



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

Kaupapataka Late Items

NOTICE OF A MEETING OF COUNCIL

Date: Wednesday 23 July 2025

Time: 9:30 am

Venue: Council Chamber

MEMBERSHIP

Chair

Mayor Tapsell

Members

Cr Kai Fong (Deputy Chair)

Cr Barker

Cr Brown

Cr Kereopa

Cr Waru

Cr Lee

Cr Maxwell

Cr O'Brien

Cr Paterson

Cr Wang

Quorum

6

**Andrew Moraes
Chief Executive**

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10 PŪRONGO KAIMAHI – STAFF REPORTS**10.6 RECOVERED WATER MANAGEMENT SOLUTION PROJECT PLAN**

Doc ID: 21431004

Prepared by: Stavros Michael, Group Manager, Infrastructure and Assets

Approved by: Andrew Moraes, Chief Executive

Attachments:

1. Terms of Reference
2. Financial Update on Waste Water Programme - Confidential (under separate cover)

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to describe the key elements and approach of phase 1 and phase 2 of the recovered water solution project. The intention is for Council to approve the course of action outlined, thus authorizing staff to proceed with the project. The key elements of phase 1 and phase 2 of the project are the establishment of the Recovered Water Working Group (RWWG), the use of a Multi-Criteria Analysis (MCA) to carry out evaluation of options, and the high-level communication & engagement actions.

In addition, the budget allocation between the various components of the Wastewater treatment programme is finalised in a confidential appendix.

**2. TE TUHINGA WHAKARĀPOPOTOTANGA
EXECUTIVE SUMMARY**

The Rotorua Wastewater Treatment Plant serves a population of approximately 60,000 people and treats an average of approximately 20,000 m³ (20,000,000 litres) of wastewater each day, which Rotorua Lakes Council needs to utilise or dispose of. Most of Rotorua's wastewater is generated by domestic use with a small percentage being from industrial use.

The recovered water currently discharges on Central North Island Iwi Collective (CNI) land by way of spray irrigation over approximately 400Ha, in Whakarewarewa Forest, under existing consents and agreements which are due to expire in 2026.

Rotorua Lakes Council, CNI Iwi Holdings and Te Arawa Lakes Trust have agreed to work together towards a new long-term solution for discharge of wai tātari (recovered wastewater).

In response to significant iwi and community opposition to the discharge of wai tātari at Te Arikirua/Sanatorium Reserve to Lake Rotorua via a culturally-designed land contact bed, CNI has generously offered the temporary use of a set area of land within Whakarewarewa Forest, while work continues towards developing a long-term solution that will not include use of the forest land.

The agreement - *Kawenata - Puarenga Catchment of Te Rotoruanui-a-Kahumatamomoe* - follows extensive discussion and careful consideration by the parties to find the right outcome for mana whenua and the wider Rotorua community.

The kaweneta has been guided by Te Tūāpapa o Ngā Wai o Te Arawa (Te Arawa Cultural Values Framework) and under the agreement, the parties will work to develop a long-term solution.

This discharge location will continue to be used while a new long term discharge solution for the city's recovered water is found.

When the current upgrade to the Rotorua Wastewater Treatment Plant is commissioned in mid-2026, there will be a significant improvement in the quality of the recovered water. We are increasing the treatment plant's flow capacity to meet future growth demand, as well as providing greater stormflow storage to contain high flows during peak conditions. Additional phosphorus removal, ultra filtration and UV treatment will see a significant improvement in the quality of the recovered water from the treatment plant.

Council instructed the Chief Executive to form a working group to help guide and determine how the discharge solution will be arrived at. We are looking to work closely with mana whenua and other key stakeholders in an advisory capacity, to frame and drive the complex decision-making process to arrive at a preferred recovered water management solution.

Council staff held two hui with iwi chairs on 19 and 24 March 2025 to explore whether they wished to be a part of that working group. The general consensus was yes, however they required additional information to understand how they would be involved in the process. Council staff agreed to do more work and come back with a framework as to how decisions would be made, and how the working group would be involved in decisions.

Council staff held a Councillor workshop (7 May 2025) where we introduced the MCA tool which provides a useful framework to drive complex decision making. This first workshop provided an explanation of what an MCA is, suggestions for stage 1 criteria, stage 2 values, and a range of relative stage 2 value weightings to indicate how different weightings would provide different solution outcomes.

Any new disposal solution will be required to comply with a new set of regulations, published by the Water Services Authority Taumata Arowai. Per those regulations, the four proposed standards cover the most common consenting topics (discharging treated wastewater to water or land, safe biosolid use, and managing overflows and bypasses) – with requirements tailored to appropriately manage the level of risk to public health and different environments.

The Recovered Water Management Solution project will be required to adhere to these new regulations. The timing of the new regulations being released and becoming mandatory will predate the new consenting process that this project will be fitting into.

