TE ARAWA WAKA — SIMPLIFYING LOCAL GOVERNMENT (HEAD START)

Te Arawa Input to Rotorua Lakes Council — Options for Consideration

Prepared by the Te Arawa Technical Advisory Group as input to Rotorua Lakes Council, ahead of Council's next decision-making hui on the Simplifying Local Government (Head Start) pathway. It sets out the options Te Arawa has developed, together with Te Arawa's feedback on the Rotorua-only proposal RLC has advanced.

Purpose of this paper

Te Arawa has been considering a range of options for local-government reform, including those developed by Rotorua Lakes Council. This paper is Te Arawa's input to Council ahead of its next Head Start decision-making hui, commenting on four models. It looks at the economic possibilities each opens up and, assessed against the Government's MCERT criteria, how they deliver for the community and for councils — deliverability, economies of scale, simplified governance and fair representation for all residents.

Executive summary

Four options for a single new unitary authority are set out and assessed below — against the economic possibilities each opens up and the Government's MCERT criteria, the test of what delivers the best outcomes for the community and for councils. The Te Arawa positions recorded here reflect the Hui ā-Iwi held at Te Papaiōuru Marae, Ōhinemutu, on 16 July 2026, and the resolutions of the Te Arawa Iwi Chairs on 23 July 2026.

Option	In brief
1 — Sub-regional (Mai i Maketū ki Tongariro)	Te Arawa's preferred model — endorsed at the Hui ā-Iwi (16 July 2026) and confirmed as Te Arawa's preferred model by resolution of the Te Arawa Iwi Chairs (23 July 2026). Further engagement with affected iwi and hapū is required before it is fully mandated. Its full form depends on the support of neighbouring iwi and on Taupō District Council aligning with Rotorua and South Waikato — both outstanding.
2 — Waka Hourua (regional)	Performs well against MCERT, but support was not indicated by Mataatua when the model was tested at the Hui ā-Iwi and in separate discussions, so it cannot proceed at this stage as a joint Te Arawa–Mataatua mandated proposal.
3 — Rotorua only	Te Arawa's feedback on Option E of Rotorua Lakes Council's proposal. The simplest to establish, but it would split Te Arawa iwi, hapū and catchments across separate authorities, and may be too small for the MCERT criteria.
4 — Bay-wide, three districts	Te Arawa's feedback on Option F of Rotorua Lakes Council's proposal. Supported by the Te Arawa Iwi Chairs for further exploration (resolution, 23 July 2026), with further engagement with affected iwi and hapū required before it is fully mandated. Complex at this scale, with risks including balancing competing interests. Te Arawa's recommended improvements are set out to bring it closer to the bottom lines.

Where things stand. Option 1 (Mai i Maketū ki Tongariro) is Te Arawa's **preferred direction**, endorsed by resolution at the Hui ā-Iwi on 16 July 2026, and on the economics it holds the catchments and the district's economy intact — but its full form **may not currently be achievable**, with Taupō District Council's participation and the Tarawera catchment both unresolved. Of Rotorua Lakes Council's models, Option F (Option 4) offers the largest rating base, the Quayside / Port dividend and the strongest emergency-management coordination, and Te Arawa sets out improvements to it — though it is **supported by the Iwi Chairs for further exploration, not yet fully mandated**. Option 2 performs well against MCERT but **cannot proceed as a joint mandated proposal without Mataatua's**

support; a Rotorua-only authority (Option 3) would split Te Arawa and its catchments and **may be too small for the MCERT criteria**.

The test applied throughout. Each option is judged on what it delivers for the people who live here — households and ratepayers, rural and urban communities, farmers, businesses and hapori across the district. Affordable rates, reliable water, homes protected from flooding, and a real say in decisions are interests every household in this district holds in common.

What Te Arawa asks. That Council weigh these options and Te Arawa's feedback at its hui, and work alongside Te Arawa on the footprint that delivers the strongest economic and community outcomes — with a coherent regional boundary, fair representation, and an efficient transition that builds on what already exists.

1. Context and Te Arawa's position

Te Arawa's position. At the Hui ā-Iwi at Te Papaiōuru Marae on 16 July 2026, Option 1 (Mai i Maketū ki Tongariro) received significant support from Te Arawa representatives and was endorsed by formal resolution. It remains Te Arawa's preferred direction — though further analysis and consultation are required before it can be considered fully mandated, and its full form may not currently be achievable, with Taupō's participation and the Tarawera catchment unresolved. Option 2 (Waka Hourua) was tested with Mataatua at the Hui ā-Iwi and in separate discussions; support was not indicated at this stage, so it cannot proceed as a joint Te Arawa–Mataatua mandated proposal. On 23 July 2026 the Te Arawa Iwi Chairs resolved to endorse Option 1 as Te Arawa's preferred model and to support Option 4 for further exploration, noting that additional engagement with affected iwi and hapū is required before either is considered fully mandated. Options 3 and 4 below set out Te Arawa's feedback on Options E and F of Rotorua Lakes Council's proposal.

The assessment lens — and what it leaves out

Every proposal is scored against five criteria set by Government and applied to everyone. They are worth holding in view because they are what actually decides selection — and because of what they do not include.

#	MCERT criterion	What it asks
1	Deliverability	Can it be delivered by the 2028 local elections?
2	Planning system	Does it help roll out the regime replacing the RMA?
3	Simplified governance	Less duplication, clearer accountability.
4	Economies of scale	Efficiency; transport and catchment management specifically signalled.
5	Fair representation	A strong local voice; urban and rural interests balanced.

What the criteria reward. The five criteria are economic and administrative — they reward scale and efficiency, deliverability by 2028, simplified governance, and fair representation for the whole community. That is the lens this paper uses: which option delivers the strongest economic base and the best-run, best-represented authority for residents and ratepayers.

Giving effect to the relationship — governance, representation and resourcing

A permanent Treaty relationship requires arrangements that are permanent in kind. Three things are needed to give effect to it in any new structure:

- **Governance arrangements.** A defined partnership role in the governance of the new authority — established in the design and, wherever possible, in the enabling legislation, rather than by resolution a later council can unwind. Existing co-governance and catchment arrangements carry across intact.
- **Representation.** Guaranteed representation at the decision-making table, including retention of Rotorua's Māori wards, and representation arrangements that hold as the authority changes shape over time.
- **Resourcing.** Partnership only works if participation is resourced. To date the technical, analytical and administrative work of iwi participation in this reform has largely been carried by iwi themselves, alongside existing obligations. Giving effect to the relationship means resourcing iwi participation in the design, transition and ongoing governance of the new authority, negotiated between the parties and provided for in both Council and iwi budgets — so that the quality of the partnership does not depend on which party can afford to sustain it.

Non-negotiables, whatever option proceeds

Te Arawa has identified a set of commitments it seeks in binding form, irrespective of which footprint is chosen:

- **Equivalency.** A genuinely equivalent arrangement for every iwi within the footprint.
- **Representation.** Guaranteed representation, secured in the design rather than left to later decision — for Māori and for the rural and smaller communities who are most easily lost inside a larger authority.
- **Treaty settlements upheld.** Existing settlement arrangements and co-governance carried across intact.
- **Aligned boundaries.** A coherent boundary that holds catchments and rohe whole (Section 11).
- **Rotorua's Māori wards preserved.** Retention of the Māori wards established in Rotorua, so existing representation is not lost through reorganisation.

An enduring interest. Whatever position the Mayor and councillors land on, the resources being decided over are to a significant degree iwi resources, and the interest Te Arawa holds in them is permanent. Te Arawa is not going anywhere. Councils, structures and elected members change; Te Arawa remains. That is why representation is not a courtesy in this design but a structural requirement — the arrangements settled now need to reflect an interest that will outlast every electoral cycle that follows. That permanence is an asset to the whole district, not only to Te Arawa: it means there is a partner at the table with reason to think in generations rather than triennium, on the water, the lakes and the land every household here depends on.

The competitive and legislative backdrop

- **Tauranga is moving.** Tauranga City Council resolved in late June to develop its own proposal and has been in contact across the rohe (Rotorua, Kawerau, Whakatāne, Ōpōtiki, Taupō). Roughly ten councils sit within the area these proposals could touch. Community feedback is against a Tauranga-led, urban-centric authority (a recent Tauranga survey reportedly showed ~11% wanting to include Rotorua).
- **The asset base is already shifting.** About 30% of Tauranga's assets transfer to a sub-regional water entity from 1 July 2027 under Local Water Done Well — reshaping the regional balance sheet before any amalgamation lands.
- **No enabling legislation yet — a design window.** The reform has no statutory footing until late 2027; implementation is 2028. That gives iwi an unusually strong design position now, but it also carries transition risk across the 7 November 2026 general election. Timeline: outline proposals 9 August; Cabinet in-principle September; detailed proposals March 2027; legislation late 2027; implementation 2028.

