

ROTORUA^{NZ}

Statement of Intent | 2023-2024

MIHI

HE MĀNUKA TŪ KI TE AHI

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

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

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



FOREWORD

Tēnā koutou,

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

This Statement of Intent (SOI) sets out the work RotoruaNZ will do over the next 12 months to support Rotorua Lakes Council (RLC) achieve its stated priorities for 2022-25. The organisation will be strongly focused on delivering on Council's economic priorities, with a particular focus on the tourism and hospitality sector. These priorities include enabling and attracting smart investment, building and maintaining a vibrant reputation, developing a world-class tourism destination, and revitalising the inner city and Fenton Street corridor. Central to this SOI is sharpening our focus to deliver against the following three objectives:

- Strengthening our reputation and building brand equity;
- Delivering sales across international, business events, education and groups, and in-destination; and
- Destination management activities that support the delivery of a world-class visitor experience.

Like many organisations, we recognise we are operating within a constrained funding environment and are faced with ongoing cost increases. Our 2023-24 SOI signals a reduction in traditional economic development service delivery for all sectors other than tourism and hospitality. We will also be deprioritising any work associated with transformational placemaking projects beyond those projects currently underway. Broader economic development service delivery will be limited to communications activity that contributes to enhancing Rotorua's reputation and the delivery of research and insights that support continued development and investment.

Despite the current challenges, we remain steadfast in our commitment to building towards the long-term positively successful future of Rotorua and we are well prepared for the challenge. We absolutely believe that Rotorua will continue to thrive and, together with the people of Rotorua, we'll continue to work hard toward a rejuvenated destination for the benefit of everyone.



Andrew Wilson
Chief Executive

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1. INTRODUCTION

In accordance with Section 64(1) of the Local Government Act, this Statement of Intent (SOI) sets out the strategic framework, activities and performance measures for RotoruaNZ for the next 12 months. It has been written in response to Rotorua Lakes Council's new priorities for 2022-25 which includes economy and economic resilience as one of its four key priority areas. RotoruaNZ will also deliver against its current SOI and long-term BAU activities and continue to work alongside Te Tatau o Te Arawa to support the implementation of Rotorua reorua across its operations and the community.



2. ABOUT ROTORUANZ

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

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

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

3. OUR PURPOSE

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

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

Covid-19 has had a fundamental impact on RotoruaNZ's focus and direction. With the global approach broadly shifting to how we live with Covid alongside a newly elected council, we are now required to work even closer with the local business community to rebuild our reputation and tourism sector, and attract new investment. This will require us to align our focus and operating model to support Rotorua Lakes Council's 2022-25 priorities and enable excellence in operational delivery.

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

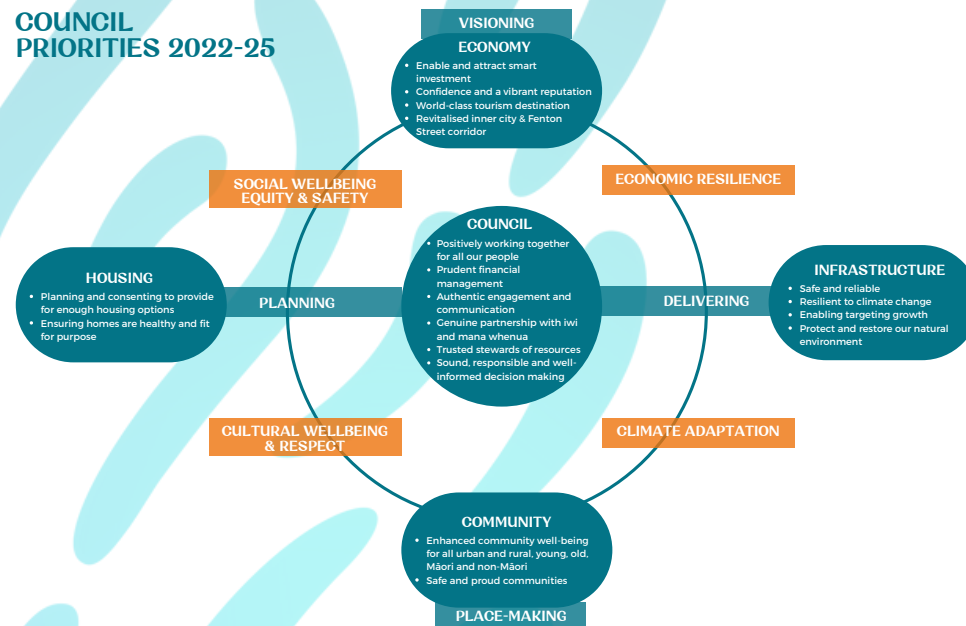
We'll unlock the potential of Rotorua by:

- Focusing on the restoration of Rotorua's reputation as a vibrant world-class destination;
- Attracting, retaining and growing investment, talent and business across the district;
- Supporting efforts to revitalize the inner city and Fenton Street corridor;
- Working closely with Te Arawa whānui to support the growth of their economy in alignment with the values set out in the Te Arawa 2050 Vision; and
- Ensuring the impact of change achieves a balance between social, environmental, economic and wellness benefits for the people of Rotorua.

