



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

Kaupapataka Agenda

NOTICE OF A MEETING OF COUNCIL

Date: Wednesday 23 September 2026

Time: 9:30 am

Venue: Council Chamber

MEMBERSHIP

Chair

Mayor Tapsell

Members

Cr Barker
Cr Brown
Cr Lee
Cr Maxwell
Cr Paterson

Deputy Mayor Kai Fong (Deputy Chair)
Cr Raukawa-Tait
Cr Sandford
Cr Temara-Benfell
Cr Wang

Quorum

6

**Andrew Moraes
Chief Executive**

NGĀ TUKUNGA HAE PAPA A TE KAUNIHERA
COUNCIL DELEGATIONS

Type of Committee	Governing Body
Subordinate Committees	• Infrastructure Committee • Audit & Risk Committee • Te Arawa 2050 Vision Committee • Chief Executive Performance Review Committee • District Licensing Committee • Dog Control Panel
Legislative Basis	Section 11, Local Government Act 2002 Schedule 7, Clause 32 (1), Local Government Act 2002
Purpose	The purpose of the Council is to make decisions on all matters that cannot be delegated, that it has not delegated, or that it has had referred to it by staff or a committee.
Membership	Mayor (Chair) Deputy Mayor (Deputy Chair) All councillors
Quorum	6
Meeting frequency	Monthly
Delegations	Powers Council is prohibited from delegating: • the power to make a rate. • the power to make a bylaw. • the power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-term Plan. • the power to adopt a long-term plan, annual plan, or annual report. • the power to appoint a chief executive. • the power to adopt policies required to be adopted and consulted on under the LGA 2002 in association with the long-term plan, or developed for the purpose of the local governance statement. • the power to adopt a remuneration and employment policy.

	Responsibilities retained by Council include: • The power to set and support strategies in measures related to emergency matters. • All the powers, duties and discretions under the Civil Defence Act. • The development and approval of long-term plans, annual plans, bylaws and council policies, through hearings, deliberations and adoption. • The power to make resolutions required to be made by a local authority under the Local Electoral Act 2001. • The power to acquire property in accordance with the Long-term Plan. • The power to carry out disposals in accordance with the Long-term Plan. • All duties in regard to Council-Controlled Organisations, including making and removing appointments, advising on the content of Statements of Expectations and Statements of Intent, and monitoring the financial and non-financial performance of CCO's. • The management of council's planning, monitoring, education and enforcement activities. • The development and approval of district plan reviews and changes. • The development and implementation of economic strategies and frameworks. • The development and implementation of a destination management plan. • The revitalised growth and development of the Central Business District. • The management of district growth and development. • Any decision required by resolution of the local authority, not already delegated.
Relevant Statutes	All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.
Limits to Delegations	Powers that cannot be delegated to committees a per the Local Government Act 2002 Schedule 7 S32.

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1 KARAKIA WHAKAPUAKI – OPENING KARAKIA

TŪTAWA MAI

Tūtawa mai i runga
Tūtawa mai i raro
Tūtawa mai i roto
Tūtawa mai i waho
Kia tau ai te mauri tū
Te mauri ora, ki te katoa
Hāumi e. Hui e. Tāiki e!

TŪTAWA MAI

I summon from above
I summon from below
I summon from within
I summon the surrounding environment
The universal vitality and energy to infuse and
enrich all present
Enriched, unified and blessed

2 NGĀ WHAKAPĀHA – APOLOGIES

The Chair invites notice from members of:

1. Leave of absence for future meetings of the Council; or
2. Apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

3 WHAKAPUAKITANGA WHAIPĀNGA – DECLARATIONS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

4 NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE – URGENT ITEMS NOT ON THE AGENDA

Items of business not on the agenda which cannot be delayed

The Chair will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of Rotorua Lakes Council

The Chair shall state to the meeting.

3. The reason why the item is not on the agenda; and
4. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Rotorua Lakes Council.
s.46A (7), LGOIMA

Discussion of minor matters not on the agenda.

Minor Matters relating to the General Business of the Rotorua Lakes Council.

The Chair shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Rotorua Lakes Council for further discussion

s.46A (7), LGOIMA

5 TE WHAKAŪ I NGĀ MENETI – CONFIRMATION OF MINUTES

5.1 MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 19 AUGUST 2026

RECOMMENDATION

- 1. That the minutes of the Ordinary Council Meeting held 19 August 2026 be confirmed as a true and correct record.**

Minutes (Draft)

Council meeting
held Wednesday 19 August 2026 at 9:30 am
Council Chamber, Rotorua Lakes Council

- MEMBERS PRESENT: Mayor Tapsell (Chair)
Deputy Mayor Kai Fong (Deputy Chair), Cr Barker, Cr Brown, Cr Lee,
Cr Maxwell, Cr Paterson, Cr Raukawa-Tait, Cr Sandford,
Cr Temara-Benfell and
Cr Wang via Zoom
- APOLOGIES: Nil
- IN ATTENDANCE: T Rose, Member, Rotorua Rural Community Board;
T Marshall, Member, Rotorua Rural Community Board;
K French, Chief Executive Officer, CoLAB;
R Boswell, General Manager, Innovation & Improvement, CoLAB;
S Rosales, Senior IT Project Manager, Opportunity Development Team,
CoLAB.
- STAFF PRESENT: A Moraes, Chief Executive;
S Fellows, Group Manager - Organisational Performance & Innovation;
S Kelly, Acting Group Manager, Destination Development;
S Michael, Group Manager, Infrastructure and Assets;
A Wilson, Group Manager, Community Experience;
P Warbrick, Manahautū Te Arawa Hourua;
D Jensen, Chief Financial Officer;
M Overbeek, Manager – Finance & Business Performance;
I Tiriana, Communications Manager;
N Michael, Executive of Communications – Mayor's Office;
R Griffith, Governance & Democracy Advisor;
G Konara, Governance & Democracy Advisor.

The meeting opened at 9.32am.

The Mayor welcomed elected members, media, staff and members of the public.

1 KARAKIA WHAKAPUAKI – OPENING KARAKIA

Cr Paterson opened the meeting with a Karakia.

2 NGĀ WHAKAPĀHA – APOLOGIES

Nil

3 WHAKAPUAKITANGA WHAIPĀNGA – DECLARATIONS OF INTEREST

Nil

4 NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE – URGENT ITEMS NOT ON THE AGENDA

The Chair informed the meeting that a Chairperson’s report titled “Head Start Proposal Submission” was being brought as an urgent item to the agenda under Standing Order 9.6.

The Chair noted that the Minister of Local Government had granted Rotorua Lakes Council an extension of time to submit its proposal. The Chair advised that this was the reason the item had not been included in the agenda and could not be deferred to a future meeting.

RESOLVED C 26/08-151

Moved: Mayor Tapsell

Seconded: Cr Temara-Benfell

1. That the matter of “Head Start Proposal Submission” be dealt with at this meeting.

CARRIED

5 TE WHAKAŪ I NGĀ MENETI – CONFIRMATION OF MINUTES**5.1 MINUTES OF THE COUNCIL MEETING HELD ON 29 JULY 2026****5.2 MINUTES OF THE COUNCIL EXTRAORDINARY MEETINGS HELD 7 AUGUST 2026****RESOLVED C 26/08-152**

Moved: Mayor Tapsell

Seconded: Cr Sandford

1. That the minutes of the Ordinary Council Meeting held 29 July 2026 be confirmed as a true and correct record.
2. That the minutes of the Council Extraordinary Meeting held 7 August 2026 be confirmed as a true and correct record.

CARRIED

The chair provided updates on action points noted in the above minutes.

6 TE PAPA KŌRERO MŌ TE TŪMATAWHĀNUI – PUBLIC FORUM

Nil

7 HE PUKA INOI TŪMATAWHĀNUI – PUBLIC PETITIONS

Nil

8 NGĀ WHAKAMŌHIOTANGA MŌTINI – NOTICES OF MOTION

The Chair ruled that this item will be considered towards the end of the current agenda items.

8.1 NOTICE OF MOTION - CR LEE**MOTION**

- 1. That the Ombudsman’s letter (attachment 2) be received.**
- 2. That the Ombudsman’s final opinion be accepted.**
- 3. That Mr Hammond be invited to attend the next Council meeting and be given 5 minutes to address Council, as he should have been allowed to when he submitted his petition, and to receive a public apology.**

9 NGĀ TĀPAETANGA – PRESENTATIONS

Nil

10 PŪRONGO KAIMAHI – STAFF REPORTS**10.1 ROTORUA RURAL COMMUNITY BOARD UPDATE****RESOLVED C 26/08-153**

Moved: Cr Brown

Seconded: Cr Barker

- 1. That the report ‘Rotorua Rural Community Board Update’ be received.**

CARRIED

Tina Rose and Tina Marshall (Rural Community Board members) spoke to a presentation titled “Rotorua Rural Community Board Update “ (ECM – 23047901).

Action Point

- Mayor Tapsell requested that staff follow up on the Community Board Devolved funding policy, allowing capital spending only and advise Council on how this can be changed to allow operational spending.

10.2 ELECTORAL SYSTEM & VOTING DOCUMENTS**RESOLVED C 26/08-154**

Moved: Cr Temara-Benfell

Seconded: Cr Lee

1. That the report 'Electoral System & Voting Documents' be received.

CARRIED

Robert Griffith overviewed the report.

**HE TŪTOHUNGA
RECOMMENDATION**

2. That Council, pursuant to Section 27 of the Local Electoral Act 2001, resolves to hold the 2028 and 2031 Local Elections using the:
 - a) First Past the Post system (FPP); or
 - b) Single Transferable Vote system (STV).

AND

3. That Council note that should a valid demand for a poll of electors be received prior to 11 December 2026, the demand would supersede a resolution of Council made under Section 27 of the Local Electoral Act.