Under section 124 of the Resource Management Act, RLC as the consent holder, have the ability to continuing exercising their (current) resource consent when the consent is due to expire, and they have lodged an application for a new consent for the same activity within a certain timeframe. The consent holder is permitted to continue with the activity until the consent is granted or declined and all appeals are determined.

A baseline MCA framework (stage 1 criteria, stage 2 values and stage 2 relative weightings), is necessary to provide the project team with a clear direction on how Council requires the working group to explore and evaluate solutions. This will ensure that solutions being offered back to Council for approval at the relevant milestone stages, meet Council expectation.

In support of this framework, we include a Terms of Reference (TOR), relating to how the working group will be constructed, and how we envisage that group feeding information and recommendations back to Council as the project proceeds through the investigation and site selection phases. If the working group see improvements to the TOR, these will be brought back to Council for approval.

High level communications and engagement strategies are included below to indicate how the project team will invest time in the early stages of the project, in an effort to reduce risks during the implementation stages.

HE TŪTOHUNGA RECOMMENDATION

1. That the report 'Recovered Water Management Solution Project Plan' be received.

2. That Council approves Stage 1 Criteria, namely:

- a) Technical Feasibility
- b) Legal and Regulatory Compliance
- c) Fits within Council's Debt Headroom

3. That Council approves Stage 2 Values, namely:

- a) Relationship with Mana Whenua
- b) Community Acceptance and support
- c) Environmental outcomes (Te Mauri O Te Wai/Health of Water Alignment), including intergenerational outcomes.
- d) Total Lifecycle cost
- e) Implementation risk

4. That Council approves Option 1 or Option 2 for the Stage 2 Values Weightings:
Option 1

Stage 2 Values	Relative weighting
a) Relationship with Mana Whenua	10
b) Community Acceptance and support	10
c) Environmental outcomes (Te Mauri O Te Wai/Health of Water Alignment), including intergenerational outcomes.	10
d) Total Lifecycle cost	35
e) Implementation risk	35
TOTAL	100

OR

Option 2

Stage 2 Values	Relative weighting
a) Relationship with Mana Whenua	20
b) Community Acceptance and support	20
c) Environmental outcomes (Te Mauri O Te Wai/Health of Water Alignment), including intergenerational outcomes.	20
d) Total Lifecycle cost	20
e) Implementation risk	20
TOTAL	100

5. That Council approves the Terms of Reference for the Working Group.

3. TE TĀHUHU BACKGROUND

The following table outlines the general stages that Rotorua Lakes Council has taken in disposing of recovered water since the initial construction of the existing Wastewater Treatment Plant in 1973. These stages represent significant changes in our community expectation as well as regulatory changes, and provide context for how we have arrived at the stage where we now need to find a solution for how we manage recovered water at the earliest opportunity.

1973 – 1978 1991	Wastewater Treatment Plant constructed (1973) with a number of upgrades to serve approximately 60,000 people. Treated wastewater irrigated on a number of blocks in Whakarewarewa Forest away from recreational tracks.
Early 2013	Environment Court directs RLC to investigate alternative treated wastewater disposal methods as a result of concerns from tāngata whenua. Council signs a deed to end spraying of treated wastewater in Whakarewarewa Forest by 2019.
Early 2014	Rotorua Project Steering Committee (RPSC) is established to consider alternative treatment systems and discharge options and provide a recommendation. RPSC is a community-led committee with an independent chair, Te Arawa iwi and hapū representatives, a cultural impact assessment sub-committee, technical advisory group and local and regional council officials.
Mid to late 2014	Five options are shortlisted and feasibility studies undertaken. Rotorua Lakes Council public consultation on initiation stage of the project is held and engineering technical report delivered, alongside preliminary cultural impact assessment and discharge locations and an effects report.

2015 to mid-2016	RSPC selects the preferred option (Land Contact Bed) and a recommendation is made – preliminary designs and final Cultural Impact Assessment (CIA) and consultation draft assessment of environment effects is produced.
Early 2017	Initial Land Contact Bed design signed off by RPSC. Further iwi consultation on development of the bed and discharge structure is completed. An engagement plan is developed with Mātauranga Māori expert group, exploring cultural requirements of the proposed bed and discharge structure.
Late 2017	Hapū, iwi and stakeholder engagement is completed, including public feedback to shape completion of CIA. A draft resource consent is filed with Bay of Plenty Regional Council (BOPRC) for pre-lodgement review.
Mid 2018	RLC submits the resource consent application and BOPRC public consultation closes.
Late 2018	Te Arawa Lakes Trust (TALT) opposes council's application seeking resource consent to discharge treated wastewater to the Te Arikirua Channel and Lake Rotorua at Puarenga Bay (Sulphur Bay) via a contact bed.
Mid 2020	RLC, CNI Iwi Holdings and TALT agree to work together towards finding a new long-term solution for discharge of treated wastewater. The agreement - <i>Kawenata - Puarenga Catchment of Te Rotoruanui-a-Kahumatamomoe</i> is guided by Te Tūāpapa o ngā Wai o Te Arawa (Te Arawa Cultural Values Framework). The Agreement allows for discharge onto a 40-hectare area of land (reduced from current 400ha) within Whakarewarewa Forest as a temporary measure with consent for short-term continuation of existing system until an agreed reduced system is implemented.
Early to late 2022	Work begins to further develop the 2018 upgrade design of the Waste Water Treatment Plant and provide a price for construction. A \$58m contract agreed with TRILITY for construction of the upgraded plant. Site works begin – December 2022.
Early 2025	Decision by Council to open the discussion around how to select a new discharge site out to a wider community group to provide input and guidance to this important operational decision.
As at June 2025	The WWTP build is approximately 80% complete, and currently envisaged to reach practical completion by Q3 2026, with the greatly improved (quality) of recovered water discharging to the existing discharge site in the Whakarewarewa forest from then, until such time as we are able to find, design, consent and commission the new discharge solution.
2026 - 2027	Performance testing of the WWTP to continue to ensure that the plant is working as designed and project completion currently envisaged for mid-2027.

