



Funding Investigation Report

Rotorua Te Arawa Lakes Programme Sewerage Schemes Capital Projects and Infrastructure

TRACEY MCLEOD

8TH DECEMBER 2025

Scope

This report aims to outline these primary objectives.

1. The initial point is to emphasise the significantly high number of similarities that warrant further detailed examination and investigation.
2. To highlight the findings from a limited review and analysis of the Annual Reports of the Rotorua Te Arawa Strategy Group (RTALSG), Rotorua Lakes Council (RLC), Bay of Plenty Regional Council (BOPRC), Te Arawa Lakes Trust (TALT), and various Te Arawa and Ngati Whakaue entities, including researched sources of funding related to the Rotorua Te Arawa Lakes Programme, sewerage schemes, capital projects, and infrastructure.
3. To assess whether there were issues of transparency and accountability between the Government of New Zealand, Rotorua Lakes Council, and the Bay of Plenty Regional Council.

Summary

This investigation was initiated due to the injustice of charging lakeside ratepayers' capital cost contributions, either through optional discounted lump sum payments or targeted sewerage rates, towards Rotorua sewerage schemes totalling \$53.48 million for Lakes Rotorua, Okareka, Rotoiti, Rotoma, and Lake Tarawera.

There was public outcry over the significantly increased contributions of lakeside ratepayers towards the sewerage schemes, resulting from nearly doubling the initial budget estimates.

- 2014 – Lake Rotoiti East \$28m increased to \$54m
- 2014 – Lake Rotoma \$7m increased to \$13m
- 2015 – Lake Tarawera \$14.26m increased to \$30.64m

The main objectives were:

- To ascertain the amount of sewerage scheme funding
- It is essential to evaluate whether the funds have been allocated to the Rotorua lakeside sewerage schemes
- Additionally, it is necessary to determine whether the contributions from lakeside ratepayers per household for Lake Rotoiti/Rotoma, amounting to \$22,486, and Lake Tarawera, totalling \$36,600, are justified or warranted.

Throughout the investigation, it became evident that suspicious patterns involved prime numbers, multiplication formulas, duplicated entries, inflated expenses, discrepancies, and anomalies.

Sewerage Scheme Funding

It was initially discovered that the Rotorua Lakes Council had allegedly received \$468 million in funding for sewerage schemes from government ministerial departments and agencies, the Bay of Plenty Regional Council, and lakeside ratepayers.

COST OF SEWERAGE SCHEMES & CONTRIBUTIONS CHART					
<u>Ministry for Environment</u>	55.007		<u>Rotorua Lakes Council</u>		
Lake Rotoiti Contribution (2025 Funding Deed)	10		Sewerage Contributions - Lakes Programme	32.5	
			Lake Rotoiti - Contribution	7.503	
		<u>RLC - alleged Cost of Sewerage Schemes</u>	Lake Tarawera - Lakes Enhancement Rate	1.585	
Extra - Lake Tarawera Contribution	<u>1</u>	Lake Rotorua	Lake Tarawera - Lakes Enhancement Rate	1.1	
	66.007	Lake Okareka	Lake Tarawera - Subsidy	1.485	
		West Rotoiti	Cash Contribution -2022 FIF Agreement	0.825	
		East Rotoiti	Extra Lake Tarawera contribution	<u>1</u>	
		Lake Rotoma		45.998	
		Lake Tarawera			
Freshwater Improvement Fund	<u>6.5</u>		Lake Rotoiti - Lakes Enhancement Rate	10	
		128.84			
<u>Government Agency Funding</u>			<u>Bay of Plenty Regional Council</u>		
Ministry of Health - Lake Rotoma	4.46		Lake Rotoiti - contribution	8.62	
Ministry of Health - West Rotoiti	3.985	<u>Lakeside Ratepayers Contributions</u>	Lake Tarawera - contribution	0.75	
DIA Better Off Fund - Lake Tarawera	<u>2.05</u>	Lake Rotorua	Extra - Lake Tarawera contribution	<u>1</u>	
	10.495	Lake Okareka		10.37	
		West Rotoiti			
		East Rotoiti/Rotoma			
		Lake Tarawera			
		<u>53.48</u>			
Bold Contributions Totals	202.85		<u>Researched Net Cost of Sewerage Schemes</u>		
	<u>-128.84</u>		Lake Rotorua	23	
Surplus	74.01		Lake Okareka -RLC to RTLASG Memo 25/5/2012	7.272	
Less net cost of Sewerage Schemes	<u>-62.891</u>		Lake Rotoiti - RTALSG Annual Reports	33.754	
	11.119		Lake Tarawera - 2015 Lakes Restoration Plan	<u>14.26</u>	
				78.286	
Less BOPRC Loan	<u>-10</u>		Less funding	-16.995	
	1.119		Lakes Enhancement Rate - 2025 \$1.55m	<u>1.6</u>	
				62.891	
202.85	Sewerage Funding				
266.161	Target Sewerage Rates 2004 to 2025				
<u>-0.412</u>	Treatment & Disposal - Rotorua Te Arawa Lakes Strategy Group Annual Reports				
468.599					

It was subsequently identified that the sewerage treatment expenses totalling \$169 million from 2013 to 2024 surpassed the two upgrade costs of the Wastewater Treatment Plant by more than \$100 million.

- \$9m – 2012 WWTP Upgrade (in round figures)
- \$60m – 2022 WWTP Upgrade due for completion in 2027

Combine the \$100 million excess expenditure for sewerage treatment with the \$468 million allocated to sewerage funding, for **a total of \$568 million.**

The costs of the sewerage schemes by Rotorua Lakes Council are disputed.

The table below shows the Deed funding allocation (rounded) to each of the 4 targeted lakes:

WW Reticulation Programme	Date	Gross actual costs	"Deed" Funds	Local funds ratepayer
Lake Rotorua	2009-2012	\$23m	\$11.5m	\$11.5m
Lake Ōkareka	2007-2009	\$8m	\$4.0m	\$4m
West Rotoiti/Okere	2011-2015	\$11m	\$5.5m	\$5.5m
East Rotoiti/Rotomā	2018-Now	\$56m	\$21.5m Other funding \$14.5m	\$20m
		\$98m	\$57.0m	\$41m

The Rotorua Lakes Council lists the total cost as \$128.84 million in the table above, which includes an extra \$0.2 million for the Lake Rotoiti Sewerage Scheme and \$30.64 million for the Lake Tarawera Sewerage Scheme. However, a 2012 memorandum and other sources suggest the net cost of the sewerage schemes is \$62.891 million

Infrastructure Reference Group Reconciliation vs Sewerage Schemes Cost				
	Project Value	Govt Funding	Total Spend	
<u>Active December 2024</u>				
Bay of Plenty River Schemes Flood Resilience Project Project Owner - Bay of Plenty Regional Council	17.2	12.9		
SH30- Rotorua Project Owner - Waka Kotahi NZ	35	35	32.478	
<u>Completed December 2024</u>				<u>* RLC's alleged cost of sewerage schemes</u>
St Johns Rotorua Project Owner - St Johns	8.69735	8.69735	8.691	Lake Rotorua 23 Lake Okareka 8 West Rotoiti 11 East Rotoiti 43.2 Lake Rotoma 13 Lake Tarawera 30.64 128.84
Wai Ariki Hot Springs & Spa Project Owner - Pukeroa Lakefront Holdings Ltd	70.583071	45	63.147	
Kaingaroa Community Development Project Project Owner - Rotorua Lakes Council & Te Puni Kokiri	16.6	7.2	11	<u>* Researched actual cost:</u> Lake Rotorua 23 Lake Okareka 7.262 Lake Rotoiti 33.754 Lake Tarawera 14.28 78.296
Wharenui Road unlocking urban land Project Owner - Rotorua Lakes Council	26.141802	20	26.142	
Rangitaiki River Resilience & Flood Protection Project Owner - Bay of Plenty Regional Council	19.4		21.751	MOH - West Rotoiti -3.985 MOH - Lake Rotoma -4.46 MFE - FIF -6.5
	193.622223	128.80	130.731	* Protest Costs & funding balance -0.16 Less RLC - Catchment -0.3 Net Cost Sewerage Schemes 62.891
Less Total Spend	-130.731 62.891			
2025 Rotorua Te Arawa Lakes Programme	-154.175			* Protest - Lake Rotokakahi 3.3 Less TALT leadership - Funding Deed -0.45 Less Lakes Enhancement Rate - Lake Tarawera -2.685 0.165
Treatment & Disposal - RTALSG Annual Reports	-28.393			
Identical to shortfall in Recycled Government Funding	0.412 -27.981			
<u>Note:</u> Infrastructure Reference Group Funding identical to RLC's alleged \$128.8m cost of sewerage schemes <u>Note:</u> Infrastructure Reference Group Project Value less Total Spend of \$62.891m is identical to net cost of sewerage schemes \$62.891m <u>Note:</u> Rotorua Te Arawa Lakes Programme Balance as at January 2025 \$34.136m less Lake Weed & Cherry Tree Removal \$0.061m, less \$6.093m MFE balance to pay = \$27.982m				

The chart above clearly demonstrates the precise reconciliation between data from an alternative source (Infrastructure Reference Group) and the net calculated cost of the sewerage schemes.

The initial defect in the sewerage project was the discrepancy in the reported costs of the Lake Rotoiti Sewerage Scheme, amounting to \$33.754 million as documented in the Strategy Group's Annual Reports, which conflicted with the Rotorua Lakes Council's reported expenditure of \$67.2 million. The discrepancy of \$33.446 million multiplied by two equals \$66.892 million.

Deduct \$3 million of additional funding for the Lake Tarawera Sewerage Scheme, in conjunction with the \$0.825 million cash contribution stipulated in the Freshwater Improvement Fund Agreement, Ngati Whakaue's contribution of \$0.15 million to the Museum, and the \$0.026 million budget allocated for the removal of the Cherry Trees from Lake Tarawera Reserve. The aggregate net amount is \$62.891 million.

The memorandum dated 25th May 2012, issued by Nico Claassen, Group Manager of Infrastructure Services at Rotorua Lakes Council, to the Rotorua Te Arawa Lakes Strategy Group, confirmed the cost anomaly in the second sewerage scheme. The document provides a financial update on various sewerage projects, noting that the Lake Okareka/Tikitapu scheme was completed in 2010 with final works finished in August 2011. The total cost of this sewerage scheme amounted to \$7.262 million.

Rotorua Lakes Council has reported the cost of the Lake Okareka/Tikitapu sewerage scheme as \$8 million, whereas the Rotorua Te Arawa Lakes Strategy Group reported the cost as \$8.09 million. Although this discrepancy is relatively minor within the context of the overall figures, the \$0.738 million difference in the Rotorua Lakes Council's reported cost for the Lake Okareka/Tikitapu sewerage scheme, when rounded, is equivalent to the \$0.743 million capital project budget for the Hemo Roundabout sculpture. This exemplifies one of many instances in which figures are duplicated.

The lakeside sewerage schemes were included in the 2008 Rotorua Lakes Programme to protect and rehabilitate the Rotorua Lakes. A case study from Rotorua Lakes Council states that the Lake Rotoiti/Rotoma sewerage scheme costs \$67.2 million. However, a review of the Rotorua Te Arawa Lakes Strategy Group Annual Reports from 2008 to 2024 shows the scheme's cost is listed as only \$33.754 million.

This significant case could indicate that the Sewerage Schemes were overpriced initially by a factor of two.