OR

4. That Council pursuant to Section 31 of the Local Electoral Act 2001, hold a binding poll to determine the voting system for the 2028 and 2031 Local Elections.

AND

5. That Council pursuant to Regulation 31 of the Local Electoral Regulations Act 2001, resolves that candidate names on voting documents for the 2028 Local Elections, be arranged in:
 - a) Random Order; or
 - b) Pseudo-random Order; or
 - c) Alphabetical Order of Surname.

Mayor Tapsell moved and Deputy Mayor Kai Fong seconded the following motion.

RESOLVED C 26/08-155

Moved: Mayor Tapsell

Seconded: Deputy Mayor Kai Fong

2. That Council, pursuant to Section 27 of the Local Electoral Act 2001, resolves to hold the 2028 and 2031 Local Elections using the First Past the Post system (FPP).
3. That Council note that should a valid demand for a poll of electors be received prior to 11 December 2026, the demand would supersede a resolution of Council made under Section 27 of the Local Electoral Act.

CARRIED

Mayor Tapsell moved and Cr Barker seconded the following motion.

RESOLVED C 26/08-156

Moved: Mayor Tapsell

Seconded: Cr Barker

4. That Council pursuant to Regulation 31 of the Local Electoral Regulations Act 2001, resolves that candidate names on voting documents for the 2028 Local Elections, be arranged in Random Order.

CARRIED

10.3 FINANCIAL UPDATE - JUNE 2026**RESOLVED C 26/08-157**

Moved: Deputy Mayor Kai Fong

Seconded: Cr Temara-Benfell

1. That the report 'Financial Update - June 2026' be received.

CARRIED

David Jensen overviewed the report and spoke to a presentation titled "Financial Update – June 2026" (ECM - 23092389).

10.4 APPOINTMENT OF COUNCILLORS TO ROTORUA TE ARAWA LAKES STRATEGY GROUP**RESOLVED C 26/08-158**

Moved: Mayor Tapsell
Seconded: Cr Sandford

- 1. That the report 'Appointment of Councillors to Rotorua Te Arawa Lakes Strategy Group' be received.**

CARRIED

Mayor Tapsell overviewed the report.

RESOLVED C 26/08-159

Moved: Mayor Tapsell
Seconded: Cr Maxwell

- 2. That the Council appoint Cr Temara-Benfell as Council's representative on the Rotorua Te Arawa Lakes Strategy Group along-side Mayor Tapsell and appoint Cr Gregg Brown as the alternate.**

CARRIED

The meeting adjourned at 10.14am and resumed at 10.26am.

10.5 HEAD START PROPOSAL SUBMISSION**RESOLVED C 26/08-160**

Moved: Cr Brown
Seconded: Cr Temara-Benfell

- 1. That the report 'Head Start Proposal Submission' be received.**

CARRIED

Mayor Tapsell overviewed the report.

**HE TŪTOHUNGA
RECOMMENDATION****OPTION 1: Develop a joint eligible proposal for Rotorua Central Unitary with Tauranga Council**

That Council direct the Chief Executive to work with the Tauranga City Council to submit an eligible Head Start proposal that includes:

A Western Unitary Authority, comprising of the current borders of the Western Bay of Plenty District and Tauranga City, as approved by Tauranga City Council and,

A Central (Rotorua) Unitary Authority comprising of the Rotorua district as described in the proposal presented to the Extraordinary Council Meeting on 7 August 2026.

OR

OPTION 2: Submit a Central (Rotorua) Unitary proposal only

Council authorises the Chief Executive to finalise and submit the Head Start proposal seeking support for Rotorua to be a stand-alone Unitary Authority, presented to the Extraordinary Council Meeting on 7 August 2026, noting it's non-eligibility according to the criteria and our objection to force unwilling Councils into this process.

OR

OPTION 3: Submit the work completed to date for information

Accept Rotorua progressing in to Backstop option, and submit for information only the work done to date to inform this Government-led approach.

Cr Maxwell moved option 1 above and Mayor Tapsell seconded the motion.

RESOLVED C 26/08-161

Moved: Cr Maxwell

Seconded: Mayor Tapsell

2. Develop a joint eligible proposal for Rotorua Central Unitary with Tauranga Council

That Council direct the Chief Executive to work with the Tauranga City Council to submit an eligible Head Start proposal that includes:

A Western Unitary Authority, comprising of the current borders of the Western Bay of Plenty District and Tauranga City, as approved by Tauranga City Council and,

A Central (Rotorua) Unitary Authority comprising of the Rotorua district as described in the proposal presented to the Extraordinary Council Meeting on 7 August 2026.

In Favour: Mayor Tapsell, Cr Brown, Cr Maxwell, Cr Sandford, Cr Temara-Benfell and Cr Wang

Against: Deputy Mayor Kai Fong, Cr Barker, Cr Lee, Cr Paterson and Cr Raukawa-Tait

CARRIED 6/5

The meeting adjourned at 12.21pm.

Attendance : Cr Temara-Benfell left the meeting at 12.21pm.

The meeting resumed at 12.33pm.

The Chair ruled to consider Item 8.1 – Notice of Motion next.

8.1 NOTICE OF MOTION - CR LEE

RESOLVED C 26/08-162

Moved: Cr Lee

Seconded: Cr Paterson

- 1. That the Ombudsman's letter (attachment 2) be received.**
- 2. That the Ombudsman's final opinion be accepted.**
- 3. That Mr Hammond be invited to attend the next Council meeting and be given 5 minutes to address Council, as he should have been allowed to when he submitted his petition, and to receive a public apology.**

CARRIED

Mayor Tapsell referred to the Ombudsman's letter and noted that it did not contain any recommendations. The Mayor also stated that, while she does not accept that any wrongdoing occurred, she is willing to provide an apology to Mr Hammond in her capacity as Mayor to bring the matter to a close, despite there being no recommendation from the Ombudsman to do so.

11 HE WHAKATAUNGA KIA HOKI ATU TE ARONGA O TE HUI HAI HUI TŪMATAWHĀNUI – RESOLUTION TO MOVE INTO PUBLIC EXCLUDED (TO CONSIDER AND ADOPT CONFIDENTIAL ITEMS)

RESOLVED C 26/08-163

Moved: Cr Brown

Seconded: Cr Sandford

- 1. That Council resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act.**

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Confidential Minutes of the Ordinary Council Meeting held on 29 July 2026	Please refer to the relevant clause/s in the open meeting minutes.	Good reason for withholding exists under Section 48(1)(a).
11.2 - Appointment of Board Members for Rotorua Regional Airport Limited (RRAL), A Council Controlled Organisation (CCO)	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
11.3 - Building Consent Checking Assistant — Co-Lab Funding and Development Proposal	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
11.4 - Chief Executive's KPIs for Financial Year 2027	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
Plain English	- The reason for confidentiality is that the report includes personal information on candidates who may or may not be appointed to Rotorua Regional Airport. - To hold commercial negotiations with prejudice. - To protect privacy of a person.	

Consideration has been given to public interest in these matters and officers' advice is that the above reasons for confidentiality outweigh the public interest in these matters.

The Chair noted that the Chief Executive will provide verbal updates on;

- High Court Findings on Rotokākahi
- Findings on the landslide at Mauao

CARRIED

The meeting moved into public excluded at 12.50pm.

CLOSED SESSION

The meeting moved out of public excluded at 2.09pm.

OPEN SESSION

13 TE KARAKIA WHAKAMUTUNGA – CLOSING KARAKIA

Cr Paterson closed the meeting with a Karakia.

The Meeting closed at 2.10pm.

To be confirmed at the Council meeting on 23 September 2026.

Note: -Rotorua Lakes Council is the operating name of Rotorua District Council

6 TE PAPA KŌRERO MŌ TE TŪMATAWHĀNUI – PUBLIC FORUM

The Council has set aside time for members of the public to speak in the public forum at the commencement of each Council meeting.

6.1 PUBLIC FORUM – TERRY HAMMOND**7 HE PUKA INOI TŪMATAWHĀNUI – PUBLIC PETITIONS**

None.

8 NGĀ WHAKAMŌHIOTANGA MŌTINI – NOTICES OF MOTION

None.

9 NGĀ TĀPAETANGA – PRESENTATIONS

None.

10 PŪRONGO KAIMAHI – STAFF REPORTS**10.1 FUTURE WATER SERVICE DELIVERY OPTION FOR CONSULTATION**

Prepared by:	Craig Tiriana, Programme Manager - Local Water Done Well
Approved by:	Stavros Michael, Group Manager, Infrastructure and Assets
Attachments:	1. Joint WSCCO Investigation Report from WWG (under separate cover) 2. Financial Report Joint WSCCO (under separate cover) 3. Stormwater Joint WSCCO (under separate cover) 4. A3 diagram Org Arrangements Joint WSCCO (strawman) (under separate cover) 5. Communications and Engagement summary (under separate cover)

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to present the Waters Working Group (WWG) investigation report on a potential asset-owning multi-council Water Services Council Controlled Organisation (WSCCO), together with supporting technical advice and Rotorua-specific considerations, so Council can determine the future water services delivery option it wishes to consult the community on.

The WWG investigation was completed under the agreed terms of reference established by the participating councils and recommends a multi-council WSCCO involving Rotorua, Whakatāne, Ōpōtiki and Kawerau district councils as the preferred long-term delivery model. That recommendation is the WWG's recommendation, not a separate officer preferred recommendation. Officers are presenting the WWG report and supporting material to enable Council to decide whether to consult on the in-house business unit option or the multi-council WSCCO option. The decision sought is not a final decision to establish or join a WSCCO; it is a consultation decision that follows the pathway outlined in Council's accepted Water Services Delivery Plan (WSDP), with a final Council decision scheduled for 8 December 2026.