Although considerable effort has gone into finding a solution to disposing of our recovered water, these efforts have not been able to reach a satisfactory conclusion and no solution has been approved.

Supporting documentation is attached that indicates the extent of these efforts.

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

The key elements of phase 1 and phase 2 are described below:

The Working Group.

The Recovered Water Working Group (RWWG) will consist of Elected Members, Mana Whenua and broader community representatives as well as senior RLC staff. The group is tasked with evaluating possible options for the recovered water management by applying the Multi Criteria Analysis (MCA) approved by Council. This group will also be providing guidance to the project team. The working group will form a collective view on key recommendations to Council for approval at each milestone. The **three** key milestones are indicated in table 1 below.

The Terms of Reference (TOR) for the working group are attached and provide clarity on how that group will work together, the recommendations that they are tasked with making, and how these recommendations will be developed. The engagement strategy is a key component of how the team will gather and input wider community views into the process. A high level communications and engagement strategy is presented within this paper, and which the working group is welcome to enhance and improve by addition. An expression of interest will be publicly advertised to select two members of the public who wish to sit on the working group, once the MCA criteria is approved. The project sponsor will select the two members from the applicants.

At a high level, key gateways for the working group (and which in turn enable the 3 key milestones for Council approvals) are:

- Solicit ideas for solutions from interested groups, Te Awara entities, environmental advocacy groups, other council projects (from throughout New Zealand) and RLC subject matter experts.
- Assess solutions from Stage 1, and provide a recommendation to Council of those solutions that meet all Stage 1 criteria and which thus proceed to Stage 2.
- Assess and weigh Stage 2 solutions against Stage 2 values.
- Provide a recommendation to Council for a preferred solution to proceed out of the MCA process into detailed design.

Remuneration for the working group will be completed in general reference to the RLC – Guidelines for Māori Technical Expertise and meeting Participation.

Multi criteria analysis

Developing a solution for the final destination of the recovered water from Rotorua's main wastewater treatment plant is a complex activity with numerous competing criteria to be considered in arriving at a decision. It is standard practice to apply a structured framework to the evaluation of proposed options, thereby demonstrating rigour in the decision-making process.

As described by NZTA: *'Multi-criteria analysis (MCA) is used to assess multiple criteria, both Quantitatively and qualitatively, to compare different alternatives and options. The MCA process must be transparent, robust, repeatable and apply sound logic'.*

In regards the Recovered Water Management Solution, the project has significant complexity in solution selection, land identification and procurement/agreement, potential environmental effects, potential mana whenua impacts, potential cost and impact to ratepayers, intergenerational aspects and benefit realisation. This is further indicated by the significant time and cost that RLC have already invested to find a solution, but with no solution achieved.

The formation of the working group with a defined MCA assessment framework is intended to provide a balanced community viewpoint to guide the project team, ultimately work through all solutions offered, but prioritise them in a way that Council will accept. This acknowledges that Council are responsible for finding a solution and must be the ones to approve the ultimate solution.

In setting the MCA criteria now (Milestone 1), without any view of solutions, Council's best endeavour has been made to produce a framework that represents their balanced view. The working group then apply the framework with a symptomatic framework that has been constructed with a diversity of views.

The MCA framework for approval is constructed in two parts:

- Stage 1 criteria are deemed to be pass/fail. For a solution to proceed beyond stage 1, a pass must be achieved in all of the criteria. Functionally, the process will involve the working group assisting the project team to come up with the breadth and scope of the solution investigation, reporting back to the working group monthly. At such time as sufficient information has been gathered, the working group will direct staff to undertake the Stage 1 Criteria pass/ fail analysis, diligence and targeted engagement with Mana Whenua and communities. The outcome to this will be presented back to Council such that they can see the solutions that will be proceeding into Stage 2 investigations. Being project Milestone 2, Council approval will be required to allow the recommended solution to proceed to the next stage.
- Stage 2 values assessment will be undertaken once those solutions passing stage 1 have been interrogated, investigated and reported on, such that a meaningful assessment can be made by the working group based on approved weightings. Significant investment will have occurred to ensure that a robust assessment can be made. Being project Milestone 3, a solution/s will be provided to Council for approval based upon the working groups recommendation.
- Once Council has selected and approved a solution in stage 2, the project moves out of the MCA framework decision making space. It is envisaged that the working group's function will be reviewed before further phases commence, to ensure that it remains a suitable group to provide an advisory role to guide the project team throughout the remainder of the project. Post final solution approval, the project team will guide the approved solution through any relevant detailed design phases, the consenting process, contractor procurement, construction, commissioning and eventual hand over phases to our operational team.