4. OUR STRATEGIC FRAMEWORK

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

COUNCIL PRIORITIES 2022-25



RotoruaNZ has moved to a functional structure that ensures we are well-positioned to deliver upon Council's priorities for 2022-25. The organisation will be strongly focused on delivering on Council's economic priorities with a particular focus on the tourism and hospitality sector. Central to this SOI is sharpening our focus to deliver against the following three objectives:

- Strengthening the reputation of Rotorua and building brand equity;
- Delivering sales across international, business events, education and groups, and in-destination; and
- Implementation of the Destination Management Plan and associated activities that support the delivery of a world-class visitor experience.

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

5. OUR WORK PLAN

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

5.1 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.

The deliverables in this area include:

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



5.2 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 isite 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.

The deliverables in this area include:

- An expanded Rotorua Education Network that will increase value for participating schools and tourism operators.
- Accurate, timely and user-friendly information and booking services for both visitors and residents, with the aim of encouraging visitors to stay longer and spend more.
- A successful high-performing, knowledge-rich and sales-orientated team.
- Converted business for the tourism and hospitality sector through the trade and business events channels.
- Efficient transactional financial services.



5.3 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 land owners.

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.

The deliverables in this area include:

- Support for existing businesses in the attraction of investment, or removal of barriers for growth and retention.
- The delivery of insights to be better tailored to support business and investor confidence and decision-making.
- Delivery of the Rotorua Destination Management Plan which includes the following deliverables:
 1. The tourism workforce will grow in capacity and capability.
 2. A lead role on commercial investment partnerships at the Lakefront and Whakarewarewa Forest.
 3. The tourism products of Rotorua will reflect the destination and ensure it meets its potential as the premiere tourism destination in Aotearoa.
 4. Rotorua as a destination is functioning more effectively in partnership with Te Arawa.
 5. Infrastructure that is important to the functioning of the destination will be in place and working for Rotorua.
 6. Tourism in Rotorua will assist in the regeneration and revitalisation of important cultural and natural values.
- An enhanced relationship with the Chamber of Commerce that will best support local businesses.
- Delivery of agreed actions from the Rotorua Forestry Futures Plan.



5.4 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.

The deliverables in this area include:

- Complete the delivery of one transformational place-making project over the course of the next 12 months.
- RotoruaNZ taking a lead role in working with the private sector to secure appropriate investment to support development.
- A robust process is in place to analyse potential growth opportunities, and, where appropriate, develop the investment case and promotion process to support commercial investment realisation and decision-making.

6. ROTORUANZ OPERATING PRINCIPLES & VALUES

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

NGĀ UARA MATUA | OUR VALUES

Courage | Te Māia Fun | Pārekareka Integrity | Te Ngākau Pono
Inclusivity | Te Whakawhāititanga Pride | Poho Kererū

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

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



7. PERFORMANCE UPDATE

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

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

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

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

7.1 KEY PERFORMANCE MEASURES

	Measure	Pre-COVID (2018/19 Actual)	2022/23 Target	2022/23 Actual (March 2023)	2023/24	2024/25	2025/26
Marketing and communications – Strengthening Rotorua’s reputation and building brand equity	Domestic visitor card expenditure in Rotorua (based on MBIE TECT dataset)	\$287m	>= \$330m	On Track; \$233.5m	At least \$330m	At least \$335m	At least \$340m
	International visitor card expenditure in Rotorua (based on MBIE TECT dataset)	\$129m	New Measure	\$90.5m	At least \$129m	At least \$135m	At least \$140m
	% of commercial accommodation occupied (based on MBIE ADP dataset)	50% YE Sep 2019	New Measure	55%	At least 55%	At least 57%	At least 59%
	% of local visitor economy stakeholders satisfied with RotoruaNZ services (Survey of Rotorua attraction, hospitality, food & beverage businesses)	Not measured	>= 75%	Not available; To be surveyed in June 2023	At least 75%	At least 75%	At least 75%
	% of domestic travelers that have visited Rotorua overnight within the past 12 months (Angus & Associates, VIP dataset)	18%	New Measure	12% YE Dec 2022	At least 15%	At least 18%	At least 20%
	% of domestic travelers find Rotorua highly appealing as a destination for a short break or holiday (Angus & Associates, VIP dataset)	40%	New Measure	36% YE Dec 2022	At least 37%	At least 39%	At least 41%
	Net Promoter Score (NPS) of domestic visitors to Rotorua within the past 12 months who would recommend Rotorua as a travel destination (based on Angus & Associates, VIP dataset)	Not measured	New Measure	+10 9mths to Dec 2022	At least +11	At least +12	At least +13
	% of domestic travelers who definitely or probably will visit Rotorua within the next 12 months (based on Angus & Associates, VIP dataset)	36%	New Measure	31% YE Dec 2022	At least 33%	At least 35%	At least 37%
Destination sales and visitor services – Delivering sales across international, business events, education and groups, and in-destination	isite to be financially self-sufficient.		Cost neutral	On Track; -\$83,111	Cost neutral	Cost neutral	Cost neutral
	Business events – value of bids won in financial year (based on MBIE CDS dataset and DR lead sheet confirmed conferences)	\$8.8m	>= \$4.5m	On Track; \$7.7m	At least \$9m	At least \$9.5m	At least \$10m

