009
Roading and footpaths	279,563	-	-	149,718	75,235	-	504,510
Stormwater	104,259	-	-	14,884	278	-	119,421
Sewerage - other	85,479	(4,059)	-	1,224	(391)	-	82,253
Water - other	131,612	4,059	-	1,464	208	-	137,343
Total	868,485	-	-	158,657	74,832	3,135	1,105,103



2023 asset revaluation reserve for each asset class consist of:

Council 2023	Opening balance 1 July 2022 \$'000	Transfers relating to prior period \$'000	Transfers between asset classes \$'000	Revaluation gains / (losses) during year \$'000	Transfer to accumulated funds on disposals \$'000	Other transfers \$'000	Closing balance 30 June 2023 \$'000
Art collections	18,935	-	-	(4,653)	-	-	14,282
Buildings	102,450	-	-	-	-	(381)	102,069
Land - operational	20,210	-	-	-	-	-	20,210
Land - restricted	89,323	-	-	-	-	-	89,323
Landfill	1,205	-	-	-	-	-	1,205
Library books	335	-	-	-	-	-	335
Parks and reserves	11,055	-	-	-	(71)	(31)	10,953
Roading and footpaths	217,843	-	-	57,436	-	-	275,279
Stormwater	104,392	-	-	-	(133)	-	104,259
Sewerage - other	62,475	-	-	22,502	502	-	85,479
Water - other	94,192	-	-	38,803	(1,438)	-	131,557
Total	722,415	-	-	114,088	(1,140)	(412)	834,951

Group 2023	Opening balance 1 July 2022 \$'000	Transfers relating to prior period \$'000	Transfers between asset classes \$'000	Revaluation gains / (losses) during year \$'000	Transfer to accumulated funds on disposals \$'000	Other transfers \$'000	Closing balance 30 June 2023 \$'000
Art collections	18,935	-	-	(4,653)	-	-	14,282
Buildings	108,336	-	-	3,315	-	(381)	111,270
Land - operational	20,210	-	-	-	-	-	20,210
Land - restricted	110,994	-	-	(1,677)	-	-	109,317
Landfill	1,205	-	-	-	-	-	1,205
Library books	335	-	-	-	-	-	335
Parks and reserves	11,055	-	-	-	(71)	(31)	10,953
Roading and footpaths	217,844	-	-	61,719	-	-	279,563
Stormwater	104,392	-	-	-	(133)	-	104,259
Sewerage - other	62,475	-	-	22,502	502	-	85,479
Water - other	94,247	-	-	38,803	(1,438)	-	131,612
Total	750,028	-	-	120,009	(1,140)	(412)	868,485

Asset revaluation reserve - Intangibles

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Carbon credits				
Opening balance	160	170	160	170
Revaluation gains/(losses) during year	309	(10)	309	(10)
Transfer to accumulated funds on disposal	-	-	-	-
Closing balance	469	160	469	160

Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has the following Council created reserves:

- Self funding reserves;
- Council created reserves; and
- Restricted reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

There have been no externally imposed capital requirements to which the Council has been subject to.

Capital commitments

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Capital commitments				
Parks & Reserves	440	16,167	440	16,167
Roading network	10,539	18,260	10,539	18,260
Buildings	47,026	4,591	47,026	4,591
Stormwater	1	-	1	-
Wastewater - other	429	630	429	630
Wastewater treatment	69,256	116,906	69,256	116,906
Water - other	6,100	3,416	6,100	3,416
Water treatment	-	-	-	-
Intangibles	230	3,236	230	3,236
Plant and equipment	17	542	17	542
Land	3,089	12,090	3,089	12,090
Total capital commitments	137,127	175,838	137,127	175,838

Operating leases as lessee

The Council and Group lease land, buildings, parks, reserve land and commercial premises under operating leases. The leases have non cancellable terms that range between 12 and 636 months. The future aggregate minimum lease payments to be collected under non cancellable operating leases are as follows:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Not later than one year	244	198	244	330
Later than one year but not later than two years	114	182	114	182
Later than two years but not later than five years	222	264	1,191	1,193
Later than five years	345	369	868	1,125
Total non-cancellable operating leases	925	1,013	2,417	2,830
Total capital commitments	137,127	175,838	137,127	175,838
Total commitments	138,052	176,851	139,544	178,768

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$Nil (2023: \$Nil).

In general, leases can be renewed at the Council or Group's option, with rents set by reference to current market rates for items of equivalent age and condition. For some lease agreements, the Council or Group has the option to purchase the asset at the end of the lease term.

For the majority of lease agreements, there are no restrictions placed on the Council or Group by any of the leasing arrangements.

Operating leases as lessor

The Council and Group lease land, buildings, parks, reserve land and commercial premises under operating leases. The leases have non-cancellable terms that range between 12 and 636 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Not later than one year	1,563	1,641	1,696	1,340
Later than one year but not later than two years	1,469	1,531	1,495	1,531
Later than two years but not later than five years	3,711	4,135	4,760	2,307
Later than five years	5,142	7,195	5,639	7,195
Total non-cancellable operating leases	11,885	14,502	13,590	12,373

No contingent rents have been recognised during the period.

22 CONTINGENCIES

Contingent liabilities

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Financial guarantees	-	-	-	-
Suspensory loan				
Housing New Zealand Corporation suspensory loan	1,567	1,567	1,567	1,567
Legal proceedings				
The Group's effective exposure to legal claims	9,025	780	9,025	780
Total contingent liabilities	10,592	2,347	10,592	2,347

Financial guarantees

Accounting Policy

A financial guarantee contract is a contract that requires the Council or Group to make specific payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand alone arm's length transaction to an un related party, its fair value at inception is equal to the consideration received. When no consideration is received the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the present value of the estimated amount to settle the guarantee obligation if it is probable there will be an outflow to settle the guarantee; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

The value of the guarantees disclosed as contingent liabilities reflects the Group's assessment of the undiscounted portion of financial guarantees that are not recognised in the Statement of Financial Position

Suspensory loan

The Housing New Zealand suspensory loan has been spent on specific social housing projects in accordance with the loan agreement. The Council is not required to repay the principal, including interest and costs, provided the Council meets the conditions of the loan during a 20 year period commencing December 2005. The loan is secured by first ranking mortgage over the land.

Critical accounting estimates and judgement

Accounting for suspensory loan from Housing New Zealand

The Council's view is the suspensory loan from Housing New Zealand is in substance a grant with conditions attached and is therefore accounted for under PBE IPSAS 23 Revenue from Non Exchange Transactions. The Council considers there are two possible accounting treatments for the grant under PBE IPSAS 23; either recognising the grant evenly over the 20 year condition period, or recognising the grant as revenue at the end of the conditions in 2025. As the suspensory loan in totality would be repayable, should any of the conditions not be met during the condition period to 2025

Legal proceedings

The Council is currently facing nine legal claims (2023: five). An estimate of Council's share of exposure is \$9,025,000 (2023: \$780,000), and includes an estimate for other known situations out of which a formal claim may arise. The Council does not accept the validity of all these claims and is in the process of resolving them through normal legal avenues.

Unquantified claims

Weathertightness claims

As disclosed in Note 19 a provision of \$18,000 (2023: \$18,000) has been recognised for weathertightness claims. Included in this amount is an estimate of \$Nil (2023:\$Nil) being the Council's exposure to potential future claims which have not yet been advised until the statutory limitation period expires. Claims must be made within 10 years of the construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims.

RiskPool

RiskPool provides public liability and professional indemnity for its members, of which Council is no longer a member. The trust deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the board may make a call on members in relation to that fund year. RiskPool advises of a final call for funds in either the 2023 or 2024 financial year.

National Provident Fund

The Council is a participating employer in the National Provident Fund (NPF) Defined Benefit Plan Contributors Scheme ("the Scheme"), which is a multi employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, the Council could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, the Council could be responsible for an increased share of the deficit.

As at 31 March 2024 the Scheme had a deficit of \$166,000 (99% of the liabilities) (2023: surplus of \$233,000, 101.1%). This amount is exclusive of Employer Superannuation Contribution Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 25.

Actuarial Review: The employer contribution rate applicable to 31 March 2025 is four times contributors' contributions. The rate will be reviewed again at 31 March 2025 and any change would be implemented from 1 April 2025.

Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA for local currency and a foreign currency rating of AA+.

As at 30 June 2024, the Council is one of 72 local authority guarantors of the LGFA. Together with the other guarantors, the Council is a guarantor of all of the LGFA's borrowings. As at 30 June 2024, the LGFA had borrowings totalling \$23,030,020,000 (2023: \$17,683,699,000).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Contingent assets

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Loan guarantees				
Rotorua Hockey Trust & BOP Hockey Association	350	350	350	350
Total loan guarantees	350	350	350	350

The Council operates a scheme whereby sports clubs are able to construct facilities (eg. club rooms) on reserve land. The clubs control the use of these facilities and the Council will only gain control of the asset should the club vacate the facility, or defaults on the Council guaranteed loan. Until this event occurs, these assets are not recognised in the Statement of Financial Position.

As at 30 June 2024 there is one facility with a book value of \$350,000 (2023: one facility, \$350,000).

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have otherwise adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

	Actual 2024 \$'000	Actual 2023 \$'000
Council members		
Senior Management Team, including the Chief Executive	2,356	2,247
Councillors	1,079	1,027
Total Group key management remuneration	3,435	3,274
Full-time equivalent members		
Full-time equivalent Senior Management Team	8	8
Full-time equivalent Councillors	11	11
Total full-time equivalent personnel	19	19

Due to the difficulty in determining the full time equivalent for Councillors, the full time equivalent figure is taken as the number of Councillors.

Included in key management personnel compensation is \$51,777 (2023: \$39,401) to defined contribution plans.

Chief Executive's remuneration

The Chief Executive of Rotorua Lakes Council is appointed under Part 4, section 42, of the Local Government Act 2002. The Chief Executive received the following remuneration:

	Council	
	Actual 2023 \$'000	Actual 2022 \$'000
Salary	682,888	390,899
Vehicle (including Fringe Benefit Tax)	13,073	25,132
Total Chief Executive's remuneration	695,961	416,031

Elected representatives

	Total 2024 \$'000	Total 2023 \$'000
Mayor		
Tapsell T	157,831	118,328
Tapsell T - Mayor's vehicle	11,132	9,984
Chadwick S	-	45,726
Chadwick S - Mayor's vehicle	-	7,152
Councillors		
Barker K	118,492	59,252
Brown G	99,600	59,252
Donaldson D	-	33,929
Kai Fong S	147,359	100,628
Kereopa L	67,100	47,002
Kumar R	-	18,899
Lee R	68,091	47,002
MacPherson R	-	18,899
Maxwell T H	64,600	70,771
O'Brien C	67,100	47,002
Paterson D	67,100	47,002
Raukawa-Tait M	-	28,265
Tapsell T	-	21,353
Wang F	111,279	82,974
Waru R	99,600	59,252
Yates M	-	24,160
Total Councillor remuneration	1,079,284	946,832
Rotorua Lakes/Rural Community Boards	110,011	80,620
Total elected representatives' remuneration	1,189,295	1,027,452

The monetary remuneration consists of honoraria and meeting allowances, and is determined by the remuneration authority under the local government elected members determination 2023 24. Professional indemnity and trustee liability insurance is also provided to the Councillors against any potential legal litigation which may occur while undertaking Council business.

Council employees

	Number of employees	
	2024	2023
< \$60,000	64	70
\$60,000 – \$79,999	114	117
\$80,000 – \$99,999	87	85
\$100,000 – \$119,999	57	49
\$120,000 - \$139,999	29	24
\$140,000 - \$159,999	18	11
\$160,000 - \$199,999	8	11
\$200,000 - \$279,999	6	6
\$280,000 - \$419,999	4	4
Total employees	387	377

Total remuneration includes non financial benefits provided to employees.

At balance date, the Council employed 332 (2023: 322) full time employees, with the balance of staff representing 35.93 (2023: 37.56) full time equivalent employees. A full time employee is determined on the basis of a 40 hour working week.

25 AGENCY RELATIONSHIPS

Council is involved in administering expenditure and revenue on behalf of other organisations as described below. These agency transactions have not been included in the Council's current year operating results. Council has however, included the net movement in agency debtors and creditors in its Statement of Cash Flows, and included the Council's asset or liability in relation to the agencies in its Statement of Financial Position. Council derives commission revenue to compensate for the cost of administration.