2. Establishment and transition

Whichever footprint is chosen, the proposal must show a clear and credible pathway through the establishment window — one that keeps statutory functions running and communities stable throughout the change. This matters as much as the design itself: MCERT Criterion 1 is deliverability by the 2028 local elections. The phases below are indicative and remain subject to the national reform timetable; final decisions on the overall structure are not expected until 2028, pending confirmation through the 2028 election cycle.

A credible pathway runs in three phases:

- **Establishment (2027).** Once enabling legislation passes, an establishment board is appointed to stand up the new authority — setting the operating model, budgets, systems roadmap and district structure — while the existing councils continue to deliver services unchanged.
- **Integration (2027–2028).** Core operational systems — planning, regulatory, rating, civil defence and emergency management, maritime and catchment management — are migrated in a phased, tested sequence, so no function goes dark during the switch. Existing co-governance and catchment bodies, and the Local Water Done Well water CCOs, carry across intact rather than being rebuilt.
- **Go-live (2028).** The new authority is fully operational for the 2028 local elections, with elected members and district representation in place.

Continuity is the priority throughout. Existing teams and capability are retained and transitioned before any structural change, so institutional knowledge and frontline delivery are protected — the Auckland transition showed how much depends on keeping existing officers. Treaty-based arrangements and co-governance roles are upheld and, where possible, entrenched in the establishment legislation. The aim is a transition the public barely notices: services continue, staff continue, and the authority is fully operational by the 2028 elections.

3. The four options at a glance

All four options produce a single new unitary authority for whichever footprint is chosen — this is a choice of footprint (and, for Option 4, internal structure) for one authority, not a choice about the number of authorities.

	Option 1 — Sub-regional Te Arawa Waka Design	Option 2 — Regional Design, Waka Hourua	Option 3 — Rotorua only	Option 4 — Bay-wide, three districts
Footprint	Te Arawa only — Mai i Maketū ki Tongariro — following the Treaty settlement footprint, with the full Tarawera, Kaituna and Te Arawa Lakes catchments included.	Broader footprint taking in Te Arawa and parts of Ngāti Tūwharetoa, Ngāti Raukawa and Mataatua as distinct partner iwi — the largest viable catchment-based landscape, including the Tauranga / BOPRC area.	Rotorua Lakes Council's existing district converted into a stand-alone unitary authority — the narrowest footprint. Does not extend into the wider Te Arawa rohe, Taupō / South Waikato or the Eastern Bay.	One Bay-wide authority over three districts — Western (Tauranga Moana), Central (Te Arawa) and Eastern (Mataatua). The whole region under one authority.
Status	**Preferred model** — endorsed by Iwi Chairs resolution (23 July); further iwi/hapū engagement required before fully mandated. Neighbouring-iwi and Taupō support outstanding.	**No Mataatua support** — performs well on MCERT, but cannot proceed as a joint mandated proposal.	**Feedback on RLC's Option E** — splits Te Arawa iwi/hapū and catchments across authorities; may be too small for MCERT.	**Feedback on RLC's Option F** — supported by Iwi Chairs for further exploration (23 July); further iwi/hapū engagement required; complex, with competing-interest risks.

	Option 1 — Sub-regional Te Arawa Waka Design	Option 2 — Regional Design, Waka Hourua	Option 3 — Rotorua only	Option 4 — Bay-wide, three districts
Economic headline	Smaller population and rating base. Case rests on in-rohe geothermal, forestry, tourism and the Māori land base. Leaves the Quayside / Port asset outside the footprint unless separately negotiated.	Largest single footprint; strongest on “economies of scale.” Brings the Quayside / Port asset base inside, plus wider geothermal and commercial interests — but higher apportionment complexity and a Waikato-region boundary crossing.	Smallest rating base. Strong Rotorua tourism and geothermal, but no Quayside / Port and the highest MCERT “too small” risk.	Maximal footprint — largest rating base of the four, Quayside / Port fully inside, full regional geothermal and moana. Most complex; hands Tauranga in.
Representation headline	Strong, undiluted local voice at this scale. Main risk is being assessed as too small on scale / deliverability.	Voice may be less audible at larger scale; Māori-ward carry-over (the four BOPRC Māori seats) is an open question; crosses significantly into other iwi rohe.	Strong local Te Arawa voice within Rotorua, but splits Te Arawa iwi outside the district into other authorities — fails the equivalency and catchment bottom lines.	Each rohe keeps its own district. Voice protected only if iwi seats and equivalency are entrenched — otherwise the largest-scale dilution risk.

Why the focus on Options 1 and 4. On the economic test that matters most to the community and to councils — the rating base that funds services, the scale that keeps rates affordable, and deliverability by 2028 — Options 1 and 4 are the two strongest cases. Option 4 offers the largest rating base and brings the Quayside / Port dividend inside the footprint, matching the councils' own joint direction; Option 1 is the most deliverable, keeps the catchments and the district's own economy intact, and can be stood up with the least disruption. The sections that follow set out the economic possibilities of each option, and Section 12 assesses all four against the MCERT criteria.

4. Option 1 — Sub-regional Te Arawa Waka Design (Mai i Maketū ki Tongariro)

What it is. A single unitary authority over Te Arawa's own rohe, drawn to Treaty settlement boundaries already embedded in law and following catchment lines — the full Tarawera, Kaituna and Te Arawa Lakes catchments held whole even where that moves a community's current council boundary (inclusion of the Tarawera catchment is the design intent, subject to the confirmation noted below). It extends south toward the Tongariro/Taupō catchment, subject to collective iwi agreement on how far. In practical terms the boundary follows the water rather than historic administrative lines — so the communities that share a lake, a river or a flood plain sit inside the same authority, planned for and funded together.

Mandate status. Option 1 received significant support from Te Arawa representatives and was endorsed by formal resolution at the Hui ā-Iwi at Te Papaiōuru Marae on 16 July 2026. On 23 July 2026 the Te Arawa Iwi Chairs resolved to endorse it as Te Arawa's preferred model, and to support Option 4 for further exploration, noting that additional engagement with affected iwi and hapū is required before either option is considered fully mandated.

Viability — two open questions

Its viability depends on the support of neighbouring iwi and on council alignment to the south. Three questions bear on whether the full Mai i Maketū ki Tongariro model is currently achievable:

- **Neighbouring iwi support.** The model's viability depends on the support of neighbouring iwi — particularly Tūwharetoa, Tapuika and Waitaha, among others. Engagement is continuing: Ngāti Pikiao has discussed the kaupapa and endorsed the Mai i Maketū ki Tongariro concept, and Tūwharetoa ki Kawerau, unable to attend the Hui ā-Iwi, will consider it shortly. Te Arawa places its iwi relationships ahead of alignment with any single council.
- **The Tarawera catchment.** The design intent is that the full Tarawera catchment is included, so the catchment is held whole. That inclusion remains to be confirmed: both Te Arawa and Mataatua iwi and hapū have interests in the Tarawera catchment, and mandate has not yet been obtained across those iwi and hapū or the relevant councils.
- **Taupō District.** The model requires Taupō District Council to align with Rotorua and South Waikato. Confirmation of Taupō's position has not yet been received, and the alignment question remains open. This is a critical gap: without Taupō the model is incomplete — it excludes Tūwharetoa and leaves the proposed southern extent unresolved, with implications for the option's viability and for the level of support it retains within Te Arawa.

A note on Option 4. Even if the standalone Mai i Maketū ki Tongariro model is not currently achievable, its catchment-based footprint can be preserved as the Central district of a Bay-wide authority — this is exactly how it appears as District 2 of Option F (Section 7).

Economic opportunity

- **A rating base built on assets already in the rohe.** Geothermal (Rotorua, with connections toward Taupō/Kawerau at the southern reach), forestry (CNI / Kaingaroa), tourism and destination infrastructure, and a defining Māori land base — ~37% of regional land tenure in Māori title, over 5,200 parcels and ~1,770 land trusts, more than $6.6bn in assets, with ~$433m of recent settlement investment into the region.
- **Rating policy as a lever, not an inheritance.** The specific rules for multiply-owned Māori freehold land let the new authority shape — not just inherit — a rating policy that works for whānau landowners. This is a genuine economic-design advantage that is cleanest at the tighter Te Arawa scale.
- **The Quayside gap is the real economic exposure.** Option 1 does not include the Port of Tauranga shareholding. If BOPRC's functions transfer elsewhere, that asset base (below) risks defaulting to a different authority. Under Option 1 the dividend has to be secured by a separate negotiated arrangement, not by footprint — a live task, not a given.

