

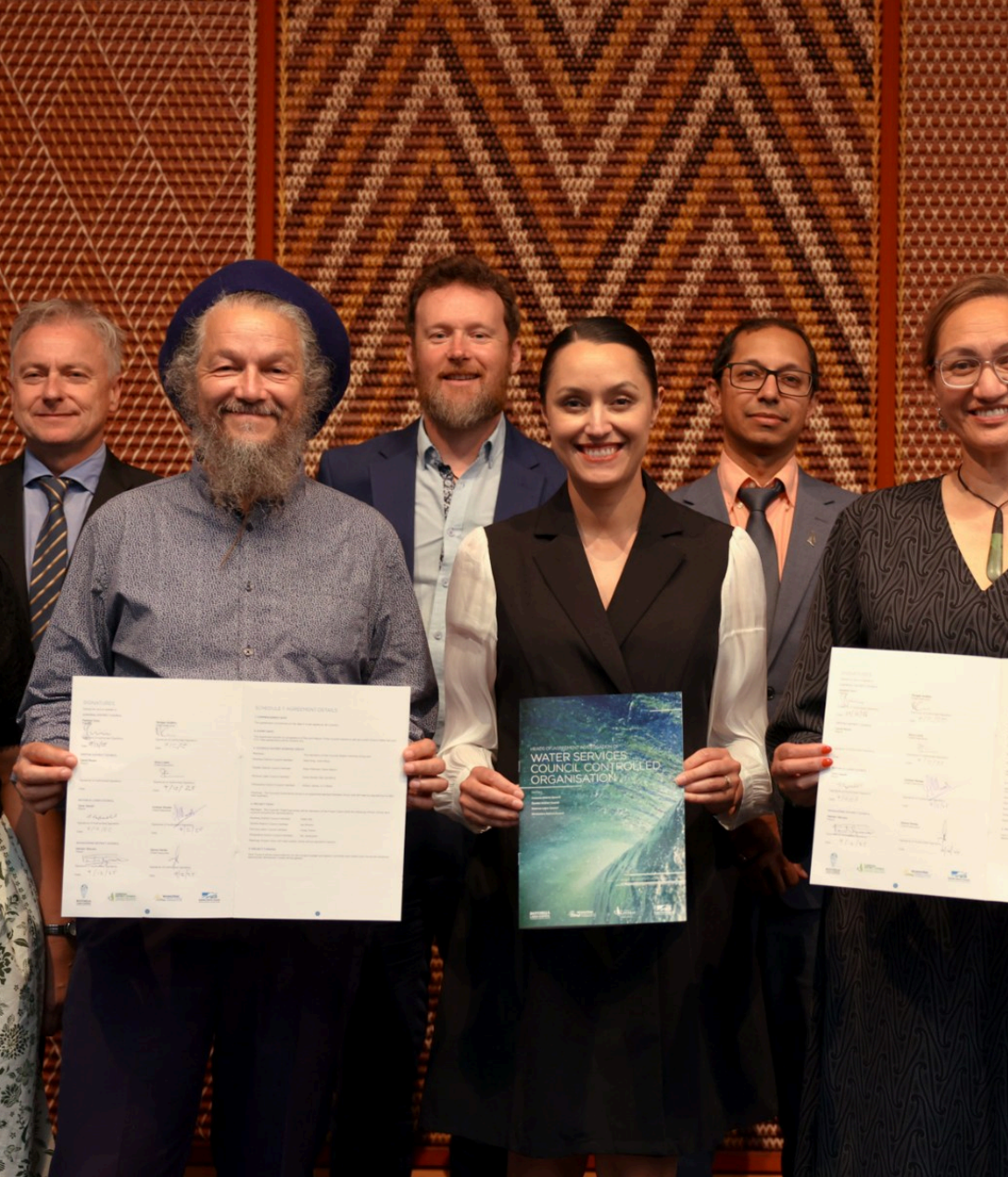
FUTURE WATER SERVICE DELIVERY OPTION FOR CONSULTATION

Rotorua Lakes Council

23 September 2026



Today's agenda



1. Purpose, decision & options
2. Key questions to consider
3. How we got here
4. The investigation
5. Key findings
6. Consultation and engagement
7. Key dates and next steps
8. Discussion/Questions

Today's purpose

- Consider the evidence and Rotorua implications
- Select a preferred option for consultation
- Approve public consultation
- Confirm the alternative option for consultation

What council needs to decide

Today Council will be asked to:

1. Consider the findings of the final WSCCO Investigation report from the Waters Working Group
2. Identify a preferred future delivery option for the Rotorua district
3. Approve public consultation of that preferred option
4. Confirm the remaining option will be presented alongside the preferred option during consultation

The options for decision-making

That the Council determines the preferred option for long-term Waters Service Delivery for Rotorua Lakes Council as:

- **to remain with RLC as an In-house Business unit**

or

- **a Multi-Council WSCCO with Ōpōtiki, Whākatane and Kawerau be established for water services deliveries from 1 July 2028 (subject to those councils agreeing).**

Key questions to consider

- Which option best delivers long-term water services?
- Which option best manages affordability pressures?
- Which option best protects community interests?
- Which option is most capable of meeting future regulatory requirements?
- Which option should be tested with the community through consultation?