**2. TE TUHINGA WHAKARĀPOPOTOTANGA
EXECUTIVE SUMMARY**

Council is being asked to make a consultation decision on the future delivery model for Rotorua's water services. This is not a final decision to establish or join a Water Services Council Controlled Organisation (WSCCO).

This report brings together the Waters Working Group (WWG) investigation report, supporting technical advice, Rotorua-specific considerations, and the pathway set out in Council's accepted Water Services Delivery Plan (WSDP). It provides the evidence base for Council to determine which future water services delivery option it wishes to consult the community on before making a final decision on 8 December 2026.

The WWG investigation was completed under the agreed terms of reference established by the participating councils. Under that mandate, the WWG report recommends an asset-owning multi-council WSCCO involving Rotorua, Whakatāne, Ōpōtiki and Kawerau district councils as the preferred long-term delivery model.

That recommendation is the WWG's finding, not a separate officer recommendation. Officers are presenting the WWG report, the supporting material and Rotorua-specific implications to enable Council to decide what option it wishes to consult on. The report has therefore been drafted to preserve Council's choice between consulting on either the in-house business unit option or the multi-council WSCCO option as its preferred option.

The decision before Council is whether to consult on continuing to deliver water services through an in-house business unit, or to consult on moving to an asset-owning multi-council WSCCO from 1 July 2028. Council is not being asked to make the final establishment decision today. That final decision will follow consultation, hearings and submissions, further advice, and consideration of decisions made by the other participating councils.

The WWG report identifies the multi-council WSCCO as the stronger long-term delivery model when assessed against the agreed strategic objectives. The investigation indicates that a WSCCO would provide greater scale, stronger financing capacity, improved access to specialist capability, and a more resilient platform for meeting future investment, regulatory and workforce pressures. The financial assessment also indicates potential long-term savings for Rotorua customers compared with continued in-house delivery.

Rotorua is, however, also in a stronger position than some councils to continue delivering water services in-house in the short to medium term. Council has a comparatively large asset and customer base, a sound compliance position, and some capacity to fund future investment. The in-house option would preserve direct Council control and existing local relationship pathways.

The core trade-off for Council is therefore between retaining direct local control through the in-house model and considering the longer-term scale, financing and capability benefits identified by the WWG for a multi-council WSCCO. For Rotorua, any future model must also protect Treaty settlement obligations as defined by legislation, iwi and landowner relationships, jointly held consents, asset interests, statutory arrangements, and existing partnership commitments.

After Council approves a preferred option for consultation, community engagement will occur during October, with hearings and submissions considered in November. Final advice will then be brought back to Council for the scheduled 8 December 2026 decision, at which point Council may choose any option, regardless of which option is preferred in the consultation material.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'Future Water Service Delivery Option for Consultation' be received.

2. That the Council receives the WWG Investigation into a WSCCO report.
3. That the Council notes the report assesses the multi-council WSCCO against the In-house business unit delivery option.
4. That the Council notes the report recommends a combined multi-council WSCCO as a viable future delivery model for the Rotorua, Whākatane, Ōpōtiki and Kawerau district councils
5. That the Council determines the preferred option for long-term Waters Service Delivery for Rotorua Lakes Council as:
 - (a) to remain with RLC as an In-house Business unit
 - or
 - (b) a Multi-Council WSCCO with Ōpōtiki, Whākatane and Kawerau be established for water services deliveries from 1 July 2028 (subject to those councils agreeing).
6. That the Council approves public consultation and decision making be undertaken on the preferred option in line with the milestones and timeline set within the WSDP.
7. That the Council notes that the other Heads of Agreement councils would still have to determine their preferred future water services delivery options and those decisions may impact the WSCCO model.
8. That the Council notes the draft Engagement/Consultation activity plan timeline.
9. That the Council notes, following today's meeting, the draft Consultation document will be finalised by the CE to reflect the preferred option for public consultation.

**3. TE TĀHUHU
BACKGROUND**

New Zealand's water services reform had been signalled since 2016 following the fatal campylobacteriosis water contamination incident in Havelock North.

Successive governments had proposed changes under *Three Waters*, *Affordable Waters* and now *Local Waters Done Well* policy initiatives which had led to the rescinding of previous legislative alliterations and the establishment of the Local Government (Water Services Preliminary Arrangements) Act 2024 and the Local Government (Water Services) Act 2025 that council is required to give effect to.

Local Water Done Well aims to deliver safe, reliable and affordable water services through financially sustainable organisations with sufficient scale and borrowing capacity to invest in infrastructure, while maintaining local accountability and meeting environmental, economic and drinking water regulatory requirements.

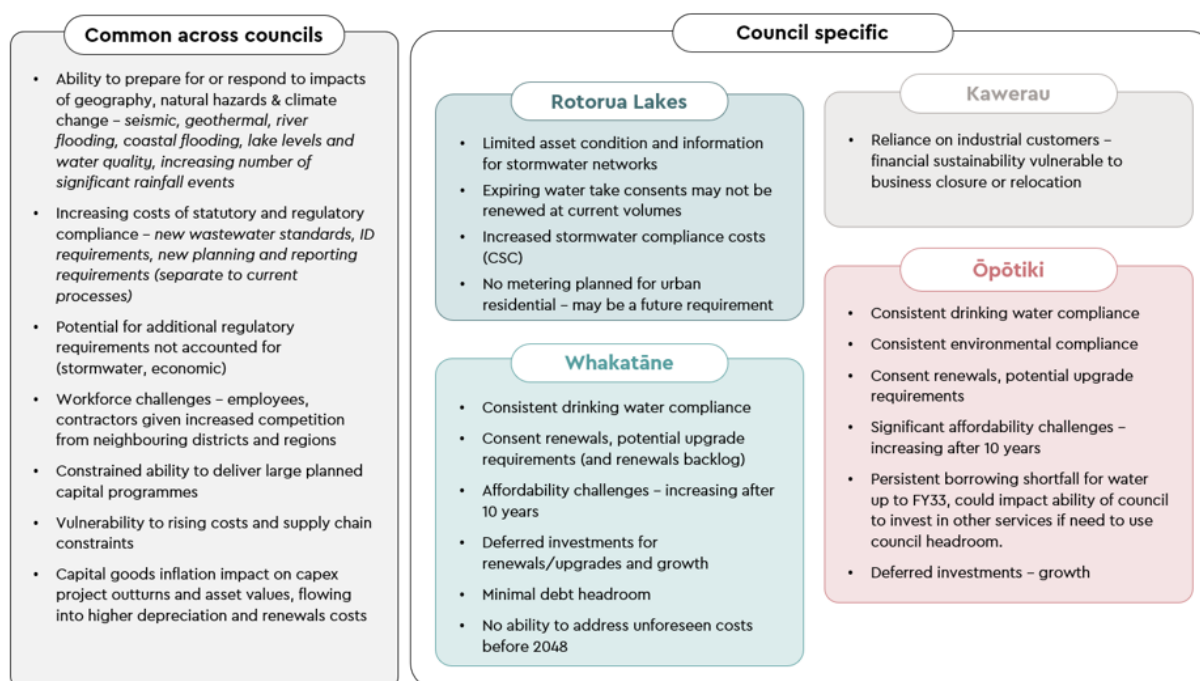
Rotorua Lakes Council (RLC) outlined its future water services delivery model/s in its approved Water Service Delivery Plan (WSDP) following a period of public consultation during April/May 2025.

The proposed service delivery model is multi-staged with water services being delivered in-house until 1 July 2028. It may then be delivered by a multi-council water services council-controlled organisation (WSCCO) from July 2028. That is dependent on a regional Waters Working Group (WWG) report and Council to make a final decision on participating in the multi-council WSCCO. RLC's fall-back position is an in-house business unit.

A water services delivery plan is the council's roadmap showing who will deliver water services, how they will be funded, what infrastructure investment is required and how services will remain compliant and sustainable over time.

In determining the investigation pathway, the following was established by Martin Jenkins from the participating councils' WSDP information.

Risks and challenges



Future water service delivery needs to respond to those challenges.

Rotorua council had previously decided on a multi-staged approach in their WSDP which was accepted by government: in house until 1 July 2028 and potentially it could then be delivered by a multi-council WSCCO depending on the outcome of the investigation/report.

That plan led Rotorua to being a member of the *Heads of Agreement* (HOA) councils (Whākatane, Ōpōtiki, Kawerau and Rotorua) which established a joint regional Waters Working Group (WWG) to oversee the investigation and report into a potential multi-council owned WSCCO option.

The local government reforms (Headstart & Backstop) were announced after the councils had committed to investigate a joint WSCCO, so their detailed implications sit outside the scope of the investigation.

Subsequently, central Government has also released a policy direction targeting rates capping in local government which will also impact financial capability and debt room of councils with IHBU which while waters are ringfenced and charges exempt from capping, count towards council's debt level.

It is noted in the report that Headstart & Backstop processes could change the group of councils involved overtime. Irrespective of that process, the WSCCO's design should allow for any change through the Constitution and Shareholder's Agreement instruments.

The regional WWG included Mayor Tapsell, Cr Barker and Cr Sandford as RLC representatives with other elected members from the HOA councils including mayors David Moore (Opotiki), Nándor Tánczos (Whakatane) and Faylene Tunui (Kawerau).

The group assessed an asset owning multi council WSCCO option against the status quo comparator In-House Business Unit (IHBU) using seven agreed strategic objectives.

A service only WSCCO delivery model was also initially considered but discounted as being less optimal against the same objectives.

The WWG endorsed and completed the WSCCO investigation report on 17 August, and this is now being referred to the respective HOA councils for their decision-making purposes.