		2025				2026				2027				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Milestone 1 Council approve Project Plan including MCA		*												
RLC Key stakeholder Engagement			*	*	*	*	*	*	*	*	*	*		
RLC Public and key stakeholder focused Communications				*	*	*	*	*	*	*	*	*		
Project team provide regular updates to Council			*	*	*	*	*	*	*	*	*	*		
Public members for working party advertised and selected														
Working group convened in oversight and assessment capacity			*	*	*	*	*	*	*					
Working group/project team define investigation scope														
Consultant appointed														
<u>Consultant Investigations for Stage 1 Criteria</u>														
-Review known solutions														
-Potential new solutions identified														
-Stage 1 Investigation														
-Stage 1 summary report														
*Working group assess Stage 1 criteria , recommendation to Council						*								
Milestone 2 Council approve solutions to proceed to stage 2						*								
<u>Consultant Investigations for Stage 2 Values</u>														
-Focused investigation of approved solutions														
-Stage 2 summary report														
*Working group assess Stage 2 values , recommendation to Council								*						
Milestone 3 Council approve preferred solution.									*					
Project proceed into detailed design and execution										*				

Table 1: Indicative programme with key Milestones presented, to show how the MCA framework process sits in the project roll out, through to detailed design.

Multi Criteria Analysis framework for approval

STAGE 1 CRITERIA: A pass is required in all of these for a solution to pass to stage 2 values assessment.

1 Technical feasibility (recommended)

Criteria Definition: The disposal solution must be constructable within reasonable grounds. Relatively readily available technologies must be available to overcome technical hurdles.

2 Legal and regulatory compliance (recommended)

Criteria Definition: The discharge solution, including technical hurdles, must sit within the various regulatory and compliance frameworks, as required by the various solutions being explored.

3 Fits within Council's Debt Headroom (recommended).

Criteria Definition: The whole of project (capital and operational costs) cost must sit within Councils current financial framework and within our Debt headroom. The solution needs to be financially sustainable both now and for future generations. The project will compete for budget within the relevant LTP cycle on it's own merits.

The intent of having this criteria (#3) in stage 1, is to minimise the cost and time in further investigations if a solution is unaffordable, based upon Councils current project cost and overall debt headroom.

4 Landowner approval (not recommended)

Criteria Definition: Council require approval in principle from the landowner for their land to be used for Recovered water disposal, based upon concept scheme plans. This does not bind either party from changing their stance when further information is provided in stage 2.

It is envisaged that a significant amount of investigative work will likely be required to get landowner approval at this stage of the process. The staff recommendation is to remove this from stage 1, with the wording provided for Stage 2 value #5 (Implementation Risk) capturing landowner approval at a more appropriate stage in the solution investigation.

STAGE 2 VALUES.**1 Relationship with Mana Whenua**

Value Definition: Local Government has clear legislative responsibilities under the Resource Management Act 1991 and the National Policy Statement for Freshwater Management (NPS-FM) to actively engage with Mana Whenua in freshwater planning and decision-making. This may include giving consideration to concepts such as Te Mana o te Wai statements, which prioritises the health and wellbeing of water bodies, and recognises the authority and obligations of tangata whenua in managing freshwater. As part of fulfilling these obligations, Mana Whenua will play a central role in the project's Working Group, helping to define key parameters for restoring mauri before recovered water is returned to the natural environment.

As solutions are developed, the project will initiate targeted engagement with iwi and hapū to ensure their values, Knowledge, and aspirations are captured. This approach not only meets statutory requirements but also reflects a commitment to genuine partnership, and the role of Mana Whenua with the Rivers and Lakes in Rotorua District.

2 **Community acceptance and support**

Value Definition: This is intended to pick up wider community values, acknowledging that the discharge site and solution will present both challenges and opportunities for our community.

3 **Environmental outcomes (Te Mauri O te Wai/Health of Water Alignment), including intergenerational outcomes.**

Value Definition: This is intended to capture the health and well-being of water bodies and freshwater ecosystems, the health needs of people and the ability of people and communities to provide for their social, economic, and cultural wellbeing, now and in the future. This picks up the myriad of effects that the discharge solution will have on a site and the receiving environment over multiple generations (air, land, water).