- **MCERT fit.** Strong on deliverability, simplified governance and local voice; the exposure is Criterion 4 (economies of scale), where a smaller rating base and the missing Quayside asset can read as "too small." This is best answered directly — a secured geothermal and land rating base, and negotiated Quayside access.

Pros and cons

STRENGTHS	RISKS / TRADE-OFFS
• Deliverable within the timeframe; comparatively less complex. • Built on Treaty settlement boundaries already in law — strongest legal footing and lowest judicial-review risk. • Strong, undiluted local voice. • Keeps Te Arawa's own catchments whole under one authority. • Already carries a resolution of support (16 July), with a Tūwharetoa second. • Cleanest platform for a Māori-land-led rating policy.	• Smaller population / rating base — main MCERT scale and deliverability risk ("too small"). • Leaves the Quayside / Port asset outside the footprint unless separately negotiated. • Runs against Government's understood preference for a single Bay-of-Plenty-wide authority. • Southern reach into Taupō / South Waikato crosses the Waikato River catchment — open questions for Reporoa, Waikite and similar communities. • Other councils and iwi are running their own conversations in parallel.

5. Option 2 — Regional Design, Waka Hourua

About Option 2. Option 2 was tested directly with Mataatua at the Hui ā-Iwi and in separate discussions with iwi representatives. While it may perform well against the MCERT criteria, support was not indicated at this stage — so the option cannot proceed as a joint Te Arawa–Mataatua mandated proposal. It is set out here for completeness, so the regional-scale case can be seen alongside the others.

What it is. A single unitary authority over the largest viable catchment-based landscape — Te Arawa with parts of Ngāti Tūwharetoa, Ngāti Raukawa and Mataatua as distinct partner iwi, reaching across the Eastern Bay and into the Tauranga / BOPRC area. Its logic is that settlements, taonga and co-governance relationships already run across this wider landscape, not along 1989 administrative lines.

Economic opportunity

- **It brings the region's single biggest strategic asset inside the footprint.** Quayside Holdings (100% BOPRC-owned) holds a 54.14% shareholding in the Port of Tauranga — valued at roughly $2.3bn (2023) within a ~$2.6–$2.7bn portfolio, plus ~$425–$580m of non-port assets including Rangiuru Business Park.
- **The dividend is the biggest non-rates lever in the region.** The Quayside dividend funds ~23–24% of BOPRC's annual revenue — about $45m a year (~$380 per household), up from ~$18–$25m historically to ~$48m last financial year. A broader footprint keeps this inside the new authority; a narrower one risks losing it.
- **There is a live, council-resolved opening to own more of it.** BOPRC's February 2025 managed sell-down parameters (to a 28% minimum) give mana whenua first opportunity to purchase. That is an economic opportunity, not just an asset to protect — strongest where the footprint and the iwi collective sit inside the same authority.
- **Widest economic base and lowest set-up cost.** Adds Wairakei/Taupō and Kawerau geothermal, the Ōpōtiki aquaculture venture, and further forestry and commercial interests; and existing

co-governance/commercial arrangements transfer in rather than being rebuilt — no re-establishment cost. This is the strongest option against MCERT Criterion 4 (economies of scale).

Pros and cons

STRENGTHS	RISKS / TRADE-OFFS
• Largest viable scale and rating base — strongest on economies of scale. • Brings the Quayside / Port asset base and dividend inside the footprint. • Widest economic base: regional geothermal, forestry, aquaculture, commercial anchors. • Re-uses existing co-governance bodies — no re-establishment cost. • Keeps co-governance whole across whole catchments. • Strongest balance sheet for resilience and borrowing capacity (see Section 6).	• Te Arawa's own voice may be diluted in a larger body. • Port / Quayside apportionment becomes materially more complex. • Crosses significantly into other iwi rohe — requires their agreement first; nothing is agreed. • Māori-ward carry-over (the four BOPRC seats) is unresolved and could dilute at scale. • No signal yet that the Crown would accept this as an alternative to its “one Bay of Plenty” preference. • Higher apportionment / boundary complexity against the timeframe.

6. Option 3 — Rotorua only (stand-alone)

Te Arawa's feedback. This is Option E of Rotorua Lakes Council's proposal — a Rotorua-only unitary authority. While likely the simplest option to establish, it would split Te Arawa iwi and hapū, and their related catchments, across separate unitary authorities, and may be considered too small to satisfy the Government's MCERT criteria. The section below sets out Te Arawa's feedback — the strengths recognised and the concerns flagged — offered constructively for Council's hui.

What it is. Rotorua Lakes Council's existing district, converted into a stand-alone unitary authority — the narrowest of the three footprints. It does not extend north into Maketū / Tapuika / Waitaha, south into Taupō / South Waikato, or east into the Bay. In practice it is RLC becoming a unitary authority largely as it is today.

Economic opportunity

- **The smallest rating base of the three.** Rotorua's economy is anchored by tourism (a major national destination), geothermal within the district, some forestry and a Māori land base inside the district lines. There is no Port of Tauranga / Quayside access at all — the region's single biggest non-rates lever sits entirely outside this footprint.
- **Financially sustainable today, but carrying real debt on a small balance sheet.** RLC is currently financially sustainable standalone across revenue and debt measures. Its relatively high debt reflects recent investment — a ~$100m wastewater treatment plant, a new museum, and stormwater / flood mitigation — that keeps its assets in good condition for the next 50–100 years. Standalone, that debt sits on the smallest of the three balance sheets.
- **Highest "too small" risk under MCERT.** Strongest on deliverability and simplified governance — it is the simplest to stand up. But on Criterion 4 (economies of scale) it is the weakest, and it runs the greatest risk of being assessed as too small and defaulted into a neighbouring grouping — the exact downgrade this whole exercise is meant to prevent.

Pros and cons

STRENGTHS	RISKS / TRADE-OFFS
• Most deliverable — RLC becomes a UA largely as-is; lowest complexity. • Keeps Rotorua out of a Tauranga-led, urban-centric authority (which the community strongly opposes). • Highest proportional Te Arawa influence within the Rotorua district — the easiest structure in which to secure Māori wards, representation ratios and settlement protections in statute. • Clearest early window to embed settlement arrangements, statutory powers and an iwi-led equivalency test into the proposal before it is set in law. • Rates and rating policy stay locally controlled. • RLC's recent investment means core assets are in good shape for decades.	• Smallest rating base — highest MCERT "too small" risk; most exposed to being defaulted into a neighbouring grouping. • No Quayside / Port access — forgoes the region's biggest non-rates lever entirely. • Duplicates functions that could be shared regionally (planning, regulatory, compliance, procurement, IT, HR, legal) — limited economies of scale. • Higher per-household cost for major capital (water, wastewater, stormwater, transport, climate resilience); less ability to spread risk or borrow at scale, and it bears insurance and resilience costs alone. • Fragments the Te Arawa collective — iwi outside the Rotorua district fall into other authorities, which fails the equivalency bottom line. • Splits catchments (e.g. Kaituna, Tarawera) across authorities — fails the catchment bottom line. • Less weight in regional transport and NZTA prioritisation; rural communities (Reporoa,

STRENGTHS	RISKS / TRADE-OFFS
	Mamaku, Ngākuru, Tarawera) more exposed if costs can't be shared. • Least ambitious — does not advance the collective design or the wider economic base.

A high-stakes bet — if a Rotorua-only path were pursued

Because it is the narrowest footprint, Rotorua-only is a binary bet on the Crown's response, and it is worth seeing plainly: accepted, Te Arawa moves straight into an iwi-led design and negotiation phase; rejected, Rotorua is absorbed into a Crown-designed Bay-wide authority with reduced iwi influence. That is why it reads as a bet rather than a safe fallback.

Area	If accepted (Rotorua-only)	If rejected (Bay-wide backstop)
Funding & rates	Local control; strong Te Arawa influence.	Regional allocation dominated by larger centres; cross-subsidies likely.
Treaty settlements	Protections embedded early, in the drafting window.	Partnership arrangements exposed; Crown-led design.
Representation	Māori wards and ratios secured in statute.	Dilution risk; representation not guaranteed.
Posture	Iwi-led design and negotiation.	Reactive engagement with Crown and regional partners.

7. Option 4 — Bay-wide authority run as three districts (federated model)

Te Arawa's recommendations. This is Option F of Rotorua Lakes Council's proposal — a single Bay-wide authority structured as three districts. The Te Arawa Iwi Chairs have resolved to support it for further exploration (23 July 2026), noting that additional engagement with affected iwi and hapū is required before it can be considered fully mandated. At this scale it is complex to implement, carrying risks such as the balancing of competing interests across the region. The section below sets out Te Arawa's recommended improvements to Option F: the design changes that would bring it closer to Te Arawa's five bottom lines and reflect the feedback received at the Hui ā-Iwi from iwi and the invited guest speakers. Its distinctive feature, and the thing that decides whether it works, is the representation design set out below.