Plus	\$64.00	Half of RLC's reported \$128m cost of sewerage	
Less	-\$ 1.10	Lake Enhancement Rate - Lake Tarawera	
	<u>\$62.90</u>	Total	<u>\$62.89</u> Net Cost of sewerage schemes

Co-incidentally, Bay of Plenty Regional Council's 2024 Rates Revenue of \$191m less Rotorua Lakes 2024 Rates Revenue of \$128m also equals \$63 million.

In 2008, Prime Minister Helen Clark announced government funding of \$72.1 million for the programme, along with an additional \$72.1 million to be matched by the Bay of Plenty Regional

Council and Rotorua Lakes Council's long-term community consultation plans. The funding announcement and the Rotorua Lakes Programme aimed to reduce any "excessive burden" on ratepayers.

In 2007, a Memorandum of Understanding was signed to promote collaboration among the four partners in overseeing the future management of the Rotorua lakes. Although these four entities formed a partnership, it is alleged that funds may have been misappropriated or that unauthorised transfers may have taken place between them.

Each party either allocated or expended a total of **\$568 million**.

The four partners were

1. Crown/Government/Ministry for Environment
2. Environment Bay of Plenty/Bay of Plenty Regional Council
3. Rotorua District Council/Rotorua Lakes Council
4. Te Arawa Maori Trust Board/Te Arawa Lakes Trust

The sewerage funding and excess sewerage treatment expenditure of **\$568 million** were not allocated for their intended purpose, namely sewerage schemes.

New Zealand Government Funding

The **\$568 million** government funding experienced a shortfall of \$27.982 million.

The shortfall corresponds to the balance of the Rotorua Te Arawa Lakes Programme, amounting to \$34.136 million as of the beginning of 2025. Amounts deducted include expenses for Lake Weed and Cherry Tree removal, totalling \$0.061 million, as well as the Ministry for Environment's payable balance for the lakes programme, amounting to \$6.093 million.

<u>RECYCLED GOVERNMENT FUNDING</u>		<u>Te Arawa Lakes Trust & Ngati Whakaue Trust Assets, Funding & Expenditure</u>	
Ministry for Environment - Lakes Programme incl extra \$1m Lake Tarawera	66.982	Te Arawa Lakes Trust Assets 2022	141.3
Ministry for Environment - Freshwater Improvement Fund	6.5	Pukeroa Oruawhata Trust Increase in Assets since 2015	145.6
Ministry of Health - West Rotoiti \$3.985m + Lake Rotoma \$4.46m	8.445	Te Taumata O Ngati Whakaue Assets	7.7
Shovel Ready Fund - Roading & Maori Land Development	55	Ngati Whakaue Education Endowment Trust	64.4
Provincial Growth Fund - Lakefront	20.9	Ngati Whakaue Tribal Lands Trust	80.1
Provincial Growth Fund- Whakarewarewa Forest	7.09	Ngati Whakaue Assets Trust	28.5
Kanoa Regional Economic Development - Lakefront	1	Govt Funding \$1.5m Wai Ariki Spa, 48.27m Manawa Gardens, Jobs for Nature 2.5m, DOC 0.406, DOC/MSD 0.007	<u>467.6</u>
Kanoa Regional Economic Development - Museum	22	Gifted Section 0.3m, RTAL5G 0.09m Lake Okareka, Less expenses not in RTAL5G 1.11m, Lake Weed Removal 0.07m,	101.09
Rotorua Lakefront cultural overlay	1	TALT 0.45, Return costs of section 0.038m, Variance Lake Tarawera & Protest costs 0.165m, Museum 0.15m	568.69
Better Off Fund Aquatic Centre	8.05	<u>Bay of Plenty Regional Council</u>	
Urban Cycleways Fund - Cyways	1.5	2024 Annual Report	233.877
Infrastructure Acceleration Fund - Western & Central Corridor	84.6	2024-2034 - Long Term Plan	40.31
Bay of Plenty River Schemes - Flood Resilience Project - IRG	12.9	Rotorua Te Arawa Lakes Programme - Catchment Expenses	40.6
Rangitaiki River Resilience & Flood Protection- IRG	10.275	Rotorua Te Arawa Lakes Programme - Engineering Interventions	15.55
Flood Protection - 2025	9	Rotorua Te Arawa Lakes Programme - Incentives Interventions	18.16
State Highway 30 - IRG	35	BOPRC's share of Rotorua Te Arawa Lakes Programme	39.6
St Johns Rotorua - IRG	8.69	Less BOPRC's Lake Rotorua Farm purchase/Lake Rotoiti Sewerage	-8.68
Kaingaroa Community Development Project - IRG	7.2	Less BOPRC's contribution to Lake Tarawera Sewerage Scheme	-1.75
Wharenui Road unlocking urban land - IRG	20	RLC's contribution to catchment expenses	0.3
Taheke Geothermal Power Station - IRG	11.9	Ohau Channel Diversion Wall	11
Wai Ariki Hot Springs & Spa - Covid Response \$6.51m + \$0.49m	7	2025 Lake Weed Removal 0.05m less Cherry Trees Lake Tarawera 0.03m	0.02
Wai Ariki Hot Springs & Spa - Provincial Growth Fund \$6.5m +\$38m	44.5	Less Contribution to lake Tarawera Sewerage	-0.75
QE Health - PGF	17.5	TALT Intervention - 2025 Funding Deed	0.45
Manawa Gardens - Stage 1 - MHUD	19.8	Rangiorua Business Park/2024 Rates \$191m less Ohau Wall \$11m	<u>180</u>
Manawa Gardens - Stage 2 - Whai Kainga Whai Oranga	28.47		568.69
Rangiorua Business Park - PGF	18	<u>Rotorua Lakes Council Funding</u>	
Waitete Marae - PGF	0.372	Lakeside Ratepayers' capital cost contributions - Sewerage Funding*	53.48
Major Events & Tourism Package 2025	4.525	Target Sewerage Rates 2004-2024- Sewerage Funding*	266.161
Jobs for nature - Te Arawa Lakes Trust	2.5	Government, BOPRC & RLC - Sewerage Funding*	147.539
Balance of Lakes Programme \$34.136m less Lake Weed & Cherry Tree Removal \$0.061m	<u>34.075</u>	Less Ministry for Environment contribution - Lake Rotoiti	-10
Ministry for Environment's Balance of 2025 Funding Deed	<u>-6.093</u>	Less RLC's contribution to Engineering & Incentives	-9.975
	568.68	Less Catchment 0.3m, Gifted Section 0.3m, Tarawera 1m, TALT 0.45m - same as Better Off	-2.05
Less Government Infrastructure 2024	-466	Less Ngati Whakaue's contribution to Museum	-0.15
Defence Equipment & Infrastructure, Tourism Infrastructure & Maori Ward Referendum	-468	Less Freshwater Improvement Fund Cash Contribution	-1.825
2025 Funding Deed - TALT	-0.45	Less Lakes Enhancement Rate - Lake Tarawera	-1.1
RLC - Target Sewerage Rates 2024/Govt Funding Infrastructure & Lakes Programme	266.161	RLC's contribution to Capital Projects	84.6
2013-2024 Excess Sewerage Treatment Expenses/Wai Ariki Spa & Manawa Gardens Funding	<u>100.591</u>	Extra Lake Rotoiti Sewerage 33.3m less 0.8m Museum Exhibition Funding	32.5
	-567.698	Museum Exhibition	<u>9.51</u>
\$0.007 MfE Balance of \$55.007 payment, Ngati Whakaue Museum 0.15, Cash FIF 0.825 = \$0.982m	0.983	*Note: Sewerage Fund \$468m same as 145 Infrastructure, 128 Sewerage, 188 Capital Projects, 7 FIF	568.69

Te Arawa & Ngati Whakaue Assets & Funding

The ratepayers and taxpayers did not authorise the \$51.5 million government funding for the Wai Ariki Hot Springs & Spa, the \$48.27 million for the Manawa Gardens iwi housing development, Te Arawa Lakes Trust Jobs for Nature \$2.5 million subsidy, Land Information New Zealand \$0.406 million of Conservation/Ministry of Social Welfare \$0.007 million, Gifted Ngongataha Section \$0.3 million, and the inflated \$0.09 million for the Lake Okareka Sewerage Scheme.

When combined with the increase in assets since 2015 for Pukeroa Oruawhata Trust, Te Arawa Lakes Trust Assets, and various Ngati Whakaue Trust assets, deducting \$1.11 million for expenses not included in the Rotorua Te Arawa Lakes Strategy Group Annual Reports, (the same as Gorse) Ngati Whakaue's \$0.15 million contribution to Museum, Lake Weed Removal \$0.07 million, Return costs for Ngongataha Section \$0.038 million, Te Arawa Lakes Trust Leadership expenses \$0.45 million, the Lake Okareka Sewerage Scheme, and the variance for the Lake Tarawera sewerage scheme funding and the Lake Rotokakahi Protest costs \$0.0165 million the total amounted to **\$568 million**.

An official response to the Information Act request was received on 26th November 2025 from the Ministry of Business, Innovation & Employment, indicating additional funding of \$45 million to Pukeroa Oruawhata Lakefront Holdings Ltd for the Wai Ariki Hot Springs & Spa and QE Health. In 2023, a further two payments of \$6.51 million and \$0.49 million from the Covid-19 Response and Recovery Fund were approved as supplementary funding under the existing contract for Wai Ariki Hot Springs & Spa, facilitating the completion of the project. These amounts are nearly identical to the \$6.5 million allocated to the Freshwater Improvement Fund for Lake Tarawera Sewerage and the

\$0.45 million designated for the leadership intervention by the Te Arawa Lakes Trust, as outlined in the new 2025 Funding Deed for the Rotorua Te Arawa Lakes Programme.

Combine the \$6.51 million with the Provincial Growth Fund payment of \$6.5 million made in December 2019 for the Wai Ariki Hot Springs Spa project and the adjacent land for QE Health development; this results in a total of \$13.01 million. This is identical to some of the government funding for the sewerage schemes, totalling \$13.01 million.

- \$6.50m Freshwater Improvement Fund - Lake Tarawera
- \$4.46m Ministry of Health – Lake Rotoma
- \$2.05m Better off Fund – Lake Tarawera

Bay of Plenty Regional Council

The Bay of Plenty Regional Council's 2024 Annual Report and the 2024-2034 Long-Term Plan, along with the Rotorua Te Arawa Lakes Programme, Ohau Channel Diversion Wall, Bay of Plenty Sewerage Schemes, and Bay of Plenty River Schemes, amount to a total of **\$568 million**.