Support to the working group came through the regional steering group (Programme Team which included the CEs and appointed staff from each council and independent advisor Max Baxter and consultants Martin Jenkins which compiled and produced the report.

The investigation was carried out against a shifting regulatory backdrop. The core legislative framework is now in place, the wastewaters standards are in force, and economic regulation is taking shape, but further change is expected.

At the same time, multi council WSCCOs across New Zealand are at various stages of establishment. This gave a growing body of experience and lessons to draw on for the design choices in the report.

The Working Group identified an asset-owning multi-council WSCCO as the preferred water service delivery model and developed indicative design settings covering ownership, representation, governance, decision-making pricing and dividends to be followed in detailed design and establishment of the entity.

With Rotorua district having many treaty, landowner and protocol commitments, considerable work would be needed during any detailed design to properly reflect these relationships and obligations in any WSCCO. Any representation would need to be iwi mandated (refer 7.3.).

The WWG also determined the multi-council WSCCO model would cover the three waters: drinking, waste and stormwater.

Council is not deciding today to establish or join a multi-council WSCCO. Council needs to decide what future water service delivery option it prefers to consult the community on. Final decisions will follow consultation, hearings/submissions, and further advice. The 8 December decision may confirm, amend or reject the preferred option.

The next step is for each council to now consider the findings of this investigation and determine whether it wishes to progress the WSCCO option for consultation with its community.

The full WSCCO Investigation report, companion reports (Financial Assessment & Stormwater options) and A3 organisation arrangements are attached and have also been placed into Stellar alongside the early WWG technical for information.

A high-level Implementation Plan has been created to support WSCCO creation if required.

The following chart shows a high-level comparison of the two options under consideration (the strategic comparison sits later in this report).

Matter	In-house Business Unit	Multi-council WSCCO
<i>Financial sustainability</i>	Viable short to medium term; increasing long-term pressure	Stronger borrowing capacity and long-term investment platform
<i>Average household impact</i>	Achievable but requires ongoing capability and investment	Stronger scale, capability and regulatory readiness
<i>Local control/accountability</i>	Direct council control	Shared ownership and governance; requires strong shareholder arrangements
<i>Iwi/landowner relationships/arrangements</i>	Existing direct relationships and arrangements kept	Relationships and arrangements must be carefully protected and transferred/managed
<i>Stormwater</i>	Remains directly integrated with Council unless altered	Inclusion requires clear interfaces with land use, transport, planning and emergency management
<i>Implementation risk</i>	Lower structural change; higher long-term capability risk	Higher transition risk; stronger long-term scale benefits
<i>Reversibility</i>	Easier to continue	Harder once assets/functions transferred

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

Council has adopted a multi-staged delivery option for Water Services in its accepted WSDP. The then preferred option was continuing in house delivery (status quo) until 1 July 2028. It may then be delivered by a multi-council water services council-controlled organisation from July 2028. This is dependent on the regional WWG report which has now been completed. The fall-back option is service delivery remaining in house.

The recommended future water service delivery option in the WWG report is a multi-council WSCCO involving all four councils.

The WWG started with the following options and used the initial high level strategic assessment to determine the following:

Strategic objective	Internal business unit <i>Status quo</i>	Rotorua/Eastern Bay of Plenty water organisation – asset owning (WSSCO)	Rotorua/Eastern Bay of Plenty water organisation – service delivery only (WSSCO)
Efficient and financially sustainable delivery of water services			
Protects and promotes public health and the environment			
Resilient to natural hazards and climate change			
Integrated water services and infrastructure planning			
Affordable, fit for purpose service to consumers and communities			
Council obligations to hapū and iwi are valued and honoured			
Impact on remaining council operations and viability			

OPTIONS	SHORTLIST?
1 Internal business unit <i>Status quo</i>	Yes – the current delivery models meet statutory requirements over the next 10 years, with approved WSDPs in place for each council. Longer term sustainability is very challenging.
2 Rotorua/Eastern Bay of Plenty water organisation – asset owning (WSSCO)	Yes – potential for strong future benefits. Detailed financial comparisons and development of possible governance and representation mechanisms will allow fuller consideration of the relative advantages and disadvantages of this option.
3 Rotorua/Eastern Bay of Plenty water organisation – service delivery only (WSSCO)	No – limited economies of scale, complex accountability arrangements and no investment or financing advantages.

Through the WWG, the report assesses an asset owning multi-council WSSCO as the preferred long-term water service delivery model and has developed indicative design settings covering ownership, representation, governance, decision-making, pricing and dividends.

The next step is for each council to consider the findings of the investigation and determine whether it wishes to progress the WSSCO option for consultation with its community.

Regional findings

The report which was authored by consultants Martin Jenkins which has considerable experience in water reform in Aotearoa and drew on some overseas and New Zealand examples in its creation.

It is endorsed as the technical inputs and findings of the regional WWG which was established in November 25 and completed its assignment on August 17.

The report finds that a combined multi-council WSSCO would be a long-term efficient and effective way for the four councils to provide future water services delivery.

This was assessed against seven strategic objectives that each council supported and the WWG adopted for its assessment criteria (bulleted below).

- 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.

Rotorua is also assessed in the short to mid-term as being capable of remaining alone in its in-house delivery of water services.

However, the report also notes that if Rotorua, being the largest, opted not to participate in a combined WSCCO there would be considerably less benefits to the other councils.

A joint four council WSCCO would be expected to deliver water services at a lower long-run cost to consumers than individual councils can deliver through current operating models and/ or enable greater levels of investment to be delivered within currently projected revenues.

In the financial modelling Rotorua ratepayers are assessed as receiving approximately \$216 per annum average savings in the WSCCO as opposed to in-house delivery. This compounds to approx. \$5600 per unit saved across the 2029-2054 periods while cost savings across the four districts are calculated at about \$185 million in capital expenditure and \$145 m for operating expenditure.

The benefits from the more efficient capital structure of the WSCCO model, combined with the potential for operating and capital efficiencies, would provide an immediate uplift in borrowing capacity to support required investment, fairer intergenerational costs through funding assets across their useful lives, enhance investment capacity, infrastructure resilience, and create greater financial capacity for the WSCCO and councils to manage risks and absorb shocks.

The financial model relied on agreed assumptions, and the financials contained in WSDPs and LTP documents, and a cost-to-serve principle for pricing with any harmonisation of charging to be reviewed in the future, five years from when a WSCCO becomes established and operational.

Under cost-to-serve each district (or scheme) bears its own cost burden.

This approach preserves fairness at establishment and models lower prices than the status quo for all four councils across the 30-year period.

The report states that any potential WSCCO should include mandated iwi representatives in its representation forum, the appropriate make-up would be determined in detailed design alongside ownership, shareholding and shareholder forum allocations.

Beyond maintaining existing obligations, a future WSCCO provides an opportunity to establish a more consistent and strategic regional partnership model with mana whenua, supporting both kaitiakitanga and long-term water service sustainability

An A3 diagram is included with the WSCCO investigation report and provides detail into the relationships of control, ownership, shareholder forums, representation and board accountabilities.

Companion reports on “Understanding stormwater” and “Joint Water Services Organisation – Financial Assessment” provide depth behind the final document.

Rotorua Specific

Rotorua Lakes Council is the largest of the four councils with 27,185 drinking water connections, 25,964 wastewater connections and 24, 989 stormwater connections. Total replacement asset values sit at \$1, 349.7m, more than half of the regional total.

The broad finding of the report is RLC currently meets requirements to successfully delivery future water services on its own. However, that could be improved in the longer term against the seven strategic objectives through a multi-council WSCCO delivery.

Rotorua would receive the largest per-connection savings of the four councils under a multi-council WSCCO, with average charges calculated at \$216 per year lower than in-house delivery, totalling \$5600 cumulative savings across FY 29-FY54.

Rotorua may also benefit from greater financing capability, stronger access to specialist capability, and a larger organisation better able to respond to future regulatory, resilience and workforce pressures.

The key trade-off identified is the need to ensure strong coordination between the WSCCO and Rotorua’s wider planning environment, including its complex network of statutory co-governance arrangements, settlement obligations and lake-based management frameworks. Refer to 7.3 for more detail.

There are financial and systems assumptions in the assessment versus the In-House Business Unit (status quo comparison) which are detailed in the WSCCO report and its supporting papers. The assumptions were agreed by the HOA chief financial staff and align to LTP assumptions.

The strategic assessments of the multi-council WSCCO and IHBU (status quo) options are summarised in the following comparison tables extracted from the report.

The levels assessed (see Legend) were tested with the Programme Team and WWG during the discussion of the technical inputs and report creation.

Rotorua Lakes Council

Assessment against strategic objectives 1 of 2

Legend: ■ Consistent with objective but has some risks ■ Moderate alignment to objective(s) ■ Stronger alignment to objective(s)

Strategic objective	Internal business unit Status quo	Rotorua/Eastern Bay of Plenty water organisation – asset owning (WSCCO)
Efficient and financially sustainable delivery of water services for communities, now and into the future	- Water debt-to-revenue peaks at 120% in FY29, declining to 83% by FY34. Whole-of-council debt-to-revenue remains within LGFA limits across the WSDP period. - Strong revenue base but resource sufficiency is a longer-term risk as neighbouring councils form larger water entities. - Historic capex delivery of 96% reflects capacity constraints; new Capital Programmes team recently established. - Longer-term financial sustainability uncertain as regulatory requirements evolve.	- Average charges are around \$216 per year lower than in-house delivery, totalling ~\$5,600 across FY29–FY54 (around 9%). By FY54, charges are around 19% lower than in-house delivery. - Scale benefit is smaller for Rotorua than the other councils, given existing size.
Protects and promotes public health and the environment – meeting regulatory requirements	- Starts from a low-risk compliance position: all water supplies fully compliant with DWQARs in 2024/25 and no regulatory enforcement actions. - Pressure is holding that position through the upcoming programme, not fixing existing gaps.	Greater financing capacity supports the pace and scale of treatment upgrades and consent renewals, particularly the Rotorua WWTP.
Water services are resilient to natural hazards and climate change	- Seismic, geothermal, river flooding, lake levels and climate exposure are common risks. - Lake water quality carries specific settlement-linked obligations that resilience investment must give effect to. - Some borrowing headroom to support resilience investment but this competes with the renewals and upgrade programme already planned.	- Greater financing capacity supports resilience investment across shared catchments. - A single entity can plan across shared risks and coordinate investment more efficiently.
Integrated water services and infrastructure planning that promotes efficient, equitable, and integrated delivery	Tightest link between spatial and water infrastructure planning, with decisions internalised. Rotorua Lakes has 10 water supply areas, 13 wastewater areas and 14 stormwater catchments across urban and lakeside areas, with growth pressures.	- Integration becomes an interface to manage across four councils. - Well-defined coordination mechanisms needed to preserve alignment on growth planning, stormwater on mixed-use land, and lake water quality obligations.

