

Tourism and Economic Development



tourism and economic development group

Overview of Group

This group is made up of the following activities of Council:

- Economic Development
- Tourism
- Rotorua Regional Airport

Rotorua District has a thriving tourism industry contributing to a strong economy and supported by several other sectors. Group activities ensure that we maintain and grow the district's prosperity for the benefit of all.

This Ten Year Plan is being prepared against a background of international economic turmoil unprecedented in the lives of most New Zealanders. How this international environment will affect the Rotorua economy is as yet unclear. However, it is unlikely that the tactical responses that have served us well over the last three years will be as effective, or indeed valid, in the future. Flexibility in response to changing circumstances is critical. Current examples of this would be a change in focus for tourism marketing initiatives from long-haul European and US markets to short-haul east coast Australia and domestic visitors.

Strategic Direction and Highlights

Trans-Tasman Air Services

The single largest investment Council has made for many years is in development of the Rotorua Regional Airport infrastructure to accommodate trans-Tasman scheduled air services. This capital expenditure was due to be completed mid 2009.

This investment will make a significant difference to the level of employment and local economy of Rotorua District and wider Bay of Plenty region.

District Marketing

The introduction of trans-Tasman direct scheduled air services creates a range of new opportunities for marketing Rotorua. A marketing brand and campaign is being developed for the wider Bay of Plenty region, spearheaded by Rotorua Regional Airport Limited (RRAL). Once the regional tourism brand and marketing initiative is completed, a collective of RTOs (regional tourism organisations) will work collaboratively on its implementation and performance.

Marketing campaigns will be funded in part by RDC's Destination Rotorua Tourism Marketing activity, and in part by other regional tourism organisations throughout the wider Bay of Plenty.

Development of a wider regional brand is a major new step for the promotion of Rotorua and has the potential to generate substantially increased visitor numbers and enhanced economic benefit. This is particularly important at the current time where a decline in international visitors from Asia, North America and Europe is being experienced. The Australian market provides an opportunity to build on what is essentially an expanded domestic market.

Economic Development

Council makes a considerable contribution to the district's economic development through its Economic Development unit, and has had important support from the Bright Economy Advisory Board. Much of the funding for economic development will come from a targeted rate for business. This allows the Economic Development unit to leverage funding from other external sources, in particular from central government through the Ministry of Economic Development and New Zealand Trade and Enterprise.

The Economic Development Unit also worked closely with a number of parties on regional economic development to prepare the recently completed **Bay of Connections** regional strategy.

The strategy has four key areas of focus:

1. More globally competitive firms in the Bay of Plenty
2. World class infrastructure and skills to catalyse economic development
3. Environmentally sustainable
4. Innovative and productive industry sectors

Council strategy emphasis over the term of this plan is on:

1. Iwi collaboration
2. A skilled and educated workforce
3. A skilled migrant and settlement programme
4. Emerging market opportunities
5. Specific activities such as:
 - Shop Rotorua
 - Business mentors.

Council has increased funding in 2009/10 to stimulate the local economy. The additional funding is intended to help create jobs and entrepreneurial activity by attracting investment and employment from outside the district. Research and analysis will be backed by funding from the newly created Grow Rotorua Development Fund.

Broadband

Broadband is a critical part of the success of any region both economically and socially. Bay Broadband Ltd was incorporated as a subsidiary to BOPLASS Ltd, the Bay of Plenty Local Authorities' shared services business, and used to coordinate the early research undertaken primarily by Environment BOP.

The original objective was to provide a system of ducting between Rotorua, Tauranga, Whakatane and Kawerau, and wireless transmission to connect the other areas of the Bay of Plenty region. The current government's position will determine the local authorities' role.

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The Economic Development Unit will also work closely with the Regional Economic Development Group and the Bay of Plenty Economic Development Long Term Strategy. This is a new initiative supported by Environment Bay of Plenty with representation from across the region. Representation will include:

- EDANZ (Economic Development Association of New Zealand) Board Member
- Chamber of Commerce Executive
- Export NZ
- Sustainable Business NZ
- RWC2011 Regional Steering Group
- REDS (Regional Economic Development Group)
- Rotorua Mountain Bike Club (president)
- Executive of Connect
- Shop Rotorua (chairperson)
- Local Settlement Network (chairperson)
- A number of local committees



Potential Significant Negative Effects

The negative effects identified and associated mitigation options are provided in the respective Activity plan section.

Asset Management Plans Information

The key assets used in this Activity Group are buildings and airport assets, notably the runway. Further details are provided in each activity section.

Tourism & Economic Development Assets

Asset Type	Cost/Valuation	Accumulated Depreciation	Book Value 1 July 2008
	(\$000s)	(\$000s)	(\$000s)
Buildings	8,486	395	8,091
Computer Hardware	151	108	43
Computer Software	47	47	1
Footpaths	144	4	140
Furniture	101	57	45
Land	5,703	-	5,703
Office Equipment	31	30	1
Plant and Machinery	86	36	50
Roading	3,259	204	3,054
Runway (Airport)	12,075	1,262	10,814
	30,084	2,143	27,941

Net Cost of Service

Net Cost of Service by Activity (\$000s)	Actual 2007/08	Annual Plan 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Economic Development	825	915	178	66	96	78	63	47	19	1	(15)	(30)
Tourism	1,943	2,465	563	674	386	520	530	518	504	524	521	536
Rotorua Regional Airport	1,415	3,060	2,290	(502)	(6,800)	(2,556)	(718)	(899)	(1,023)	(1,095)	(1,195)	(1,291)
Total Net Cost of Service	4,183	6,440	3,031	238	(6,318)	(1,958)	(125)	(334)	(500)	(570)	(689)	(785)