	2024 \$'000	Percentage %	2023 \$'000	Percentage %
Bay of Plenty Local Authority Petrol Tax Distribution for the year ended 30 June:				
Kawerau District Council	63	2.00%	60	2.10%
Opotiki District Council	68	2.20%	66	2.30%
Rotorua Lakes Council	603	19.40%	570	20.00%
Taupo District Council	417	13.40%	392	13.80%
Tauranga District Council	1,223	39.40%	1,065	37.50%
Western BOP District Council	447	14.40%	421	14.80%
Whakatane District Council	286	9.20%	272	9.50%
	3,107	100.00%	2,846	100.00%

State Highways administration

	2024 \$'000	2023 \$'000
Expenditure on State Highways roading network (Reimbursed from New Zealand Transport Agency)	374	486





(a) Financial instrument categories

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
FINANCIAL ASSETS				
Amortised Cost				
Total cash and cash equivalents (including short-term deposits 3 months or less)	8,990	7,725	11,231	9,146
Receivables (including community loans)	51,747	29,639	40,503	17,473
Term deposits	26,000	2,000	26,243	2,000
Total Amortised Cost	86,737	39,364	77,977	28,619
Fair value through surplus or deficit				
Shares in associates	109	90	109	90
Borrower notes	9,955	7,397	9,955	7,397
Total fair value through surplus or deficit	10,064	7,487	10,064	7,487
Fair value through other comprehensive revenue and expense				
Unlisted shares	71,799	69,016	283	317
Total fair value through other comprehensive revenue and expense	71,799	69,016	283	317
Total financial assets	168,600	115,867	88,324	36,423

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables and deferred revenue	30,611	27,134	32,679	27,407
Borrowings:				
LGFA borrowings	446,927	350,629	446,927	352,029
Other loans	-	-	600	1,400
Total financial liabilities	477,538	377,763	480,206	380,836

(b) Fair value hierarchy

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- Quoted market price (Level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (Level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non observable inputs (Level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position:

2024	Valuation Technique			
	Total \$'000	Quoted market price \$'000	Observable inputs \$'000	Significant non-observable inputs \$'000
30 June 2024 - Council				
Financial assets				
Borrower notes	9,955	-	9,955	-
Shares in associates	109	-	-	109
Unlisted shares	71,799	-	-	71,799
Financial liabilities				
Registered debenture stock	-	-	-	-
Bank facilities	-	-	-	-
LGFA borrowings	446,927	-	446,927	-
Other Loans	-	-	-	-
30 June 2024 - Group				
Financial assets				
Borrower notes	9,955	-	9,955	-
Shares in associates				
Unlisted shares	109	-	-	109
Unlisted shares	283	-	-	283
Financial liabilities				
Registered debenture stock	-	-	-	-
Bank facilities	-	-	-	-
LGFA borrowings	446,927	-	446,927	-
Other Loans	600	-	600	-



2023	Valuation Technique			
	Total \$'000	Quoted market price \$'000	Observable inputs \$'000	Significant non-observable inputs \$'000
30 June 2023 - Council				
Financial assets				
Borrower notes	7,397	-	7,397	-
Shares in associates	90	-	-	90
Unlisted shares	69,016	-	-	69,016
Financial liabilities				
Registered debenture stock	-	-	-	-
LGFA borrowings	350,629	-	350,629	-
30 June 2023 - Group				
Financial assets				
Borrower notes	7,397	-	7,397	-
Shares in associates	90	-	-	90
Unlisted shares	317	-	-	317
Financial liabilities				
Registered debenture stock	-	-	-	-
LGFA borrowings	350,629	-	350,629	-
Other Loans	1,400	-	1,400	-

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (Level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the Level 3 fair value measurements:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Balance at 1 July	69,089	63,088	313	286
Capital movement	-	-	-	-
Write off of investment through surplus and deficit	-	-	-	-
Change in fair value of investment through surplus and deficit	(34,973)	27	(35)	27
Gains and losses recognised in other comprehensive revenue and expense	2,818	5,974	36,621	-
Prior year adjustment				
Balance at 30 June	36,934	69,089	36,899	313

Any hedging must be approved by Council.

(c) Financial instrument risks

The Council and Group's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risks.

The Council and Group has a series of policies to manage the risks associated with financial instruments and is risk averse, seeking to minimise any exposure from its treasury activities. The Council has established liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.



Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. At present the Council is not exposed to any equity securities price risk as the Council holds no listed equity instruments.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Council purchases plant and equipment associated with the construction of certain infrastructural assets from overseas, which may require it to enter into transactions denominated in a foreign currency. As a result of these activities, exposure to currency risk arises.

Interest rate risk

The interest rate risk comprises:

- Fair value interest rate risk: the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed rates expose the Council and Group to fair value interest rate risk.
- Cash flow interest rate risk: the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at a variable interest rate expose the Council to cash flow interest rate risk.

To manage these risks the Council's current fixed rate maturity profile limits, in accordance with the Council's Treasury Policy, are:

Term of exposure	Minimum Fixed Rate	Maximum Fixed Rate
Year 1	40%	90%
Years 2 and 3	30%	80%
Year 4	25%	75%
Year 5 to Year 12	0%	70%
Year 13 and over	-%	25%

Note 17 provides further information on term loan interest rates and maturity profile.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council or Group causing the Council and Group to incur a loss.

Financial instruments which potentially subject the Council and Group to credit risk consist of bank balances, term deposits, rates, other receivables and community loans.

The Council places its cash and short term deposits with high credit quality financial institutions. Accordingly, the Council does not require any collateral or security to support these financial instruments with institutions or organisations it deals with.

Maximum exposure to credit risk

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Cash at bank and term deposits	8,990	7,725	11,231	9,146
Term deposits	26,000	2,000	26,243	2,000
Receivables (including community loans)	51,747	29,639	40,503	17,473
Borrower notes	9,955	7,397	9,955	7,397
Shares in associates	109	90	109	90
Unlisted shares	71,799	69,016	283	317
Financial guarantees	350	350	-	-
Total credit risk	168,950	116,217	88,324	36,423

The Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings. Information about this exposure is explained in note 22.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Council		Group	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Counterparties with credit ratings:				
Cash at bank and term deposits (AA-)	8,990	9,725	11,231	11,146
Total cash at bank and term deposits	8,990	9,725	11,231	11,146
Borrower notes (AA+)	9,955	7,397	9,955	7,397
Total government bonds	9,955	7,397	9,955	7,397
Counterparties without credit ratings:				
Unlisted shares	71,799	69,016	283	317
Shares in associates	-	-	-	-
Existing counterparty with no defaults in the past	12,060	13,460	-	-
Total loans to subsidiaries	12,060	13,460	-	-

Debtors and other receivables mainly arise from the Council's statutory function. Therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentration of credit risk with respect to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council and the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

The Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of the Council's long term planning process.

The Council has a maximum amount that can be drawn down against its bank facilities of \$45,000,000 (2023: \$35,000,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

The table below analyses the Council and Group's financial liabilities into relevant maturity groupings based on the remaining period as at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Council 2024						
Payables and deferred revenue	30,611	31,062	31,062	-	-	-
Financial guarantees	350	-	-	-	-	-
Registered debenture stock	-	-	-	-	-	-
Bank facilities	-	-	-	-	-	-
LGFA borrowings	446,927	526,436	48,422	84,801	309,154	84,059
Other loans	-	-	-	-	-	-
Total	477,888	557,498	79,484	84,801	309,154	84,059
Council 2023						
Payables and deferred revenue	27,134	27,134	27,134	-	-	-
Financial guarantees	350	350	350	-	-	-
Registered debenture stock	-	-	-	-	-	-
Bank facilities	-	-	-	-	-	-
LGFA borrowings	350,628	418,369	38,353	39,612	202,355	138,049
Other loans	-	-	-	-	-	-
Total	378,112	445,853	65,837	39,612	202,355	138,049
Group 2024						
Payables and deferred revenue	32,679	32,263	32,263	-	-	-
Financial guarantees	-	-	-	-	-	-
Registered debenture stock	-	-	-	-	-	-
Bank facilities	-	-	-	-	-	-
LGFA borrowings	446,927	526,436	48,421	84,801	309,154	84,058
Other loans	600	600	-	600	-	-
Total	480,206	559,299	80,684	85,401	309,154	84,058
Group 2023						
Payables and deferred revenue	27,407	27,134	27,415	-	-	-
Financial guarantees	-	350	350	-	-	-
Registered debenture stock	-	-	-	-	-	-
Bank facilities	-	-	-	-	-	-
LGFA borrowings	352,029	-	48,421	84,801	309,154	84,058
Other loans	1,400	-	-	-	1,400	-
Total	380,836	27,484	76,186	84,801	310,554	84,058

Contractual maturity analysis of financial assets

The table below analyses the Council and Group's financial assets into relevant maturity groupings based on the remaining periods as at balance date to the contractual maturity date.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Council 2024						
Cash and cash equivalents (including short term deposits 3 months or less)	8,990	8,990	8,990	-	-	-
Term deposits	26,000	26,000	26,000	-	-	-
Receivables	50,951	50,951	39,801	-	11,150	-
Other financial assets:	-					
Borrower notes	9,955	9,955	461	1,461	6,123	1,910
Shares in associates	109	109	109	-	-	-
Unlisted shares	71,799	71,799	71,799	-	-	-
Total	167,804	167,804	147,160	1,461	17,273	1,910

Council 2023						
Cash and cash equivalents (including short term deposits 3 months or less)	7,725	7,725	7,725	-	-	-
Term deposits	2,000	2,000	2,000	-	-	-
Receivables	29,639	34,552	22,002	-	10,150	2,400
Other financial assets:	-					
Borrower notes	7,397	7,397	392	461	3,546	2,998
Shares in associates	90	90	90	-	-	-
Unlisted shares	69,016	69,016	69,016	-	-	-
Total	115,867	120,780	101,225	461	13,696	5,398

Group 2024						
Cash and cash equivalents (including short term deposits 3 months or less)	11,231	11,231	11,231	-	-	-
Term deposits	26,243	26,243	26,243	-	-	-
Receivables	39,707	39,707	39,707	-	-	-
Other financial assets:	-					
Borrower notes	9,955	9,955	461	1,461	6,123	1,910
Shares in associates	109	109	109	-	-	-
Unlisted shares	283	282	282	-	-	-
Total	87,528	87,527	78,033	1,461	6,123	1,910

Group 2023						
Cash and cash equivalents (including short term deposits 3 months or less)	9,146	9,146	9,146	-	-	-
Term deposits	2,000	2,000	2,000	-	-	-
Receivables	17,473	17,473	17,473	-	-	-
Other financial assets:	-					
Borrower notes	7,397	7,397	392	461	3,546	2,998
Shares in associates	90	90	90	-	-	-
Unlisted shares	317	317	317	-	-	-
Total	36,423	36,423	29,418	461	3,546	2,998

Sensitivity analysis

The following table illustrates the potential surplus and deficit and equity (excluding accumulated funds) impact for reasonably possible market movements, with all other variables held constant, based on the Council and Group's financial instrument exposure as at balance date:

Council	2024 \$'000				2023 \$'000			
	-100bps surplus	-100bps other equity	+100bps surplus	+100bps other equity	-100bps surplus	-100bps other equity	+100bps surplus	+100bps other equity
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Borrowings:								
- Debenture stock / LGFA / Bank facilities	1,023	-	-1,023	-	401	-	-401	-

Group	2024 \$'000				2023 \$'000			
	-100bps surplus	-100bps other equity	+100bps surplus	+100bps other equity	-100bps surplus	-100bps other equity	+100bps surplus	+100bps other equity
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Borrowings:								
- Debenture stock / LGFA / Bank facilities	1,023	-	-1,023	-	401	-	-401	-

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

27 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations of major variations against the budget information at the start of the financial year are as follows:

Statement of Comprehensive Revenue and Expense

Rotorua Lakes Council recorded a surplus of \$2.2m compared to a budgeted surplus of \$20.7m.

The major reasons for the variance of \$18.5m between actual and budgeted result are as follows: **Revenue** Revenues were \$2.7m higher than budget with major variances including:

- Subsidies and grants revenue exceeded the budget by \$8.8 million. Operational expenditure funding was \$2.2 million over budget, primarily due to additional funding from NZTA for the repair of roads damaged by storm events. Additionally, the final payment for the three waters transition funding was fully recognized this financial year due to changes in legislation. Capital expenditure funding was \$6.6 million over budget, largely due to the completion of capital projects which triggered final milestone payments. These payments were predominantly associated with stormwater and transport activities, as well as developments at the Aquatic Centre.
- Financial and development contributions are under budget by \$1.6 million. These funds, which are earmarked for capital development across the district, are subject to recognition tests. Consequently, this has led to a lower than anticipated collection.

- Finance income is over budget by \$1m, this is due to pre funding for future debt maturing and so the placement of funds on term deposit.
- Other revenue was below budget by \$2.6m, this has been the result of lower than anticipated fees and charges, particularly in events and venue hire across facilities, due to challenging economic conditions and a struggling tourism sector.

Expenditure

Expenses were \$21.3m higher than budget, with major variances including:

- Interest expense is currently \$3.2m ahead of year to date budget due to higher external debt levels due to the timing of external revenue from CIP and the withdrawal of funding from the Ministry for the Environment. Interest rate pricing at the beginning of the year was also ahead of forecast but has since pulled back. This is offset by investment income from Council's pre funding placed on term deposit.
- Other expenses exceeded the budget by \$18.7 million, primarily due to the recognition of \$17 million in asset disposal losses and impairments on property, plant, and equipment, which were not budgeted for. Additionally, contractor expenses were \$3.3 million over budget, driven mainly by increased spending on roading contractors to repair storm damages. This overspend has been partially driven by the impact of the Consumer Price Index (CPI) on delivery costs.

Statement of Financial Position

Overall net assets are \$291m above budget. Significant variances are as follows:

Current Assets

Cash and cash equivalents were \$3.9m below budget, this is largely driven by higher investment activities across the capital projects which required upfront outlay of cash, in addition economic decline has seen a lower collection on debtors and direct impact on fees & charges.

Receivables were \$25.4m above budget, this is predominantly due to a large receivable from CIP in relation to capital project funding milestone. Rates increase of 8.8% has also contributed to an increased debtor balance at year end.

Non current assets held for sale are below budget by \$1.8m this is largely due to land & building sales which did not materialise.

Non-current Assets

Investment in CCO's is \$8.9m above budget due to revaluation of property plant and equipment within Rotorua Regional Airport Limited.

Intangible assets are \$15.4m over budget. This is largely driven by the fact that moving to a SaaS (Software as a Service) platform has been delayed as part of the overall ERP project.

Current Liabilities

Payables and deferred revenue are \$3.8m higher than budget due to timing of amounts due. Increase in trade payables is also partially driven by impact of CPI on contractor spend.