How we got here

- WSDP 2025 - Council decided on staged approach to water services delivery: in-house until July 2028, then may transition to multi-council WSCCO (depending on investigation and final decision). RLC's fall back option is an in-house business unit.
- Working group (WWG) established, developing business case based on 7 strategic objectives
- WWG met monthly (Dec 2025 to Aug 2026)
- Previous RLC workshops/discussions on WSDP:
 - Nov 2025 EM induction
 - 12 March 2026 Workshop
 - 15 April 2026 Progress Report to Infrastructure committee
 - 22 May 2026 Workshop - technical information from WWG
 - 14 July 2026 Workshop - technical information from WWG
 - 25 July 2026 Workshop - draft report, final technical information
 - 25 August 2026 Workshop - final report and decisions ahead

The investigation

- Rotorua Lakes, Whākatane, Ōpōtiki and Kawerau councils resolved to jointly explore development of a multi-council Water Services Council Controlled Organisation (WSCCO) for Rotorua and Eastern BOP.
- A report would be created detailing the investigation and setting out the recommended water services delivery model for the four councils.
- Now final, this report is intended to support councils to make decisions about future service delivery arrangements.

What was investigated

Five workstreams were completed as part of the assessment:

- strategic assessment of options against agreed objectives (7)
- financial analysis, including 30-year modelling and cost-to-serve assessments
- assessment of stormwater service delivery options
- ownership, governance and representation design options
- development of a high-level implementation plan.

Strategic objectives – the basis of options assessment

Efficient and financially sustainable delivery of water services for the communities of the District, now and into the future

Protects and promotes public health and the environment
- meeting regulatory requirements

Water services are resilient to natural hazards, seismic risk and climate change

Integrated water services and infrastructure planning that promotes efficient, equitable, and integrated delivery

Affordable fit for purpose service to consumers and communities that meets the needs, and expectations of the District

Council obligations to hapū and iwi are valued and honoured

Impact on remaining council operations and viability



Initial options assessed

Options



Internal Business Unit
(Status Quo)



REBOP asset owning
(WSCCO)



REBOP water org – service
delivery only (WSCCO)

Shortlist

1. Yes- current delivery models meet statutory requirements over the next 10 years, with approved WSDPs in place.
2. Yes_ potential for strong future benefits. Detailed financial comparisons and development of possible governance and representation mechanisms allowed fuller consideration.
3. No – limited economies of scale, complex accountability arrangements and no investment or financing advantages

Key report findings

- Asset-owning joint WSCCO assessed as strongest model to deliver against strategic objectives.
- In-house delivery meets current requirements but would face growing pressure over time.
- WSCCO would be expected to deliver at a lower run cost to consumers than individual councils through current operating models and/or enable greater levels of investment with the currently projected revenues.
- Stormwater is included (3 Waters delivery)
- Iwi representation was supported and would need to be determined during detailed design and iwi-mandated
- Detailed design of the entity would be required for ownership, representation etc

Rotorua specific findings

- Rotorua has less immediate financial pressure and is better positioned to continue in-house across the medium term.
- Multi-council WSCCO offers material long-term benefits.
- Rotorua households would receive largest per-connection savings: \$216 pa, \$5600 cumulative across FY 29-54.
- Rotorua benefits from greater financing capability, access to specialist capability, larger organisation better able to respond to future regulatory, resilience and workforce pressures.

Rotorua risks

- If Rotorua decided services remain in-house, the multi-council WSCCO would be less viable for the other councils.
- It's not known if all the other councils will support a multi-council WSCCO in their final decision-making.
- Need to ensure strong coordination between WSCCO and council's wider planning environment, including the complex network of statutory co-governance arrangements, Treaty settlement and landowner obligations/relationships and management frameworks.
- Detailed design work would require considerable engagement with iwi, hapū and landowners who may not support a regional entity.



Consultation overview

- 1-31 October: wide community consultation
- Current to 31 October: targeted engagement with landowners and iwi/hapu
- 2-7 November: Hearings (if/as required)

Engagement with Tangata Whenua

Te Amorangi Unit has reached out to all iwi/hapū within district

Engagement has been focused on tangata whenua with direct interests in three waters assets / infrastructure (the “landowners”):

- Joint resource consent holders for water take with Lands Trusts that have puna on their land
- Lands Trusts / entities with wastewater treatment plants on their whenua
- Entities that receive wastewater / stormwater discharge
- Tables on following slides capture these entities (note some entities have been more active than others in participating in engagement)