<u>BAY OF PLENTY REGIONAL COUNCIL - 2024 ANNUAL REPORT & LONG TERM PLAN vs IWI</u>				
<u>2023/2024 Annual Report</u>		<u>Te Arawa Lakes Trust & Ngati Whakaue Trust Assets & Funding</u>		
Te Puke Stormwater Project	1.9	Te Arawa Lakes Trust Assets 2022		141.3
Rangitaiki Floodway	5.1	Pukeroa Oruawhata Trust Increase in Assets since 2015		145.6
Rangitaiki Flood walls	1.2	Te Taumata O Ngati Whakaue Assets		7.7
Rangitaiki River stopbank upgrade	3.1	Ngati Whakaue Education Endowment Trust		64.4
Old Rangitaiki Canal	2.3	Ngati Whakaue Tribal Lands Trust		80.1
Whakatane Tauranga Flood Damage Repairs	<u>0.6</u>	Ngati Whakaue Assets Trust		<u>28.5</u>
	14.2	Sub-total		467.6
		<u>Government Funding for Te Arawa/Ngati Whakaue Projects</u>		
School Sustainability & Resilience Fund	0.077	Wai Ariki Spa & QE Health Land - Provincial Growth Fund		6.5
Operating Expenditure	185.7	Wai Ariki Spa - Infrastructure Reference Group		38
Capital Expenditure	<u>33.9</u>	COVID-19 Response & Recovery Fund		6.51
	219.677	COVID-19 Response & Recovery Fund		0.49
<u>Long Term Plan 2024-2034</u>		Manawa Gardens - Stage 1		19.8
Flood Protection Infrastructure	20	Manawa Gardens - Stage 2		28.47
Kaituna Catchment Control Scheme	8.42	Department of Conservation - Jobs for Nature		2.5
Waioweka - Otara Rivers Scheme stopbank upgrades	1.2	DOC/MSD - TALT Conservation Skills & Employment Pilot		0.007
Whakatane -Tauranga Rivers Scheme	<u>10.69</u>	Land Information NZ - Te Arawa Lakes Trust Project		0.406
	40.31	Gifted Ngongataha Section		0.3
Lakes Programme - 2025 Funding Deed	39.6	Return Costs - Gifted Ngongataha Section		-0.038
Ohau Channel Diversion Wall & Reconsenting	11.63	Expenses not included in totals RTALSG Annual Reports		-1.11
Variances - 2025 Funding Deed \$0.025m & 2025 Lake Weed Removal \$0.05m	0.075	Ngati Whakaue Contribution to Rotorua Museum		-0.15
Engineering \$18.16, less \$3.2m Govt funding not declared RTALSG, less possible future funding	<u>14.16</u>	Less Lake Weed Removal \$35K x 2		-0.07
Museum Exhibition \$0.8m	65.465	Variance - Lake Tarawera Sewerage Funding - Lake Rotokakahi Protest Costs		-0.165
		TALT Leadership Expenses - 2025 Funding Deed		-0.45
		RTALSG Lake Okareka Sewerage Cost \$8.09m less RLC \$8m		<u>0.09</u>
				101.09
BOP Sewerage Schemes - BOPRC Contributions	17.188	<u>Note BOPRC 2024 income same as:</u>		
BOP River Schemes Flood Resilience Project 2025	15.2	Rangiorua Business Park	180	
Non-Deed Expenses - Lakes Programme	5.15	Ohau Channel Diversion Wall	11	
Less RLC's contribution to Catchment Expenses - RTALSG	<u>0.3</u>	Reconsenting Ohau Wall	0.63	
	37.838	Less TALT leadership	<u>-0.45</u>	
Add 2024 Income (identical to table on right)	<u>191.2</u>		191.18	
	568.69	Rounded to \$191.2		568.69

The four-way partnership was not an authorised equal partnership.

Rotorua Lakes Council

Below is a comparison of Sewerage Funding to Iwi Trust Assets, with minor adjustments for funding and transactions in the Rotorua Te Arawa Lakes Programme, contributions to the Museum, and the gifted section in Ngongataha.

<u>Iwi Trust Assets against Sewerage Funding as at 2025</u>	<u>Ratepayers</u>	<u>Crown</u>	<u>Rotorua Council</u>	<u>Bay of Plenty Council</u>	<u>Trusts</u>	<u>Total</u>
Funding for Sewerage Schemes						
Freshwater Improvement Fund		-6.5	-0.825			-7.325
Lake Okareka	-4					-4
Lake Rotoiti	-11.5	-10	-7.5	-8.62		-37.62
West Rotoiti	-5.5	-4				-9.5
Lake Rotoiti - Lakes Enhancement			-10			-10
East Rotoiti/Lake Rotoma	-17.31					-17.31
Lake Rotoma		-4.5				-4.5
Lake Tarawera	-15.17		-1.49	-0.75		-17.41
Lake Tarawera - Better Off Fund		-2.05				-2.05
Lake Tarawera - Extra Funding		-1	-1	-1		-3
Lake Tarawera - Lakes Enhancement			-2.7			-2.7
Lakes Programme		-55				-55
Lakes Programme Interventions			-32.5			-32.5
Target Sewerage Rates	-266.161					-266.161
Treatment & Disposal - RTALSG			0.412			0.412
Budget Cherry Tree Removal - Lake Tarawera Reserve			-0.026			-0.026
						-468.69
Te Arawa Lakes Trust & Ngati Whakaue Trusts' Assets						
Ngati Whakaue Assets Trust					28.5	28.50
Ngati Whakaue Education Edowment Trust					64.4	64.40
Ngati Whakaue Tribal Lands Trust					80.1	80.10
Pukeroa Oruawhata Trust increase in assets since 2015					145.6	145.60
Te Arawa Lakes Trust - 2022					141.3	141.30
Te Taumata O Ngati Whakaue					7.7	7.70
DOC - Jobs for Nature					2.5	2.50
DOC/MSD TALT Conservation Skills Pilot					0.007	0.01
Land Information NZ - Te Arawa Lakes Trust					0.406	0.406
Expenses not in RTALSG Annual Reports/Gorse					-1.11	-1.11
Ngati Whakaue - Museum Contribution					-0.15	-0.15
Lake Weed Removal \$0.035m x 2					-0.07	-0.07
2025 Lake Removal					-0.05	-0.05
Variance in Lake Tarawera Funding & Lake Rotokakahi Protest Costs					-0.165	-0.165
TALT Leadership Expenses					-0.45	-0.45
RTALSG Lake Okareka \$8.09m - \$8m					-0.09	-0.09
Gifted Ngongataha Section					0.3	0.30
Return Costs Ngongataha Section					<u>-0.038</u>	<u>-0.038</u>
	-319.641	-83.05	-55.629	-10.37	468.69	468.69

The Rotorua Lakes Council's failure to allocate \$468 million in funding for the sewerage schemes also reflects a lack of openness and transparency, as required by the Local Government Act. For example, a confidential meeting was held regarding the \$6.95 million Wastewater Treatment Plant Asset Disposal for the Contact Bed, which was initially approved by Iwi but later rescinded.

This amount matches the \$6.5m Freshwater Improvement Fund for Lake Tarawera, as previously discussed, and the \$0.45 million Te Arawa Lakes Trust Leadership intervention integrated into the new 2025 Funding Deed for the Rotorua Te Arawa Lakes Programme, executed at the beginning of 2025. This represents another instance of multiple duplicated entries, replicated across the funding and expenditure of the four partners.

Although the general rates were not utilised in this analysis, it is noteworthy that rates collected in 2003 amounted to \$33 million, which corresponds with the purported additional costs borne by the

Rotorua Lakes Council for the Lake Rotoiti Sewerage Scheme. Furthermore, rates collected in 2024 reached \$128 million, aligning with the total expenditure on the lakeside sewerage schemes. It is highly plausible that the Rotorua Lakes Council has contributed three times the **\$568 million** share into the four-way partnership.

Examples:

1. Rotorua Lakes Council 2025 Annual Reports – Balance as at 2025 from 2003

636 Other Expenses
546 Sewerage Expenses
464 Contractors

Plus	\$ 636.00	Other Expenses
	\$ 546.00	Sewerage Expenses
	\$ 464.00	Contractors, Consultants & Legal - 2013-2025
	<u>\$ 469.00</u>	Debt
	\$ 2,115.00	Total
	\$1,033.00	Other Income
		<i>\$0.45 TALT</i>
		Expenses not included in the Rotorua Te Arawa Lakes Strategy Group
		<i>\$1.10</i> Annual Reports
	\$1.60	Lakes Enhancement Rate 2025 (identical to TALT \$0.45m and \$1.1 expenses
Less	-\$42.50	Sewerage Additions, Disposals & Reserves (same as RLC's share 2025 Funding Deed)
	-\$13.01	Government Funding - Sewerage Schemes (same as \$6.5m x 2)
	<u>-\$0.09</u>	Less RTALSG cost of Lake Okareka Sewerage scheme \$8.09m - \$8m
	\$979.00	Total
Plus	\$2,115.00	
Less	<u>-\$979.00</u>	
Sub-total	\$1,136.00	(2 x \$568m)
Plus	\$ 568.00	Sewerage Funding \$468m plus excess sewerage expenditure \$100m
	\$1,704.00	(Total divided by \$568m = 3 shares of partnership)

Example two:

2. The Bay of Plenty Regional Council may not have allocated the \$55.55 million in Lakes Enhancement Rates to the Rotorua Te Arawa Lakes Programme. Consequently, there is a need for contributions of \$53.48 million from Lakeside Ratepayers and \$2.05 million from the Three Waters Better Off Fund.

Capital Project Funding

There were five major capital projects in Rotorua, costing \$188.45 million, with just over 50% of the cost subsidised by the government and additional funding sources. The government funding for these capital projects was primarily obtained from the Provincial Growth Fund, the Kanoa Regional Economic Development & Investment Unit, and the Three Waters Better Off Fund. If the Rotorua Lakes Council were to finance 50% of the capital projects, the required amount would be \$94.225 million. Nevertheless, the contribution expected from the Rotorua Lakes Council was less than half of the total cost, amounting to \$82.6 million.

The potential \$11.625 million shortfall to fund half of the capital projects matches the expenditure of \$11 million on the Ohau Channel Diversion Wall by the Bay of Plenty Regional Council and the wall's re-consenting fees of \$0.63 million, as documented in the Rotorua Te Arawa Lakes Strategy Group Annual Reports. This same shortfall also equals \$11.1 million expected from the future Lakes Enhancement Rate for Lake Rotoiti and Lake Tarawera Sewerage Schemes, along with the adjustments listed in the 2025 Funding Deed of Te Arawa Lakes Trust Leadership Expenses \$0.45 million, less the \$0.075 million overall reduction of the Deed, being a \$0.025 million share reduction of each of the three parties, eg, Ministry for Environment's share of the 2025 Funding Deed for the Rotorua Te Arawa Lakes Programme of \$72.1 million; being reduced to \$72.075 million.

Coincidentally, the Rotorua Lakes Council's requirement for contributions to capital projects matches the interventions and contributions of the Bay of Plenty Regional Council for the Rotorua Te Arawa Lakes Programme and Bay of Plenty River Schemes as outlined below.

RLC Contributions to Capital Projects		BOPRC Lakes Programme & River Schemes	
\$ 15.50	Rotorua Museum	\$ 15.55	Engineering Interventions – Funding Deed
\$ 7.50	Whakarewarewa Forest	\$ 7.52	Lake Rotoiti Scheme \$8.62m - \$1.1m
\$17.90	Aquatic Centre	\$ 17.20	BOP River Flood Resilience Project
\$19.10	Lakefront	\$ 19.10	BOP River Rangitaiki River Resilience
\$22.60	Performing Arts Centre	\$ 22.50	Opening Balance – Funding Deed
		\$ 0.75	Contribution– Lake Tarawera
\$82.60		\$82.62	

Infrastructure

Rotorua Lakes Council received \$84.6 million from the NZ Government's Infrastructure Acceleration Fund to expedite housing developments and facilitate approximately 3,080 new homes. This grant was \$2 million less than the council's own contribution of \$82.6 million to capital projects.