Current portion of borrowings are \$6.9m higher than budget due to delays in capital projects and corresponding incoming grants.

Non - current liabilities

Non current portion of borrowings is \$25.6m over budget due to higher draw down on debt required to deliver major capital projects for which external funding had not yet been received. These are essentially timing differences as the corresponding funds have been received in the new financial year.



Rotorua Lakes Council is part of the Bay of Plenty Local Authority Shared Services (BOPLASS), a regional collective of local authorities for insurance purposes. Through the collective economies of scale Council has access to the best processes and cover.

As at the end of the 30 June 2024 financial year, Council had the following insurance cover in place. .

Material Damage \$932,881,163

This policy is levied and covered in conjunction with business interruption. The policy covers unforeseen and unintended physical loss or damage to insured property.

The Risk Management Strategy (RMS) and Reinsurance Management Strategy (REMS) identify the Group's policies and procedures, processes and controls that comprise its risk management and control systems. These systems address all material risks, financial and non financial, likely to be faced by the Group. Annually, the Board certifies to Australian Prudential Regulation Authority (APRA) that adequate strategies have been put in place to monitor those risks, that the Group has systems in place to ensure compliance with legislative and prudential requirements and that the Board has satisfied itself as to the compliance with the RMS and REMS.

Fine Arts \$49,971,351

This cover is for the total replacement value of art and artefacts owned by the Council.

Commercial Motor Vehicles \$2,179,000

Motor vehicle insurance is up to the market value of each individual vehicle covered under the policy.

Infrastructure \$1,108,903,472

This policy provides cover for 40% of the loss, with the remaining 60% of the loss to be funded by Central Government. The overall limits on this policy for the Group have been increased to \$500,000,000, with Rotorua Lakes Council having a sub limit of \$250,000,000.

Business Interruption \$9,065,000

Business interruption is covered and levied in conjunction with material damage in the same policy. The policy provides cover for loss of rents revenue and receivables. There is a shared \$8,000,000 additional increased cost of working limit with the Regional collective and this provides cover for consequential loss through physical damage to any property used by Council.

Self insured Assets

Council senior managers and engineers have determined on a risk based and cost benefit approach to self insure certain types of assets, where return to full service capability can be managed over time without a significant impact on the community. Such assets with significant value include roading and rural stormwater assets.

Strategic direction of CCO Infracore Limited

On July 3, 2024, the Council resolved to support the “in principle” transfer of functions, assets, and personnel of Infracore Limited into the Council. This transition will occur over the next few months, with the final status to be reported back to the Council in December 2024.

Local Water Done Well

The water services legislation (namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023), was repealed on 17 February 2024. The Government has recently enacted the Local Government (Water Services Preliminary Arrangements) Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are likely to be until the WSDP is approved by the Secretary. The new legislation has not had an impact on the 30 June 2024 financial statements or performance information.

Organic Services Contract

On July 3, 2024, the Council resolved to award the Organic Services contract to the preferred tenderer following a comprehensive procurement process. The total value of the contract is \$23.5 million, excluding GST and subject to necessary inflationary adjustments. The contract term is nine years, commencing on July 1, 2026.

The Group has adjusted its comparative year financial statements for the year ended 30 June 2023 for the correction of a prior period error.

During 2023/24, the Group discovered the non-disclosure of a deferred tax asset totalling \$6m for 2023. This deferred tax asset is recognition of Council's group tax losses that are available to offset the group tax liability arising from the Rotorua Regional Airport.

The financial statements for 2023, which are presented as comparative information in the 30 June 2024 financial statements, have been restated to correct this error.

The adjustments are shown in the table below:

Group	2023 Financial statement adjustments		
	Before adjustments (as published 2023)	Correction of errors	After adjustment (as restated 2023)
Statement of comprehensive revenue and expense			
Tax expense	375	(6,011)	(5,636)
Surplus/(deficit) after tax	(2,556)	6,011	3,456
Statement of financial position			
Non-current assets			
Deferred tax asset	-	6,011	6,011
Statement of changes in equity			
Surplus/(deficit) after tax	(2,556)	6,011	3,455
Closing balance	1,593,734	6,011	1,599,745
Equity (Accumulated Funds)			
Net surplus/(deficit)	(2,554)	6,011	3,457
Balance as at 30 June	715,221	6,011	721,232

	2023		2024	
Annual Plan 2022/23 (\$000)	Actual 2022/23 (\$000)	Annual Plan 2023/24 (\$000)	Actual 2023/24 (\$000)	

Sources of operating funding

General rates, uniform annual general charges, rates penalties	72,213	69,601	79,171	75,294
Targeted rates	46,037	48,584	51,851	52,844
Subsidies and grants for operating purposes	4,808	7,411	5,208	7,460
Fees and charges	13,853	10,825	15,421	11,331
Interest and dividends from investments	550	1,207	575	1,544
Local authorities fuel tax, fines, infringement fees, and other receipts	5,555	7,307	5,839	6,929
Total operating funding (A)	143,017	144,935	158,065	155,402

Applications of operating funding

Payments to staff and suppliers	109,853	111,028	116,109	120,031
Finance costs	9,829	11,220	14,025	17,236
Other operating funding applications	0	0	-	-
Total applications of operating funding (B)	119,682	122,248	130,134	137,267
Surplus (deficit) of operating funding (A – B)	23,335	22,687	27,931	18,135

Sources of capital funding

Subsidies and grants for capital expenditure	41,452	18,181	33,017	39,594
Development and financial contributions	2,363	1,114	3,592	1,975
Increase (decrease) in debt	81,389	54,055	68,576	96,298
Gross proceeds from sale of assets	-	168	-	11
Lump sum contributions	0	0	-	-
Other dedicated capital funding	0	0	-	-
Total sources of capital funding (C)	125,204	73,518	105,185	137,877

Applications of capital funding

Capital expenditure—				
• to meet additional demand	11,026	9,995	16,855	5,320
• to improve the level of service	87,399	52,688	75,699	66,562
• to replace existing assets	45,245	31,742	43,225	45,675
Increase (decrease) in reserves	-	1,781	-	38,455
Increase (decrease) of investments	4,867	0	(2,661)	-
Total applications of capital funding (D)	148,540	96,205	133,116	156,012
Surplus (deficit) of capital funding (C – D)	(23,335)	(22,687)	(27,931)	(18,135)
Funding balance ((A - B) + (C - D))	-	-	-	-

Whole of council funding impact statement

Rates revenue is lower than budget due to lower than forecast growth and the reversal of provisions on rates debtors.

Operational subsidy and grant revenue is above budget due to higher storm damage to roading network leading to unbudgeted roading opex and subsequently higher NZTA subsidies.

Fees and charges are lower than budget as tourism numbers are still to recover post covid which has reduced demand for events in the Sir Howard Morrison Performing Arts Centre, Energy Events Centre and fees for inner city parking.

Local authorities fuel tax, fines, infringement fees, and other receipts are above budget due to higher regional fuel taxes and infringements on regulatory services.

Payments to staff and suppliers are above budget, proportionally driven by impact on contractual inflation increases across key contracts such as Trility, Smart and Infracore (calculated inflation rates higher than budgeted). Higher roading opex as a result of storm damage. Increased cost to maintain and attract key skill sets within the workforce.

Finance costs are above budget due to higher external debt levels due to timing of external revenue from CIP capital project delays. Interest rate pricing was higher than annual plan expectations.

Subsidies and grants for capital expenditure are above budget due to milestone achievement of CIP stormwater projects meant that recognition of funds held in advance could be recognised as capital revenue.

Development and financial contributions are lower than budget as the market for new subdivisions were sluggish in line with broader housing market, impacted by elevated interest rates.

Increase in debt is higher than budget due to delays in delivery of capital projects, RLC has had to draw down on debt to finance these until external funding milestones are reached.

Capital expenditure to meet additional demand is lower than budget due to the delay in delivery of IAF project due to insufficient resource for delivery, additional works required to address funding gap with Kaingaora.

Capital expenditure to improve the level of service is lower than budget due to delays in delivery of key projects such as Museum, Rotoehu and Tarawera sewerage scheme largely due to capacity and resource constraints.

Capital expenditure to replace existing assets is lower than budget due to overspend on roading renewals driven by repairs on roading and facilities which incurred damages due to storm events.

The decrease in reserves is due to the impact of recognition of capital revenue and broader operating deficit for 2024.

The decrease in investments is primarily due to the reduction in cash for period.



NGĀ WHAKAHAERE I RARO I TE MANA O TE KAUNIHERA

COUNCIL CONTROLLED ORGANISATIONS

Council-controlled organisations (CCO) give a local authority the opportunity to engage people with the right skills and experience to focus on operating a business or other undertaking on behalf of the local authority.

To achieve specific objectives for Rotorua, the Council has established several Council-controlled organisations. These organisations, supported by Rotorua Lakes Council, manage council facilities and/or deliver significant services on behalf of the Council and the Rotorua community.

These include:

- Rotorua Regional Airport Ltd
- Bay of Plenty LASS Ltd (BOPLASS)
- Co-Lab
- RotoruaNZ
- InfraCore Ltd

The following summaries explain what they do and what they have achieved over the past year, and sets out an overview of their performance. Targets set are included in each CCO's statement of intent.

Would you like to know more? For further information, please see the individual CCOs' statements of intent and annual reports, which are available via their websites.



ROTORUA REGIONAL AIRPORT LTD

WHAT WE DO

Rotorua Regional Airport Limited (RRA) is a limited liability company which trades as Rotorua Airport. It is fully owned by Rotorua Lakes Council, and is a council controlled trading organisation as defined under section 6 of the Local Government Act 2002.

Airport operations are managed by a chief executive reporting to the company's board of directors.

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

WHAT WE ARE WORKING TOWARDS

RRA's vision, as set out in the Statement of Intent, is "to be a uniquely Rotorua hub our community can be proud of". The board and management have identified five key priorities for the airport to deliver on this vision:

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

STRUCTURE OF THE COMPANY'S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS (30 JUNE 2024):

Rotorua Regional Airport is led by Chief Executive Nicole Brewer and governed by an independent board of directors.

The following Directors held office as at 30 June 2024:

	Date of appointment
Kevin William Ward (Chairman)	09/10/2023
Marie Angela Hosking	09/10/2023
Mark William East	09/10/2023
Danielle Louise Auld	05/03/2020
Fredrick Neville Cookson	12/04/2023
Grant Raymond Lilly	26/08/2021

The following Directors ceased as directors during the year:

	Date of Cessation
John Amarama Fenwick	02/10/2023
Mere Kerena George	06/10/2023

WHAT WE ACHIEVED IN THE LAST YEAR

Helped Council achieve its growth aspirations and contribute to the success of the region

RRA continues to investigate the viability of an Airport Business Park and how this can be delivered to meet the objectives of both RLC and RRA.

RRA continued its Board Observer program in FY24.

RRA worked closely with Rotorua NZ to host Meetings Matariki gala dinner in June 2024. The dinner showcased the best of Rotorua and Supported Rotorua's goal of attracting more business events and conferences to Rotorua.

PERFORMANCE MEASURES

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Measure	2023/24 Target	2024 Actual	Achieved/ Not Achieved	2022/23 Actual
Aircraft Movements (1)	4,711	5,464	Achieved	4,614
Passenger Numbers (2)	227,356	232,678	Achieved	219,948
Customer Satisfaction Score (CSAT) (3)	75%	92.3%	Achieved	New Measure
Aviation Compliance	Yes	Part 139 Certification Held	Achieved	New Measure
Legal Compliance	Provided with quarterly reporting	Provided	Achieved	New Measure
Asset Management	By 30 September, each year	Provided	Achieved	New Measure

Note (1) Both commercial and general aviation aircraft movement numbers were ahead of budget, the increase mainly due to positive changes in Air New Zealand scheduling along with increases in general aviation driven by regional flying championship held in Rotorua in February 2024

Note (2) Passenger numbers increased by 5.4% on previous year and 2.3% on budget, reflecting growth in passenger numbers due to higher overall aircraft movements.

Note (3) Customer Satisfaction Score (CSAT) is calculated through analysis of customer surveys. Due to issues with data collection, this score is based on May/June data with a sample size of 91.

FINANCIAL PERFORMANCE

	2023/24 Target	2024 Actual	Achieved/ Not Achieved	2022/23 Actual
Total Revenue	7,178,076	7,750,066	Achieved	6,927,524
Total Expenses (before depreciation)	5,002,758	4,864,839	Achieved	4,014,957
Net surplus/deficit (before depreciation)	2,175,318	2,885,227	Achieved	2,912,567
Capital expenditure	1,060,000	932,896	Achieved	231,052

Note (1) Given that the financial targets in the Statement of Intent are individual targets, total revenue less total expenses do not necessarily equate net surplus (deficit) after tax.

INCOME DERIVED FROM COUNCIL

	2023	2024
Rotorua Lakes Council Service Funding	2,430,406	2,150,000



BOP LASS LTD

WHAT WE DO

The Bay of Plenty Local Authority Shared Services (BOPLASS) was established by the nine local authorities in the Bay of Plenty/ Gisborne region to foster collaboration between councils in the delivery of services, particularly back-office or support services.

BOPLASS investigates, develops and delivers shared services and joint procurement on behalf of the participating councils, maximising cost savings and developing opportunities for sharing of services.

The shareholding councils are:

- Bay of Plenty Regional Council
- Gisborne District Council
- Kawerau District Council
- Opotiki District Council
- Rotorua Lakes Council
- Taupo District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatane District Council.