What it is. Broadly the existing Bay of Plenty Regional Council footprint — potentially including South Waikato and/or Taupō — divided into three sub-regional districts, each running its own local affairs, with a statutory or governance body sitting across the top for equity, coordination and clarity. It is similar in concept to the Auckland Council model, retaining a degree of local council identity within each district while meeting the Government's stated preference for a more consolidated structure. Several speakers at the Hui ā-Iwi identified it as the option most likely to be favoured by Government.

What Te Arawa recommends. What follows is not a re-description of Option F but Te Arawa's recommended improvements to it — keyed to Te Arawa's five bottom lines and to what was heard at the Hui ā-Iwi from iwi and the invited speakers. In summary: build the authority as three catchment-based districts, so whole catchments sit within one district (catchment governance); give each district genuine local decision-making, so local and individual voices are retained rather than absorbed (representation); entrench that representation and the existing co-governance arrangements in legislation rather than leaving them to resolution (co-governance, equivalency and statutory powers); and set the emergency-management, economic and rating arrangements at region scale for efficiency. These reflect the lessons the invited speakers shared from Auckland's amalgamation — that district and local structures only deliver when they carry real delegated authority.

- **District 1 — Western:** Tauranga / Western Bay of Plenty (Tauranga Moana iwi).
- **District 2 — Central:** Mai i Maketū ki Tongariro (Te Arawa) — the same catchment-based footprint as Option 1, preserved as the Central district.
- **District 3 — Eastern:** Ngāti Awa / Whakatāne / Ōpōtiki and the wider Mataatua rohe (Eastern Bay).

Accommodating iwi boundaries. Both Option 1 and Option 4 are able to accommodate iwi-boundary-based configurations. Either would mean a different configuration of representatives at the table — both a risk and an opportunity, and a matter to be worked through with the iwi affected.

How the districts work — catchments and local voice

- **Districts organised on catchment lines.** The three districts would be drawn on catchment boundaries rather than old administrative lines, so each district manages whole catchments — the Central district holding the Kaituna, Tarawera and Rotorua Lakes catchments, the Eastern district the Rangitāiki, Whakatāne and Ōhiwa catchments, and the Western district the Tauranga Harbour catchments. This keeps water, flood, drainage and land-use planning coherent within each district as well as across the authority, carrying the catchment-governance advantage set out in Section 8 down to the district level. In particular, the Central district is drawn on the same Mai i Maketū ki Tongariro catchment basis as Option 1, so Te Arawa's preferred footprint is preserved within the Bay-wide model even if the standalone Option 1 faces the viability questions in Section 4.
- **Local and individual voices retained by design.** Because each rohe and community keeps its own district with genuine local decision-making, individual and local voices are retained more than under a single, undifferentiated authority — the district is the structural home for local identity and choice, while the authority handles only what is genuinely region-wide. Done well, the model is a federation of distinct voices rather than a merger of them. This holds provided each district carries

real delegated authority, not an advisory role (the Auckland local-boards lesson) — which is why the representation design below is decisive.

Why it's on the table. It is the one shape that lines up with three things at once: Government's understood preference for a single Bay-wide authority; the councils' own emerging joint proposal (a region-wide bid built on three sub-regional groupings — Western, Rotorua-based and Eastern); and a proven precedent — Auckland's single authority over local boards, with the lessons of that establishment well documented. It tries to capture the scale benefits — the largest rating base, the Quayside asset, regional geothermal, the moana economy and whole-region CDEM/climate resilience — without erasing local identity, because each rohe keeps its own district.

Economic opportunity

This is the maximal footprint, so on economics it sits at or beyond Option 2. It carries the largest rating base of the four, brings the Quayside / Port asset base fully inside (Tauranga included), and takes in the region's full geothermal spread, forestry, aquaculture and moana economy — the widest balance sheet for resilience and borrowing capacity. It also enables a single regional tourism and economic-development arm across the three districts, pooling the region's separate tourism bodies and opening cross-district visitor partnerships (Section 9). The trade-off is that it is the most complex to stand up, and apportionment reaches across the whole region and into the Waikato boundary.

Emergency management — the coordination and cost case

A single authority over the three districts is strongest on emergency management, in both coordination and cost — and this is where the evidence for a unified structure is clearest.

- **The arrangement today.** All seven Bay of Plenty councils currently make up the Bay of Plenty Civil Defence Emergency Management (CDEM) Group under the CDEM Act 2002 — a consortium whose plan must apportion the cost and resources between the councils. Coordination and funding are shared across seven separate bodies.
- **The problem, on the record.** The Government Inquiry into the Response to the North Island Severe Weather Events (2024) found the emergency-management system "not fit for purpose for large events that impact multiple regions at once," and that fragmented arrangements meant information "had to be repeatedly requested," which "swamped many regional and local coordination centres [and] drew capacity from elsewhere." The Government has committed to strengthen the regional tier of emergency management.
- **What a unified authority changes.** A single authority over the three districts brings that seven-council consortium into one organisation — one budget, one command structure and one common operating picture — removing the inter-council cost-apportionment and the duplicated effort the Inquiry identified. Specialist capability (controllers, deployable surge teams, common platforms) is funded once rather than several times over, which lowers the cost carried by each council.
- **The cost trajectory makes scale matter.** Government emergency-management costs are projected to rise more than 50% per decade — from \$0.7 billion in 2020 to \$3.3 billion in 2050. Cyclone Gabrielle alone cost an estimated \$9–14.5 billion, and Treasury puts an 80% chance on another Gabrielle-scale event within 50 years. Coordination and shared expenditure are increasingly a cost-control question, not only a resilience one.
- **Where the savings are genuine.** Consolidation savings are strongest in shared specialist functions — of which emergency management is a prime example — rather than in routine services (the New Zealand Infrastructure Commission cautions that scale savings in routine council services are not guaranteed). Regional shared-service models bear this out: Te Uru Kahika reports that co-investment across councils delivers "better capability at a much lower cost" than any one council could achieve alone.
- **More targeted rating.** A single authority can direct resilience investment where the risk is, and rate for it accordingly. Flood-protection returns are exceptional — the Government's Regional Infrastructure Fund has put about \$200 million into 74 flood-resilience projects, and the Taradale stop-bank upgrade (a roughly \$4 million investment) is credited with saving over \$7 billion in

damages and protecting 10,000 properties during Cyclone Gabrielle. One authority can apply targeted rates to the most-exposed districts and fund region-scale protection coherently, rather than each council duplicating or thinly spreading the cost. For ratepayers that is the practical difference between paying several times over for the same capability and paying once for a better one.

The representation play

The model lives or dies on representation. Two configurations to test:

Configuration A — minimum viable.

- **Region-wide governing body:** councillors elected from district wards plus some at-large seats.
- **Three district boards** with genuinely delegated local decision-making — learning from Auckland, where local boards were left feeling under-powered; give these real authority, not just advocacy.
- **A region-wide iwi / Māori representation layer** with voting rights.

Configuration B — full equivalency (the Te Arawa-shaped version).

- **Guaranteed iwi seats with full voting rights** on the governing body and on each district board, held by the mana whenua of each district — Western = Tauranga Moana, Central = Te Arawa, Eastern = Mataatua — so each rohe holds its own seats in its own district.
- **Catchment co-governance entities retained or elevated** to statutory bodies feeding the authority — Te Maru o Kaituna, Rangitāiki, Tarawera, Te Arawa Lakes Trust, Ōhiwa — the “elevate co-governance to TA-equivalent” idea from the Mataatua breakout.
- **An equivalency guarantee** that each of the three iwi groupings holds genuinely equivalent standing — none dominant — entrenched in the enabling legislation, not council resolution.

Design imperatives

- Entrench in legislation, not resolution — a council can unwind a resolution; legislation is the protection.
- Beware the non-elected voting-rights change. Government has signalled removing voting rights for non-elected committee members, which exposes an advisory IMSB-style board. Where possible, iwi seats should be elected (Māori roll / Māori wards at district and region level) or given voting rights directly in the enabling Act, so they survive that change.
- Representation is decisive at this scale. Genuine, guaranteed voice for each rohe is what makes a Bay-wide authority work for its communities rather than dilute them.