Rotorua Lakes Council is undertaking two significant infrastructure enhancements to bolster the resilience of vital water and wastewater services—to Ngongataha and Rotorua Central. When

enquired about the investment cost, the Council stated that the multi-million-dollar projects were of a commercially sensitive nature.

Another coincidental calculation, identical to the sewerage funding of \$468 million, is presented below and includes the costs of the Rotorua Capital Projects, Rotorua Te Arawa Lakes Programme, and Infrastructure. This calculation deducts the \$10 million loan from the Bay of Plenty Regional Council's Incentives for the Lake Rotoiti Sewerage Scheme, as well as the Lakes Enhancement Rate for the Lake Tarawera Sewerage Scheme.

plus	\$ 188.00	Capital Projects
	\$ 144.00	Rotorua Te Arawa Lakes Programme 2008
	\$ 145.00	Infrastructure
	\$ 1.00	Lakes Enhancement Rate – Lake Tarawera Sewerage
less	-\$ 10.00	BOPRC Loan from Incentives to RLC – Lake Rotoiti Sewerage
	<u>\$ 468.00</u>	(Identical to Sewerage Funding)

Grants & Subsidies

As of the conclusion of the 2023-2024 financial year, a total of \$243 million in grants and subsidies has been reported in the Rotorua Lakes Council Annual Reports spanning from 2013 to 2024.

Based on research, a total of \$293 million, comprising ministerial subsidies and funds allocated for sewerage schemes, was identified as the total amount of grants and subsidies. This resulted in a \$50 million shortfall in grants and subsidies received during the 2023-2024 financial year. As at the end of the 2024-2025 financial year, \$50 million in grants and subsidies had been declared, bringing the total amount of grants and subsidies received to \$286 million.

The \$7 million shortfall from the researched \$293 million appears to be intended for the Ministry for Environment's \$6.5 million Freshwater Improvement Fund. As stated in the Ministry for Environment's email dated 2nd April 2025, "Please note that the Freshwater Improvement Fund (FIF) is an open contestable funding programme, not a subsidy programme."

Findings

The key roles of the Te Arawa Lakes Trust are:

Lakes Management: The trust is responsible for overseeing the management of fourteen lakes and holds ownership rights to their beds under the Te Arawa Lakes Settlement Act. It supervises commercial operations, public utilities, and other rights and obligations associated with lakebed ownership.

Asset Management: The trust assumes responsibility for the oversight and administration of the settlement assets on behalf of the Te Arawa people. To facilitate this responsibility, its asset

management division, Te Arawa Management Ltd, manages commercial resources to generate income to support the trust and promote the health of the lakes.

Community Advancement: A fundamental objective of the trust is to foster the educational, spiritual, economic, social, health, and cultural development of the Te Arawa community.

Environmental Stewardship: The trust actively participates in initiatives to safeguard and restore the lakes. Such initiatives include the Catfish Killas programme, which educates the community and systematically culls invasive catfish populations. The trust also collaborates with government agencies to monitor water quality and formulate management strategies.

Partnership and Advocacy: The trust advocates for a stronger partnership with the government and seeks to attain greater recognition of its role as kaitiaki (guardian) of the lakes. Furthermore, it participates in legal action to ensure that Māori rights and responsibilities regarding freshwater resources are maintained.

Other items to note:

- The settlement under the Te Arawa Lakes Trust Settlement Act was \$10 million in cash and \$400,000 worth of fishing licences.
- The sole available Annual Report for the Te Arawa Lakes Trust for 2022 was obtained from the Shine Collective website. It enumerated assets totalling \$141.3 million.
- The Te Arawa Lakes Trust has not financially contributed to the lakes' health from its generated income.
- When the assets of Te Arawa Lakes Trust are aggregated with those of Pukeroa Oruawhata Trust and various Ngati Whakaue Assets, the government funding allocated for the Wai Ariki Hot Springs & Spa and the housing development at Manawa Gardens amounts to \$568 million. Additionally, a further \$6.51 million has been confirmed, as reflected in the response to the Official Information Act request received from the Ministry of Business, Innovation and Employment on 26th November 2025.
- The Rotorua Lakes Council has received, or is due to receive, \$568 million in sewerage funding (once the future lakes enhancement rates and lakeside ratepayers' contributions have been paid), and, taking into consideration \$100 million in excess sewerage treatment expenses, all of which were not allocated to the sewerage schemes.
- Bay of Plenty Regional Council's 2024 Annual Reports and 2024-2034 Long Term Plan, along with catchment interventions in the Rotorua Te Arawa Lakes Programme, Bay of Plenty Sewerage Schemes and Bay of Plenty River Schemes, also total \$568 568 \$568 568million.
- It is unclear whether the regional council contributed its Lakes Enhancement Rate collected from the 2006/2027 financial year to the 2025/2026 financial year, towards the Rotorua Te Arawa Lakes Programme.
- At the centre of this four-way partnership was the Rotorua Te Arawa Lakes Programme, administered by the Rotorua Te Arawa Lakes Strategy Group (RTALSG).
- The Rotorua Te Arawa Lakes Strategy Group is the overarching management group comprising representatives of the Bay of Plenty Regional Council, Te Arawa Lakes Trust, and Rotorua Lakes Council.

- A non-voting observer for the Ministry for Environment participates in meetings of the Rotorua Te Arawa Lakes Strategy Group.
- The Ministry for the Environment is the primary overseer of the Rotorua Te Arawa Lakes Strategy Group's annual reports, as it receives them for accountability under the Funding Deed. The Strategy Group, a partnership between the Rotorua Lakes Council, Te Arawa Lakes Trust, and Bay of Plenty Regional Council, prepares the reports, which are also sent to these respective partner organisations.

The Profit & Loss statement below has been prepared from the RTALSG Annual Reports and researched information, indicating a surplus of \$334.136 million.

<u>ROTORUA TE ARAWA LAKES PROGRAMME - Profit & Loss with Council adjustments</u>					
Contributions			Expenses		
Ministry for Environment to 30/6/2024	55.007		<u>Sewerage Scheme</u>		
Ministry for Environment 5/2/2025	<u>10.975</u>		Lake Rotorua	23	
	65.982		Lake Okareka \$8.09m - \$8m + 2012 Memo	7.352	
MfE Balance to pay - \$72.075m - \$65.982m	<u>6.093</u>		West Rotoiti	11	
	72.075		East Rotoiti/Rotoma - RTALSG vs RLC \$67.2	<u>33.754</u>	
				75.11	75.11
Rotorua Lakes Council Sewerage Expenses - Funding Deed	32.5		<u>RTLSG - Annual Reports</u>	<u>Non-Deed</u>	
Bay of Plenty Regional Council - Catchment - Funding Deed	<u>39.6</u>		Aeration	0.85	
	72.1		Advice & Support	2.06	
			Gorse		1.11
Ministry of Health - West Rotoiti	3.985296		Lakes Engineering Solutions	0.54	
Ministry of Health - Lake Rotoma	<u>4.46</u>		Land Use Change	0.50	
	8.445296		Land Management Change		4.12
			Low Nitrogen Land Use Fund	0.27	
Lakes Enhancement Rate - BOPRC - 2006-2026	55.55		Ohau Wall Re-consenting		0.63
Lakes Enhancement Rate - RLC - 2007-2024	<u>1.708</u>		Phosphorus		11.05
	57.258		Tikitere Diversions		2.33
<u>Lakeside Ratepayers - Capital Cost Contributions</u>			Tikitere Geothermal	0.93	
Lake Rotorua	11.5		Treatment & Disposal		0.41
Lake Okareka	4		Weed Harvesting		1.63
West Rotoiti	5.5		Wetland		2.1
Lake Rotoiti/Rotoma	17.31		Incentives Schemes		2.09
Lake Tarawera	<u>15.17</u>		Land Incentive Board Administration		2.02
	53.48		Land Incentive Payments		<u>9</u>
* Note Catchment 0.3+ Gifted section 0.3 less 0.025 Funding Deed = 0.575				41.64	5.15
\$1.825m Cash Contribution, less 0.41 Treatment & Disposal, 0.165m Tarawera	-1.25		Rotorua Lakes Incentive Scheme		45.5
Rotorua Lakes Council contribution to Lake Rotoiti	7.503		Low Nitrogen Land Use Fund		1.6
Bay of Plenty Regional council contribution to Lake Rotoiti	<u>8.62</u>		Ohau Channel Wall Diversion		<u>11</u>
	14.9				58.1
			<u>2025 Funding Deed</u>		
Rotorua Lakes Council - Target Sewerage Rates	266.161		Engineering Intervention	15.55	
RLC - Loan from BOPRC for Lake Rotoiti Sewerage	10		Incentives Intervention	18.16	
Less Freshwater Improvement Fund - Lake Tarawera	-6.5		TALT Leadership Expenses	0.45	
Variance -2025 Funding Deed \$0.025m & 2025 Lake Weed Removal \$0.05m	<u>0.075</u>		RLC Contribution to Incentives & Engineering	<u>9.975</u>	
	\$ 547.97			44.135	44.135
\$300 Target Sewerage Rates 2004-2025 + Balance Lakes Programme \$34.136	-\$ 334.136				
	\$ 213.83				\$ 213.83

This amount corresponds to \$300 million in Target Sewerage Rates collected from 2004 to 2025, and the remaining balance of \$34.136 million for the Lakes Programme funding as of the beginning of 2025, prior to the Ministry for Environment's payment of \$10.975 million on 5th February 2025.

Note: 2008 Rotorua Te Arawa Lakes Programme total \$144 million, yet \$214 million spent, resulting in \$70 million extra expenditure. In 2025, the lakes programme was increased to \$154 million reducing the extra expenditure to \$60 million.

The government purportedly allocated \$540.7 million to the Rotorua Te Arawa Lakes Programme, along with investments in Rotorua's Infrastructure, Capital Projects, Bay of Plenty Flood Resilience & Protection, State Highway 30, infrastructure aimed at unlocking urban land, Manawa Gardens, Wai Ariki Hot Springs & Spa, QE Health, Rangiuru Business Park, Kaingaroa Community Development Project, St Johns, Taheke Geothermal Power Station, Waitete Marae, and a comprehensive Major Events & Tourism Package.

However, in 2024, the government allocated **\$466 million** for infrastructure initiatives, as well as **\$468 million** for Defence Equipment and Infrastructure, Temporary Accommodation for Cyclone Gabrielle, and the Auckland Floods. Additionally, in 2025, funding was designated for Tourism Infrastructure and a Maori Ward Referendum, culminating in a total of \$934 million.

Deduct the \$540.7 million in government funding towards the Rotorua District projects, and it leaves a **\$373.3 million** shortfall.

Is it possible that the government obtained that shortfall of funding from the Councils and Ratepayers?