In 2023/24 a key BOPLASS project played an integral part in helping our constituent councils create safer environments for their communities. In recognition of the continuing rise in retail crime rates, and particularly youth offending, BOPLASS councils initiated a project to coordinate their activities in developing initiatives to help address these problems. Through successful engagement with the Ministry of Social Development, the region has received \$1,000,000 co-funding to help support these important projects. A collaborative project is now underway to collectively develop and improve CCTV, CCTV monitoring, and Crime Prevention Through Environmental Design across the Bay of Plenty. Improvement to this infrastructure provides the opportunity to help stop or reduce crime, identify perpetrators, and ultimately make our communities safer.

Council infrastructure insurance placements remain challenging in what is currently referred to as a 'hard market' with limited capacity from insurers. Given the recent NZ weather events (and global natural catastrophes), it is likely this will only continue to become more challenging. Despite the restricted market capacity, and risk adverse underwriters, very good outcomes were achieved for all councils through the BOPLASS renewal. The BOPLASS collective insurance programme continues to deliver substantial benefits to all councils, in both the insurance rates and the level of cover provided. International underwriters were particularly impressed with the use of Light Detection and Ranging (LiDAR) data by BOPLASS councils to better understand their risks. Our work was described by them as 'world leading'. Earlier this year, the final LiDAR data for the Bay of Plenty region was captured and delivered ahead of schedule. This essential data assists councils in better understanding the ground terrain in their regions, preparing for severe weather events, and planning for climate change

PERFORMANCE MEASURES

Target 2023/24	Result	Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	<p>Achieved</p>	<p>Contracts negotiated and/or renewed for:</p> <p>VertiGIS Studio – Contracts for Geocortex Essentials and Analytics were renewed as the newly rebranded product VertiGIS Studio. BOPLASS councils continue to benefit from the renewed collective contract through reduced pricing and collective training.</p> <p>Aerial Imagery – Two BOPLASS tenders were awarded to Aerial Surveys Ltd for rural orthophotography covering Taupō, Rotorua and Western Bay of Plenty regions, and urban imagery for the Gisborne region. The Tauranga City interim flying programme was awarded to Woolpert NZ Ltd, including specific requirements for the capture of high growth areas.</p> <p>Inter-Council Network (ICN) – Following the expiry of the initial 24-month agreement for ICN services with Kordia, BOPLASS renegotiated the agreement for a further 12 months, achieving a reduction in cost of approximately 19% for these services. The Kordia service covers the primary connectivity to the ICN for councils. Councils are currently investigating using the ICN for CCTV services between councils as part of the BOPLASS CCTV project.</p> <p>Zoom Video Conferencing Services (VC) – BOPLASS has managed a Zoom video conference service for councils for several years. This was renegotiated and renewed by BOPLASS this year on behalf of the councils. While Microsoft Teams appears to be becoming the primary VC platform for most councils’ internal communications, many use Zoom for their councillors and governance teams.</p> <p>Health & Safety Management Software – BOPLASS renegotiated the collective contract with Damstra (ex-Vault) as H&S management software provider for the BOPLASS and Waikato councils.</p> <p>GIS software and services –</p> <ul style="list-style-type: none"> • NZ Archaeological Association • FME Software • ESRI Enterprise Licensing Agreement <p>Contracts renegotiated and renewed – no alternative suppliers.</p>

Target 2023/24	Result	Narration
continued from previous page	continued from previous page	<p><u>My Everyday Wellbeing</u> – BOPLASS renewed the agreement for the staff online wellbeing platform. Discounted pricing is provided to BOPLASS as a single entity, allowing all participating councils to benefit from the associated savings. Increased participation from MW LASS, Co-Lab and BOPLASS councils has resulted in further financial savings for the collective.</p> <p><u>Media Copyright Agency (MCA)</u> – a collective contract providing savings for all BOPLASS councils has been renewed with MCA (originally PMCA) for councils' print and media copyright services. Sole NZ provider of print and media copyright services.</p> <p><u>Cyber Insurance</u> – BOPLASS was able to facilitate the renewal of councils' cyber insurance policies on favourable terms with Berkshire Hathaway by working closely with councils to ensure all underwriter requirements were met and demonstrated through the collective approach. Cyber cover is an annual agreement that requires going to market every year.</p> <p><u>n3</u> – Collective purchasing group membership negotiated by BOPLASS. Councils achieve significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same discounted rates. Sole NZ provider.</p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. No alternative provider in NZ.</p> <p><u>NAMS+ Subscription</u> – BOPLASS renewed the collective NAMS+ agreement with discounted rates for BOPLASS councils. No alternative provider in NZ.</p> <p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2023 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements. No alternative provider in NZ.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS training across the BOPLASS councils. Substantial savings were achieved through the collective training while also helping to bring all councils up to similar skill levels</p>

Target 2032/24	Result	Narration
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	<p>Achieved</p>	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><u>Internal Audits</u> - BOPLASS completed a review of councils' internal audit services requirements with the intention of undertaking a collective procurement process on behalf of BOPLASS councils. Through the procurement process, BOPLASS identified that the Ministry of Business Innovation and Employment (MBIE) has an All of Government (AoG) panel contract available to Local Authorities that covers most councils' requirements. BOPLASS recommended that councils give consideration to the AoG Consultancy Services contract for the provision of internal audit services. Given the variations of councils' internal audit requirements, the diversity of the AoG panel and the ease of take up of the contract was suitable for most councils' requirements.</p> <p><u>Schedule of Values (SOVs)</u> - Data Enhancement - BOPLASS has been investigating options for improving councils' SOVs. Accurate schedules are demanded by insurance underwriters and directly reflect on the premiums councils will be charged. They are also essential in avoiding potential exposure to shortfalls or losses at the time of an insurance claim. Working with our brokers, we have engaged Harmonic Analytics to develop a methodology to produce accurate SOVs. This project is being underwritten by Aon as a pilot for two councils. The project will save BOPLASS councils significant time, reduce costs, improve data quality, and reduce the likelihood of assets being missed off schedules.</p> <p><u>Above Ground Earthquake Loss Modelling</u> - The existing BOPLASS Material Damage placement does not have an overarching loss limit, making it less attractive to underwriters. BOPLASS engaged Aon to undertake a high-level loss modelling exercise to determine and set appropriate loss limits for the region and for BOPLASS councils.</p> <p><u>Business Continuity Planning</u> - BOPLASS councils are working together to further improve business interruption processes from a technology perspective. The catalyst for this work was the learnings from Cyclone Gabrielle, with this invaluable information shared within the IT Managers Group to assist all councils. Project still underway.</p> <p><u>Protected Disclosures</u> - With many councils reviewing their Protected Disclosures policies and processes, BOPLASS is coordinating a workgroup to share information and help develop best practice. Project still underway.</p> <p><u>GIS Technical Advisory Group (GIS TAG)</u> - GIS team leaders recognised the benefit in GIS technical staff establishing a forum to develop opportunities and share learnings at a practitioner level. In addition to sharing expertise and learnings, the technical group have investigated the development of further system commonality across councils. While common platforms support improved sharing opportunities and joint procurement of software, they also help enable councils to provide GIS support to each other in civil defence events.</p>

Target 2023/24	Result	Narration
continued from previous page	continued from previous page	<p><u>CCTV monitoring</u> – BOPLASS secured \$1M co-funding from the Ministry of Social Development (MSD) to undertake crime prevention initiatives and programmes within the Bay of Plenty. BOPLASS councils identified the installation of CCTV cameras and monitoring services as a key initiative to help reduce retail crime and create safer communities. This project has been completed in conjunction with NZ Police, with improved CCTV cameras and monitoring achieved for all Bay of Plenty councils.</p> <p><u>Waste Operator and Licensing Data System - Information Management System</u> – BOPLASS facilitated an extensive tender for an Information Management System (IMS), with Water Outlook appointed as the provider for the delivery of the IMS. Water Outlook provide existing water services to many BOPLASS and Waikato councils and their proposal allows for an extension of the existing software into waste services requirements.</p> <p>The single shared service provides standardisation across all regions, improved waste data, and savings through a centralised service.</p> <p>The project covers all BOPLASS and Co-Lab councils. However, strong interest has been expressed from councils outside the LASS councils with further growth expected with the established service.</p> <p><u>Waste Operator and Licensing Data System (WOLDS) - Administration Service</u> – BOPLASS is investigating options for the delivery of the Administration Service. The Administration Service will streamline and centralise waste operators, and significantly reduce much of the workload for councils, while ensuring councils still retain control over the service. Project is currently underway.</p> <p><u>Infrastructure Insurance</u> – Placements for BOPLASS councils' infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through new or different insurers. Negotiations for councils' infrastructure insurance were undertaken in late 2023 through direct engagement with the international markets and Lloyds syndicates. The size of the collective BOPLASS account allows us to undertake this direct engagement. Given the continued global increase in natural disaster events, underwriters remain very risk adverse and demanding in the level of data and information they require. Through providing up to date and accurate information, and being able to leverage off our established relationships, very good outcomes were achieved for all BOPLASS councils, in both insurance rates and the level of cover achieved. Insurers continue to demonstrate support for the BOPLASS programme; however, councils are encouraged to continue reviewing alternative risk transfer options</p> <p><u>Media Monitoring Services</u> – BOPLASS facilitated a secondary procurement process for media monitoring services and social listening services. Fuseworks were awarded the contract and appointed as Preferred Supplier to BOPLASS councils. The collective contract provides significant savings and a range of new services for all participants. Social listening services require specific tools for identifying and analysing online conversations to help better understand sentiments within council communities..</p>

Target 2023/24	Result	Narration
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties..</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further interregional collaboration. Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p>Achieved</p>	<p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and formally meeting on a quarterly basis. Shared services projects being undertaken by other LASS have been offered to BOPLASS councils, with the board making a decision to utilise these opportunities to avoid any duplication of services where we can work with other LASS. Some of the shared service projects offered to BOPLASS</p> <p>councils include:</p> <ul style="list-style-type: none"> • Debt Management • Archives • Building Consent services • Health and Safety training <p>BOPLASS is leading or managing, on behalf of other LASS:</p> <ul style="list-style-type: none"> • Waste Operator and Licensing Data System • H&S management system • Staff wellbeing portal • Regional contractor database • Rates collections • Inter-council secondments • Insurance Markets Joint Communications • Occupational Health Services <p><u>Managing Conflict & Aggression</u> - Addressing aggressive behaviour continues to be a challenge for councils and for the BOPLASS Health & Safety Advisory Group. Working in collaboration with Waikato councils and other Council-Controlled Organisations (CCOs) has allowed the group to share resources between regions ensuring best practice is shared and developed to the benefit of all parties.</p> <p><u>Motor vehicle monitoring</u> - MW LASS identified four vehicle monitoring providers used across their LASS and extended an invitation for BOPLASS and Waikato councils to participate in presentations from these organisations.</p> <p><u>LGOIMA requests</u> - BOPLASS councils have collaborated to draft appropriate responses to LGOIMA requests to reduce duplication of effort and ensure best practice is established and shared. This project is to be extended across the other two LASS and possibly more widely within local government.</p> <p><u>Health & Safety training</u> - BOPLASS and Co-Lab have established aligned contracts with H&S trainers. To provide improved market leverage and ensure the best value is delivered to all councils, it was agreed to tender for service as a collective covering all BOPLASS and Co-Lab councils.</p> <p><u>Insurance Forum</u> - BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</p> <p><u>Engagement with other LG collaborative groups</u> - BOPLASS continues to offer support to other local government collaborative groups looking to leverage benefits from working collectively.</p>

Target 2023/24	Result	Narration
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration. Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils. Number of active users to increase by 5% per year.</p>	<p>Achieved</p>	<p>Collaborative projects continue to be added to the MahiTahi LG Collaboration Portal, along with several specific Teams or Channels established for confidential projects being run outside of the main Portal. Continued promotion of the MahiTahi LG Collaboration Portal has seen a 5% increase in registered users with numbers increasing from 485 to 507. On-boarding and training material has been developed for creating a smooth transition for any new members. The Te Uru Kahika hub (regional and unitary councils) has continued to grow and is hosted within the same environment as the MahiTahi Collaboration Portal. There are now over 2,800 users within the wider portal.</p>
<p>Communicate with each shareholding council at appropriate levels. Meeting with members of Executive Leadership Team. At least one meeting per year.</p>	<p>Achieved</p>	<p>BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. In addition, BOPLASS chairs and coordinates meetings and activities for specific council advisory groups that manage or lead new collaborative initiatives. These groups generally comprise of managers from each council.</p>
<p>Ensure current funding model is appropriate. Review BOPLASS expenditure and income and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable.</p>	<p>Achieved</p>	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board. Council contributions were levied with annual council contributions now CPI adjusted Contributions were received from activities producing savings. An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal. Monthly and quarterly performance reviewed. Financial statements and budget variances reported and reviewed at Board meetings. Financial position year end 30 June 2024: (\$1,323) deficit.</p>