Pros and cons

STRENGTHS	RISKS / TRADE-OFFS
• Best political fit — matches Government's single Bay-wide preference AND the councils' own three-grouping joint proposal. • Largest rating base of the four; Quayside / Port fully inside; full regional geothermal and moana economy. • Widest balance sheet for CDEM and climate resilience. • Each rohe keeps its own catchment-based district — local and individual voices retained by design, more than under a single merged authority. • One spatial / catchment / transport regime — maximum economies of scale.	• Maximal dilution risk for Te Arawa's distinct voice if representation isn't entrenched. • Hands Tauranga into the same authority — which Rotorua's community strongly opposed (~11% support). • Most complex and highest-cost to stand up. • Closest to the council / Government model — raises the “leading or absorbed?” question. • Crosses many iwi rohe — none has agreed; requires the widest engagement. • Only as strong as its weakest representation guarantee — the quiet-downgrade risk at its largest scale.

STRENGTHS	RISKS / TRADE-OFFS
• A proven precedent (Auckland) to learn from, good and bad.	

Overall assessment. The advantage is scale with protected local voice — one authority, but each rohe keeping its own district. The trade-off is greater complexity, and that it brings Tauranga into the same authority (a recent Tauranga survey showed only around 11% support for including Rotorua). Whether it strengthens or dilutes local and iwi voice comes down to the representation design. It is offered here as a genuine option for Council to weigh, not a settled proposal.

8. Deep dive — civil defence, emergency management and climate

How to read this section. On civil defence, emergency management and climate resilience, a larger, whole-catchment footprint scores strongest — the case is set out below. Many of these strengths are portable to a smaller footprint through the right design. And a Rotorua-only footprint, being the smallest balance sheet with the most fragmented response, is the most exposed on resilience — worth weighing against its deliverability advantage.

Why the regional footprint scores strongest on CDEM and climate

- **Hazards don't respect council boundaries — this rohe proves it.** The Taupō Volcanic Zone runs through the whole landscape (geothermal, volcanic and seismic hazard from Rotorua to Taupō and Ōkataina). The rohe's recent history is regional: the 2017 Edgecumbe flood (a Rangitāiki River stopbank breach), Cyclone Gabrielle (2023) across the Eastern Bay and East Coast, and the 2019 Whakaari/White Island eruption. Coastal inundation and lake-level risk (Maketū, Kaituna, Ōhiwa, the Rotorua lakes) sit across the same lines. A footprint drawn to catchments, not districts, matches the way these events actually behave.
- **Civil defence is already organised at the regional scale.** Emergency management is coordinated through a regional CDEM Group — currently hosted by BOPRC. When BOPRC is disestablished, that Group function has to land somewhere. A single regional authority inherits it whole; a patchwork of sub-regional authorities forces it to be split and re-stitched at exactly the moment coordination matters most.
- **Flood, coastal and freshwater management is the same system as CDEM readiness.** The reform moves catchment/freshwater management to unitary authorities from 2028. Stopbanks, drainage schemes, coastal defences and river-scheme operations are both everyday catchment work and the front line of emergency response. Holding a whole catchment (Kaituna, Rangitāiki, Tarawera and the lakes) under one authority means one body owns the assets, the plans and the response — not three bodies negotiating in a crisis.
- **Scale buys the balance sheet that resilience needs.** As Mayor Tapsell put it at the hui, scale affects borrowing capacity and resilience to major shocks such as natural disasters. A larger rating base — plus the Quayside dividend and a diversified asset portfolio — is what funds resilience infrastructure (flood protection, coastal adaptation, lifelines) and lets an authority absorb a disaster without a rates spike. Rotorua's recent debt reflects exactly this kind of investment (a ~$100m wastewater plant, stormwater and flood mitigation); a bigger authority carries that load more easily.
- **Climate adaptation needs to be planned once, at the right scale.** Coastal hazard, managed retreat and the coming insurance-retreat problem are regional questions that cut across districts. Regional spatial planning (the new regime replacing the RMA) is built to be done at this scale — Auckland is currently the only region to have completed a regional spatial plan. One authority planning one coastline and one set of catchments avoids the gaps and contradictions that appear at boundaries.
- **Iwi-led response is a resilience asset — design it in.** Through Gabrielle and Edgecumbe, marae were the community's first responders and recovery hubs. A regional structure with embedded iwi CDEM roles, mutual-aid arrangements and marae-based response capacity turns that lived reality into a designed capability — and strengthens the representation and equivalency bottom lines at the same time.

Why catchment scale is cost-effective — the evidence

Managing by catchment is not only more effective in an emergency; it is the cheaper way to run the region over time. The data makes the case:

The evidence

- We pay for cleanup, not prevention. Since 2010 New Zealand has spent roughly $64 billion on natural hazards — about 97% on response and recovery, and only ~3% on reducing risk — and spends about 0.6% of GDP responding to hazards, close to twice the OECD average.

- The cost of getting it wrong is large and local. Cyclone Gabrielle cost up to $14.5 billion (Treasury) — the costliest non-earthquake disaster on record — with much of the damage to stopbanks and roading, which are local-government catchment assets. This rohe has felt it: the 2017 Edgecumbe flood was a Rangitāiki River stopbank breach.
- Prevention pays several times over. New Zealand and international evidence puts the return at roughly $4–$8 saved for every $1 invested — the advice on the new Emergency Management Bill (replacing the CDEM Act 2002) uses $1:$4; the regional river managers cite $1:$8 for flood-protection infrastructure.
- The exposure is real. More than 750,000 New Zealanders live in flood-prone areas, with about $235 billion of residential buildings at risk — in this rohe, across the Kaituna, Rangitāiki and Tarawera catchments and around the lakes and coast.

Why footprint is the lever. Flood, drainage and coastal assets only work managed as whole systems. Splitting a catchment across authorities duplicates cost and creates the coordination gaps that reviews after Gabrielle identified; one authority holding a whole catchment plans once, invests once and responds once. Floodwater does not check the rates roll on its way through a valley: whole-catchment management protects the homes, farms and businesses downstream regardless of who owns them. That is why the footprints that hold catchments whole (Options 1, 2 and 4) are the cost-effective, resilient choices — and why a Rotorua-only authority (Option 3), which splits the Kaituna and Tarawera catchments across authorities, is the weakest on this measure: it fragments the very systems resilience depends on.

How to hold these gains under Option 1 (so this isn't a binary)

Most of the CDEM and climate advantages come from catchment integrity, scale of balance sheet, and a single emergency function — not from the specific regional boundary. Under Option 1 they can largely be secured by design:

- **Draw Option 1 to catchments, not districts,** so the flood/coastal/freshwater system stays whole within the footprint.
- **Seek the CDEM Group function plus direct Crown funding,** rather than letting it default across authorities, on the basis that taiao and emergency functions should be Crown-funded, not left to a new authority's annual plan.
- **Negotiate a regional resilience and mutual-aid compact** with neighbouring authorities and iwi — shared emergency assets, lifelines and response arrangements across the wider landscape, without a single boundary.
- **Embed marae-based response and iwi CDEM roles** into the establishment design regardless of footprint.

Data gap to close.
CDEM arrangements are on the council data request and have not yet been returned. This analysis is directional until that data is in — the direction is well-grounded, the specifics (asset registers, scheme liabilities, response capacity) need Council's numbers.

9. Economic opportunities — side by side

Lever	Option 1 — Sub-regional	Option 2 — Waka Hourua	Option 3 — Rotorua only	Option 4 — Bay-wide, 3 districts
Population / rating base	Smaller; MCERT scale risk.	Largest viable; strongest on economies of scale.	Smallest; highest “too small” risk.	Largest of the four; maximal scale.
Quayside / Port of Tauranga (54.14%, ~$2.3bn; ~$45m/yr dividend, ~$380/household)	Outside footprint — must be secured by separate negotiation; risks defaulting elsewhere.	Inside footprint; plus mana-whenua first-purchase opening on the sell-down to 28%.	Outside footprint — no access.	Inside footprint (Tauranga included); same first-purchase opening.
Geothermal	Rotorua (+ southern reach toward Taupō/Kawerau).	Adds Wairakei/Taupō and Kawerau at scale.	Rotorua district only.	Full regional spread — Rotorua, Taupō, Kawerau, Wairakei.
Forestry	CNI / Kaingaroa.	CNI / Kaingaroa plus Kinleith and wider holdings.	Limited (within district).	Full regional holdings — CNI / Kaingaroa, Kinleith and wider.
Aquaculture / other	Limited within footprint.	Adds the Ōpōtiki aquaculture venture and wider commercial anchors.	None; strong Rotorua tourism base.	Ōpōtiki venture plus the region’s full commercial base.
Tourism / destination marketing	Rotorua's visitor economy (its largest employer) inside the footprint; Rotorua NZ carries across.	Consolidates the region's separate tourism bodies into one regional arm; marketing at scale.	Rotorua-only — Rotorua NZ continues, but no regional pooling.	One regional tourism arm across the three districts — cross-district partnerships; Rotorua's draw anchors the region.
Set-up cost	Some new arrangements needed at the edges.	Existing co-governance bodies transfer in — no re-establishment cost.	Lowest — RLC becomes a UA as-is.	Highest — largest and most complex to establish; existing bodies still transfer in.
Māori land rating policy (~37% of tenure, >$6.6bn)	Cleanest platform to shape a whānau-fit rating policy.	Same lever, larger and more complex base to apply it across.	Within Rotorua district only; splits Te Arawa iwi outside it into other authorities.	Same lever across the whole region; largest and most complex base.
Apportionment complexity	Lower.	Materially higher; crosses the Waikato regional boundary.	Lowest.	Highest — whole region plus the Waikato boundary.