Plus	\$ 300.00	Target Sewerage Rates from 2004 to 2025
		RLC's External Funding - Freshwater Improvement Fund Agreement
	\$ 15.00	or Lake Tarawera/Lakeside ratepayers' contributions to sewerage
	\$ 33.00	RLC's alleged extra cost for Lake Rotoiti Sewerage Scheme
	\$ 55.00	BOPRC's Lake Enhancement Rate 2006/2007 - 2025/2026
	\$ 1.75	BOPRC's contribution to Lake Tarawera Sewerage Scheme
Less	-\$ 1.825	Cash Contribution - Freshwater Improvement Fund Variation Agreement 2025
	-\$ 6.50	Freshwater Improvement Fund - Lake Tarawera
	-\$ 0.30	RLC's contribution to catchment interventions - RTALSG Annual Reports
	-\$ 22.50	2025 Funding Deed - Opening Balance for BOPRC Catchment Interventions
	-\$ 0.30	Ngongataha Gifted Section value \$300K
		<i>\$10.00 Loan</i>
		<i>\$9.975 RLC's repayment - 2025 Funding Deed Incentives & Engineering</i>
	-\$ 0.025	RLC's Variance between BOPRC Lake Rotoiti Sewerage & Loan
	<u>\$ 373.3</u>	

Note:

1. The Ministry for the Environment's share of the Rotorua Te Arawa Lakes Programme was \$66 million, which would be shared equally by the Councils' extra \$33 million in expenses each.
2. Bay of Plenty Regional Council's Lakes River Schemes of \$36.6 million, less Rotorua Lakes Council's Contribution to Catchment Expenses of \$0.3 million, and BOPRC's Low Nitrogen Land Use Fund of \$3.3 million, also equals \$33 million.

The Profit & Loss document for the Rotorua Te Arawa Lakes Strategy Group shows a surplus of \$334.136 million. This is equivalent to \$300 million in Target Sewerage Rates collected by Rotorua Lakes Council from 2004 to 2025, and the \$34.136 million remaining balance of the Rotorua Te Arawa Lakes Programme as at the beginning of 2025.

<u>Sewerage Scheme Cost Comparison RLC to Actual</u>			
<u>RLC's alleged cost of sewerage schemes</u>			
Lake Rotorua	23		
Lake Okareka	8		
West Rotoiti	11		
East Rotoiti	43.2		
West Rotoiti	13		
Lake Tarawera	<u>30.64</u>		
	128.84		
Lakeside Ratepayers' Contributions to sewerage	53.47		
Target Sewerage Rates to 2004-2024	266.161		
Target Sewerage Rates - 2025	34		
Ministry for Environment - Lakes Programme	55.007		
Ministry for Environment - Lake Rotoiti & Tarawera	11		
Ministry of Health - West Rotoiti	4		
Ministry of Health - Lake Rotoma	4.5		
Department of Internal Affairs - Tarawera	2.05		
RLC Cash Contribution - FIF Agreement 2025	1.825		
Rotorua Lakes Council - Lakes Programme	32.5		
Rotorua Lakes Council - Subsidy Lake Tarawera	1.485		
Rotorua Lakes Council - Subsidy Lake Rotoiti	7.503		
Lakes Enhancement Rate - Lake Tarawera	1.1		
Lakes Enhancement Rate - Lake Tarawera	1.585		
Lakes Enhancement Rate - Lake Rotoiti	10		
Lakes Enhancement Rate collected - RLC	1.708		
Lakes Enhancement Rate 2025 - RLC \$1.55m	1.55		
Bay of Plenty Regional Council - Lake Tarawera	1.75		
Bay of Plenty Regional Council - Lake Rotoiti	8.62		
RLC variance - repaying Rotoiti loan to BOPRC	0.025		
Treatment & Disposal - RTALSG	0.412		
Variance in Lake Tarawera funding	-0.165		
Balance of Lakes Programme \$34.136m- \$34m	-0.136		
Ministry for Environment - Freshwater Improvement	<u>6.5</u>		
	506.5		
\$60m WWTP upgrade 2027 & 2025 Lakes Enhancement \$1.55m	<u>61.55</u>		
\$51.5m Government Funding Wai Ariki Spa + \$10m BOPRC loan	568		
<u>Actual Net Cost of sewerage schemes</u>			
Lake Rotorua		23	
Lake Okareka		7.262	
Lake Rotoiti/Rotoma		33.754	
Lake Tarawera		<u>14.28</u>	
Gross Cost of Sewerage \$50m less than RLC		78.296	
Less Ministry of Health - West Rotoiti		-3.985	
Less Ministry of Health - Lake Rotoma		-4.46	
Less Ministry for Environment - FIF - Lake Tarawera		-6.5	
Protest Costs		3.3	
Less TALT Leadership		<u>-0.45</u>	
		2.85	
Less Lakes Enhancement		-1.1	
Less Lakes Enhancement		<u>-1.585</u>	
		0.165	
Less RLC Catchment - RTALSG		<u>-0.3</u>	
Same as Net Infrastructure Reference Group		62.891	
			63
<u>Note the same amounts:</u>			
* Note: \$180m Rangiorua Park & \$11m Ohau Wall= \$191m			
2024 Bay of Plenty Regional Council Rates Income		191	
2024 Rotorua Lakes Council Rates Income		<u>-128</u>	
		63	
WWTP Upgrade 2024-2026		60	
Lake Rotokakahi Protest Costs		3.3	
Less RLC's contribution to catchment - RTALSG		<u>-0.3</u>	
		63	
Add Funding for Sewerage Schemes			506.45
TALT Leadership Expenses - RTALSG			-0.45
Less Expenses not included in RTALSG			<u>-1.1</u>
			568

Combine the \$334.136 million Rotorua Te Arawa Lakes Programme profit with the \$61.5 million sewerage cost discrepancy, and the total is \$395 million.

PAGE 16

	\$	373.0	Rotorua Te Arawa Lakes Programme Profit \$334.146m plus \$39.164m adjustments*
	\$	568.0	Te Arawa Lakes Trust Assets & various Ngati Whakaue Trusts Assets & Government funding for Wai Ariki Hot Springs & Spa & Manawa Gardens
	\$	10.0	Ministry for Environment Intervention – Lake Rotoiti Sewerage
	\$	10.0	BOPRC loan from Incentives to RLC for Lake Rotoiti Sewerage to be repaid via
	\$	10.0	RLC's contribution to Incentives & Engineering Interventions 2025 Funding Deed
	\$	971.0	Total possible funding shortfall required by the government
Plus	\$	1,033.0	Other Revenue – RLC Annual Reports 2003 to 2025
Less	-\$	55.6	BOPRC Lakes Enhancement Rate 2026-2026
	-\$	6.5	Freshwater Improvement Fund
	\$	971.0	Additional Funding
Adjustments:			
	\$	39.16	NOTE - Adjustments above can also be itemised as:
	\$	18.16	Engineering Interventions – 2025 Funding Deed
	\$	21.00	Balance from \$53.5m Lakeside Ratepayers Contributions less \$32.5m (Rotorua Lakes Council's share of 2008 Rotorua Te Arawa Lakes Programme)
	\$	32.50	NOTE - Rotorua Lake Council's share can also be itemised as:
Plus	\$	33.25	RLC's extra charge for Lake Rotoiti Sewerage Scheme
	\$	0.75	BOPRC's contribution to Lake Tarawera Sewerage Scheme
Less	-\$	1.50	Lakes Enhancement Rate 2025

	\$	971.00	
			2 Multiply
	\$	1,942.00	
	\$	22.500	BOPRC's Opening balance - 2025 Funding Deed
	\$	1.825	RLC's Cash Contribution - 2025 Freshwater Improvement Fund Agreement
Less	-\$	0.300	RLC's Contribution to Catchment Interventions - RTALSG Annual Reports
			- \$10.00 Loan
	-\$	0.025	\$9.975 RLC's Variance between BOPRC Lake Rotoiti Sewerage & Loan
	\$	1,966.00	Identical to Rotorua Lakes Council's 2024 Valuation for Replacement Infrastructure

\$300m	Target Sewerage Rates 2004-2025
\$1.75m	BOPRC's contribution to Lake Tarawera Sewerage Scheme
\$2.05m	Better Off Funding transferred from Aquatic Centre to Lake Tarawera Sewerage
-0.45m	Te Arawa Lakes Trust Leadership Intervention 2025 Funding Deed
-0.3m	Gifted Ngongataha Section Value

\$2.272 billion Identical to four shares of \$568 million

Set out below is another example of \$2.272 billion in duplicate transactions.

<u>\$2.272 BILLION DUPLICATE TRANSACTIONS</u>		<u>Rotorua Lakes Council Balance with 2025 Annual Report figures added</u>	
Other Income RLC Annual Reports 2003-2025	1003	Debt as at 2025	469
Government Funding - Capital Projects, Sewerage & Infrastructure	266	Other Expenses 2003 - 2025	636
Target Sewerage Rates to 2025 \$266m + \$34m	300	Sewerage Expenses 2003 - 2025	546
Lakeside Ratepayers Capital Cost Contributions to Sewerage	53	Contractors, Consultants & Legal 2013 - 2025	464
RLC's contribution to Capital Projects	82.6	Grants & Subsidies 2013 - 2025	<u>286</u>
Extra Sewerage Treatment Expenses 2013 - 2024	100		2401
Waste Water Additions, Disposals & Reserves 2003 - 2013	35.59	RTALSG Annual Reports - Expenses to 30/6/2024 \$113m - less \$3m funding not declared	-110
WWTP Asset Disposal - Contact Bed \$6.95m rounded	7	Less Freshwater Improvement Fund	-6.5
Grants & Subsidies not declared - 2025	7	Less Ministry of Health - West Rotoiti \$3.985m (rounded)	-4
Treatment & Disposal - RTALSG	0.41	Less Ministry of Health - Lake Rotoma \$4.46m (rounded)	-4.5
WWTP Upgrades - 2012 \$8.5m + 2024/2027 \$60m	68.5	Less Department of Internal Affairs - Three Waters Better Off Fund	-2.05
RLC's alleged cost of sewerage schemes	128.84	Less Freshwater Improvement Fund Agreement - Cash Contribution	-1.825
RLC's contribution to Sewerage Schemes - Lakes Programme	32.5	Less Ngati Whakaue Contribution to Museum	-0.15
Less RLC's alleged extra cost - Lake Rotoiti Sewerage Scheme	-33	Budget Cherry Tree Removal - Lake Tarawera Reserve	<u>0.026</u>
Lake Rotokakahi Protest Costs	3.3		-19
Less Extra Funding - MfE, BOPRC & RLC - Lake Tarawera Sewerage	-3	<u>Te Arawa & Ngati Whakaue</u>	
RLC's contribution to catchment expenses - RTALSG Annual Reports	-0.3	Te Arawa Lakes Trust & various Ngati Whakaue Assets	467
Expenses not included in totals - RTALSG	-1.11	Funding Wai Ariki Hot Springs Spa, Manawa Gardens, Jobs for Nature & Gifted	<u>101</u>
Lake Okareka Variance in cost \$8m- \$7.262m	0.74	Section, LINZ & DOC funding	568
Lakes Enhancement Rate - Lake Tarawera \$1.1m	1.1	<u>Government</u>	
Lakes Enhancement Rate - Lake Tarawera \$1.585m (rounded)	1.6	2024 Government Infrastructure	466
Lakes Enhancement Rate - RLC 2025 Annual Reports \$1.55m (rounded)	1.6	Defence, Temp Accom Floods & Cyclone, Tourism, Maori Ward Referendum	468
RLC's subsidy - Lake Tarawera \$1.485m (rounded)	1.5	Whai Kainga Whai Oranga	247
Less MfE's Funding Deed Incentive - Lake Rotoiti Sewerage	-10	Wai Ariki Hot Springs Spa Funding	-51.5
BOPRC Contribution to Lake Tarawera Sewerage	1.75	Freshwater Improvement Fund/Covid 19 Response/Provincial Growth Fund	<u>6.5</u>
Lakes Enhancement Rate - Lake Rotoiti Sewerage	10		1136
Less RLC's contribution to Engineering & Incentives - 2025 Funding Deed	-10	<u>BOPRC</u>	
External Funding - FIF Agreement - Lake Tarawera Sewerage	15.25	Annual Report 2024 & Long Term Plan 2024-2034	274
Variance in other funding Sewerage \$14.5m - \$14.24m	0.26	Rangiorua Business Park	180
BOPRC contribution Lakes Programme \$39.6m - BOP Rivers \$36.6m	76.2	Rotorua Lakes Programme & Ohau Channel Diversion Wall	<u>114</u>
Catchment Expenses/Interventions - RTALSG	40.6		568
Engineering, Incentives & TALT Leadership Interventions - Funding Deed	34.16	<u>RLC</u>	
Lake Rotorua Incentives Scheme Policy 2013	45	Capital Projects \$188m, Infrastructure \$145m, Sewerage \$128m, FIF Fund \$7m	468
Ohau Channel Diversion Wall + Reconsenting	11.63	Extra Sewerage Treatment Expenses 2013 -2024 \$169 - \$69m	100
Possible future funding Museum Exhibition \$0.8m	0.8	Less Sewerage Funding	-468
Less Half TALT intervention 0.225 less Green Corridor overrun 0.045	-0.18	(Sewerage Schemes \$63m + 42.5m RLC's Lakes Programme Share	<u>-100</u>
Less Ngongataha Gifted Section \$0.3m + Return Costs \$0.038m	-0.338	Less MOH \$4.5m & Lakes Enhancement Rate - Lake Tarawera \$1m = \$100m)	0
Deductions above total \$7.929 less MOH 4.46 = \$53.47m Lakeside ratepayers	2272	Bold totals = \$568m x 4 = \$2.272B	2272 2272