Rotorua Lakes Council

Assessment against strategic objectives 2 of 2

Legend: ■ Consistent with objective but has some risks ■ Moderate alignment to objective(s) ■ Stronger alignment to objective(s)

Strategic objective	Internal business unit Status quo	Rotorua/Eastern Bay of Plenty water organisation – asset owning (WSCCO)
Affordable, fit for purpose service to consumers and communities that meets the needs, and expectations of communities	- Cumulative cost per consumer of ~\$61,938 across FY29–FY54. - Costs stay manageable relative to the other councils, reflecting Rotorua's stronger revenue base and lower starting water debt. - Longer-term affordability less certain as pressure builds beyond the WSDP period with continued regulatory investment and renewals. - Local voice mechanisms strong through elected members and existing consultation processes.	- Average charges are around \$216 per year lower than in-house delivery, totalling ~\$5,600 across FY29–FY54 (around 9%). By FY54, charges are around 19% lower than in-house delivery. - Rotorua sees the largest percentage saving of the four councils, with WSCCO operating and capital efficiencies flowing through to lower water charges. - Local voice mechanisms will need deliberate design
Council obligations to hapū and iwi are valued and honoured*	21 iwi entities with recognised interests. - Engagement primarily through settlement-based statutory co-governance and partnership bodies, protocol committees, and iwi leaders' forum, largely structured around lake, river and catchment systems.	- Existing obligations would need to be explicitly provided for through new or adapted mechanisms. - Greater investment capacity supports action on environmental and infrastructure outcomes tied to settlement obligations.
Remaining council operations are viable and continue to deliver on communities' expectations	- Whole-of-council debt-to-revenue remains around 130–160% across the WSDP period, providing headroom for other services. - No stranded costs and full retention of existing financial flows.	- Transfer of water debt lifts council headroom, but the change is modest compared with the other councils given Rotorua's stronger starting position. - Stranded costs likely, particularly where council overhead has been allocated to water, and will need careful transition management.

* Indicative assessment, not based on direct engagement with hapū and iwi. Rotorua Lakes has been engaging directly with hapū and iwi per their individual engagement plan supporting the WSDP and expects feedback and views from iwi and hapū for elected members' consideration during decision-making.

5. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

Council's water network is a strategic asset.

The future vehicle and delivery of safe, effective and sustainable water services is considered a matter of significant public interest for all residents and ratepayers of the Rotorua district.

As such, consultation should happen under Local Government's Special Consultative process.

A consultation document (currently draft) will support this process.

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

The Water Services Delivery plan committed to ongoing engagement and that councils would decide future water services delivery after consultation. Sections 2.2, 2.4 and 3. of Water Services Delivery Plan, Aug 2025.

A communications and activity plan to support the consultation is attached for information.

Consultation activity will largely occur during October, with an opportunity for hearings scheduled in November ahead of the decision-making council meeting on 8 December.

7. HE WHAIWHAKAARO CONSIDERATIONS

7.1. Mahere Pūtea Financial/Budget Considerations

The costs of community engagement to support decision-making would be met from existing council budgets.

The companion report *Financial Report joint WSCCO* is attached for information.

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

Council has an accepted Water Services Delivery Plan (WSDP) which outlines the way in which these services will be delivered and funded.

The decisions requested in this report are consistent with the WSDP. A high-level implementation plan for any WSCCO establishment has been created should it be required.

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

Rotorua Lakes Council has a complex Treaty settlement landscape and has more than treaty obligations to consider.

Decisions are influenced by legal, cultural, contractual and property relationships with mana whenua. The district includes 17 Treaty settlements and 35 Post Settlement Governance Entities, alongside hapu authorities, Māori Incorporations, ahu whenua trusts, Māori land trusts and so on. These relationships need to be honoured across any future water services delivery.

Partnerships and joint ownership/consents will also require consideration as to how they are maintained/supported in the future for the betterment of the Rotorua district.

Iwi and landowners would need to be involved in the detailed design of any prospective WSCCO entity with many areas of specific interest in their kaitiakitanga role and deep connection to their whenua.

Iwi engagement to date has been undertaken under an environment of coalition government legislative change which potentially may impact Māori historical settlements and agreements, and which may also restrict future arrangements.

The regional Working Group was established through an agreed HOA with no specific Māori representation appointed to it. During its workings, the group had discussion about the place and role of Māori representation on that group and while the Eastern Bay councils could nominate an iwi representative, Rotorua Lakes Council could not support a singular representative from Te Arawa unless Te Arawa had selected the representative.

This has added some strain to ongoing engagement with Iwi and landowners and a feeling they were being kept out of this process and as a result would have limited influence on potential decisions.

Council continues to use traditional communication channels to provide information/updates on the WSDP process through the iwi chairs and protocol hui and council database

Most recently has also been some direct engagement with landowner groups who have direct relationships with council and further opportunities are contained in the engagement plan.

To date conversations have reflected a willingness of owners and partners to continue working with council, reinforcing the enduring relationship iwi and landowners have with their whenua and the commitments made in agreements, arrangements, settlements and partnerships to date.

Some have expressed strong reservations about how those could be appropriately reflected and nurtured in a regional wide WSCCO as opposed to directly with council and any further consultation period would allow for a deeper discussion and formal submission by Iwi/landowners into council's final decision-making.

Any WSCCO governance, ownership, consent-management and relationship arrangements would need to ensure Treaty settlements, iwi relationships, co-management arrangements and joint infrastructure interests continue seamlessly under any future multi-council entity.

This specific engagement, which was signalled in the WSDP, was refreshed in July and has been carried out under the following guidance.

Principles Guiding Engagement

Partnership: engagement should enable a Te Tiriti partnership which includes meaningful influence before decisions are made.

Early, inclusive, engagement: drawing on lessons learnt from the Water Services Delivery Plan phase, involving tangata whenua early in the decision-making process and ensuring the door is open to engagement.

Mana enhancing engagement: iwi and entities decide how they wish to engage.

Recognition of distinct interests: landowners, asset owners, consent holders and iwi have different rights and relationships that require tailored engagement.

Governance and technical engagement: both levels are needed.

Existing relationships are the starting point: new arrangements should not undermine established partnerships, agreements or statutory relationships.

Resourcing: tangata whenua participation should be appropriately funded

What has Council heard so far?

Engagement has occurred too late

Iwi and Landowners have constantly expressed concerns that the LWDW process was already well advanced before their involvement. There is a strong view that engagement should have occurred before the options were narrowed. Iwi have raised the possibility of an iwi-led water services organisation. However, iwi were unable to put this option forward prior to the options being narrowed.

Governance and Technical Input

Iwi and Landowners want direct governance-level involvement before decisions are made, supported by technical engagement. Iwi wish to determine for themselves how they engage, including direct entity-specific engagement where appropriate.

Detailed Understanding of Iwi / Landowner Circumstances

Iwi and hapū have existing rights and interests that must be understood before a delivery model is selected, including land and asset ownership, jointly held consents, Treaty settlement arrangements, agreements and statutory roles.

Preference for IBU

Landowners have expressed a preference for an IBU because relationships are maintained directly with Council. However, this is conditional on what a future model looks like. There is uncertainty as to how relationships will be reflected in a future WSCCO and any future model must improve relationships, not weaken them.

Significant Involvement in Detailed Design of Model

Iwi must be significantly involved in the detailed design of a future water services model, at a governance, technical and operational level.

What concerns remain unresolved?*Transfer of Consents / Agreements*

It is unclear how iwi and landowner-owned assets such as springs, jointly held consents and other joint arrangements could be transferred to or managed by a new entity. If an iwi or landowner does not agree to its assets, consents or arrangements forming part of the new model, it is unclear how this will be managed.

Protection of Existing Obligations

How existing Treaty settlement obligations, protocols, partnership agreements and statutory roles will be protected.

Representation within IBU vs WSCCO

What tangata whenua representation and influence would look like within a CCO or IBU, including Board representation and representation within the organisation.

Headstart and Wider Reform

How Headstart decisions and wider RMA reform will impact on LWDW decision-making.

What are the risks if tangata whenua are not properly engaged?

If tangata whenua are not properly engaged, there is a material risk to the feasibility and implementation of any future delivery model. Tangata whenua holds interests that Council cannot assume will simply transfer to a new arrangement, including jointly held resource consents, iwi and landowner-owned assets and land, access to water sources, easements and infrastructure agreements. Some tangata whenua have indicated they may not continue to provide access to their assets or resources if they are excluded from decision-making. Failure to reach agreement could therefore affect Council's ability to implement its preferred model, making meaningful engagement important before a preferred model is selected, rather than after the decision has been made.