Target 2023/24	Result	Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. Manage and/or renegotiate existing contracts. Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	<p>Achieved</p>	<p>Contracts negotiated and/or renewed for:</p> <p><u>Cyber Insurance</u> - BOPLASS was able to again maintain councils' cyber insurance policies with Berkshire Hathaway by working closely with councils to ensure all underwriter requirements were met and demonstrated. Through the collective approach, BOPLASS was able to secure the renewal on favourable terms and with an increased policy limit across the collective group.</p> <p>Cyber cover is an annual agreement that requires going to market every year.</p> <p><u>GIS software and services</u> - Geocortex Essentials Geocortex Analytics NZ Archaeological Association Contracts renegotiated and renewed - no alternative suppliers.</p> <p><u>FME software</u> - significant price increase negated by negotiating two-year extension of current agreement under the same terms and pricing. Sole NZ provider</p> <p><u>X-Tools</u> - With the agreement of councils' GIS managers, a decision was made to discontinue the XTools maintenance licence as it was purchased from Russia. This supported the NZ Government's position on trade sanctions and the absence of this software did not have an undue impact on council operations.</p> <p><u>LiDAR Capture</u> - the capture of LiDAR data was completed this year across the BOP region ahead of schedule. The early provision of this updated data helps councils with catchment mapping, understanding and preparing for natural hazards, and better planning for climate change.</p> <p>My Everyday Wellbeing - BOPLASS renewed the annual subscription for the staff online wellbeing platform with the supplier continuing to provide pricing for all participating councils as a single entity. Increased participation from MW LASS, Co-Lab and BOPLASS councils resulted in further financial savings for the collective.</p> <p><u>Print Media Copyright Agency (PMCA)</u> - a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils' print and media copyright services. Sole NZ provider of print and media copyright services.</p> <p><u>ESRI Enterprise Licensing Agreement</u> - Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renegotiated and renewed for a further 3-year term with no increases. Retained the same structure, with all councils continuing to participate under a collective MOU. No alternative provider in NZ.</p> <p><u>n3 (previously known as GSB)</u> - Collective purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates. Sole NZ provider.</p> <p><u>Media Monitoring Services</u> - BOPLASS continues to manage a collective media monitoring service with Isentia that provides automatic monitoring and reporting of broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements. This service has proven to be invaluable for councils during the pandemic and weather events. Service to be put to tender in 2023-24.</p> <p><u>Inter-Council Network (ICN)</u> - Review, redesign and renegotiation of suppliers and services - the ICN is a shared service high-capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken in 2021 to deliver further cost reductions. Since then, further reviews have been conducted with some service costs reduced. This was balanced out by additional services as requested from councils.</p>

Target 2023/24	Result	Narration
<p>continued from previous page</p>	<p>continued from previous page</p>	<p><u>Zoom Video Conferencing Services</u> – Zoom video conference services continue to provide BOPLASS councils with a centralised account management and shared infrastructure. The collective contract was renewed through BOPLASS. VC infrastructure upgrades underway</p> <p>Standards NZ – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. No alternative provider in NZ.</p> <p><u>Antenno</u> – this LG community engagement tool is used by the majority of BOPLASS councils. Uptake in the Waikato and MW LASS regions has recently increased. By working in conjunction with the other two LASS a discounted fee was negotiated for any further LASS councils wishing to take up the service.</p> <p><u>Health & Safety Management Software</u> – BOPLASS has negotiated with the collective H&SMS provider on behalf of BOPLASS and Waikato councils for an improvement to reporting systems and an alternative fee structure.</p> <p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2022 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements. No alternative provider in NZ.</p> <p><u>Aerial Imagery</u> – BOPLASS coordinates a regional imagery programme across the region. Two new tenders were run for orthophotography services this year with contracts awarded to AAM NZ for the eastern BOP region and a TCC interim flying programme, including specific requirements for the capture of high growth areas. As part of the BOPLASS regional imagery programme, two tenders were run for orthophotography services this year. Both contracts were awarded to AAM NZ for the BOP region and TCC interim flying programme. The flying and imagery included specific requirements for the capture of 8-Pulse LiDAR and additional tiles for Maketu and Putuaki.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils. Substantial savings were achieved through the collective training while also helping to bring all councils up to similar skill levels.</p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils. Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	<p>Achieved</p>	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><u>MFDs (Photocopiers/Printers)</u> – Joint procurement for a multi-function device provider resulted in Canon NZ being appointed as preferred provider to the BOPLASS councils. The outcome through the group approach included very competitive pricing, with further savings achieved through bundled services and shared software solutions across the councils. The procurement process maintained a strong focus on achieving broader outcomes, with Canon demonstrating support for local businesses and communities, working with Māori/Pasifika communities through Ākina and Amotai, and practicing sustainable and environmental processes.</p> <p><u>Oblique Aerial Imagery</u> – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. The imagery provides a more effective visual experience than traditional vertical imagery and is particularly useful for discerning features in the landscape. Delivered through a tailored online viewer and using a subscription-based model through BOPLASS negates the need for councils to store and manage the data. One council has trialled the solution and negotiations with the provider are underway for group pricing.</p>

Target 2023/24	Result	Narration
continued from previous page	continued from previous page	<p><u>Infrastructure Insurance</u> – the international placements for BOPLASS councils’ infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through new or different insurers. Negotiations for councils’ infrastructure insurance were undertaken in late 2022 through direct engagement with the London markets and Lloyds syndicates. The size of the collective BOPLASS account allows us to undertake this direct engagement. Despite the restricted capacity and the underwriters become more risk adverse, very good outcomes were achieved for all councils, in both insurance rates and the level of cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have demonstrated confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p> <p><u>NAMS+ Subscription</u> – BOPLASS negotiated discounted rates for NAMS+ subscription used by council asset managers. Social Listening Services – Although BOPLASS manages a media monitoring contract on behalf of the councils, the growth in social media (and decline in traditional media) requires specific tools for identifying and analysing online conversations about councils’ brand, to help better understand our communities and their feedback through these channels. A collective procurement process has been initiated.</p> <p><u>Crime Prevention Co-funding</u> – BOPLASS successfully secured co-funding from the Ministry of Social Development (MSD) to undertake crime prevention initiatives and programmes within the Bay of Plenty. BOPLASS councils identified the key areas as installation of CCTV equipment and monitoring services; and Crime Prevention through Environmental Design (CPTED) projects. \$1M co-funding has been received and the below projects initiated.</p> <p><u>CCTV Monitoring</u> – BOPLASS has worked with councils to identify opportunities for improved CCTV coverage and to collaborate with CCTV monitoring. Joint procurement of systems and technologies are being undertaken as well as shared project management resource. Project is still underway. Crime Prevention through Environmental Design</p> <p><u>(CPTED)</u> – To support further crime reduction initiatives, BOPLASS is working with councils on the effective use of the environmental design to reduce criminal opportunity, with designs also fostering positive social interaction within community spaces. Project is still underway.</p> <p><u>24/7 Emergency Communications</u> – The BOPLASS IT Managers group have reviewed the harsh lessons learned about telecommunication interruptions in the aftermath of Cyclone Gabrielle. They have undertaken a project to identify improved technologies for councils’ usage that are not reliant on traditional methods of delivery. Starlink has been identified as a reliable solution during severe weather events and investigations are underway to determine the opportunities for councils to share membership and/or hardware or leverage improved pricing through collective procurement. Project is still underway.</p> <p><u>New service for ICN</u> – Following a redesign of some aspects of the Inter-Council Network (ICN) new links were required. BOPLASS engaged with suitable vendors and Spark were appointed to provision this service. Discounted rates were achieved on behalf of the councils. Procurement was undertaken for the addition of a service in Whakatāne for a new council site and reinstatement of a service to provide backup/redundant services for councils between Whakatāne and Tauranga.</p> <p><u>Electronic Signing</u> – BOPLASS has led a project undertaking investigation into a shared agreement for DocuSign for councils. Project is still underway. Waste Operator and Licensing Data System (WOLDS) – The second phase of this project has been initiated with procurement underway for a WOLDS service provider including the provision of an Information Management System. This BOPLASS led project covers all BOPLASS and Co-Lab councils, with a number of other councils expressing interest in participating once the service is established. A single shared service provides the opportunity for standardisation across all regions, improved waste data, and savings through a centralised service. Project is still underway.</p>

Target 2023/24	Result	Narration
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties. BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter- regional collaboration. Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p>Achieved</p>	<p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and formally meeting on a quarterly basis.</p> <p>Shared services projects being undertaken by other LASS have been offered to BOPLASS councils, with the board making a decision utilise these opportunities to avoid any duplication of services where we can work with other LASS. Some of the shared service projects offered to BOPLASS councils</p> <p>include:</p> <ul style="list-style-type: none"> • Debt Management Central • Archives Central • Building Consent services <p>BOPLASS is leading or managing, on behalf of other LASS:</p> <ul style="list-style-type: none"> • Waste Operator and Licensing Data System • Postal services • Courier services • H&S management system • Staff wellbeing portal • Regional contractor database • Occupational Health Services <p><u>Broader Outcomes in Procurement</u> – The BOPLASS Procurement Group have identified the need to develop a framework around broader outcomes in procurement. To assist this process, BOPLASS are also working closely with Co-Lab and MW LASS for extended understanding, sharing of best practice, and to explore the opportunity for establishing a standard framework across the three regions. In conjunction with this shared work, MWLASS are leading a specific project on social procurement and sharing the outputs with the other two LASS.</p> <p><u>Managing Conflict & Aggressive Behaviour</u> – The BOPLASS Health & Safety Advisory Group identified an increase in aggressive behaviour across all BOPLASS councils. Working in collaboration with Waikato councils allowed the group to share resources between regions ensuring best practice was shared and to reduce the duplication of effort to the benefit of all parties.</p> <p><u>Health & Safety training</u> – BOPLASS and Co-Lab have established aligned contracts with H&S trainers. To provide improved market leverage and ensure the best value is delivered to all councils, it was agreed to tender for service as a collective covering all BOPLASS and Co-Lab councils. This project is being led by Co-Lab on behalf of both LASS.</p> <p><u>SHE Prequalification</u> – Co-Lab have funded full access to the SHE prequalification database and extended this access to cover BOPLASS councils opting into the scheme.</p> <p><u>Insurance Markets Joint Communications</u> – To ensure an aligned approach to insurance renewals, and leverage maximum benefits from an aggregated approach, LASS leads collaborated to develop joint underwriter communications that emphasised the geographical spread of assets and the diversity of risk across the greater region. The communications also highlighted risk management and resiliency work undertaken by LASS councils that had proved to perform well through recent events. Continued collective messaging and leveraging of our underwriter relationships remains critical to reinstalling confidence within the markets we engage with.</p> <p><u>Insurance Forum</u> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</p> <p><u>Engagement with other LG collaborative groups:</u> Taranaki councils have formed an informal corporate services group to collaborate and share information across the district. BOPLASS and Co-Lab presented to the group on how our formal arrangements work and the benefits achieved, both within the LASSes and inter-regionally. An offer has been made to include Taranaki councils in any BOPLASS contracts that will be beneficial to all parties. A similar presentation and offer was provided to the Canterbury Mayoral Forum (10 TAs and the regional council), with the group expressing strong interest in utilising the MahiTaahi Portal and widening their collaboration</p>

Target 2023/24	Result	Narration
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration. Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils. Number of listed projects to increase by 5% per year. Number of active users to increase by 5% per year.</p>	<p>Achieved</p>	<p>Projects continue to be added to the MahiTahi LG Collaboration Portal, increasing 5% from 88 to 93 this year. Over time, usage of the dedicated project area has declined, with project activity increasing but now being mainly run from within specific Teams or Channels within the Portal. Given this change in usage, and the difficulty of monitoring individual Channels, this target has been removed for future years.</p> <p>Continued promotion of the MahiTahi LG Collaboration Portal has seen a 13% increase in registered users with numbers increasing from 429 to 485. On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>The Regional Software Holdings Limited migration has resulted in exponential growth, with the Te Uru Kahika hub (regional and unitary councils) now hosted within the same environment as the MahiTahi Collaboration Portal. Both the MahiTahi LG Collaboration Portal and Te Uru Kahika sit side-by-side, with regional council users able to interact on both platforms.</p> <p>A Teams environment was developed for Entity B of the Affordable Water Reform in order to provide a secure workspace and assist the group with communications and collaboration. The development of this Team was conducted in conjunction with the Entity B stakeholders and a third-party Teams developer.</p>
<p>Communicate with each shareholding council at appropriate levels. Meeting with each Executive Leadership Team. At least one meeting per year.</p>	<p>Achieved</p>	<p>BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. Engagement with individual ELT members was regularly undertaken but formal meetings with all executive teams was unable to be completed with all councils this year.</p>
<p>Ensure current funding model is appropriate. Review BOPLASS expenditure and income and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable..</p>	<p>Achieved</p>	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board. Council contributions were levied with annual council contributions now CPI adjusted. Contributions were received from activities producing savings. Vendor rebates collected. An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal. Monthly and quarterly performance reviewed. Financial statements and budget variances reported and reviewed at Board meetings. Financial position year end 30 June 2023: \$6,244 surplus.</p>



CO-LAB

Co-Lab is the trading name for Waikato Local Authority Shared Services Ltd. It is a company owned by 12 councils across Waikato and Bay of Plenty and Rotorua Lakes Council has approximately an 8% shareholding in the company.

The Co-Lab Board has six directors – an independent Chair and council representatives.

Co-Lab's vision is that councils maximise the value they provide to their communities. To do this, Co-Lab helps them identify and realise shared opportunities, which ultimately helps councils be more effective and efficient.

Co-Lab achieves these outcomes by:

1. Acting as an “ideas laboratory” – working with the councils to investigate and develop opportunities;
2. Providing shared services to councils; and
3. Entering joint procurement arrangements for the benefit of councils.

Member councils pay an annual levy, depending on their size. Services obtained are funded on a user pays basis – each council pays for and receives the financial benefits of its share of any particular service.

Co-Lab works with working parties or advisory groups made up of staff representatives from the shareholding councils who have expertise and interest in particular disciplines.

The Board publishes a Statement of Intent in June and holds an Annual General Meeting in November each year. The accounts are audited annually on behalf of the Office of the Auditor General, and the Annual Report is generally published in late August/early September.