Note: \$1.1 million of expenses not included in the RTALSG Annual Reports, plus \$0.045 million TALT Leadership intervention in 2025 Funding Deed, is the same as \$2.05 million Better Off Fund.

\$10 million loan

In a Local Official Information Act request response dated 29th April 2024, sourced from Rotorua Lakes Council's website, it stated;

“As outlined in the consultation document, Council is working with the Ministry for the Environment to secure an additional \$10 million loan (from the Ministry for the Environment). Council will be required to repay the \$10 million. The repayment of this loan could be done through the Lakes Enhancement Rate, which is charged to all ratepayers within the Rotorua District (excluding the Waikato Regional Council area).”

In an Official Information Act request response dated 2nd April 2025;

The \$10,975,000 payment is not linked to a loan; it is a payment towards the agreed FY2024/25 activities listed in Schedule 2 (Project Plan) of the Deed of Funding for the Rotorua Lakes Protection and Restoration Action Programme. The \$10,975,000 breakdown is as follows:

- \$10,000,000 Crown Contribution for RLCs for the Rotoiti Reticulation Scheme
- \$900,000 Crown Contribution for BOPRC's Incentives Scheme and Engineering Solutions
- \$75,000 Crown Contribution for TALT Leadership.

In the Ministry for Environment's Official Information Act request response dated 22nd November 2024, a schedule of payments confirmed \$55.007 million as being paid from 24th October 2008 to 6th March 2024.

Plus	\$	55.007	
	\$	10.975	
	\$	1.00	Ministry for Environment Extra payment to Lake Tarawera Sewerage
	\$	66.982	Total Ministry for Environment Contributions
Less	-\$	27.982	Less Government's shortfall in funding to Rotorua District projects
	\$	0.45	Te Arawa Lakes Trust Leadership intervention - 2025 Funding Deed
	\$	0.15	Ngati Whakaue contribution to Rotorua Museum
	\$	39.6	(Identical to Bay of Plenty Regional Council's share of 2025 Funding Deed)

Rates Swap

The Bay of Plenty Regional Council proposed a \$31.78 million "rates swap," supplemented by an additional two-year interest-free loan of \$2 million, to facilitate the funding of the Tarawera Sewerage Scheme and other sewerage projects through the redistribution of costs from individual households to the broader district ratepayer base.

The proposal entailed the regional council reducing its targeted lake restoration rate for Rotorua, thereby enabling the Rotorua Lakes Council to augment its own lakes enhancement efforts to offset the expenses associated with the costly individual connections mandated by the new sewerage scheme.

During a workshop convened on 12th March 2025 at the Rotorua Lakes Council chamber involving the Rotorua Lakes Council and the Bay of Plenty Regional Council, BOPRC Chief Executive Fiona McTavish remarked, "Bay of Plenty Regional Council is the only regional council that has provided any funding for sewerage reticulation schemes in New Zealand." Subsequently, during the workshop meeting, she stated, "The Regional Council does not fund sewerage schemes." Further investigation after the meeting revealed that the Bay of Plenty Regional Council has allocated \$18.188 million in funding for reticulated sewerage schemes.

<u>BOP Sewerage Schemes</u>								
	<u>Year of Completion</u>	<u>Total Cost of Scheme</u>	<u>Government Contributions</u>	<u>Regional Council Contributions</u>	<u>District Council Contributions</u>	<u>Ratepayers Contribution</u>	<u>Number of Ratepayers</u>	<u>Percentage Ratepayers pay</u>
<i>Te Puna West</i>	2018	4.317		1.20	1.293	1.824 \$12,800 (lump sum)	60	42%
<i>Ongare Point</i>	2018	2.1		0.618	1.04	0.656 \$11,300 (lump sum)	60	31%
<i>Maketu/Little Waihi</i>	2012	16.30	10.50	3.10		3.70 (\$642 p.a)	534	22.7%
<i>Total BOP Schemes</i>		22.72		4.918	2.333			
Contribution to Lake Rotoiti		33.754		8.62	7.503	22,486	770	51%
Contribution to Lake Tarawera		30.64		0.75	1.485	36,600	414	50%
Extra Contribution to Lake Tarawera				1	1			
Contribution to Sewerage - RTALSG				<u>2.90</u>				
Total Councils contributions				18.188	9.988			
Cash Contribution - FIF*					<u>-1.825</u>			
Balance of Sewerage Funding				<u>-8.163</u>	8.163			
				10.025				
Less MfE reduced contribution to Funding Deed				-0.025				
Less RLC's reduced contribution to Funding Deed				<u>-0.025</u>				
RLC's Engineering & Incentives - 2025 Funding Deed				9.975				
(Repayment of BOPRC Loan for Lake Rotoiti Sewerage)								
*2025 Freshwater Improvement Fund Agreement Variation								

Deduct \$0.026 million for Cherry Tree clearance from Lake Tarawera Reserve, and the remaining amount of \$18.162 million is the same as the \$18.16 million Engineering Interventions in the 2025 Funding Deed for the Rotorua Te Arawa Lakes Programme.

Plus	\$ 31.78	Rates Swap from Bay of Plenty Regional Council to Rotorua Lakes Council
	\$ 2.00	Two-year interest-free loan
Less	-\$ 0.165	Lake Tarawera Sewerage Funding less Lake Rotokakahi Protest costs variance
	<u>\$ 33.62</u>	BOPRC Total
Plus	\$ 33.246	RLC's extra charge for Lake Rotoiti Sewerage Scheme
	\$ 0.300	RLC's catchment interventions - RTALSG Annual Reports
	\$ 0.038	Variance between \$0.45m TALT & \$0.412m Treatment & Disposal - RTALSG
	<u>\$ 33.584</u>	RLC Total
	<u>\$ 67.199</u>	BOPRC & RLC total combined is identical to RLC's alleged \$67.2m cost of Lake Rotoiti/Rotoma Sewerage Scheme

Cuesko Report

The Cuesko report was commissioned to investigate significant cost overruns in the Lake Rotoiti sewerage scheme. The independent report examined the project's increase in costs from an initial \$28 million to \$43 million, totalling \$ 15 million, to identify the primary causes, assessing the occurrence of any fraud or misconduct, and providing an impartial overview of the situation for the benefit of the public and stakeholders.

The investigation examined the specific factors that led to the increased costs, including enhanced cultural engagement requirements (\$8.65 million) and general construction cost inflation (\$7.7 million).

\$8.65 million corresponds to the contribution of the Bay of Plenty Regional Council to the Lake Rotoiti Sewerage Scheme. Additionally, the Lake Rotorua Farm was acquired for \$7.55 million plus GST of \$8.68 million, with settlement scheduled for 30th June 2026.

\$7.7 million matches the Rotorua Lakes Council's \$6.95 million allocated for the WWTP Asset Disposal for the Contact Bed, which was approved by iwi and subsequently rescinded. It also corresponds to the Bay of Plenty Regional Council's initial contribution of \$0.075 million to the Lake Tarawera Sewerage Scheme, as outlined in the 2022 Freshwater Improvement Fund Agreement.

Furthermore, \$7.7 million represents the value of Te Taumata O Ngati Whakaue Assets, itemised under the \$468 million Te Arawa Lakes Trust and various Ngati Whakaue Trust Assets.

BDO Report

The Ministry for the Environment mandated an independent financial audit at the conclusion of each fiscal year for the Lake Tarawera Sewerage Project, owing to its receipt of over \$1 million from the Freshwater Improvement Fund, which totalled \$6.5 million.

The June 2025 BDO Report on Deed of Funding Clause 2.6 of the Freshwater Improvement Fund did not constitute an independent financial audit of Stage 1 of the Lake Tarawera Sewerage Scheme. Quarterly reports failed to include any monetary details pertaining to funds received from the Ministry for the Environment or expenses incurred for the project.

Given the inherent limitations associated with assurance engagements, internal control structures, and the potential for fraud, errors, or non-compliance to occur and remain undetected, caution must be exercised.

Note: Rotorua Lakes Council did not issue a tender for Stage 1 of the Lake Tarawera Sewerage Scheme. Instead, the contract was awarded to Fulton Hogan Ltd with a set amount of \$15 million, based on the cost estimates of the Lake Rotoiti Sewerage Scheme.

In the Official Information Request response from the Ministry for the Environment dated 1st April 2025, the Ministry denied Tracey McLeod's subsequent request:

1. Has the Lake Tarawera Sewerage Scheme been audited at the end of each year of the project, particularly after March 2023, when Stage 1 physical works began?
2. Would the audit include the design works of \$2.8 million that commenced in December 2021?
3. Could you please provide a copy of those independent financial audits?

The request was denied pursuant to section 18(e) of the Act, as the document purported to contain the requested information does not exist. As of the date of the request, no audit documents have been prepared or provided to the Ministry for the Environment. We anticipate receiving the audit documents from the Rotorua Council within the subsequent two months.

Whai Kainga Whai Oranga

On 29th September 2025, the Ministry of Housing and Urban Development updated its website. The Whai Kāinga Whai Oranga programme represented a four-year, \$730 million commitment aimed at expediting the delivery of Māori-led housing initiatives. It provided funding for both small-scale Māori housing projects and larger developments, ranging from the repair of existing homes to the construction of new dwellings. The Whai Kāinga Whai Oranga programme concluded in May 2025, paving the way for the Government's new flexible funding approach to investment. This new strategy seeks to enhance value for money and increase adaptability to address housing needs more effectively.

The initial three prototypes received endorsement from the National Iwi Chairs Forum (NCIF) in 2021. Subsequently, Te Tai Tokerau (the Northland Region of New Zealand) was designated as a priority owing to its significant levels of deprivation and housing requirements.

The evaluation report examines the extent to which Iwi-led prototypes have contributed to addressing housing supply requirements within their respective communities.

The overview showed a total of five prototypes, totalling \$247.9 million.