4 **Total lifecycle cost**

Value Definition: This is intended to capture the capital and operational costs of each option, including elements, but not limited to:

- Site procurement, lease or land use costs
- Design, construction and commissioning costs
- Maintenance and ongoing operational costs to run the assets including impact on rates
- Any potential return a solution may provide
- Debt, including servicing and repayment cost

5 **Implementation risk**

Value Definition: This is intended to capture the degree of risk associated with the implementation of each option. This criteria will consider availability of technology, land, expertise etc associated with both the installation and ongoing operation of each option. This value also captures relative risks that a solution is able to be delivered for the indicated cost and that the intended benefits of a solution can be fully realised. This value will also capture landowner agreements.

Stage 2 Values	Option 1 To apply to each solution		Option 2 To apply to each solution
Relationship with Mana Whenua	10	or	20
Community Acceptance and support	10		20
Environmental outcomes (Te Mauri O te Wai / Health of Water Alignment), including intergenerational outcomes.	10		20
Total Lifecycle cost	35		20
Implementation risk	35		20
TOTAL (100)	100		100

Table 2: Stage 2 Values and weightings options for approval.

5. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The content of this report and impact of the decision is deemed significant when assessed against Council's Significance and Engagement Policy 8.4 Significance and Engagement Policy.

Specific levels of significance are deemed to be:

- Importance to the Rotorua District – High
- Importance to Mana Whenua and Taura Here – High
- Consistency with Existing Policies and Strategies – Medium
- Community Interest – High
- Impact of Council's Capacity and Capability – High.

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

A decision from Council is required to allow the Recovered Water Management Solution project team to progress the project.

At a high level, initial communications will be focused on establishing a project page on RLC website (general background and information, FAQs, project updates etc), with:

- Update 1 (timed ahead of July Council report/decision)
- Update 2 (following July decision) + media briefing

Draft key messages will focus on:

- This is a community challenge, and we will work with iwi and our wider community to find a sustainable long-term solution.
- The quality of the recovered water from our upgraded wastewater treatment plant will be extremely high.
- We will keep our community informed throughout the process of finding a solution.

Detailed engagement and communication plans (both focused on specific interest groups as well as the wider public) will be further developed with input from the working group for each of the project phases. Below is a schematic to indicate current high-level thinking about the engagement and communications strategies at the different phases of the project.

7. HE WHAIWHAKAARO CONSIDERATIONS

7.1. Mahere Pūtea Financial/Budget Considerations

There are no direct financial impacts of the decisions made in this paper. The potential financial impacts of the overall recovered water solution project will be based on subsequent decisions of council as outlined in this report.

Breakdowns of budgets are provided in the confidential attachment.

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

Continuing to progress the Recovered Water Management Solution is consistent with Council's current strategic direction, plans, and policies.

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

Council acknowledges the importance to mana whenua through the investigation phases and arriving at and implementing a new disposal solution will be significant. In addition RLC is committed to our legislative responsibilities and the necessity to preserve and enhance our relationships with Mana Whenua. The purpose of Council approving this MCA framework is to enable project staff to construct a working group that can use the framework to triage potential solutions for Phase one and two of the Project.

Engagement and communication plans will be drafted and tailored for each specific Phase, The Working Group is expected to provide guidance alongside RLC Te Amorangi team to ensure that Mana Whenua can participate, their views and aspirations inform the solution and the relationships are enhanced when a solution is ultimately presented back to Council for approval.

Council will work with Mana Whenua in a way that a suitable engagement process is installed within the working group in line with the TOR, to ensure the breadth of Iwi aspirations are captured in that decision making process. The MCA framework contained herein captures how Council requires the assessment of solutions to be considered.

In a wider context, Councils communications and engagement staff will work proactively to ensure that all our communities, including mana Whenua are kept engaged in and informed of the process at all times.

7.4. Tūraru Risks

The project itself has a risk register and risk management processes. Key current project risks are:

- Not engaging with Mana Whenua in a way that is acceptable to them
- RLC develop a solution that is NOT supported by Mana Whenua and the Community
- Our relationships with Mana Whenua becoming strained
- Not showing CNI that we are proceeding in a manner acceptable to them to ensure we exit the current discharge site at the earliest practical opportunity.
- Compliance and regulatory effects.
- Programme promulgation.
- Staffing
- Not meeting community expectations
- Scope management
- Availability of a suitable solution within the set MCA framework.

**7.5. Te Whaimana
Authority**

The Council has the authority to receive this report and accept the Multi Criteria Analysis stage 1 criteria, stage 2 values and stage 2 mean relative value weightings and working group Terms of Reference.