Against a backdrop of rising rates and uncertain water reform, Co-Lab has remained flexible to support where needed most. Co-Lab provided support to investigate a new regional water services delivery entity, and invited Councils to design a shared project management function in response to a lack of capacity in several Councils. More generally Co-Lab has put to Councils a programme of work comprising several initiatives to attract and retain talent in the local government sector. Unfortunately, getting Councils to engage on these projects remains challenging. The approach to developing these initiatives has evolved but the recipe for Councils to work together and with Co-Lab on meaningful change remains elusive.

Delivering better learning and development through Co-Lab Learning has increased, with 59 eLearning modules made available on the platform and 50 in-person courses delivered to 636 people. However, the utilisation of this service within Councils remains a challenge and Co-Lab is reviewing how they can help Councils make more out of their investment in it.

SUMMARY FINANCIAL RESULTS FOR THE YEAR:

	2024 \$000s	2023 \$000s	Change
Total income	9,845	9,101	8%
Net surplus before tax	(720)	505	(243%)
Cash on hand	3,202	2,313	39%

The net surplus before tax is high in comparison with the surplus projected in the budget. This principally reflects lower than anticipated costs in some services.

PERFORMANCE REPORTING

The performance measures noted in the table below were included in the Statement of Intent. The company has assessed whether each target has been achieved, and how these contribute to outcomes as an organisation. From FY25 onwards, Co-Lab will adopt a new performance framework as outlined in the Statement of Intent.

KEY:

- Achieved
- Unable to currently measure
- Partially achieved: Activity remains in progress
- Not achieved

Priority	Performance measure	Target	Outcome (progress toward target)
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings to councils of \$300k+	<p>Co-Lab advanced various opportunities during the period: ●</p> <p>Proposal delivered to councils:</p> <ul style="list-style-type: none"> • RATA Spaces & Places (service subsequently established) • Project Management shared service (project closed with no service established) <p>Project closed before proposal or business case:</p> <ul style="list-style-type: none"> • Parking enforcement shared service <p>Ongoing at 30/6/24</p> <ul style="list-style-type: none"> • Right People Right Place • EV charging opportunity • Waikato Waters Done Well • Food & Alcohol Licensing Shared Service <p>No business cases were presented to The Board but there were various discovery reports, progress reports and the significant Right People, Right Place report.</p> <p>Opportunities only become services when participating councils are confident the service will deliver benefit. This has tended to mean that councils treat the opportunity as a procurement. Accordingly, Co-Lab has focused on delivering proposals rather than business cases. A business case assumes that the strategic decision has been made and then presents a range of options to the decision makers.</p> <p>Co-Lab's new benefits framework highlights that some of our opportunities will deliver value that is not specifically aligned with 'projected savings/increased revenue'. This is reflected in all communications with councils.</p> <p><i>! When compared to making the investment on a standalone basis</i></p>

Priority	Performance measure	Target	Outcome (progress toward target)
	Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils	<p>Average (across 2 initiatives) is 30%</p> <p>5 (45%) councils (out of 11 possible councils) have agreed to participate in the RATA Spaces & Places collaboration.</p> <p>2 (17%) councils (out of 12 possible councils) indicated willingness to participate in the Project Management Shared Service pilot. Ultimately the pilot did not proceed.</p>
Develop opportunities and deliver projects within agreed budgets and timelines	Opportunities / projects are developed / delivered within agreed timelines	80%	<p>44% (4/9) for the 12 months to 30/6/24</p> <p>Within timeline</p> <ol style="list-style-type: none"> Future Proof Data Analytics Right People, Right Place Project Ohu Round Waikato Waters Done Well Modelling <p>Not completed as per plan were:</p> <ol style="list-style-type: none"> AMCE (Now RATA Spaces & Places) Opportunity Assessment (slow council response) Project Wakanda Round 1 (delayed to allocate effort to another project) WRTM restructure Wakanda Round 2 (reports 2 weeks late to Steering Group) Voltage - No timeline set
	Opportunities / projects are developed / delivered, within approved budget	90%	<p>80% (8/10) for the 12 months to 30/6/24</p> <p>80%: Eight of the Ten projects were completed within budget. The exceptions were 1) Future Proof Data project where actual cost was \$2k over the plan. 2) Wakanda Round 2 which continued over the stage estimate (but was still well within the funds The Board allocated to the initiative)</p>

Priority	Performance measure	Target	Outcome (progress toward target)
	Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has The Board pre-approval		Company Management & Support expenditure was less than budget largely due to the LAPP insurance costs, which is recovered from councils, included in the budget no longer being required by councils. ●
Ensure projects realise their expected benefits	Measurable benefits are actively monitored and reported against	Six-monthly	<ul style="list-style-type: none"> Management presented one "Project Benefit Assessment" to the Audit & Risk Committee (ARC) in FY24. The assessment covered Waikato OneView. ● Following the completion of the Waikato OneView benefits assessment, this practise was discontinued with approval from the Audit and Risk Committee. The Co-Lab Benefits framework is now being used as the vehicle to report project and service benefits.
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months 90% of projected quantifiable benefits are realised	No "Project Benefit Assessments" for \$200k Projects were undertaken. (The Waikato OneView project did not require an investment of over \$200k) ●
Ensure existing services are meeting the needs of councils	The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey).	80% of councils	<ul style="list-style-type: none"> % of survey respondents for shared services said we met or exceeded their expectations. Based on our annual survey of councils, the target of 80% has been met. 84% of Shared Service survey respondents said that the services met or exceeded expectations. The survey response rate was 41% (310 were invited to participate with 128 responses received). ●
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice	Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum	<ul style="list-style-type: none"> No ideas were received through our website in the 12 months to 30/06/24. ● Project Wakanda is a Board directive to search for ideas by looking for shared-service success stories (internationally and in other sectors). The investigation report in December 2023 listed 55 shared service examples which provided Co-Lab with ideas for further consideration.



ROTORUANZ LTD

WHAT WE'RE WORKING TOWARDS

The purpose of RotoruaNZ is to unlock the economic potential of Rotorua. This reflects RotoruaNZ's primary role as the Regional Tourism Organisation (RTO) and Economic Development Agency (EDA)

Our core activities:

Marketing and communications - Strengthening the reputation of Rotorua and building brand equity

We will focus on building our reputation as a vibrant world-class visitor destination in a way that is authentic and meaningful to both visitors and the local community. Our stories will reflect the destination brand and focus on both our people and place, ensuring our destination values are well understood and resonate with our target audiences. We will ensure Rotorua is recognised as an attractive place to live, work and play, and seen as a viable investment destination in areas of comparative advantage, including the tourism, forestry and wood processing sectors.

Destination sales and visitor services - Delivering sales across international, business events, education and groups, and in-destination

We will develop strategies that enhance the visitor experience and services, and provide revenue opportunities to tourism operators. We will ensure we deliver outstanding visitor services where they are most needed by being strategic about where our i-SITE centres operate. We will provide innovative and relevant booking services and industry knowledge to cater for schools, sporting codes and other groups who choose to locate themselves in Rotorua for educational or extracurricular purposes. As the convention bureau for Rotorua, we will focus on successfully bidding for conferences, incentives and meetings. We'll be recognised as one of New Zealand's top five destinations for business events and conference delivery through the provision of outstanding local knowledge and high-quality service tailored to the needs of the business events markets, both domestic and international. We will coordinate and represent Rotorua operators in key international markets. Our focus is on growing the value of international visitation through the trade channel to the local community.

Business Growth, Insights, and Innovation - Implementation of the Destination Management Plan and associated activities that support the delivery of a world-class visitor experience

We will leverage our connections with regional and central government agencies, the private sector, and education providers to identify trends and market information that will support continued investment and reinvestment decision-making by local businesses and landowners. We will continue to support business growth and innovation through the provision of research and insights. We will continue to strengthen our relationships with Te Arawa iwi and mana whenua in support of their economic development aspirations. We will continue to facilitate the implementation of our Destination Management Plan in close collaboration with Te Arawa and our wider stakeholder groups.

Investment attraction and transformational place-making projects

We will continue to attract investment by promoting Rotorua as the great community it is, with 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 programmes, where commercial and industrial land is available. We will take an active role in delivering transformational place-making projects on behalf of Council. Our role will involve administering and utilising Council's underperforming strategic landholdings to ensure they deliver maximum value.

STRUCTURE OF THE COMPANY'S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS (30 JUNE 2024):

RotoruaNZ Ltd is a Council Controlled Organisation (CCO), 100% owned by Rotorua Lakes Council (RLC). RotoruaNZ Ltd is the Economic Development Agency (EDA) and Regional Tourism Organisation (RTO) for the Rotorua District.

RotoruaNZ Ltd is led by Chief Executive Andrew Wilson and governed by an independent board of directors.

The following Directors held office as at 30 June 2024:

	Date of Appointment
Mr Tim Cossar - Chairperson	09/06/2020
Mr Christopher Auld	27/07/2016
Mr Paul Timothy Button	01/08/2023
Ms Sarah Meikle	01/08/2023
Ms Marisa Bidois	01/08/2023
Ms Keri-Anne Tane	01/05/2021
Mr David Tapsell	01/05/2021

PERFORMANCE MEASURES

Council has measured its achievements towards the objectives set in the Long-term Plan 2021-2031 through the performance measures below.

Measure	Target 2024	Actual 2024	Achieved / Not Achieved	Comment
<p>Domestic visitor card expenditure in Rotorua (based on Marketview Tourism Tool dataset)</p> <p>Marketview spend is subject to revision and therefore the value published herewith and in the Statement of Intent will not reconcile to the latest value published by Marketview for the June 2023 year.</p>	>=\$315m	\$323.5m	Achieved	Domestic visitor card spending is comparable to the previous year, which can be at least partly attributed to inflationary pressures and has resulted in the target being achieved even in a period where discretionary spending is likely declining as a result of the escalating cost of living in New Zealand.
<p>International visitor card expenditure in Rotorua (based on Marketview Tourism Tool dataset)</p> <p>Marketview spend is subject to revision and therefore the value published herewith and in the Statement of Intent will not reconcile to the latest value published by Marketview for the June 2023 year.</p>	>=\$129m	\$128.4m	Not Achieved	The post-COVID return of the international travel market contributed to strong growth in visitor card expenditure over the summer period, however demand slowed going into the winter season and overall has resulted in narrowly falling short of the target.
<p>% of commercial accommodation occupied (based on MBIE ADP dataset)</p>	>=55%	55.9%	Achieved	Although there has been a strong increase in rooms occupied (up 19% over the previous year), occupancy has only marginally increased as a result of a 14% increase in capacity following rooms that were being used for COVID managed isolation and social housing being reinstated as visitor accommodation.
<p>% of local visitor economy stakeholders satisfied with RotoruaNZ services (Survey of Rotorua attraction, hospitality, food & beverage businesses)</p>	>=75%	80%	Achieved	<p>Question in the RotoruaNZ stakeholder satisfaction survey, asking Rotorua businesses to rate their satisfaction that RotoruaNZ supports 'Rotorua as a whole', 'their industry' and 'their own business'. The figure is calculated as an average of these three selections</p> <p>using% satisfied plus% very satisfied (Tourism, Accommodation and Hospitality & Food Services businesses only).</p>

Measure	Target 2024	Actual 2024	Achieved / Not Achieved	Comment
% of domestic travellers that have visited Rotorua overnight within the past 12 months (based on Angus & Associates, VIP dataset)	>= 15%	11%	Not Achieved	Rotorua's market share of overnight domestic visitors has declined in each of the survey periods and is now well below the 15% target. By contrast appeal, Net Promoter Score and intention to visit measures are increasing which possibly indicates an accommodation constraint resulting in some conversion to day visitation and/or visits lost to other destinations.
% of domestic travellers find Rotorua highly appealing as a destination for a short break or holiday (based on Angus & Associates, VIP dataset)	>=37%	36%	Not Achieved	Rotorua's domestic traveller appeal has lifted from a low of 34% in the previous year and can possibly be at least partly attributed to the return of international visitors enabling Rotorua tourism businesses to prosper and uplifting the wider Rotorua community in their role as hosts.
Net Promoter Score (NPS) of domestic visitors to Rotorua within the past 12 months who would recommend Rotorua as a travel destination (based on Angus & Associates, VIP dataset)	>=+11	+21	Achieved	Rotorua's domestic visitor Net Promoter Score of +21 has steadily increased since first being measured 18 months ago and is now on par with the +21 benchmark score of all destinations participating in the survey.
% of domestic travellers who definitely or probably will visit Rotorua within the next 12 months (based on Angus & Associates, VIP dataset)	>= 33%	37%	Achieved	Domestic traveller intention to visit Rotorua has increased considerably over the previous year and is an opportunity for converting intention into visitation by ensuring ongoing marketing messages resonate with the domestic leisure market needs for short breaks and holidays.

Destination sales and visitor services - Delivering sales across international, business events, education and groups, and in-destination

i-SITE to be financially self-sufficient	>=\$0	\$177,654	Achieved	The post-COVID return of the international travel market and domestic school groups contributed to strong growth in revenue and exceeded the operating expenses for the year ending June 20 24.
Business events -value of bids won in financial year (based on MBIE CDS dataset and RotoruaNZ lead sheet confirmed conferences) * Events are typically won more than 12 months in advance of the event date. As business events occur the tentative room nights held are adjusted to reflect actual room nights and therefore the value published herewith and in the Statement of Intent will not reconcile to the latest value in RotoruaNZ business records for the June 2023 year.	>=\$9m	\$12.603 m	Achieved	The value of business events won by RotoruaNZ remains elevated over the pandemic years with event organisers confidently making plans now that all COVID restrictions have been discontinued. Additionally, Rotorua hosted a hugely successful MEETINGS convention in June, which raised the awareness and appeal of Rotorua as a conference destination and is expected to drive increased demand for Rotorua to host business events in the coming years.