How further engagement will occur before the December decision

Te Amorangi is arranging hui between the Landowners and the Mayor and Councillors. These hui will directly address issues that have been raised by Landowners. The purpose of engagement is to ensure that decisions made by Councillors are informed by tangata whenua views, and ideally, that tangata whenua and Council agree on a future water services delivery model.

How tangata whenua views will be report back to Council

Through the next phase of engagement, targeted engagement will continue with affected landowners and iwi. Feedback from this engagement, including the potential impacts of any future decisions, will be captured through Council's formal reporting processes.

In addition, where requested by landowners, specific hui with Councillors will provide an opportunity for Councillors to hear directly from landowners about their perspectives, concerns and potential impacts. This will ensure that both the formal reporting and decision-making processes are informed by first-hand feedback from those most directly affected.

7.4. Tūraru Risks

<i>Risk</i>	<i>Why it matters</i>	<i>Mitigation</i>
<i>Other councils may not proceed</i>	Could affect scale, benefits and viability of the WSCCO	Design allows for staged participation; final decision subject to partner council decisions
<i>Iwi/landowner confidence</i>	Existing relationships, consents, assets and obligations may be affected	Dedicated engagement, design principles, no transfer of iwi-owned assets without agreement
<i>Loss of local influence</i>	Shared governance may reduce direct Council control	Strong shareholder agreement, statement of expectations, reserved matters
<i>Financial assumptions change</i>	Modelling may shift with regulation, inflation, capex and timing	Sensitivity analysis and further due diligence before final decision
<i>Stormwater integration</i>	Stormwater links strongly to land use, transport, flood risk and planning	High-level implementation plan, transition governance, staged establishment
<i>Central government intervention</i>	Non-delivery of WSDP milestones may trigger intervention risk	Maintain alignment with accepted WSDP and quarterly reporting

7.5. Te Whaimana Authority

Council has the authority to make these decisions under 48J[c] Local Government Act 2022 and the Local Government (Water Services) Act 2025.

Council is required to carry out the approved Water Service Delivery Plan as per the Local Government (Water Services Preliminary Arrangements) Act 2024.

10.2 INNER CITY - ENDORSEMENT OF PRIORITY DIRECTION

Prepared by: Stephanie Kelly, Housing, Growth & Partnerships Manager
Approved by: Jean-Paul Gaston, Group Manager, Destination Development
Attachments: 1. Inner City Precinct Map

**1. TE PŪTAKE
PURPOSE**

This report seeks Council endorsement of the key direction for the Inner City and approval to undertake the next stage of work. The proposed direction is to focus initial effort on the Lakefront Precinct, Amohia/Ranolf Street Neighbourhood, and the Fenton Street Transition Area.

Endorsement will allow staff to prepare a targeted incentives and mechanisms policy and undertake concept and business case for capital investment into the Village Green, including improved connections between the inner city and the lakefront and Eat Street 2.0. Each proposal, and any associated funding, would be bought back to Council through the 2027-37 Long-term Plan process.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'Inner City - Endorsement of Priority Direction' be received.

2. That the Council
- (a) Endorses the key direction for the Inner City including a targeted initial focus on the Lakefront Precinct, Amohia/Ranolf Street Neighbourhood and the Fenton Street Transition Area as priority inner city precincts.
 - (b) Directs staff to develop an Incentives and Mechanisms Policy that is focused on the priority inner city precincts for subsequent Council consideration through the 2027-37 Long-term Plan process.
 - (c) Approves further investigation, concept development and business case preparation for initial Village Green public-space improvements and Eat Street 2.0 with scope, costs and funding options for subsequent Council consideration and decision making through the 2027-37 Long-term Plan process.
 - (d) Direct staff to review relevant renewal programmes, maintenance standards and operating budgets to identify if sufficient budget and resources are allocated to renew lighting, keep it operating, respond to graffiti, service bins and maintain public spaces to the expected standard for subsequent Council consideration and decision making through the 2027-37 Long-term Plan.

2. TE TĀHUHU BACKGROUND

Over the past 20 years, successive strategies and plans have sought to create a more compact and active inner city, strengthen connections, increase central-city living, improve public spaces, and provide a stronger environment for business and investment. This work has delivered several amenity improvements, including the lakefront redevelopment, Eat Streat and Te Manawa. However, projects have often been delivered individually and spread across the wider inner city, limiting their collective impact and the achievement of intended outcomes.

The inner city continues to be an economic priority for business owners. The October 2025 Rotorua Business Pulse was completed by 96 business owners, chief executives and general managers, and called for greater focus on economic development and inner-city revitalisation. Council's proposed Long-term Plan (LTP) outcomes also identify a continued focus on the inner city as a key driver for economic growth and tourism.

The 2024-34 LTP included \$9.9 million for inner-city investment from 2027/28. Council's financial position has since been constrained, and no future provision has been assumed. Any proposed investment needs to be focused, staged and supported by a clear case before Council considers funding through the 2027-37 LTP.

Over the past two years four complementary workstreams have been progressed and provide the evidence base for a more coordinated and targeted investment and delivery plan for the Inner City. The proposed workstreams considered where investment interest exists, what is holding viable projects back, how activity should be organised and connected, and which Council actions are realistic. The key actions and deliverables from these workstreams have been brought together into a targeted set of actions which is spatially focused and includes specific deliverables. The four workstreams include:

- Inner City Blueprint
- Spatial framework
- Incentives and mechanisms
- Activation and investments cases.

The Blueprint is a private sector-led initiative supported by engagement with 26 developers and 287 landowners. It records recent and proposed development, opportunity sites and landowner intentions, and will be launched separately. The Blueprint provides an evidence base for Council's work while remaining separate from the Council-led action plan and subsequent funding decisions.

3. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

Spatial Framework

The Inner-City Spatial Plan identifies the priority inner city precincts where Council and private-sector activity should be concentrated. An inner-city precinct is a defined area within the city centre with shared common land uses, activities, urban character and development objectives, and is planned and managed as a cohesive area.

The Spatial Framework identifies the priority inner-city precincts expected to deliver the greatest benefit and where investment and effort should be concentrated (Attachment 1).

1. Lakefront Precinct including the Village Green

Rotorua has a visitor market that most regional centres do not, and the lakefront is one of the city's clearest points of difference. Many visitors can experience Rotorua without spending much time in the inner city. A stronger destination around the lakefront, Eat Street and the adjoining city blocks would give residents and visitors more reasons to stay longer, move between places and spend in the centre.

The market evidence points in the same direction. Recent development, proposed projects and developer interest are concentrated between the lakefront and Haupapa Street. Developers and landowners generally supported smaller, staged growth around this precinct, rather than spreading the same effort across the whole inner city. Their feedback also identified the Village Green as a break in the natural connection between Eat Street and the lakefront. Its scale, layout and limited everyday amenity do not currently draw people comfortably from one destination to the other.

Previous Council investment supports a focused approach. The lakefront and Eat Street have become recognisable destinations and have attracted activity and nearby private investment. Te Manawa remains an important civic space, but it has not produced the same destination pull or level of adjacent private investment. In a tight financial environment, the first stage should start where existing public assets, established destinations and private market interest already meet.

2. Amohia/Ranolf Street Neighbourhood

Previous strategies and plan have consistently identified that there is an oversupply of commercial space within the inner city, with activities spread over a large area diminishing the vibrancy and experiences for locals and visitors. Increasing inner city living will assist in reducing the inner-city footprint, increase vibrancy and economic benefits.

Work undertaken to test the feasibility of residential development in the inner city identified the Amohia/Ranolf Street precinct as providing the biggest opportunity for residential development within the inner city.

The feasibility testing used a financial model to assess the development potential by comparing likely costs of development with required sale value of units upon completion to provide an acceptable development margin/return on risk. The development feasibility testing shows that the key factors constraining the delivery of urban development in the inner city are high construction costs and low achievable sales prices.

Focusing efforts on this area is therefore expected to deliver the greatest increase in inner-city living.

3. Fenton Street Transition

Fenton Street has been identified for a different reason. Its older motel and short-stay stock, location and development sites create a longer-term opportunity for more residential and mixed use. The proposed work would support gradual transition through planning, amenity improvements, direct landowner engagement and development tools, without prescribing a single development outcome.

Incentives and Mechanisms Policy

Local government has a range of tools available to influence the form, pace, and quality of development. Broadly, these tools sit in two categories: development incentives and development mechanisms. While complementary, they operate in different ways and are used for different purposes. Examples of incentives could include time-bound rates relief, reduced consent fees or development contributions. Examples of mechanisms including zoning changes and structure planning.

It is recommended that a draft incentives and mechanisms policy is developed and brought back to Council for consideration through the LTP process.

The draft policy would focus on the priority inner-city precincts and aim to address barriers raised by developers and landowners, including difficult project feasibility, fragmented ownership, process uncertainty and uneven amenity. Any assistance would be assessed against a credible proposal and brought to Council through the relevant approval process.

LTP Funding

The 2024–34 LTP includes \$3.3 million per year from 2027 to 2029 for improvements identified through an inner-city framework. Since the LTP was adopted, Council's operating and financial environment has changed considerably. Any capital investment will therefore need to be targeted and supported by a clear business case demonstrating its benefits and alignment with the wider priority direction endorsed by the Council.

Two investment proposals focused on the Lakefront Precinct have been identified for Council consideration. No design or construction package is proposed for approval at this meeting. It is proposed that concepts and a supporting business case would be presented back to Council for consideration and consultation through the LTP process.