Quayside distribution and allocation — an unresolved variable

The Quayside / Port of Tauranga holding is the single largest economic variable across the options above. How that holding would be distributed and allocated under a reorganised structure is not yet settled, and it materially affects the economic case for every footprint.

- **What is understood.** Te Arawa understands that work has been undertaken on how Quayside holdings would be distributed and allocated, and on the models that might be applied, but that consideration of this work has been deferred until after the reorganisation is resolved.
- **Why the sequencing matters.** It reverses the natural order of the decision. Councils and iwi are being asked to select a footprint now, while the basis on which the region’s largest asset would be shared is set aside until afterwards. Decisions taken in that sequence are made without a material part of the economic picture.
- **The risk to the options.** Choices made now may narrow or foreclose options before the distribution question is answered — and a distribution model settled afterwards will be shaped by, and

constrained to, whatever footprint has already been chosen. That is a significant risk to decisions still to be made, and to the range of options that remain genuinely open.

What Te Arawa asks on this point.
That the distribution and allocation work be brought forward and made available to inform the decisions now being taken, rather than deferred until after them — and that, in the meantime, decisions are framed so they do not foreclose options that depend on the outcome. Where that is not possible, the sequencing risk should be recorded openly in any proposal submitted to Government.

Tourism and economic development — a regional arm

Tourism is one of the region's defining economic pillars, and Rotorua's in particular: it is the district's largest employer and its highest contributor to GDP, with a goal of $1 billion in annual visitor spend by 2030. Rotorua NZ — Rotorua Lakes Council's own council-controlled organisation — already carries both the economic-development and regional-tourism-organisation (RTO) roles, and Rotorua consistently draws top-tier national tourism investment.

Today the region's visitor economy runs through several separate bodies — Rotorua NZ, Tourism Bay of Plenty (Western Bay / Tauranga) and Destination Taupō among them. A larger footprint (Options 2 and 4) could consolidate these into a single regional tourism and economic-development arm: one destination-marketing budget and brand with national and international reach, shared industry capability, and genuine cross-district partnerships — pairing Rotorua's geothermal, lakes, forest and Māori cultural draw (Te Puia, Te Pā Tū, Whakarewarewa) with the western coast and harbours and the Eastern Bay into regional itineraries no single district could market alone. Under Option 4, each district keeps its own local destination identity while the authority runs the regional arm — the same catchments-and-districts logic applied to the visitor economy. The beneficiaries are the operators, employers and workers across the district: tourism is already Rotorua's largest employer, and a stronger regional draw supports those jobs.

Re-using existing governance structures — the avoided cost

The expensive part of a reorganisation is not the idea; it is standing up new systems, structures and relationships. Auckland's 2010 amalgamation is the New Zealand benchmark — eight councils, about $32 billion of assets and 8,000 staff brought into one authority, run by a dedicated transition agency over more than a year, and best remembered for its IT and systems-integration blowouts. Continuity depended heavily on keeping existing officers and their knowledge.

This rohe starts with an advantage. A network of statutory co-governance and catchment bodies already exists — most established through Treaty settlements, with legislative backing, staff, data and relationships already in place:

- **Te Maru o Kaituna** — the Kaituna River co-governance authority.
- **The Rangitāiki River Forum** and the Rangitāiki flood-protection scheme.
- **The Rotorua Te Arawa Lakes co-governance** (Te Arawa Lakes Trust and the Lakes Strategy Group), and the Tarawera awa arrangements.
- **Ōhiwa Harbour co-governance** in the east, shared across Mataatua iwi.

The saving. Re-using these bodies — rather than rebuilding equivalents — avoids a material slice of establishment cost and de-risks the transition. It is a direct economies-of-scale argument (MCERT Criterion 4: no re-establishment cost), and it protects the co-governance bottom line by carrying those arrangements across intact. The determining factor is footprint: an authority that holds catchments whole can carry these bodies across as they are, while the more a footprint splits a catchment — as a Rotorua-only authority does — the more these arrangements must be unpicked and rebuilt, a cost as well as a risk.

Local Water Done Well — build on the water CCOs, don't rebuild them

The single biggest asset restructure running alongside this reform is water. Under the Local Government (Water Services) Act 2025, councils are standing up water-services council-controlled organisations (CCOs) now — most operational from 1 July 2027 — to deliver drinking water and wastewater at scale, and there is no new Crown funding for the set-up, so councils and ratepayers carry the cost. Water is a large share of the business it moves: for a comparable New Zealand council, water is roughly 30% of operating spend, over half of planned capital, and about 30% of assets owned. In this region, sub-regional water entities are already forming — the project's own analysis has about 30% of Tauranga's assets transferring to a sub-regional water entity from 1 July 2027.

The point. The new unitary authority should inherit and build on these CCOs as its water-delivery vehicle, not re-open or rebuild water services. Re-doing an asset transfer, debt allocation, systems build and board that has only just been stood up — again at ratepayer cost, with no Crown funding — would be waste and disruption. The design should commit to retaining the Local Water Done Well CCOs and, where possible, align the authority's boundary with the CCO's service area (the boundary-coherence point in Section 11).

A consideration. Water CCOs are run by independent professional boards at arm's length from councils and communities, which can thin Māori and co-governance voice. So utilising them should go hand in hand with securing mana whenua representation, and Te Mana o Te Wai and water-quality obligations, in the CCO's constitution, shareholders' agreement and statement of expectations — capturing the saving without locking in a weaker voice.

The economic through-line.

Whichever footprint proceeds, the rating base is built on the region's geothermal, forestry, the Māori land base and (where secured) the Quayside / Port dividend — and the case is strongest expressed in the reform's own criteria of deliverability, scale and simplified governance.

10. Maritime and moana — by option

When BOPRC is disestablished, its moana functions transfer to the new authority — and “maritime” here spans the coast and the lakes, because harbourmaster and navigation-safety jurisdiction covers navigable inland waters, not only the sea. Those functions include harbourmaster and navigation safety (on the harbours and on the Te Arawa lakes), regional coastal consenting (including aquaculture space), maritime oil-spill response, and coastal- and lake-hazard management. Alongside them sit iwi moana interests — customary marine title and protected customary rights under the Marine and Coastal Area (Takutai Moana) Act on the coast; the Te Arawa lakebeds already owned by Te Arawa Lakes Trust through the 2006 settlement; the Rotorua Te Arawa Lakes water-quality co-governance; lake biosecurity; and mātaitai, taiāpure and moana economic ventures. The footprint decides which harbours, coastline, lakes and moana economy fall inside the authority — and whether Te Arawa's own coastal and lake interests sit with it or in someone else's authority.

- **Option 1 — the Te Arawa Lakes and a Maketū coastal frontage.** This footprint holds the full Te Arawa Lakes — a maritime domain in its own right, with harbourmaster and navigation-safety functions on the lakes, the lakebeds already owned by Te Arawa Lakes Trust, water-quality co-governance and lake biosecurity — together with a coastal frontage at the Maketū / Ōngātoro estuary and the Kaituna river mouth (Te Arawa ki Tai, Tapuika and Waitaha interests). The region's major sea harbours (Tauranga, Whakatāne, Ōpōtiki) and the open-ocean aquaculture space sit outside it.
- **Option 2 — the region's harbours and moana economy inside one authority.** The broad footprint takes in the Eastern Bay coast — Whakatāne, Ōhiwa Harbour (a shared Ngāti Awa / Whakatōhea / Upokorehe moana) and Ōpōtiki — and, in its fullest form, Tauranga Harbour. It brings the Ōpōtiki open-ocean aquaculture venture, the region's ports and wharves, and a continuous coastline under one harbourmaster and coastal regime — the strongest maritime economic and jurisdictional base, and the most coherent for oil-spill and coastal-hazard response along a single coast.
- **Option 3 — the lakes, not the coast.** Rotorua has no sea coast, but it holds the heart of the Te Arawa Lakes — a real maritime domain, not an absence of one: harbourmaster and navigation safety on the lakes, the Te Arawa lakebeds owned through settlement, water-quality co-governance and lake biosecurity all sit inside it. What it forgoes is the sea — the coastal jurisdiction, the harbours and the open-ocean aquaculture economy — and Te Arawa's own Maketū coastal interests would fall into a different authority.