TERMS OF REFERENCE

Working Group
Recovered Water Management Solution

Project Management Office
Organisational Performance & Innovation

ROTORUA
LAKES COUNCIL
Te Kaunihera o ngā Roto o Rotorua

TERMS OF REFERENCE (TOR) FOR PROJECT WORKING GROUP

1. PURPOSE OF THE STEERING GROUP

Previous attempts to find a solution for the disposal of our recovered water from our main waste water treatment plant have been unsuccessful, but Rotorua Lakes Council is committed to finding a suitable solution. In forming this Recovered Water Management Solution Working Group, Council will invite Mana Whenua representatives from the district and community representatives, to work collaboratively with Council to find a preferred solution. The purpose of this Terms of Reference is to describe how Mana Whenua and key stakeholders will work with Council to undertake and supply guidance the project. While the parties agree to participate in this process in accordance with these Terms of Reference, the parties retain the ability to form and express their own views on the preferred option selected, including through any statutory process.

The mission of the working group is to enable the above purpose. The Recovered Water Management Solution working group will supply guidance, and support to ensure the successful delivery and recommendation of a preferred solution/s back to Council for approval. The group will monitor progress, address key issues, and make critical decisions to keep the project aligned with its objectives. The group is to utilise the approved Multi Criteria Analysis as a means of assessing solutions and for providing feedback to Council.

Project Objectives

In undertaking the project, Council, Mana Whenua and key stakeholders will attempt to achieve consensus in respect of:

- a. Identification of a preferred solution for managing Rotorua's Recovered Water Management Solution, in a manner that works within Councils approved MCA framework.
- b. Development of applications for any resource consents or other necessary approvals, if required, to implement the preferred option identified above.
- c. Support and guide the Council and project staff on engagement and communications to the community.

For the sake of clarity, while the working group partners offer direction, advice and recommendations on the preferred option, the final decision on that option remains with Rotorua Lakes Council. Mana Whenua and stakeholders retain the ability to form and express their own views on the preferred option selected, including through any statutory process.

2. MEMBERSHIP

The following are considered members of the Working Group:

- Elected members (up to 3).
- Te Tatou O Te Arawa.
- Mana Whenua Representatives (x3).
- Community representatives (x2).
- Youth Representative.
- Project Sponsor.

Chairperson: Chief Executive.

The following are considered providers of technical assistance and advice to the Working Group:

- Bay of Plenty Regional Council technical expert: provide guidance around statutory requirements
- Stakeholder engagement: TBA, presents the views of key stakeholders.
- Finance Representative: TBA, oversees budget and financial matters.

- Project team lead: TBA, responsible for delivering the project.
- Subject Matter Experts: As required, to provide expertise and guidance on specific areas related to the project.
- Others as requested by the Working Group eg technical specialists, Māturanga Maori specialists etc

2.1 ALLOCATION OF PROJECT DESIGNATIONS

The working group will oversee the project and will:

- a. Work collaboratively and collectively to identify a preferred option for managing Rotorua's recovered water
- b. Provide advice, direction, and support to the Project Delivery Team
- c. Seek advice from, and review information presented by, the Project Delivery Team
- d. Assess solutions in accordance with Council's approved MCA framework.
- e. Receive solution options from Mandated Community Groups, aligned with the MCA framework

The Project Delivery Team will be responsible for undertaking the development of the Project, including review and interpretation of technical information, preparation of reports and advice to the working group.

The working group may agree to amend these Terms of Reference, provided any amendments are agreed to unanimously.

3. MEETINGS

Meetings will be held monthly, lasting approximately 2 hours. Additional meetings may be scheduled as needed. Meetings will be conducted in-person wherever possible or via video conference. Agendas will be circulated three days prior to each meeting, and minutes will be recorded and distributed within one week after the meeting.

Meetings will be scheduled to occur regularly and be booked six months in advance. If an event or date means that any one of the membership are not able to be represented, that member may assign an alternate person to attend that meeting in their place. Representatives on the working group are required to report back to their own organisations as appropriate on progress of the Project.

All members of the working Group are to be remunerated by Council for the time and level of expertise provided to the Project.

4. ROLES AND RESPONSIBILITIES

- *Elected members:* Actively supports the project, represents Council's wider stance and assists in reaching consensus decisions to inform recommendations.
- *Te Tatau o Te Arawa:* Responsible for advocating for Te Arawa Whanui into the working group.
- *Mana Whenua:* Representatives responsible for advocating for matauranga Māori and ensure a Māori world view is reflected in the decision making.
- *Youth Representative:* Offer advice and perspectives, with a view to facilitating 'best for project, and organisation' outcomes.
- *Project Sponsor:* Provides strategic direction, approves major decisions day to day within the project team and resolves escalated issues.
- *Chairperson:* Leads the meetings, ensures all voices are heard, and facilitates decision-making to then inform recommendations.

5. DECISION-MAKING

The working group will strive for consensus in its decision-making processes. The working group will make final recommendations to the Council in terms of the proposed preferred solution to be taken forward. Elected members of the Council may choose to meet with the working group to discuss those recommendations.

Any final decision on the project and the commitment of financial resources will be made by the elected members of Council, with a particular focus on the recommendations of the working group. Where the Council decision is different

2

to the working group recommendations, this will be reported back to members as a decision of Council, or for further discussion.