Interests and partnerships

Iwi	Entity	Relationship
Ngāti Rangiwewehi	Te Maru o Ngāti Rangiwewehi	Protocol agreement
	Pekehāua Puna Reserve Trust for Te Waro Uri o Pekehāua (previously Taniwha Springs)	- Water supply to Ngongotahā catchment and Koutu in emergency - Joint Resource Consent holder
	Te Tāhuhu o Tawakeheimoa Trust for Rewarewa Springs	- Water supply to Hamurana and Kaharoa - Joint Resource Consent holders
Ngāti Kearoa Ngāti Tuara	Te Rūnanga o Ngāti Kearoa Ngāti Tuara	- Party to Heads of Agreement regarding water supply - Provisions regarding return of land linked to water source - TARIT iwi member - Joint Management Agreement
	Karamu Tākina Trust for Karamū Tākina springs	- Co-Management Agreement with RLC regarding Karamu Tākina water supply - Joint resource consent holder for water take
	Karamu Tākina Trust is Te Paiaka Lands Trust and Te Rūnanga o Ngāti Kearoa-Ngāti Tuara	- Heads of Agreement - Partnership Agreement - Joint Resource Consent holders

Interests and partnerships

Iwi	Entity	Relationship
Ngāti Pikiao	Haumingi B93B Ahu Whenua Trust	- Wastewater Treatment Plant - Rotoiti / Rotomā Sewerage Scheme Iwi Wastewater Liaison Group
	Ngati Pikiao Environment Society <i>Under the maru of Ngati Pikiao Iwi Trust, represents Ngati Pikiao as the iwi authority for the purpose of the RMA</i>	- Wastewater Treatment Plant - Rotoiti / Rotomā Sewerage Scheme Iwi Wastewater Liaison Group - Rotomā Water Supply
	Haumingi 17 Haroharo No.1C2BNo.2 Haroharo 1C Aratokotoko Ahu Whenua Trust Matawhaura 3	- Rotoiti Water Supply - Pumpstation, Access, Reservoir and Pipe Easement Agreements
Ngāti Whakaue	Pukeroa Oruawhata Trust	- Gifted Reserves Protocol - Sanatorium Reserve siting of Wastewater Treatment Plant - Easement agreements for wastewater piping
	Te Komiti nui o Ngāti Whakaue	- Whakarewarewa Forest wastewater discharge - CNI member iwi - Water supply/take consent for both the Hemo and Waipa puna
	Ngati Whakaue Resource Management Unit	- Under Te Kōmiti Nui o Ngāti Whakaue, Represents Ngati Whakaue as an iwi authority for the purpose of the RMA - Represented on several 'waters' working groups with RLC

Interests and partnerships

Iwi	Entity	Relationship
Tūhourangi	Tūhourangi Tribal Authority	• Whakarewarewa Forest wastewater discharge • CNI member iwi • Protocol Agreement • TARIT iwi member - Joint Management Agreement
TALT (Pan-Iwi)	Te Arawa Lakes Trust	• Legal owner of lake beds of 14 Te Arawa Lakes • Statutory responsibilities relating to water and sediment, taonga species and environmental health • CNI Kawenata • Rotorua Te Arawa Lakes Strategy Group • Rotomā Water Supply pump on lake bed
CNI (Pan-Iwi)	CNI	• Whakarewarewa Forest Wastewater discharge • Kawenata between RLC, TALT and CNI

Engagement with Landowners

Landowners have engaged directly with the Mayor on Councillors to discuss their position and views on a preferred water services delivery model

Landowners have clearly expressed a preference to remain in-house to protect and enhance hard fought relationships and agreements relating to three waters' assets.

Landowners would like the opportunity to work directly with Council to design the best water services delivery model for the wider Rotorua council

Ongoing Engagement with Tangata Whenua

Engagement to continue with Landowners – Te Amorangi will be guided by Landowners as to how this is executed

Little interest expressed by tangata whenua outside of Landowners when approached for engagement. Te Amorangi will hold wānanga for iwi following the 23 September decision to walk through the process to date and relevant technical information, with a view to feeding back tangata whenua positions to Council prior to December decision date.

Public engagement and consultation

Purpose:

- Build public awareness and understanding;
- Provide accessible opportunities for people to be informed and to engage;
- Encourage feedback to support elected members' decision-making.

Approach:

- Digital promotions and engagement + drop-in information sessions
- Direct communications to groups/sectors, opportunities to invite RLC staff/elected members to attend meetings/events
- Targeted engagement with mana whenua / iwi & hapū
- Opportunities for elected members to front engagement

Key Dates

- Final WSCCO investigation report completed **August 2026**
- Waters Working Group recommendation put to partnering councils **September 2026**
- Public consultation on preferred option through **October 2026**
- Council to consider public consultation feedback **November 2026**
- Final decision on multi-council WSCCO go/no-go **December 2026**

Questions/discussion

Next steps

Council	Decision to consult/preferred option	Final decision
RLC	23 Sept	8 Dec
ODC	15 Sept deferred due to Headstart uncertainty	8 Dec
WDC	17 Sept decision on WSCCO option for consultation	10 Dec
KDC	30 Sept	16 Dec