7.1 KEY PERFORMANCE MEASURES CONT.

Destination sales and visitor services – Delivering sales across international, business events, education and groups, and in-destination	isite to be financially self-sufficient.		Cost neutral	On Track; -\$83,111	Cost neutral	Cost neutral	Cost neutral
	Business events – value of bids won in financial year (based on MBIE CDS dataset and DR lead sheet confirmed conferences)	\$8.8m	>= \$4.5m	On Track; \$7.7m	At least \$9m	At least \$9.5m	At least \$10m
	International visitor card spend per day in Rotorua (based on MBIE TECT and DataVentures VLPE datasets)	\$112 YE Dec 2019	New Measure	\$199	At least \$150	At least \$155	At least \$160
	Education and Group Bookings – annual value of school bookings through the Rotorua Education Network		New Measure	\$1.3m	At least \$1.4m	At least \$1.45m	At least \$1.5m
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.	Not measured	>= 3	On Track; 2	At least 2	At least 2	At least 2
	The number of actions supported or delivered by RotoruaNZ in the forest futures action plan.	Not measured	New Measure	Not measured	At least 2	At least 2	At least 2
	The number of projects identified in the Rotorua Destination Management Plan directly delivered or supported by RotoruaNZ	Not measured	New Measured	Not measured	At least 4	At least 4	At least 4
	% of local businesses satisfied with the quality of RotoruaNZ's destination data and insights developed to support decision making by businesses. (Survey of all Rotorua businesses)	Not measured	>= 75%	Not available; To be surveyed in June 2023	At least 75%	At least 75%	At least 75%

7.1 KEY PERFORMANCE MEASURES CONT.

Discontinued	Total domestic visitor expenditure for Rotorua (based on MBIE MRTE dataset)	\$476m	Not available	Not available	Measure temporarily replaced with TECT measure. MBIE has paused the MRTE dataset, temporarily replacing it with the TECT dataset.
	Total international visitor expenditure for Rotorua (based on MBIE MRTE dataset)	\$349m	Not available	Not available	Measure temporarily replaced with TECT measure. MBIE has paused the MRTE dataset, temporarily replacing it with the TECT dataset.
	Level of satisfaction of businesses going through the ACCELERATE programme	Not measured	>= 80%	Achieved; 100%	Measure discontinued.
	The number of new developments (residential, industrial, and commercial) supported or led by Rotorua Economic Development that are initiated		>= 3	On Track; 2	Measure discontinued.

7.2 MONITORING INDICATORS

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

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

Note

Infometrics is scheduled to publish the December 2022 data on Wednesday, 22 February. The newly released data will include a revision to historic data and therefore the values in the table below will change. This table will be updated again before it goes to final print. Data is released approx. 20-25th of February, May, August and November.