1. Village Green Improvements

The Village Green is Rotorua's only premier green space event venue and a priority for the RotoruaNZ Major Events Team. It hosts high-impact events such as Tarawera Ultra-Trail, 8th Wonder and the Rotorua Marathon, which attract visitors, generate spend, strengthen inner-city vibrancy and build the profile of Brand Rotorua. Mobile phone-derived visitor data for the inner city indicates that selected major-event periods can be associated with noticeable uplifts in activity ranging from around 15% to as much as 180% compared with like-for-like periods. This demonstrates the wider inner-city value that events such as the Rotorua Marathon, Tarawera Ultra-Trail and the Matariki Drone Show can support.

Proposed investment in the Village Green would consider turf and drainage, paths and accessible connections, seating and other amenity, power and servicing, limited hardstand areas and semi-permanent event infrastructure. The aim is to increase regular activity, dwell time and vibrancy, supporting hospitality spend, local business activity and the value people obtain from visiting the inner city.

Improving connections between Eat Streat, the Village Green and the lakefront is also a priority. Engagement with developers and landowners has consistently identified the Eat Streat roundabout as a weak point in this route. Pedestrian safety is also a known concern, particularly during major events at the Village Green. Although a path exists, it is poorly marked and difficult to follow. Strengthening this connection will also help maximise the value of Council's significant investment in the lakefront.

Further investigation would focus on improving:

- pedestrian safety and accessibility;
- route visibility and legibility;
- wayfinding and signage; and
- movement between the inner city, Eat Streat, the Village Green and the lakefront.

2. Eat Streat 2.0

The business activity in the block adjoining Eat Streat between Pukaki and Arawa Streets is dominated by restaurants and hospitality and presents an opportunity to expand on a proven destination. Initial engagement with those businesses has indicated that this would be supported.

It is not anticipated that a proposal to expand Eat Streat into the adjoining block would include a significant structure as with the existing Eat Streat. Proposals would focus on enhancements that are easier implement such as lighting and landscaping.

Core maintenance and amenity

A focused inner city action plan must be supported by consistent delivery of the basics. Within the core focus areas this includes well-maintained lighting, prompt graffiti removal, sufficient rubbish bins, safety and perception of safety and regular servicing, and public spaces designed and managed using Crime Prevention Through Environmental Design (CPTED) principles. This has been described as a collectively as the 'high care' approach. These practical measures influence whether the area feels safe, cared for and welcoming, and whether people choose to spend time there.

It is proposed that relevant renewal programmes, maintenance standards and operating budgets are reviewed as part of the next stage of work. This should identify whether sufficient budget and resource are allocated to renew lighting, keep it operating, respond to graffiti, service bins and maintain public spaces to the expected standard.

Options

Option 1 - Endorse the targeted direction and further work (recommended). This option follows the evidence of current market activity and Rotorua's existing destination strengths. It uses the completed Precinct Plan to focus policy and project work, while allowing concepts, policy settings, costs and safeguards to be worked through before Council makes funding decisions through the Long-term Plan.

Option 2 - Direct an inner-city-wide investment programme. This would give more areas early attention, but would spread limited funding across a large footprint and make it harder to create a visible concentration of activity or connect public work with current private investment.

Option 3 - Defer endorsement and retain the status quo. This would avoid the next stage of work in the short term, but would delay Long-term Plan preparation, reduce certainty for investors and continue the project-by-project approach identified in earlier reviews.

4. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The decisions or matters of this report are not considered significant in accordance with the Council's Significance and Engagement Policy.

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

Since 2020 six separate strategies and plans have been developed by the Council and its partners for the inner city with significant public consultant. While each of them has had a slightly different focus, they have consistently reinforced the same strategic direction and investment priorities.

The recent development of the Rotorua Blueprint included engagement with 26 developers and 287 landowners. The feedback received was consistent with the priority direction, proposed priority focus areas and key actions in this report. Continuing to provide a high level of service with respect to amenity and maintenance in the inner city along with a continued focus of safety were also consistent themes from the engagement.

It is proposed that consultation of a draft Incentives and Mechanisms Policy and any proposed capital investment proposals would be undertaken through the 2027-37 LTP.

6. HE WHAIWHAKAARO CONSIDERATIONS

6.1. Mahere Pūtea Financial/Budget Considerations

The 2024–34 LTP includes \$3.3 million per year from 2027 to 2029 for improvements identified through an inner-city framework. Any proposed investment needs to be focused, staged and supported by a clear case before Council considers funding through the 2027-37 LTP.

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

Since 2020 six separate strategies and plans have been developed by the Council and its partners for the inner city with significant public consultant. While each of them has had a slightly different focus, they have consistently reinforced the same strategic direction and investment priorities.

Council's proposed Long-term Plan (LTP) outcomes also identify a continued focus on the inner city as a key driver for economic growth and tourism. It is proposed that consultation of a draft Incentives and Mechanisms Policy and any proposed capital investment proposals would be undertaken through the 2027-37 LTP.

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

Significant Māori landholdings are included in the Lakefront precinct that is intended to be a priority focus area for the inner city. On that basis the decisions and matters in this report are likely to have a positive effect on Tāngata Whenua.

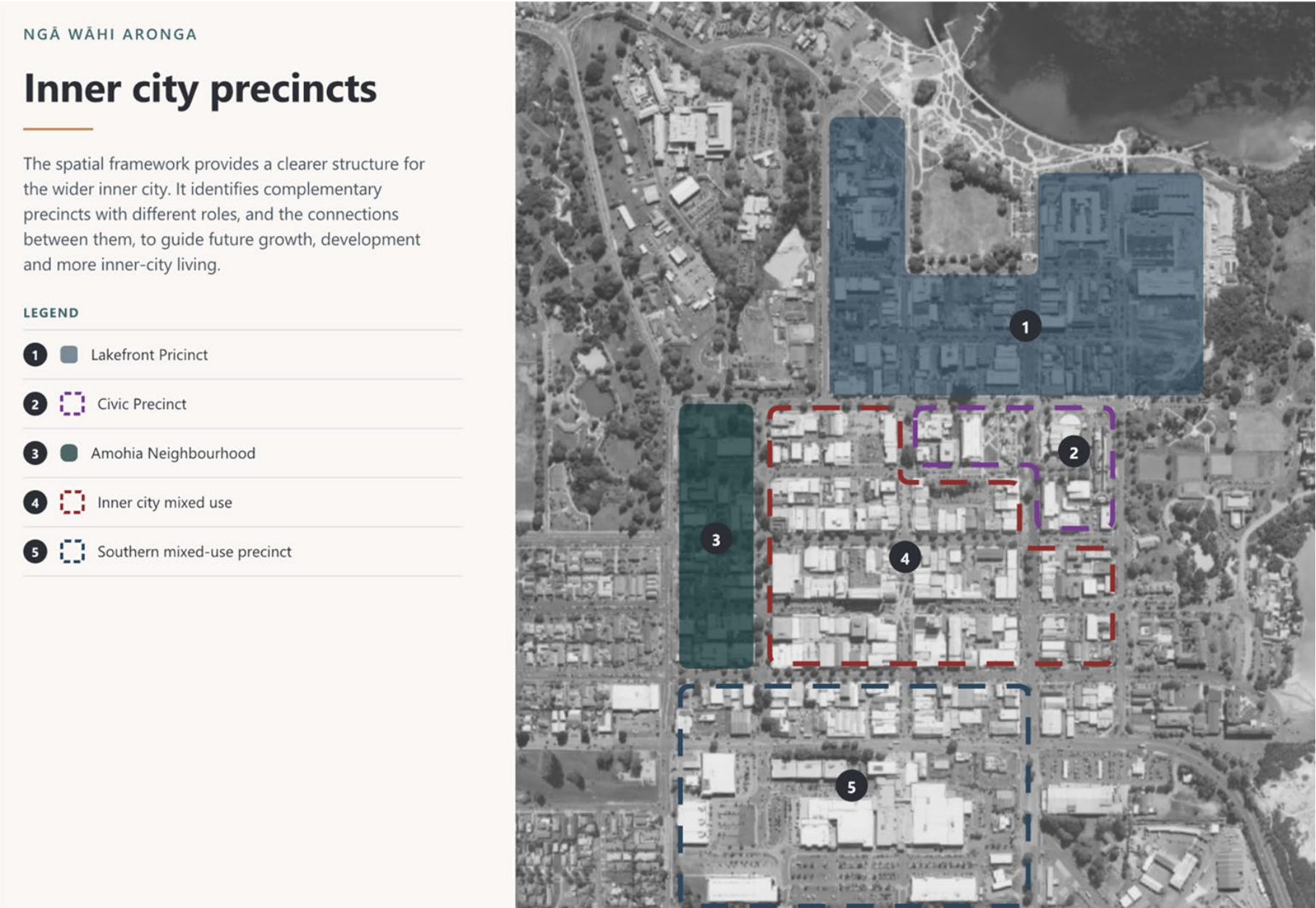
6.4. Tūraru Risks

There are a number of risks associated with the decisions and recommendations in this report:

- Inner-city investment may remain fragmented, reducing its overall impact.
- Investor confidence and private-sector momentum may decline.
- Preparation for input into the 2027–37 Long-term Plan may be delayed.
- Opportunities for residential growth, economic activity and increased visitor spending may be lost.
- Known development barriers, maintenance issues and pedestrian-safety concerns may remain unresolved.
- Council may face reputational risk for not acting on established priorities and stakeholder feedback.

6.5. Te Whaimana Authority

Council has the authority to consider the matters and make decisions associated with this report.



10.3 CONSIDERATION OF VESTING ARRANGEMENTS FOR WAITOHARURU (TARAWERA LANDING) AND ROTORUA THERMAL HOLIDAY PARK

Prepared by: Rob Pitkethley, Manager - Parks & Open Spaces Manager

Approved by: Alex Wilson, Group Manager Community Experience

Attachments:

1. Waitōharuru (Tarawera Landing) Recreation Reserve.
2. Thermal Holiday Park Lot and Centennial Park Reserve
3. Letter from Department of Conservation, consideration of vesting arrangements.