Maritime lever	Option 1 — Sub-regional	Option 2 — Waka Hourua	Option 3 — Rotorua only	Option 4 — Bay-wide, 3 districts
Te Arawa Lakes / inland waters	Full Te Arawa Lakes — core maritime domain.	Te Arawa Lakes plus wider regional lakes.	The Rotorua lakes — its core maritime domain.	Te Arawa Lakes plus all regional lakes.
Coastal frontage (sea)	Maketū–Kaituna (short).	Continuous BoP coast (+ Tauranga Harbour in full form).	None.	Whole BoP coast, including Tauranga Harbour.
Major sea harbours	None of the region's major harbours.	Whakatāne, Ōhiwa, Ōpōtiki (± Tauranga).	None.	All — Tauranga, Whakatāne, Ōhiwa, Ōpōtiki.
Aquaculture / moana economy	Lake fisheries; limited coastal.	Ōpōtiki aquaculture venture + wider; plus lake fisheries.	Lake fisheries / freshwater.	Full regional aquaculture and moana economy.
Harbourmaster & navigation	Te Arawa lakes + Maketū / Kaituna.	Whole coast + lakes — one regime.	Rotorua lakes.	Whole coast + all lakes — one regime.
Lakebeds / customary interests	Lakebeds (settlement) + Te Arawa ki Tai coastal.	Lakebeds + continuous-coast	Lakebeds held through settlement; coastal minimal.	Lakebeds + continuous-coast

Maritime lever	Option 1 — Sub-regional	Option 2 — Waka Hourua	Option 3 — Rotorua only	Option 4 — Bay-wide, 3 districts
		Takutai Moana across iwi.		Takutai Moana across all iwi.
Spill / water-hazard response	Own coast + lakes.	Whole coast + lakes — single responder.	Lakes (water quality / biosecurity).	Whole region — single responder.

The moana through-line.
Maritime governance here covers the lakes as well as the sea. The Te Arawa Lakes are a maritime domain in their own right and sit inside every footprint that includes Rotorua and Te Arawa — so Option 3 is not landlocked in maritime terms; it holds the lakes but not the coast. What the wider footprints (Options 2 and 4) add is the sea: more of the region's harbours, aquaculture and coastal jurisdiction under one harbourmaster, oil-spill and hazard regime. Option 1 holds both the Te Arawa Lakes and the Maketū coast whole.

11. A recommendation to Government — align Crown agency boundaries

Whatever footprint proceeds, Te Arawa should recommend one coherent regional boundary shared by the new unitary authority and the Crown's agencies. Today the map is a patchwork — health, police, Oranga Tamariki, social development, Kāinga Ora, the Department of Conservation, Fire and Emergency and others each draw their regions differently, and none align to council lines. Nikki Douglas made the point sharply at the hui: Ngāti Makino sits across four district councils — a genuine burden. Agency misalignment compounds exactly that fragmentation.

- **One coherent geography.** A single boundary that agencies share means whānau, iwi and communities deal with one map, not many — clearer accountability and less duplication (MCERT's own language: simplified governance).
- **Better in an emergency.** Civil defence, health and social-service coordination all improve when the response geography is one boundary, not several overlapping ones — reinforcing the resilience case in Section 8.
- **A once-in-a-generation reset.** The reform is the moment to fix boundary misalignment; it will be far harder to change agency geography afterward.
- **An efficiency argument, not just an iwi ask.** As a public-good coherence measure it benefits the whole community and speaks directly to the reform's efficiency and simplified-governance criteria.

Which way should the boundary run?

Coherence can be reached from either direction — both are worth keeping on the table:

- **Approach 1 — the agencies move to the authority.** The reform reshapes agency geography to fit the new unitary authority. This puts the iwi and community design first, but it asks many agencies to shift and depends on the Crown directing them to do so — slower, but it leads with our boundary.
- **Approach 2 — the authority adopts an existing boundary.** Rather than draw a new line, set the authority's boundary to one that already exists and carries logic, data and often Crown funding behind it — faster and lower-friction than building one from scratch.

The candidate boundaries range from administrative to Māori-defined and natural:

- **Existing council boundaries** — the current territorial authorities, combined as the footprint requires. Familiar, but drawn to old local-government lines, not awa or rohe.
- **The Bay of Plenty regional boundary** — the existing BOPRC region: a ready-made “Bay-wide” geography, close to the Waka Hourua footprint.

- **Health districts** — Lakes (Rotorua and Taupō) and Bay of Plenty, within the Midland / Te Manawa Taki region, with Toi Te Ora – Public Health already across both; the Lakes district already pairs Rotorua with Taupō.
- **The Waiariki Māori electorate** — a Māori-defined boundary covering the Bay of Plenty region and Taupō district (Rotorua, Whakatāne, Tauranga and Taupō — an approximate triangle from Cape Runaway to the Kaimanawa Mountains to Waihi Beach). The most kaupapa-aligned of the ready-made boundaries, because it is drawn around Māori communities rather than old council lines — but it is regional in scale (it includes Tauranga) and is redrawn each electoral cycle.
- **Treaty settlement and iwi rohe boundaries** — the Te Arawa settlement footprint (Mai i Maketū ki Tongariro) and the rohe of Tūwharetoa and Mataatua as defined in their deeds: the most legally grounded and rohe-true basis, and the one Option 1 already uses.
- **Catchment boundaries** — the Kaituna, Rangitāiki, Tarawera and Te Arawa Lakes catchments: the natural unit for water, flood and hazard management (Section 8), though they cut across administrative lines.

An important consideration — these boundaries are not equal. The administrative ones (council, health, most agency regions) follow old local-government lines, not awa or rohe — the health districts, for instance, inherit the former DHB areas fixed to 2001 council boundaries, and health's own structures were under review in 2026. The Māori-defined and natural boundaries (the Waiariki electorate, settlement and rohe boundaries, and catchments) sit closer to how Te Arawa sees the whenua, though the electorate is redrawn each cycle. So an existing boundary is a useful starting reference, not automatically fit for purpose. Whichever is chosen, it must hold whole catchments and not split an iwi rohe (the catchment and equivalency bottom lines) — coherence that cuts a catchment or an iwi in two is not coherence.

Recommendation.

That Te Arawa's outline proposal seek one coherent regional boundary shared by the new authority and Crown agencies — reached either by agencies aligning to the authority, or by the authority adopting an existing boundary (a health district, the Waiariki electorate, or a settlement/rohe or catchment boundary) where that already holds the region's catchments and rohe whole.

12. Assessment against MCERT, the bottom lines and the Te Arawa 2050 Vision

The tables below assess each option against three frameworks: the Government's five MCERT criteria (the community-and-council test of deliverability, scale, governance and representation); Te Arawa's five bottom lines; and the Te Arawa 2050 Vision, which is also embedded in Rotorua Lakes Council's own governance. The ratings draw together the detail in the preceding sections and are directional, not a formal score.

Against the five MCERT criteria

MCERT criterion	Option 1 — Sub-regional	Option 2 — Waka Hourua	Option 3 — Rotorua only	Option 4 — Bay-wide, 3 districts
1. Deliverability	Strong — built on Treaty settlement boundaries already in law; comparatively simple and deliverable by 2028	Moderate — cross-iwi apportionment and a Waikato-boundary crossing add complexity	Strongest — RLC converts largely as-is; lowest complexity	Moderate — largest and most complex to establish, but matches the councils' joint region-wide proposal
2. Planning system	Strong — whole Tarawera, Kaituna and Lakes catchments under one plan	Strong — one regional spatial and catchment regime	Limited — splits the Kaituna and Tarawera catchments across authorities	Strong — one spatial plan and one catchment / transport regime for the region
3. Simplified governance	Strong — one authority at Te Arawa scale; clear accountability	Moderate — larger body, more parties to coordinate	Strong — a single small authority; simplest at the top	Mixed — one authority plus three district boards; still far simpler than today's ~10 councils
4. Economies of scale	Moderate — smaller rating base; Quayside / Port outside the footprint; "too small" exposure	Strong — largest single footprint; brings the Quayside / Port dividend and wider commercial base inside	Weak — smallest rating base; highest "too small" risk; duplicates functions that could be shared	Strongest — maximal rating base with Quayside / Port inside; greatest scope for shared services
5. Fair representation	Strong — loud, undiluted local voice at this scale	Moderate — voice can dilute at scale; ward carry-over unresolved	Mixed — strong within Rotorua, but communities and iwi beyond the district fall into other authorities	Design-dependent — each district keeps its voice, but only if representation is entrenched