Plus	\$ 730.0	Whai Kainga Whai Oranga Programme
Less	-\$ 247.9	Five Prototypes
	-\$ 6.5	Provincial Growth Fund - Wai Ariki Hot Springs & Spa
	-\$ 6.51	COVID-19 Response and Recovery fund - - Wai Ariki Hot Springs & Spa
	-\$ 0.49	COVID-19 Response and Recovery fund - - Wai Ariki Hot Springs & Spa
	<u>\$ 468.6</u>	Total identical amount to sewerage funding

Conclusion

The primary aim of this investigation was to secure funding for the lakeside sewerage projects. The Sewerage Schemes Cost Chart delineates a total of \$468 million allocated for sewerage funding as of 2024. When combined with the excess expenditure of \$100 million incurred for sewerage treatment costs from 2003 to 2024, the total amounts to \$568 million.

The expenditure associated with the sewerage schemes appears to have been artificially inflated, seemingly to augment revenue, misappropriate funds for other projects or expenses, or divert resources to additional partners engaged in unauthorised partnerships.

Based on the findings outlined in this report, the lakeside ratepayers should not be held responsible for paying capital cost contributions or targeted sewerage rates related to the sewerage schemes.

New expense categories were introduced in 2013 in the Rotorua Lakes Council Annual Reports, including Sewerage Treatment Expenses, Contractors, Consultants & Legal, and Grants & Subsidies. These categories also relate to anomalies and discrepancies, with balance maintained through formulation.

There are four multiples of \$568 million, totalling \$2.272 billion.

The Rotorua Lakes Council's 2025 Replacement Value of Infrastructure Assets is estimated at \$2.399 billion. The \$127 million discrepancy between the four multiples or shares attributed to the four partners and the replacement value of the infrastructure assets corresponds to the \$129 million expenditure on sewerage schemes, less the Rotorua Lakes Council's cash contribution of \$1.825 million in the 2025 variation of the Freshwater Improvement Agreement, the \$0.165 million variance associated with Lake Tarawera Lakes Enhancement Rate and Lake Rotokakahi protest costs, as well as expenses incurred by Te Arawa Lakes Trust Leadership.

Below is a table showing the movement between the entities in relation to Rotorua Lakes Council's alleged \$128 million cost of the sewerage schemes.

Four partners transactions vs RLC's alleged sewerage costs

	<u>RLC</u>	<u>BOPRC</u>	<u>Te Arawa</u> <u>Ngati Whakaue</u>	<u>Govt</u>	
Share of Lakes Programme 2008	32.5				
TALT Leadership Intervention 2025 Funding Deed	-0.45				
Treatment & Disposal - RTALSG Annual Reports	0.412				
Lake Rotokakahi Protest Costs	-3.3				
Extra Funding - Lake Tarawera Sewerage	3				
Lakes Enhancement Rate - Lake Tarawera Sewerage	1.1				
Variance Lake Okareka cost \$8m -\$7.262m	-0.74				
Rotorua Lakes Incentives Scheme Policy 2013		45.5			
Low Nitrogen Land Use Fund		3.3			
Loan from BOPRC - Lake Rotoiti Sewerage	9.975	-9.975			
Engineering Intervention - 2025 Funding Deed		-15.55			
Contribution to Lake Tarawera Sewerage		-0.75			
Return Costs - Gifted Ngongataha Section	0.019	-0.019			
Museum Contribution	0.15		-0.15		
Provincial Growth Fund - Wai Ariki Spa			38	-38	
Provincial Growth Fund/Freshwater Improvement Fund			6.5	-6.5	
COVID Response & Recovery - Wai Ariki Spa			6.51		
COVID Response & Recovery - Wai Ariki Spa			0.49		
Manawa Gardens - Stage 2 - Whai Kainga Whai Oranga			28.47		
Department of Conservation - Jobs for Nature			2.5	-2.5	
Land Information New Zealand - TALT project			0.406		
DOCMSD TALT Conservation Skills & Employment Pilot			0.007		
Gifted Ngongataha Section Value			0.3		
TALT Leadership intervention			0.45		
Variance Lake Tarawera Funding Protest Costs	-0.165			0.165	
Total Balance of Rotorua Te Arawa Lakes Programme				34.136	
Ministry of Health Subsidy - West Rotoiti				3.985	
Ministry for Environment's balance - Lakes Programme				-6.093	
Cash Contribution - FIF Agreement				-1.825	
Lakes Enhancement Rate - Lake Tarawera Sewerage				-1.585	
Cost Overruns - Green Corridor				-0.045	
TALT funding - same as Treatment & Disposal - RTALSG				-0.412	
Part payment \$10.975m 5/2/25				<u>-0.975</u>	
	42.5	22.506	83.483	-19.649	128.84

RLC's alleged cost of Sewerage Schemes

Lake Rotorua					-23.00
Lake Okareka					-8.00
West Rotoiti					-11.00
East Rotoiti/Rotoma					-43.20
Lake Rotoma					-13.00
Lake Tarawera					<u>-30.64</u>
					-128.84

Note: \$42.5m is RLC's share of 2025 Funding Deed

Note: \$22.507m is BOPRC's opening balance of 2025 Funding Deed

Note: \$73.55m Musuem + \$9.51m Museum Exhibition totals \$83.06m + 0.45m TALT - \$0.026m Cherry Tree Removal = \$83.484m

Note: \$19.649m + 0.74m Lake Okareka, less 0.45m TALT expenses, plus Lake Weed & Cherry Tree Removal \$0.061m = \$20m

Note: \$10m MfE Lake Rotoiti Intervention 2025 Funding Deed & BOPRC \$10m Loan - Lake Rotoiti Sewerage totals \$20m

83.483 Te Arawa/Ngati Whakaue Funding	0.007	MfE contribution variance/DOC/MSD TALT employment pilot
<u>-19.649</u> Government Funding	0.825	Cash Contribution FIF 2022
63.834	0.15	Ngati Whakaue Contribution - Museum
<u>-62.891</u> Actual Net Cost of Sewerage Schemes	<u>-0.04</u>	Lake Weed Removal
0.943	0.942	

Given the frequency of interlocking commonalities between the four partners' projects and funding and expenditure, the situation is more than a coincidence. It appears to have been masterminded, presumably by the government.

Audit Information

The Rotorua Te Arawa Lakes Strategy Group was formed to administer the renamed Rotorua.

Te Arawa Lakes Programme with representatives from the Ministry for the Environment for the Crown/Government, Bay of Plenty Regional Council, Rotorua Lakes Council and the Te Arawa Lakes Trust.

The strategy group produces a set of Annual Reports; however, these reports are not audited.

Rotorua Lakes Council has never had an internal audit programme like other councils and is not a member of the Internal Audit Organisation, increasing its risk of fraud.

However, the Rotorua Lakes Council Annual Reports are audited annually by Audit NZ as a division of the Office of the Auditor General.

Te Arawa Lakes Trust's Annual Reports are produced by Cookson Forbes in Opotiki and are not subject to audited by Audit NZ.

Note: Te Arawa Lakes Trust no longer publishes its Annual Reports on its website.

The Office of the Auditor General has been reviewing the allocation of sewerage funding throughout the year, with completion due by the end of 2025. It is part of an inquiry scope requested by Tracey McLeod, a Lake Tarawera lakeside ratepayer, who provided the Office of the Auditor General with researched analytical documents and information sources.

Since the Office of the Auditor General is a division of parliament, a Management Accountant has been engaged to review the documents, sources of information and findings contained in this report. As part of the review, Tracey McLeod provided the Management Accountant with her collated series of 45 tables and 37 sources of information.

Author: Tracey McLeod

Email: abodes@xtra.co.nz

8th December 2025

Bibliography

- Rotorua Te Arawa Lakes Strategy Group. (2024, September 20). *Rotorua Te Arawa Lakes Strategy Annual Report 2023/2024*. Retrieved 2025, from https://infocouncil.boprc.govt.nz/open/2024/09/RTAL_20240920_agm_3758_at.pdf
- Rotorua Te Arawa Lakes Strategy Group. *Rotorua Te Arawa Lakes Strategy Annual Reports (2009-2024)*. Ministry for Environment OIA 22/11/2024. Retrieved from [OIAD 1343](#)
- Rotorua Lakes Council. (2003-2025) *Rotorua Lakes Council Annual Reports*. Retrieved from <https://www.rotorualakescouncil.nz/our-council/plans-policies-bylaws/annual-reports>
- Bay of Plenty Regional Council. (2023-2024) *Bay of Plenty Regional Council Annual Report*. Retrieved from <https://atlas.boprc.govt.nz/api/v1/edms/document/A4801797/content>
- Rotorua Lakes Council Workshop Meeting – Rates Swap 12.3.25. Retrieved from <https://www.rotorualakescouncil.nz/our-council/meetings/agendas-and-minutes?item=id:2tgd2mwmi1cxbjyrhje>
- Infrastructure Reference Group – *Government Funding Contracted Completed December 2024*. Retrieved from https://nationalinfrastructure.govt.nz/wp-content/uploads/December_2024_IRG_Report_-_Completed_List_FINAL.pdf
- Infrastructure Reference Group – *Government Funding Contracted Active December 2024*. Retrieved from https://nationalinfrastructure.govt.nz/wp-content/uploads/December_2024_IRG_Report_-_Active_List_FINAL.pdf
- Te Arawa Lakes Trust 2022 Annual Report. Retrieved from <https://shinecollective.co.nz/wp-content/uploads/2023/03/2022-10-14-AGM-Annual-Report-Final-Version-1.pdf>
- Te Arawa Lakes Trust Settlement. Retrieved from <https://whakatau.govt.nz/te-tira-kurapounamu-treaty-settlements/find-a-treaty-settlement/te-arawa-lakes>
- Te Arawa Lakes Trust \$2.5m Jobs for Nature subsidy. Retrieved from <https://tearawa.io/programmes/#:~:text=The%20funding%20is%20part%20of,Training%20Programme>
- Pukeroa Oruawhata Trust 2015 Annual Report. Retrieved from <https://pukeroa.co.nz/wp-content/uploads/2017/10/ANNUAL-REPORT-2015.pdf>
- Ngati Whakaue Education Endowment Trust 2025 Annual Report. Retrieved from <https://vps.ngatiwhakaue-eetb.org.nz/apps/pdf/2025%20Annual%20Report%20-%20NWEETB.pdf>
- Ngati Whakaue Tribal Lands Trust 2023 Annual Report. Retrieved from <https://ngatiwhakaue.iwi.nz/2022-2023-agm-report/>
- Ngati Whakaue Assets Trust 2024 Annual Report. Retrieved from <https://www.whakaue.com/annual-report>
- Te Taumata O Ngati Whakaue 2024 Annual Report. Retrieved from https://taumata.org.nz/wp-content/uploads/2019/02/TTONW-Annual-Report-2024_.pdf
- Government Infrastructure 2024. Retrieved from

<https://www.bdo.nz/en-nz/microsites/budget-2024/construction-and-infrastructure>

Government Funding. Retrieved from

[https://www.nzherald.co.nz/rotorua-daily-post/news/hundreds-of-jobs-to-come-from-62m-funding-boost-for-](https://www.nzherald.co.nz/rotorua-daily-post/news/hundreds-of-jobs-to-come-from-62m-funding-boost-for-rotorua/BLNTI2C2AUJTMPB5QXN3BEN57Q/#:~:text=A%20%2462%20million%20boost%20for,Regional%20Economic%20Development%20Fletcher%20Tabuteau.)