Monitoring Indicators	Year Ending							2021-22 change	
	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Rotorua	NZL
Economic Activity									
Real GDP	\$3.793b	\$3.895b	\$4.039b	\$4.132b	\$3.986b	\$4.212b	\$4.241b	+0.7% ▲	+1.2% ▲
Consumer Card POS Spending	\$0.993b	\$1.037b	\$1.086b	\$1.124b	\$1.050b	\$1.097b	\$1.092b	-0.5% ▼	+0.2% ▲
Domestic Visitor Card POS Spending	#N/A	#N/A	#N/A	\$287m	\$254m	\$323m	\$281m	-13.1% ▼	-1.5% ▼
International Card POS Spending	#N/A	#N/A	#N/A	\$129m	\$97m	\$15m	\$15m	+5.2% ▲	+0.8% ▲
Non-Residential Consent Value	\$51m	\$58m	\$46m	\$64m	\$62m	\$91m	\$105m	+16.0% ▲	+15.8% ▲
Population and Workforce									
Health Enrolments	66,974	67,662	68,798	68,719	69,146	70,125	70,487	+0.5% ▲	+0.5% ▲
Employed Persons	30,015	31,200	32,040	32,718	32,994	32,494	33,354	+2.6% ▲	+3.1% ▲
% Business Concern Finding Skilled Staff	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	68%	#N/A	
Job Support Recipients	3,222	3,294	3,372	3,600	4,312	5,424	5,166	-4.8% ▼	-9.7% ▼
Unemployment Rate	6.8%	7.7%	6.9%	5.5%	5.8%	7.0%	5.2%	-1.8pts ▼	-1.5pts ▼
Housing									
Average House Sale Price	\$329,528	\$382,372	\$404,974	\$447,628	\$521,471	\$614,880	\$663,814	+8.0% ▲	+5.3% ▲
House Price Affordability	4.2%	4.6%	4.4%	4.6%	5.2%	6.1%	6.3%	+0.2pts ▲	0.0pts
Average Weekly Rent	\$275	\$304	\$332	\$361	\$403	\$421	\$469	+11.4% ▲	+7.1% ▲
Rent Affordability	18.1%	19.0%	19.0%	19.3%	21.0%	21.8%	23.0%	+1.2pts ▲	+0.3pts ▲
Residential New Dwelling Consents	118	117	160	176	186	283	392	+38.5% ▲	+14.4% ▲

Source: Infometrics, Regional Economic Monitor; RotoruaNZ, Rotorua Business Pulse Survey

8. SUMMARY OF FINANCIALS

8.1 COUNCIL FUNDING CCO BUDGET YE JUNE 30, 2024

The total level of Council funding provided for the CCO in the financial year 2023-24 to deliver on the expected outcomes contained within this SOI is \$4.22 million. For clarity, this investment is exclusive of any externally generated revenue by the CCO including isite, partner programmes, and private sector joint ventures and/or agreements.

8.2 RATIO OF SHAREHOLDERS' FUNDS TO TOTAL ASSETS

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

8.3 ACCOUNTING POLICIES

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

8.4 DIVIDEND POLICY

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

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

8.5 ACQUISITION AND DIVESTMENT POLICY

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

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

Operating Budgets	2022/2023 (Budget)	2023/24	2024/25	2025/26
Revenue	\$	\$	\$	\$
Funding from Rotorua Lakes Council	4,220,000	4,220,000	4,220,000	4,220,000
ISITE commission received	521,000	700,000	800,000	900,000
Trading revenue	621,000	800,000	850,000	900,000
Other revenue	1,175,000	300,000	300,000	400,000
Total revenue	6,537,000	6,020,000	6,170,000	6,420,000
Expenditure				
Personnel Costs	3,067,000	2,900,000	3,000,000	3,100,000
Administration and office	76,000	66,000	68,000	70,000
Finance costs and charges	63,000	90,000	110,000	130,000
Repairs & maintenance	65,000	65,000	65,000	65,000
Operating expenses	3,156,000	2,837,000	2,863,000	2,989,000
Utilities	60,000	62,000	64,000	66,000
Total expenses	6,487,000	6,020,000	6,170,000	6,420,000
Net operating income	50,000	0	0	0

OTHER FINANCIAL INFORMATION

Current value of assets	The current value of RotoruaNZ Ltd's assets as 30 June 2022 was \$166,466 based on the net asset value of RotoruaNZ Ltd to be confirmed by the disclosed in the audited financial statements.
Accounting Policies	RotoruaNZ accounting policies are consistent with those of the Rotorua Lakes Council policies.
Financial Reporting	RotoruaNZ financial reporting to Council will be in accordance with the requirements of the CCO requirements of a CCO under the LGNZ Act.
Budget allocation from Rotorua Lakes Council	The funding allocation from Council is based on the Long Term Plan funding.

9. GOVERNANCE

9.1 RESPONSIBILITIES OF DIRECTORS

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

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

Meeting legal requirements

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

In particular, directors have the following obligations:

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



Direction of executive performance

The board will:

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

Public statements

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

Other

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

9.2 EXPECTATIONS OF BOARD MEMBERS

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

Fiduciary duty

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

Strategic orientation

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

Integrity and accountability

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



9.3 GOVERNANCE PROCESS POLICIES

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

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

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

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

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

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

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

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

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

10. RESPONSIBILITY TO SHAREHOLDER

10.1 STATEMENT OF INTENT

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

10.2 INFORMATION FLOWS AND REPORTING

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

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



11. HEALTH AND SAFETY

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

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