Against the five Te Arawa bottom lines

Te Arawa bottom line	Option 1	Option 2	Option 3	Option 4
Representation — no loss for Māori or local voice	Met — strong, undiluted local and Māori voice	At risk — voice can dilute at scale; seat carry-over unresolved	Partly met — met within Rotorua; lost for iwi and communities outside the district	Design-dependent — district structure protects voice only if entrenched
Co-governance — no loss of existing arrangements	Met — existing co-governance and catchment bodies carried across whole	Met — carried across whole	Partly met — some catchment co-governance bodies would be split	Met if the districts and entities are entrenched

Te Arawa bottom line	Option 1	Option 2	Option 3	Option 4
Catchment governance — full inclusion and protection	Met — Tarawera, Kaituna and Lakes catchments held whole	Met — whole-region catchments	Not met — splits the Kaituna and Tarawera catchments	Met — whole-region catchment management under one authority
Statutory powers — full retention	Met — strongest footing, settlement-based boundaries	Met	Met — within the district	Met
Equivalency — genuinely equivalent for every iwi	Met for Te Arawa; a collective design requirement for later-settling iwi	Achievable if built into the design	Not met — iwi outside the district fall into other authorities	Design-dependent — only if equivalency is entrenched for each rohe

Against the Te Arawa 2050 Vision

The Te Arawa 2050 Vision — Te Matakitenga a Te Arawa, “Mauri Tū, Mauri Ora, Te Arawa E!” — is a shared framework: it is embedded in Rotorua Lakes Council's own governance through the Te Arawa 2050 Vision Committee (established 2025, comprising the Mayor, all councillors and Te Tatau o Te Arawa). The table indicates how each option aligns with the Vision's wellbeing domains; exact pillar wording should be confirmed against the published Vision.

Te Arawa 2050 Vision domain	Option 1	Option 2	Option 3	Option 4
Cultural — identity, reo, tikanga, mana motuhake	Strong — Te Arawa-scale authority on settlement boundaries	Strong — regional, across several iwi	Moderate — strong in Rotorua; excludes Te Arawa beyond the district	Moderate — each rohe keeps its district; depends on entrenched voice
Social — people flourishing (housing, health, education)	Moderate — smaller base to fund services	Strong — larger base and shared services	Limited — smallest base; higher per-household cost	Strong — largest base for social investment
Environmental / taiao — lakes, land, water, climate	Strong — whole catchments and lakes held	Strong — whole-region catchments	Weak — splits the Kaituna / Tarawera catchments	Strong — whole-region catchment and resilience management
Commercial — Māori economy, employment, assets	Moderate — in-rohe geothermal, forestry, land; no Quayside	Strong — largest base + Quayside / Port	Limited — smallest base; no Quayside	Strongest — maximal base + Quayside / Port inside
Governance / rangatiratanga / partnership	Strong — clearest Te Arawa-led design and partnership	Moderate — collective across iwi	Moderate — strong local partnership, Rotorua only	Design-dependent — works only if representation entrenched

13. Partnership dependencies and delivery risks

Strong and enduring partnership between Rotorua Lakes Council and Te Arawa is fundamental to delivering Local Water Done Well, the Head Start pathway and Rotorua's long-term growth strategy. Te Arawa are not stakeholders in these reforms — they are mana whenua, Treaty partners, kaitiaki, major landowners and infrastructure partners, with enduring interests across the district's water sources, lakes, rivers, aquifers, catchments and future growth areas. Existing arrangements already show a high level of interdependence, set out below. The households on the end of those pipes are the ones who benefit when that relationship works, and who carry the cost and delay when it does not.

What Council and iwi already rely on each other for

Rotorua is in an unusual position nationally. Council and iwi are already deeply interdependent in water services: in some cases iwi and hapū are parties to the joint resource consents that support municipal water supply, while also owning or holding interests in the land, infrastructure and source-water areas on which continued service delivery depends. Six asset-owning iwi are essential to councils' water supply delivery in this region. These are not symbolic relationships; they are part of how services reach households.

Te Arawa entities are also substantial ratepayers. Iwi and hapū entities hold significant commercial property within the Rotorua CBD and across the district, alongside forestry, geothermal and tourism interests — rateable commercial assets and significant local employers. Iwi are contributors to the rating base as well as partners in the services it funds.

The same is true beyond water. Te Arawa entities are significant landowners, investors and development partners in Rotorua's economy, and future growth is tied directly to water security — reliable drinking water, wastewater and stormwater services underpin housing supply, industrial development and urban expansion. Strong alignment supports coordinated infrastructure investment, growth planning, transport connectivity and climate adaptation. Weakened alignment tends to show up as complexity, longer timeframes and additional cost rather than as open disagreement. Investment confidence follows the same pattern: government, investors and infrastructure partners increasingly look for assurance that major projects carry both community and mana whenua support.

At the same time, iwi sitting alongside councils in current water arrangements hold no voting rights, and representation arrangements across the region are still being worked through. Te Arawa raises this not as a caution but as context: the reform is an opportunity to put the partnership on a footing that matches what it already carries. A structure that secures representation and voice is not only a Treaty obligation — it protects the delivery arrangements both parties depend on.

Strategic natural resources

Rotorua's future prosperity relies on secure, sustainable access to geothermal resources, aggregates, air-quality capacity, nutrient allocation and lake health — many of which sit on, or are directly influenced by, Te Arawa whenua. Effective management of these strategic resources depends on partnership. Reduced alignment increases complexity in resource management, strategic planning and infrastructure provision, affecting timeframes, investment certainty and the ability to achieve integrated economic, environmental and community outcomes.

Where partnership matters most

The table below sets out the areas where delivery depends on Council and Te Arawa working together, and the consequence for delivery if that alignment weakens. It is offered as a shared view of what is at stake, not as a prediction about the relationship.

Risk area	Consequence for delivery if alignment weakens	Significance
Council–iwi partnership	Reduced alignment and trust affecting implementation of Local Water Done Well and Head Start initiatives.	High

Risk area	Consequence for delivery if alignment weakens	Significance
Water infrastructure dependencies	Increased complexity in delivering water supply, wastewater and stormwater services where iwi and hapū hold interests in source water, land, consents or infrastructure assets.	High
Consenting and environmental outcomes	More complex pathways for achieving environmental, cultural and infrastructure outcomes across the lakes and catchments.	High
Spatial planning and growth	Reduced ability to coordinate growth, infrastructure corridors, housing and servicing requirements across the district.	High
Economic development	Reduced certainty for investors, developers and strategic partners seeking long-term alignment between Council and mana whenua.	Medium–High
Community confidence and social licence	Reform initiatives perceived as lacking sufficient partnership and local mandate.	High
Natural resource dependencies	Reduced ability to coordinate access to and management of water, geothermal resources, aggregates, lake health and nutrient management required for future growth.	High
Local representation and voice	Perceived loss of rural and Māori voice within governance arrangements, reducing community confidence, local buy-in and social licence for reform.	High
Strategic growth delivery	Increased complexity in aligning infrastructure investment, environmental management and growth planning where collaboration across multiple resource areas is required.	High

The principal risk.
The principal risk is not disagreement between Council and Te Arawa. It is the loss of opportunities to work together on shared outcomes that would benefit the entire community, at a time when water reform, local-government reform, environmental management and growth planning all depend on partnership. Maintaining a genuine co-design approach reduces implementation risk, strengthens community confidence, improves investment certainty and supports durable outcomes for current and future generations.

Note. A fuller partnership risk assessment is being prepared separately and will follow this paper.

14. Working together

Te Arawa offers these options and this feedback in the spirit of working alongside Rotorua Lakes Council through the Head Start pathway. Te Arawa's preferred model is Option 1 (Mai i Maketū ki Tongariro), with Option 4 supported for further exploration. The shared priorities are clear: a coherent regional boundary, protected co-governance and representation secured in legislation, an efficient transition that builds on what already exists, and a design that serves every community in this district — township, lakeside and rural — and the taiao they all depend on.

Genuine co-design

A resolution of the Te Arawa Iwi Chairs. On 23 July 2026 the Te Arawa Iwi Chairs confirmed the requirement for genuine co-design with Rotorua Lakes Council on any Simplifying Local Government Head Start Pathway proposal. Te Arawa seeks a combined position developed with Council from the outset, rather than a position settled by Council and responded to afterwards. Te Arawa expects its Co-Chairs to present this paper directly to Council at its meeting on 29 July 2026, rather than the paper simply being lodged as a submission.

Sources: Hui ā-Iwi Minutes, 16 July 2026; Hui ā-Iwi Briefing Package, 16 July 2026; Te Arawa SLG Economic Considerations and Economic Analysis (first draft); Te Arawa Council Stocktake (30 June 2026); TAG Working Pack v9; Te Arawa Chairs Briefing. Prepared by the Te Arawa Technical Advisory Group for the Te Arawa Iwi Chairs.