[rotorua/BLNTI2C2AUJTMPB5QXN3BEN57Q/#:~:text=A%20%2462%20million%20boost%20for,Regional%20Economic%20Development%20Fletcher%20Tabuteau.](https://www.nzherald.co.nz/rotorua-daily-post/news/hundreds-of-jobs-to-come-from-62m-funding-boost-for-rotorua/BLNTI2C2AUJTMPB5QXN3BEN57Q/#:~:text=A%20%2462%20million%20boost%20for,Regional%20Economic%20Development%20Fletcher%20Tabuteau.)

Whai Kainga Whai Oranga – Maori Housing Programme. Retrieved from

<https://www.hud.govt.nz/our-work/whai-kainga-whai-oranga>

Official Information Act Request Response 29/4/24 - RLC Website East Rotoiti/Rotoma Sewerage Scheme. Retrieved from

<https://www.rotorualakescouncil.nz/our-council/officialinformation/official-information-requests?item=id:2q86otdfv17q9sc0nwt6>

Ministry for the Environment OIA request response 22/11/24: 2009-2011 & 2010-2011 RTALSG Annual Reports. Schedule of Crown contribution payments \$55.007m. Retrieved from

[OIAD-1343](#)

Ministry for the Environment OIA request response 16/1/2025 - 2008-2009 TRALSG Annual Report. Retrieved from

[OIAD-1409](#)

Ministry for the Environment OIA request response 2/4/2025: \$10.975m payment. Retrieved from

[OIAD 1516](#)

Ministry for Environment OIA request response 1/4/2025 - Advice that no audit documents have been prepared and audited at the end of each year of the Lake Tarawera sewerage reticulation project. Retrieved from

[OIAD 1513](#)

Ministry for Environment OIA email response 2/4/25 - Note that the Freshwater Improvement Fund (FIF) is an open contestable funding programme, not a subsidy programme. Retrieved from

[Email 2/4/25 12.22pm](#)

Ministry of Health OIA request response 4/8/2025 - Subsidies \$8.445m. Retrieved from

[OIA Ref. H2025070068](#)

Ministry of Business Innovation & Employment OIA request response 26/11/2025 - \$51.5m Funding Wai Ariki Hot Springs Spa & QE Health. Retrieved from

[OIA Ref. DOIA-REQ-0023514 and DOIA-REQ-0024464](#)

Ministry for Environment OIA request response Cuesko Report – Cost Variance Review Report – Rotoiti Sewerage Reticulation Project 10/6/2025. Retrieved from

[OIAD 1614](#)

Ministry for Environment OIA request response 22/8/2025 BDO Report June 2025 – Report on Deed of Funding Clause 2.6. Retrieved from

[OIAD 1700](#)

Land Information NZ OIA request response 5/12/2025 \$2.913,112. Retrieved from

[DOIA 26-140](#)

Rotorua Lakes Council LGOIMA request response 22/5/2024. \$10m MfE Loan. Retrieved from.

[https://www.rotorualakescouncil.nz/our-council/news/news?item=id:2q86otdfv17q9sc0nwt6#:~:text=Council%20has%20to%20date%20secured,excluding%20Waikato%20Regional%20Council%20area\).](https://www.rotorualakescouncil.nz/our-council/news/news?item=id:2q86otdfv17q9sc0nwt6#:~:text=Council%20has%20to%20date%20secured,excluding%20Waikato%20Regional%20Council%20area).)

Rotorua Lakes Council LGOIMA request response 7/10/25 Lakes Enhancement Rate. Retrieved from [Email](#)

Rotorua Lakes Council LGOIMA request response 15/11/2024 Sewerage Cost & Contribution Table. Retrieved from

[Email](#)

Stavros Michael Memo 1/3/2024 – Source of funds – East Rotoiti/Rotoma Sewerage Scheme. Retrieved from

<https://www.rotaiti.co.nz/wp-content/uploads/RLC-Stavros-Michael-Update-1-March-24.pdf>

Rotorua Te Arawa Lakes Strategy Group Memo 14/5/2021 - Increase cost Rotoiti/Rotoma Sewerage Scheme. Retrieved from

<https://www.rotaiti.co.nz/wp-content/uploads/Rotoiti-Deed-Funding-Request-6-April-2021.pdf>

Bay of Plenty Regional Council LGOIMA request response 13/10/25 Lakes Enhancement Rate. Retrieved from

[Flow-795](#)

Bay of Plenty Regional Council LGOIMA request response 21/10/25 Lake Rotorua Farm Purchase. Retrieved from

[Flow- 965](#)

Freshwater Improvement Funding Deed Variation 2025. Retrieved from

<https://fyi.org.nz/request/31421/response/127282/attach/html/7/Doc%207%20Crown%20Funding%20and%20Non%20Standard%20Filing%20Submission%20Coversheet%2025760.pdf.html>

2015 Lakes Restoration Plan. Retrieved from

<https://www.rotorualakes.co.nz/vdb/document/1049>

2020 Capital Project Funding Plan – Lake Tarawera. Retrieved from

<https://contentapi.datacomsphere.com.au/v1/h%3Arotorualakescouncil/repository/libraries/id:2e3idno3317q9sihrv36/files/id:2e4tdole91cxbvr8krn1>

2025 Capital Project Funding Plan – Lake Tarawera. Retrieved from

<https://www.rotorualakescouncil.nz/repository/libraries/id:2e3idno3317q9sihrv36/hierarchy/Meetings/Council%20Meeting/2025-05-28/capital-funding-plan-tarawera-sewerage-scheme-may-2025.pdf>

Lake Rotorua Incentives Scheme Policy 2013. Retrieved from

<https://www.rotorualakes.co.nz/vdb/document/463>

Low Nitrogen Land Use Fund. Retrieved from

<https://www.rotorualakes.co.nz/OLD/latest-news/id/218>

Rotorua Lakes Council Infrastructure Strategy 2024-2034 – Replacement Value of Infrastructure. Retrieved from

<https://www.rotorualakescouncil.nz/repository/libraries/id:2e3idno3317q9sihrv36/hierarchy/our-council/council-publications/10yearplans/documents/2024-2034/rlc-ltp-final-document-2-july-2024.pdf>

Council to pay half of \$100m bill for lakes. Retrieved from

<https://www.nzherald.co.nz/rotorua-daily-post/news/council-to-pay-half-of-200m-bill-for-lakes/RCJYSJCWXN5WC2SWCKT5OFF73Y/>

Announcement of Major Government Funding for Restoration Project for Rotorua Lakes – Prime Minister Helen Clark

<https://www.beehive.govt.nz/speech/announcement-major-government-funding-restoration-project-rotorua-lakes>

Two lakeside communities face sewerage scheme cost rise

<https://www.nzherald.co.nz/rotorua-daily-post/news/two-rotorua-lakeside-communities-face-higher-sewerage-scheme-cost/OPSI6FHEM5G6VGP6SWVIQKQFYM/>

Rotorua Councillors unanimously vote to contribute more council money to sewerage scheme

<https://www.nzherald.co.nz/rotorua-daily-post/news/rotorua-councillors-vote-to-contribute-more-council-money-to-sewerage-scheme/HVOUSEHKFRA77LO5NIHM3Q342M/>

External Funding of East Rotoiti Sewerage Scheme. Retrieved from

<https://www.rotaiti.co.nz/east-rotaiti-sewerage-cost-rises-to-56m>

Councillors reallocate \$2.05m to Lake Tarawera Sewerage Scheme. Retrieved from

<https://www.rnz.co.nz/news/ldr/529925/rotorua-councillors-reallocate-pool-money-to-tarawera-sewerage-scheme>

Rotorua Museum faces \$8.3m funding gap for exhibition space. Retrieved from

[https://www.1news.co.nz/2025/08/15/rotorua-museum-faces-83m-funding-gap-for-exhibition-space/#:~:text=An%20\\$8.3%20million%20shortfall%20in,%22really%20big%20dollar%22%20investment](https://www.1news.co.nz/2025/08/15/rotorua-museum-faces-83m-funding-gap-for-exhibition-space/#:~:text=An%20$8.3%20million%20shortfall%20in,%22really%20big%20dollar%22%20investment)

Bay of Plenty Regional Council purchases \$8.68m farm to improve water quality. Retrieved from

<https://www.nzherald.co.nz/rotorua-daily-post/news/lake-rotorua-councils-76m-farm-purchase-aims-to-improve-water-quality/UKARRMGM5VF5XBNIJBO4V6WQ3I/>

Funding for Bay of Plenty Flood Protection \$15.2m. Retrieved from

<https://www.nzherald.co.nz/bay-of-plenty-times/news/15m-bay-of-plenty-flood-protection-works-get-9m-government-backing/D3VNB5Y7NBG35BQIZKZ362OFY4/>

Bay of Plenty Region to get 300 more social houses \$13.4m. Retrieved from

<https://www.nzherald.co.nz/bay-of-plenty-times/news/government-to-deliver-300-more-social-homes-in-tauranga-te-puke-and-rotorua/AHG5E3XPEZAQNCBRZUSQ7HQJHI/#:~:text=Te%20Puke%20is%20located%20in%20the%20western,community%20housing%20providers%20will%20deliver%20the%20homes>

\$4.5m for Rotorua Tourism Campaigns. Retrieved from

<https://www.nzherald.co.nz/rotorua-daily-post/news/government-invests-45m-in-rotorua-tourism-campaigns-to-lure-overseas-visitors/Z73U6WTH7RBQ3OVB2RD7FEB3BI/>

Te Arawa Lakes Trust & BOP Regional Council Lake Weed Removal \$0.035m. Retrieved from

<https://www.nzherald.co.nz/rotorua-daily-post/news/rotoruas-lake-weed-stench-problem-prompts-13-complaints-35k-bill/IKKC3ZTG5RM6MLVP47CCVSOCAU/>

Te Arawa Lakes Trust & BOP Regional Council Lake Weed Removal \$0.05m. Retrieved from

<https://www.nzherald.co.nz/rotorua-daily-post/news/rotorua-lake-weed-clean-up-could-take-10-days-and-cost-over-50000/KB4WYCABARGCVJFWEXBKV66W2Q/#:~:text=Both%20councils%20say%20the%20rapid,u>

[ntil%20after%20the%20clean%20up](https://www.nzherald.co.nz/rotorua-daily-post/news/rotorua-lake-weed-clean-up-could-take-10-days-and-cost-over-50000/KB4WYCABARGCVJFWEXBKV66W2Q/#:~:text=Both%20councils%20say%20the%20rapid,u)



8th December 2025

To whom it may concern

I have completed the examination of Tracey McLeod's Funding Investigation Report dated 8th December 2025.

- The purpose was to form an opinion regarding whether the information discussed in her report accurately reflects the results of her findings and calculations.
- I was not engaged to assess the validity of any entity's information, annual reports, or other referenced data.

In conducting my examination, I performed comprehensive tests on selected data and reviewed the calculations and source documents to ensure their accuracy. I can confirm that I found no discrepancies with the information provided and the findings discussed in this report.

I have recognised that certain source documents provided limited transparency, rendering me unable to ascertain the accuracy of the entity's information in their financial reports.

I confirm that I am not affiliated with Tracey McLeod or any entity discussed in this report.

Thanks to Tracy McLeod, who assisted me in completing my examination work.

Regards,

Dianne George
Management Accountant

Whiritoa Partnership Ltd trading as DPEG Consults