The working group includes representatives from Mana Whenua, nominated by their respective iwi to contribute to the development and refinement of the WWTP Solution. These representatives bring valuable insights, indigenous knowledge, historical context and lived experience to the table. It is acknowledged, however, that participation in the working group does not bind Mana Whenua members to the final decisions or outcomes of the group. Furthermore, their involvement does not imply endorsement or formal support from the iwi or hapū they represent, unless explicitly stated through appropriate iwi decision-making processes and targeted engagement.

6. ENGAGEMENT AND COMMUNICATION

Project Team staff, alongside RLC teams, will be responsible for all communications and engagement between Mana Whenua and the community. Working Group members will not be expected to report back to their respective groups or entities. This will be the responsibility of the Secretariat and Project staff.

7. REPORTING AND COMMUNICATION

The Project Manager will provide a monthly progress report, including status updates, risk assessments, and issue logs to the working group. Communication with stakeholders will be managed through regular updates, newsletters, and meetings as required. The working group will receive a summary report after each meeting via minutes.

8. REVIEW AND AMENDMENTS

The Terms of Reference will be reviewed as needed. Amendments can be proposed by any working group member and must be approved by Council. Changes will be documented and distributed to all members.

Version Control

	Name	Position	Date
Author			Click or tap to enter a date.
Checked by			Click or tap to enter a date.
Approved by			Click or tap to enter a date.

Revisions

[illegible]

10.7 ADOPT ANNUAL PLAN 2025-2026

Doc ID: 21442043

Prepared by: David Jensen, Chief Financial Officer

Approved by: Andrew Moraes, Chief Executive

Attachments:

1. Draft Annual Plan 2025-2026 (under separate cover)
2. Capital Funding Plan for the Tarawera Sewerage Scheme (under separate cover)

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is for Council to adopt the amended Annual Plan 2025 – 2026, including the rating funding impact statement and the Capital Funding Plan for the Tarawera Sewerage Scheme.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'Adopt Annual Plan 2025-2026' be received.
2. That the Council notes the updated Rates Funding Impact Statement; and
3. That Council revoke the decision under recommendation 2 of the Council meeting held on the 2nd of July 2025 – adopting the Annual Plan 2025-2026.
4. That Council adopt the Annual Plan 2025-2026 with the inclusion of the updated rates funding impact statement, noting that the plan delivers on decisions made by Council following consultation; and
5. That Council adopt the Capital Funding Plan for the Tarawera Sewerage Scheme.

**2. TE TĀHUHU
BACKGROUND**

The Annual Plan is a legislated document that is required to be adopted by 30 June each year.

During the preparation of the designed version of the 2025/26 Annual Plan, a column was omitted from the rating funding impact statement relating to Water Supply rates. This meant that these rates were not adopted as part of the Council decision made on 2 July 2025 to adopt the Annual Plan.

In order to adopt all rates contained within the rates funding impact statement, Council must revoke its decision to adopt the 2025/26 Annual Plan and re-adopt the revised 2025/26 Annual Plan, which includes the rates within the rates funding impact statement.

Council must also adopt the Capital Funding Plan for the Tarawera Sewerage Scheme, which includes the costs and funding sources for the scheme as adopted by Council through the striking of the capital rates as required by the Local Government (Rating) Act 2002.

Section 95 of the Local Government Act 2002 outlines the requirements for an Annual Plan. These include the annual budget and funding impact statement for the year and a summary of variation to the long-term plan to the year which the annual plan relates. This Annual Plan is year two of the Long-term Plan 2024-34.

An Annual Plan is adopted in the intervening years between long-term plan development, with the long-term plan being the key direction setting and finance strategy for the council spanning a ten-year horizon. Council will review and develop a new long-term plan once the annual planning cycle is complete to take effect from 1 July 2027.

3. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

The intent behind the Local Government Act 2002 for the development and adoption of a Long-term Plan is to ensure Councils make the necessary visioning, planning and delivery plans to drive towards better outcomes for the future of the district. The Long-term Plan should demonstrate that Council's can act as good stewards of the assets they administer on behalf of the community and that they have considered the intergenerational impacts of decisions made presently against the impacts or burden on future ratepayers and residents.

To achieve this the Long-term Plan has an expected horizon of ten years that must be reviewed every three years. In the intervening years Council publishes its annual budget (annual plan).

When global and district issues are stable, Council as required need only publish their annual budget and inform the community that all is on track against the Long-term Plan.

Development of the Annual Plan began in October 2024 with a number of series of workshops. Below is a summary of workshops and meetings that formed the basis for the development of this annual plan:

Annual Plan Workshop (open) – 21 October 2024

At this workshop councillors were provided with a recap of Year 2 as set out in the Long-Term Plan 2024-2034, and a timeline for the Annual Plan 2025/2026 process.

Annual Plan Workshop (confidential) – 18 November 2024

At this workshop councillors were provided with possible proposals for officers to investigate and bring forward to future workshops.