Measure	Target 2024	Actual 2024	Achieved / Not Achieved	Comment
International visitor card spend per day in Rotorua (based on Marketview and DataVentures VLPE datasets) * Marketview spend is subject to revision and therefore the value published herewith and in the Statement of Intent will not reconcile to the latest value published by Marketview for the June 2023 year.	>= \$150	\$182*	Not Achieved	*\$182 international visitor card spend per day for Jul-Dec 2023 Metric discontinued effective December 2023 following DataVentures discontinuing the Visitor and Local Population Estimates (VLPE) dataset. There is no suitable visitor volume replacement for DataVentures VLPE dataset of midday visitor count.
Education and Group Bookings - annual value of school bookings through the Rotorua Education Network	>=\$1.4m	\$2.073m	Achieved	There has been strong growth in the value of school group bookings with schools confidently making plans now that all COVID restrictions have been discontinued.
Business Growth, Insights, and Innovation - Implementation of the Destination Management Plan and associated activities that support the delivery of a world class visitor experience				
The number of Te Arawa economic development projects directly supported by RotoruaNZ	>=2	2	Achieved	<ul style="list-style-type: none"> Tiny house has gone up into the forest above Te Putake o Tawa and is operational through Canopy Camping website. Concession document signed. Soft launched with CNI and Mana Whenua. Supporting large iwi accommodation development opportunity through the provision of data and insight.
The number of actions supported or delivered by RotoruaNZ in the Forest Futures Action Plan	>=2	2	Achieved	<ul style="list-style-type: none"> Action 13: Identify and drive opportunities for the uptake of wood-based bio-products (e.g., biofuels, biochemicals, bio plastics etc.) <ul style="list-style-type: none"> Supporting Peka Trust with Foresta development opportunity Supporting discussions with Pellet investors and possible co-investors Action 18: Targeting forestry and bioeconomy events to be held in Rotorua <ul style="list-style-type: none"> Strategic partnership with local events provider who specialise in forest
The number of projects identified in the Rotorua Destination Management Plan directly delivered or supported by RotoruaNZ	>=4	4	Achieved	<ul style="list-style-type: none"> Destination Management Dashboard created and launched on website. First one of its kind in NZ. Market analysis conducted, forming a new set of tourism strategic objectives. Launched Mai Rotorua website to celebrate the people and businesses that make Rotorua unique and enabled locals to register for My Card which unlocks locals' rates, discounts, and special offers. Draft Wayfinding documentation completed.
% of local businesses satisfied with the quality of RotoruaNZ's destination data and insights developed to support decision making by business (Survey of all Rotorua businesses)	>=75%	72%	Not Achieved	Question in the RotoruaNZ stakeholder satisfaction survey, asking Rotorua businesses to rate RotoruaNZ effectiveness at providing 'Data, research and insights'. The figure is calculated using the weighted average of responses on the five point effectiveness scale. Unfortunately the result falls short of the target, however filtering the responses to the visitor industry results in 75% satisfaction, which is possibly reflective of the increased resources invested into reporting tourism data and insights in the most recent year.

FINANCIAL PERFORMANCE

	2023/24 \$000's	2022/23 \$000's
Revenue	8,105	7,443
Expenditure	7,948	7,403
(Deficit)/Surplus	157	39
Tax Benefit/(Expense)	0	0
Net Surplus/(Deficit) for year	157	39

INCOME DERIVED FROM COUNCIL

	2023/24 \$000s	2022/23 \$000s
	4,270	4,507



INFRACORE LTD

WHAT WE DO

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.

WHAT WE ARE WORKING TOWARDS

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 work in partnership to assist in delivering the goals in the Te Arawa 2050 vision and acknowledges the values identified by Te Arawa whānui. InfraCore's manaakitanga will show through the quality service and through the ability to provide sustainable employment opportunities. Te Arawa Mana Whenua values and tikanga will shape the way in which InfraCore completes work in the rohe in which it operates. InfraCore will provide a sustainable opportunity where leadership and collaboration will be encouraged and supported. We will work together with the Te Arawa Mana Whenua entities to gain efficiency and cost advantage through economies of scale and size and to assist Te Arawa to achieve the goals identified in the seven strategic directions of the 2050 vision, and contribute to the aspirations of Mana Whenua Iwi and Hapū.

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 Incorporated.

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 to 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 behaviours to the values identified in the Te Arawa 2050 vision and partnering with Te Arawa Iwi and Hapū.
- Aligning and partnering with Mana Whenua in the rohe in which we operate
- Aligning and partnering with Central Government departments including the Ministry of Social Development and the Corrections Department
- Strategically partnering with 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.

STRUCTURE OF THE COMPANY’S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS (30 JUNE 2024):

InfraCore’s Board of Directors is appointed by the Shareholder, and is responsible for the direction and control of the company’s activities. The company’s Constitution provides that the Board consists of between four and six Directors.

InfraCore is led by Chief Executive Regan Fraser and governed by an independent board of directors.

The following Directors held office as at 30 June 2024:

	Date of Appointment
John McRae - Chairperson	10/08/2015
Vivienne Scott	09/01/2019
Brent Whibley	09/01/2019
Geoffrey Rolleston	01/05/2021

PERFORMANCE MEASURES

Measure	Target for FY24	Achieved / Not Achieved	Comment
To work with RLC to create a sustainable green space management and maintenance component including revised service levels and cost recovery.	Complete the business case and present it to the shareholder.	Not Achieved	RLC paused the completion of documents pending decision making of the future of Infracore This is a new measure for 2024 and not comparable to any measure in 2023.
To achieve financial budget, focusing on providing the lowest cost service to Rotorua Lakes Council for services rendered whilst ensuring the financial health of InfraCore.	To achieve financial budget.	Not Achieved	Budget was set to \$39k deficit and a deficit of \$607k was achieved as per profit and loss on page 12 of this report.
Work with RLC on the Water Reform changes and how these changes will impact on InfraCore		Unable to be measured	New elected government has repealed the affordable water reforms This is a new measure for 2024 and not comparable to any measure in 2023.
Provide cost saving recommendations to Rotorua Lakes Council from operations.	As developed and implemented	Unable to be measured	Due to internal resourcing this was not measured. This is a new measure for 2024 and not comparable to any measure in 2023.
Consolidated KPI scoring Parks and Open Spaces	83%	Achieved 92%	
Consolidated KPI Utilities	83%	Achieved 96%	
Targeting full employee engagement with health and safety.	80%	Achieved 83%	
Develop business case for depot redevelopment to ensure a fit for purpose depot is provided.	Develop business case	Not Achieved	Due to resourcing this was not completed. This is a new measure for 2024 and not comparable to any measure in 2023.
Review and identify recapitalisation options for InfraCore to ensure company funding is in line with business operations requirements	Develop business case	Achieved	Work undertaken to inform the completion of the draft Statement of Intent identified the financial requirements to enable InfraCore to operate sustainably (need report from Morrison Low) This is a new measure for 2024 and not comparable to any measure in 2023.

At the time of printing this report, the results for Infracore Ltd year ending 30 June 2024 are draft, and the information contained herein is subject to change as it is currently undergoing review by audit.

FINANCIAL PERFORMANCE

	2023/24 \$000's	2022/23 \$000's
Revenue	15,590	14,976
Expenditure	15,288	14,247
(Deficit)/Surplus	607	729
Tax Benefit/(Expense)	-	-
Net Surplus/(Deficit) for year	607	729

INCOME DERIVED FROM COUNCIL

	2023/24 \$000s	2022/23 \$000s
	13,829	12,583



TAUĀKĪ PUAKANGA DISCLOSURE STATEMENTS

ANNUAL REPORT DISCLOSURE STATEMENT
FOR THE YEAR ENDING 30 JUNE 2024.

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council's actual financial performance in relation to various benchmarks, to enable an assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council is required to include this statement in its Annual Report in accordance with Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

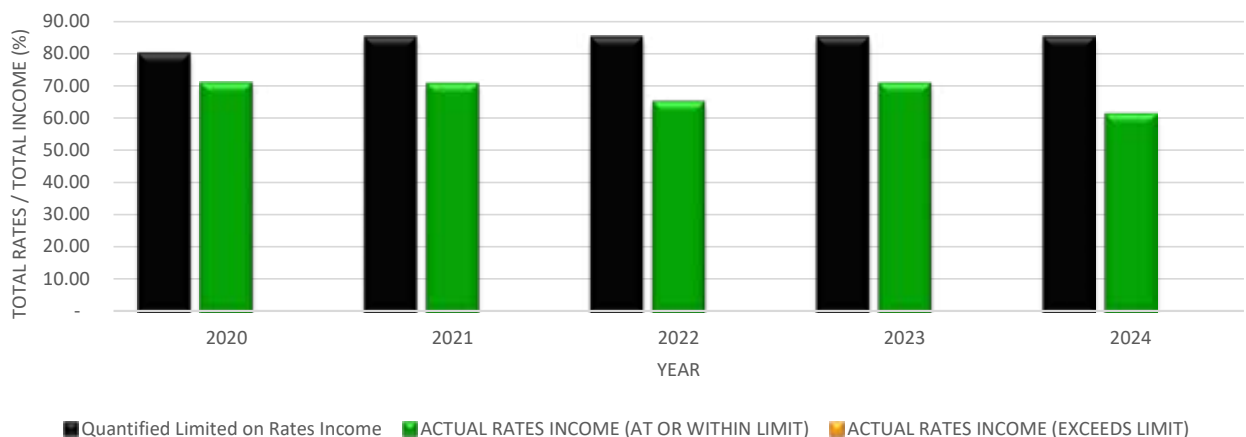
RATES AFFORDABILITY BENCHMARK

The council meets the rates affordability benchmark if:

- actual rates revenue equals or is less than each quantified limit on rates; and
- actual rates increases equal or are less than each quantified limit on rates increases.

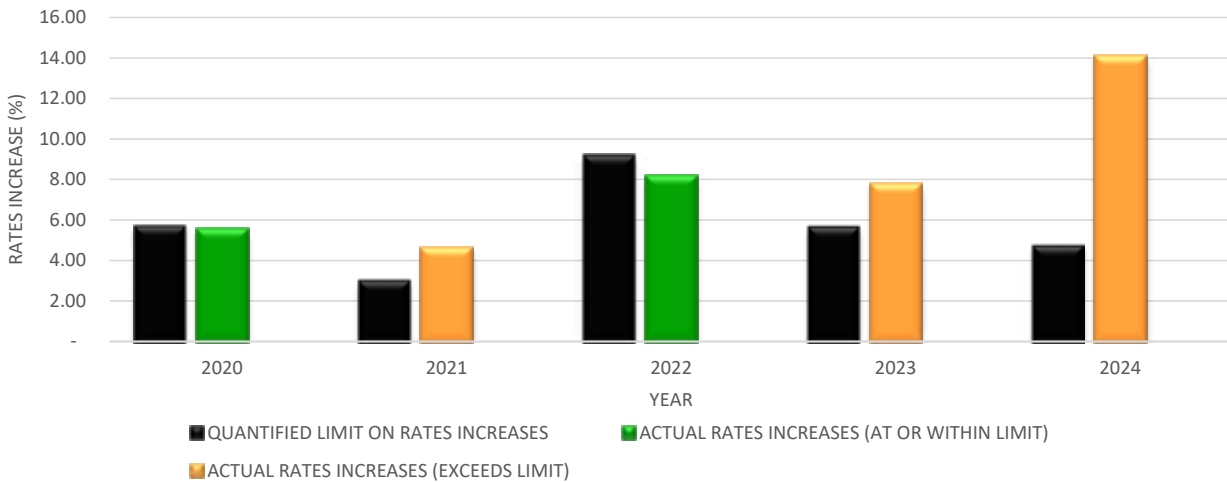
RATES (INCOME) AFFORDABILITY

The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy, included in the Long-Term Plan. The quantified limit is that Council will limit total rates as a proportion of total revenue for 2023/24 to is less than 85%.



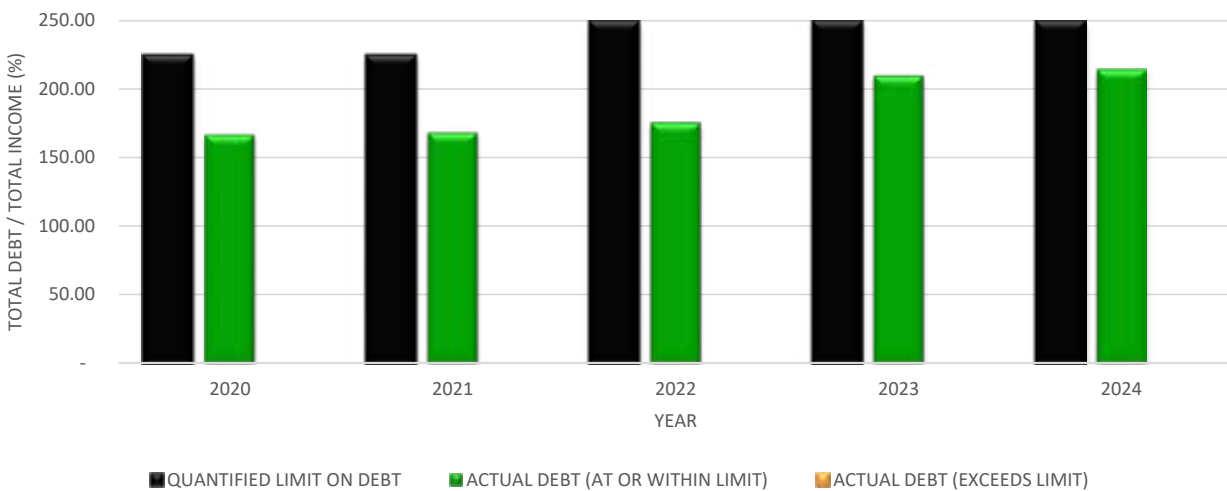
RATES (INCREASES) AFFORDABILITY

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Long-Term Plan. The quantified limited for 2023/24 was set at 4.51%.

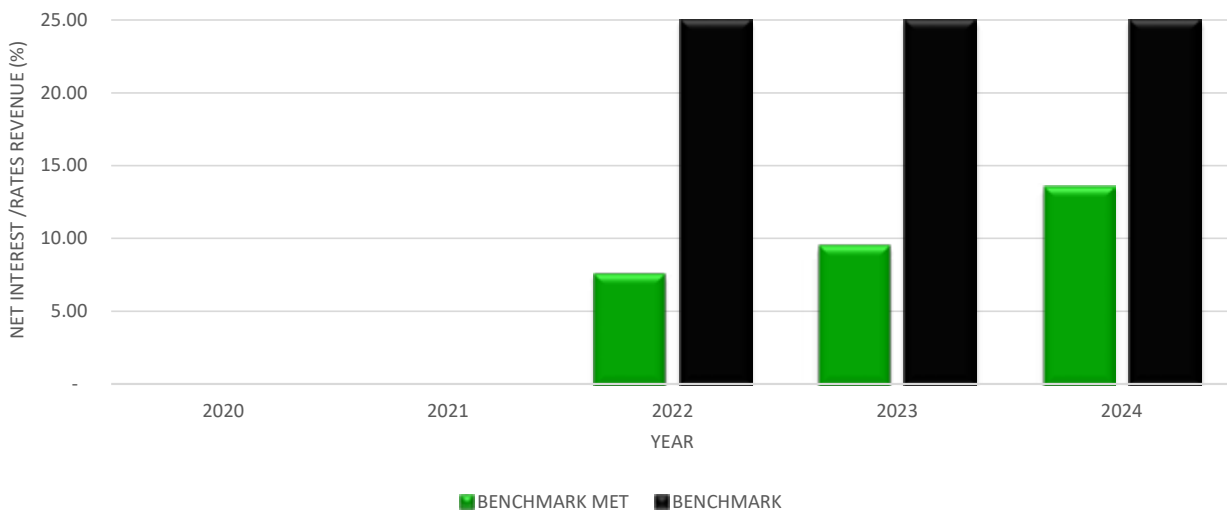


DEBT AFFORDABILITY BENCHMARK

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Long-term Plan. The quantified limit is that total debt will be lower than 250% of total income.

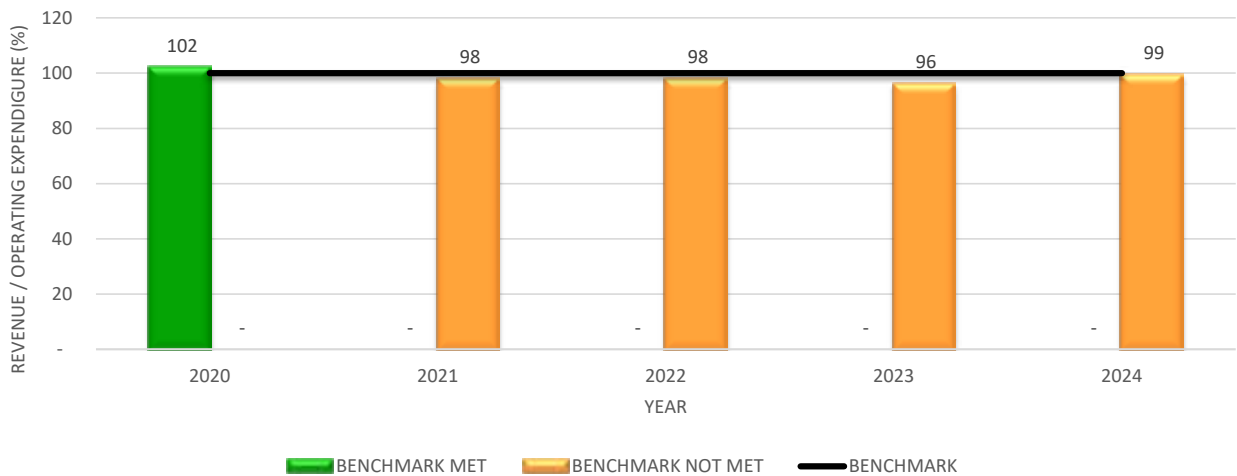


The following graph compares Council's actual debt with a quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is net interest on external debt as a percentage of annual rates revenue does not exceed 25%. This was a new measure introduced in the 2021-31 Long Term Plan.



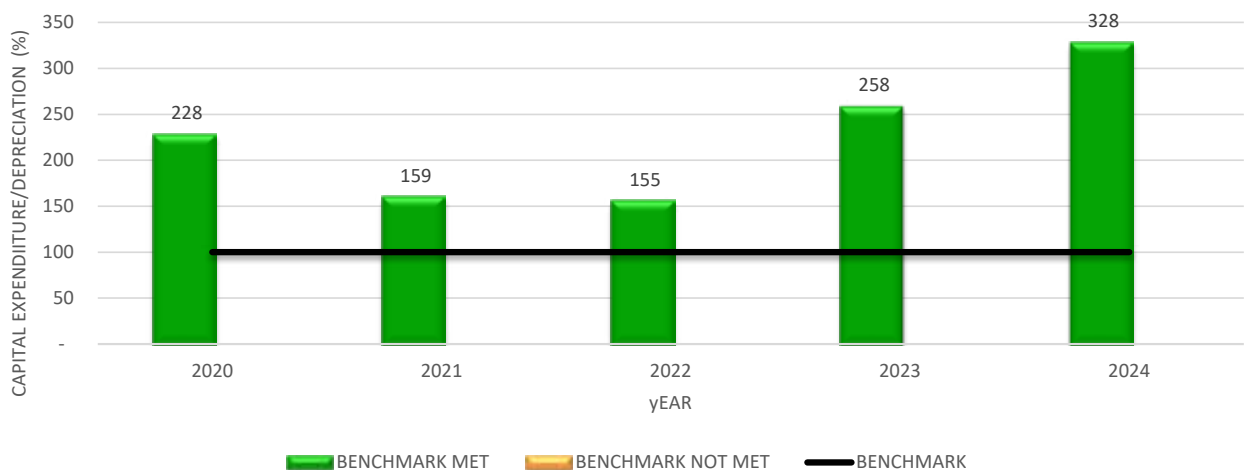
BALANCED BUDGET BENCHMARK

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses. In 2023/24 this target was not met due to higher inflationary impact on costs largely due to down turn in global economy and cost impact of severe weather events.



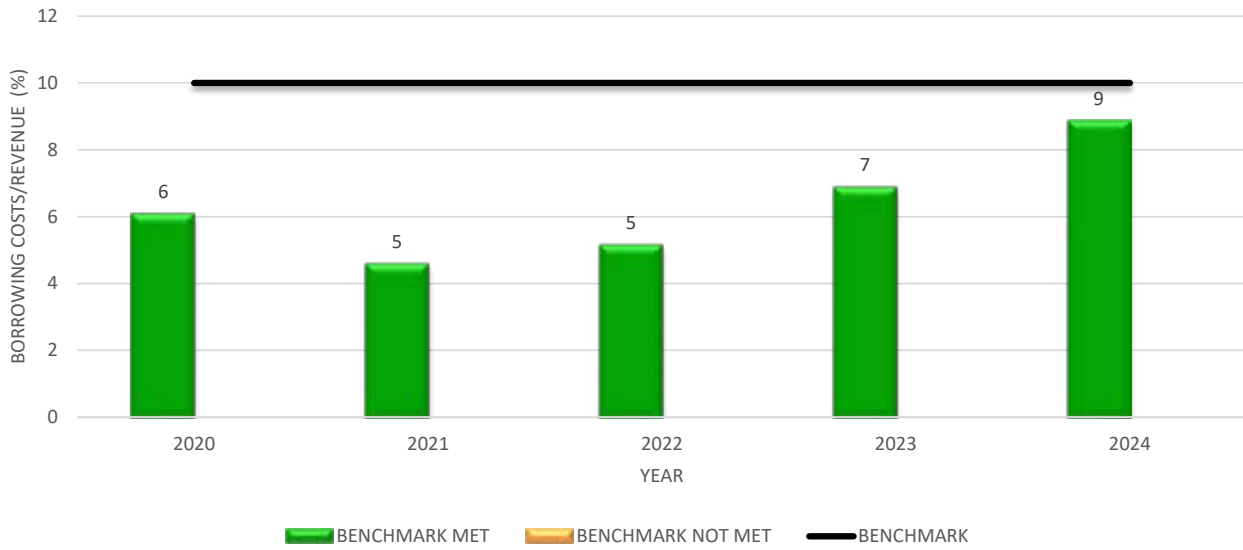
ESSENTIAL SERVICES BENCHMARK

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



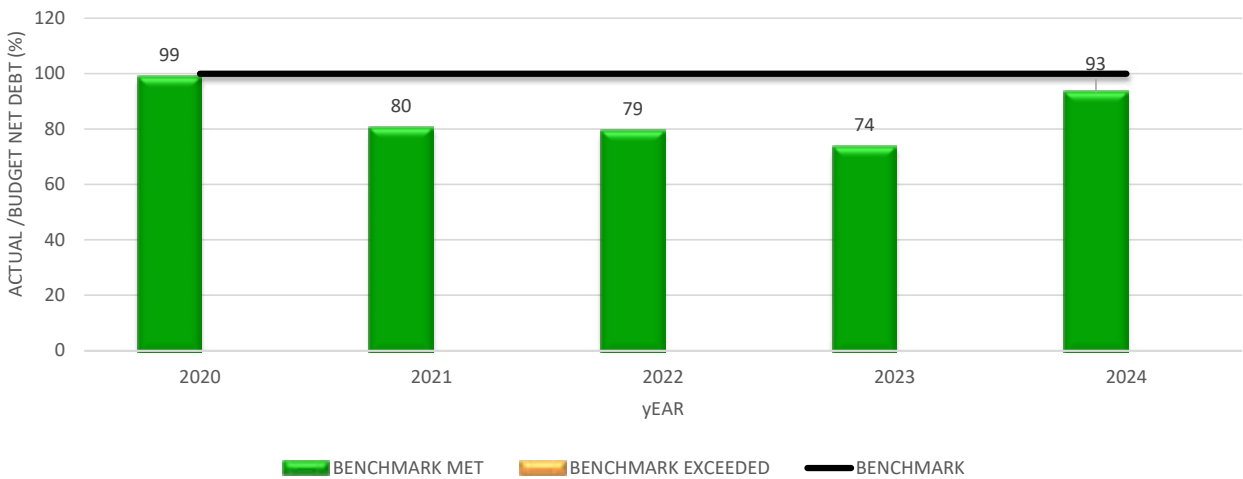
DEBT SERVICING BENCHMARK

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal to or less than 10% of its revenue.



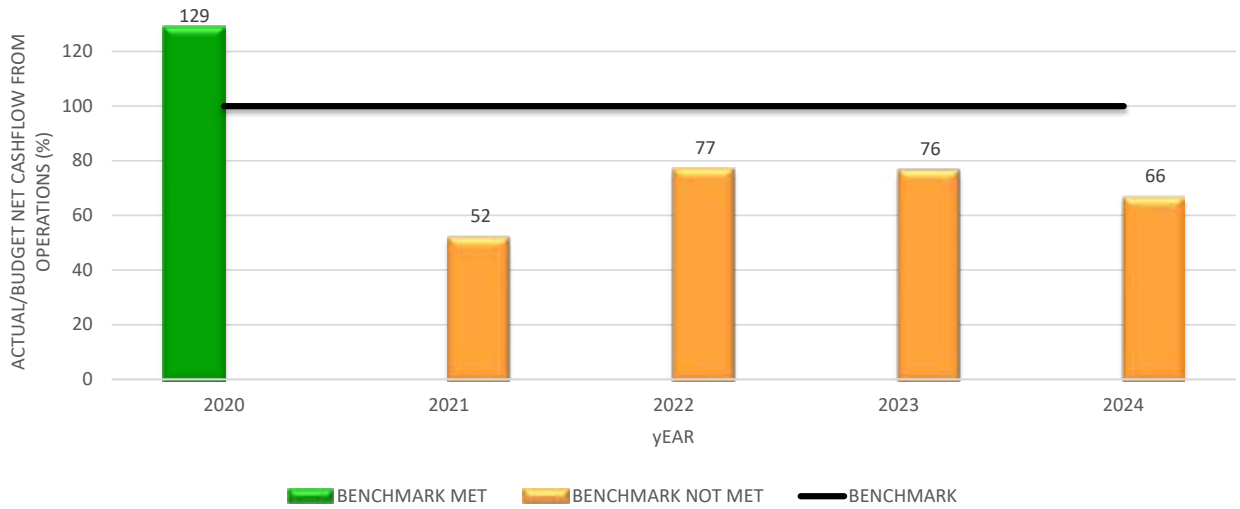
DEBT CONTROL BENCHMARK

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK

This graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. In 2023/24 this measure was not met due to impact of higher inflationary costs due to global economic down turn and lower revenue from events and visitors.





ROTORUA
LAKES COUNCIL