Annual Plan Workshop (open) – 5 December 2024

At this workshop Councillors were provided with information on how the Tarawera Sewerage Scheme is funded and opportunities to consider.

Annual Plan Workshop (open) – 5 February 2025

At this workshop Councillors were provided with an overview on the timeline and Council priorities since adoption of the LTP in 2024 and the work that has been done to-date to prepare a draft 2025 Annual Plan for consultation.

Councillors were advised on a proposed draft rates increase of 8.1% and some of the components, risks and opportunities of the increase.

Annual Plan Workshop (confidential) – 17 February 2025

At this workshop, officers sought direction from Councillors as to additional proposals for inclusion in the Annual Plan to bring forward to the Council meeting on 5 March or adoption.

Council Meeting – 5 March 2025

The purpose of the report to Council was for Council to approve the consultation topics for the Annual Plan 2025- 2026 following the workshops listed above.

Council Meeting – 26 March 2025

At this meeting the consultation document for the Annual Plan was adopted to go out for public consultation from 4 April to 5 May 2025.

Council Hearings – 15 and 16 May 2025

This was an opportunity for those that submitted on the Annual Plan to present to Council.

Council Meeting – 28 May 2025

This meeting was to consider feedback received during the Annual Plan 2025/2026 consultation period and to make decisions on the proposals for inclusion in the final Annual Plan 2025/2026.

4. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

This Annual Plan is aligned to Year 2 of the Long-term Plan. The Long-term Plan was consulted on with the community in 2024. While consultation was not required for this Annual Plan, certain proposals were deemed significant in accordance with Council's Significance and Engagement Policy. Therefore, consultation was undertaken on the Tarawera Capital Rate and the Night Market topics.

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

5.1 Annual Plan Engagement summary

Rotorua Lakes Council objectives for the consultation period were to:

- Create awareness of the Annual Plan consultation amongst Rotorua residents
- Drive people to 'Participate' for more information and to read/download documents about the proposals
- Encourage residents to make a submission and
- To meet people where they are (in their time /at their meeting place)

During the consultation period there were display information stands at key community locations:

- Council Customer centre
- The Rotorua Library Te Aka Mauri

In addition to this the Annual Plan was promoted across a number of media channels including:

- Outdoor/public spaces: bus back, adshel bus shelter
- Print: Rotorua Daily Post, community newsletter, Flyer advertisement on RLC rates invoice, flyer available at public events.
- Digital and social media: Digital campaign (Google Ads), digital radio, social media campaign on Facebook and TikTok, launch of new online engagement platform Participate, RLC website.
- Radio: 15 second spots across main radio stations
- Hard copy information: available to collect at both the library and customer centre.
- E-Pānui: headline for two editions to subscribers
- RLC digital screens in Customer Centre, Aquatic Centre, Library and Community Safety Hub
- Submission mailboxes: to drop submissions in
- Direct stakeholder engagement via email to all Tarawera residents, email to all night market vendors and letters delivered to CBD retailers.
- Webinar held for Tarawera sewerage scheme proposal

Online engagement platform 'Participate':

- There were 428 downloads of the Annual Plan consultation document via Participate
- 56 people opted in to follow the project to receive regular updates

5.2 Public events

The in-person engagement events were a mix of council organised community drop-in sessions and councillors and staff attending already organised community events.

During the consultation period it is estimated that councillors and staff will have met with and discussed issues with over 200 people. The range of engagement events included:

- Attending Kuirau Park Saturday Markets x2
- Attending Eastside Taihokohoko community markets
- Attending the Rotorua Night markets
- Information drop-in sessions at Te Aka Mauri Rotorua Library x2

At two of the public engagement events the community was asked to vote for their preferred option for the Rotorua Night Market proposal. This proved a popular activity and was a successful way to engage people, particularly families and younger people. In total there were 191 votes received through this activity.

6. HE WHAIWHAKAARO CONSIDERATIONS

6.1. Mahere Pūtea Financial/Budget Considerations

The decisions made during the deliberations process have resulted in the completion of the annual budget, rates increase, debt position and capital works programme.

The adoption of the revised 2025/26 Annual Plan will allow Council to collect the rate revenue required to fund the Water Supply activity.

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

The adopting of the Annual Plan 2025/26 sets the work plan and rates for the district for the 2026 financial year.

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

Rotorua Lakes Council communicated with iwi entities as to the Annual Plan process and invited them to participate in the Annual Plan consultation.

**6.4. Tūraru
Risks**

The key risks influencing adopting the final annual plan budget are identified as:

- Timeline –A failure to make decisions on the annual plan budget will mean that the adoption of a final annual plan and budget for the 2025/26 Financial year could be at risk.
- Financial – failure to adopt an annual plan means that Council will have limited time to strike the rates for the new financial year. That in turn could mean that Council's revenue (rates instalments) may not be met.

**6.5. Te Whaimana
Authority**

Council has the authority to revoke a decision of Council under standing order 24.

Council has the authority to adopt the Annual Plan.