**1. TE PŪTAKE
PURPOSE**

To seek Council's decision on whether to provide consent, as current administering body, to relinquish its vested interests under section 27 of the Reserves Act 1977 for the Waitōharuru (Tarawera Landing) and Rotorua Thermal Holiday Park Recreation Reserve lands, noting the proposal from the Department of Conservation (DOC) that Tūhourangi Tribal Authority and Pukeroa Oruawhata Trust become the respective future administering bodies for these recreation reserve areas.

**2. TE TUHINGA WHAKARĀPOPOTOTANGA
EXECUTIVE SUMMARY**

This report considers whether Rotorua Lakes Council should consent to relinquish its vested administering body interests in two Crown-owned recreation reserve areas: Waitōharuru (Tarawera Landing) Reserve and the Rotorua Thermal Holiday Park part of Centennial Park Reserve. The proposal follows a Department of Conservation request that provides an alternative statutory pathway under section 27 of the Reserves Act 1977 to Council's historic intent to transfer these areas to mana whenua.

For Waitōharuru, the proposal would support the direction confirmed by Council in 2020 that administration of the reserve ultimately sit with Tūhourangi Tribal Authority, while maintaining recreation reserve status and continued public access to existing facilities through the transfer process. For the Rotorua Thermal Holiday Park land, the proposal aligns with Council's 2017 and 2022 direction to progress Ngāti Whakaue/Pukeroa Oruawhata Trust administration of the land without relying on reserve revocation, which DOC has previously advised it could not support.

The proposal would transfer future administering body responsibilities and associated lease revenue away from Council once vesting is cancelled, including the Landing Café lease and the Rotorua Thermal Holiday Park lease. Council would no longer receive the related reserve lease revenue; however, under the Reserves Act, that revenue must be applied to reserve management and public benefit rather than treated as unrestricted income. DOC's proposal to retain the recreation reserve classification through the transfer of administration supports ongoing public access under this classification and Council will continue to service appropriate public assets at Waitōharuru.

The decision is assessed as not significant under Council's Significance and Engagement Policy because this decision of Council gives effect to previous Council decisions.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'Consideration of vesting arrangements for Waitoharuru (Tarawera Landing) and Rotorua Thermal Holiday Park' be received.
2. That the Council;
 - (a) Notes the request received from the Department of Conservation requesting that the Council, as the reserve administering body, consent to the cancellation of the vesting of Waitōharuru (Tarawera Landing) Reserve and the part of Centennial Park occupied by the Rotorua Thermal Holiday Park.
 - (b) Consents to the cancellation of the vesting of Waitōharuru (Tarawera Landing) Reserve, being Sec 1 SO 337671, pursuant to Section 27 of the Reserves Act 1977.
 - (c) Agrees that the public assets of Waitōharuru (Tarawera Landing) Reserve will continue to be the responsibility of the Rotorua Lakes Council to ensure on going public access to those assets and directs the Chief Executive to negotiate and enter into an agreement with the Department of Conservation that gives effect to that intention.
 - (d) Consents to the unification of the area marked "B" on Attachment 2 of the Rotorua Thermal Holiday Park containing memorial trees with the adjoining Centennial Park Reserve by notice in the NZ Gazette, pursuant to Section 52 of the Reserves Act 1977.
 - (e) Consents to the cancellation of the vesting of the part of Centennial Park occupied by the Rotorua Thermal Holiday Park, being Lot 1 DPS 61460, pursuant to Section 27 of the Reserves Act 1977, conditional upon the unification of the area marked "B" on Attachment 2 of the Rotorua Thermal Holiday Park with the adjoining Centennial Park.

**3. TE TĀHUHU
BACKGROUND**

The Waitōharuru (Tarawera Landing) Recreation Reserve and Rotorua Thermal Holiday Park area of the Centennial Park Recreation Reserve occupies Crown-owned recreation reserve lands that are currently vested in Rotorua Lakes Council for administration under the Reserves Act 1977. Council is the administering body, not the landowner.

Waitōharuru (Tarawera Landing) Reserve. (Sec 1 SO 337671, Attachment 1)

In February 2020, Council resolved [SP&F20/2/3] to start the process for transferring ownership of the land under the Tarawera Landing café back to mana whenua, the Tūhourangi Tribal Authority (TTA). The intention was to proceed through a subdivision for the small part of the reserve under the café and seek a reserve revocation for the café footprint. There was not an attempt to seek reserve revocation for the whole recreation reserve because it was known this would be unachievable due to significant public recreational use of the non-café parts of the reserve.

Advice was sought from DOC on an appropriate mechanism to achieve this intention. Several options were explored over the following three years but were considered unobtainable through District Plan subdivision and DOC capacity constraints.

DOC and TTA have continued discussions on this intention and have agreed that a subdivision and reserve revocation is not necessary and the recreation reserve status should remain over the whole reserve. DOC's current proposal (Attachment 3) provides an alternative statutory pathway that relies on section 27 of the Reserves Act 1977, which provides for cancellation of an existing vesting with the consent of the administering body.

The Council resolving to relinquish its vested interests would then result in DOC's subsequent vesting to the Tūhourangi Tribal Authority as the administering body of the reserve and so meet the intention of Council's 2020 resolution. DOC's proposal to retain the recreation reserve status of the area would also maintain public access to the Tarawera Landing public facilities. Public assets on this reserve includes the public toilets, car parks and lakefront landscaping.

Airstream Café and Leisure Solutions Ltd has a ground lease for The Landing Café at Waitōharuru and returned \$11,500 per year. This lease formally expired in December 2023 although it has been holding over while the new wastewater rate levies have been established as part of the Tarawera Wastewater Scheme. A transfer of reserve administration to DOC and subsequently TTA would also include landlord responsibilities for this lease.

Rotorua Thermal Holiday Park, Centennial Park Reserve. (Lot 1 DPS 61460, Attachment 2)

Centennial Park is land gifted for recreation reserve purposes by Ngāti Whakaue as part of the Rotorua Township Agreement.

In October 2017, Council resolved [c17/10/129c] to support a process intended to facilitate the return of the Rotorua Thermal Holiday Park area of Centennial Park Reserve to Ngāti Whakaue through Pukeroa Oruawhata Trust. This area would exclude a section of memorial trees along the western edge of the Rotorua Thermal Holiday Park lot (Area B in Attachment 2) that would be separated prior to the return. RLC, Pukeroa Oruawhata Trust, Waiariki Polytechnic (now Toi Ohomai) and DOC Rotorua all agreed that they would work together to find a pathway to achieve this intended return.

Council in May 2022 then resolved to formally start the process to return this part of the reserve to Ngāti Whakaue through revoking the reserve status of the area under the Rotorua Thermal Holiday Park. The balance of Centennial Park was to remain under the control of the Council as the reserve Administering Body.

A letter was sent to DOC Statutory Land Management in October 2022 notifying them of this intention and requesting their agreement that the land was no longer needed as a recreation reserve. DOC subsequently advised it could not support revocation because they considered the reserve retained high recreational value and was not clearly surplus to Reserves Act purposes. Council then wrote to POT in April 2023 advising that reserve revocation was not possible and a change in vesting or direct negotiation with the Crown might be alternative options to proceed.

DOC's current request now provides a different statutory pathway for Council to consider (Attachment 3). It would allow Council to continue supporting the direction confirmed in 2017 and 2022 towards progressing Ngāti Whakaue/POT administration of the land, while retaining the Recreation Reserve status and avoiding the issue of whether the land is surplus to recreation reserve purposes.

The Rotorua Thermal Holiday Park is currently under lease to Toi Ohomai. The annual lease rate is \$211,000. The Holiday Park Lease was granted for a term of 33 years from 1 July 1994 to 30 June 2027. The lease provides that the Landlord may, at its option, offer the Tenant a further term of 33 years on the same terms and conditions. Toi Ohomai have signalled to Council that they would like to retain the lease and wrote to Council in March 2025 requesting if an early renewal was possible as they were considering their options for the business, including the possible sale. Council officers confirmed that the lease runs until 30 June 2027 and that Council is not required to decide whether to offer a further 33-year term until the final six months of the lease. Council would not consider an early renewal until it had assessed the available options for the reserve, including ratepayer benefit and alignment with the land's reserve status.

The Section 27 Reserves Act process

Council's decision is whether to approve to relinquish its vested interest as the administering body of these recreation reserves. This is a voluntary process and if Council agrees, the Minister may give effect to that decision by cancelling the vesting through a Gazette notice. On cancellation, the administration of the land would cease to be vested in Council and would revert in the Crown, subject to the trusts affecting the land and to any valid leases, rights and easements existing at the date of reversion.

DOC has identified Tūhourangi Tribal Authority as the proposed future administering body of Waitōharuru (Tarawera Landing) Reserve and Pukeroa Oruawhata Trust as the proposed future administering body of the Lot of the Rotorua Thermal Holiday Park in the Centennial Park Reserve.

The choice of future administering body is a Crown/DOC responsibility; Council's decision is focused on whether to consent to relinquishing its current vested administering body role.

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

DOC formally recommends that Council pass resolutions consenting to the relinquishment of its vested administration role in both reserves. It is now a Council decision on how to proceed. Under section 27 of the Reserves Act 1977, the Minister may cancel an existing vesting with the administering body's consent by Gazette notice. On cancellation, each reserve reverts in the Crown subject to valid leases, rights and easements, and DOC assumes administration until the proposed future administering body is appointed or vested through the Crown process.

The background and previous Council decisions remain relevant context and DOC's proposal relies on a new and distinct statutory mechanism. This matter is being brought to the Council to give effect to these previous Council decisions.

Waitōharuru (Tarawera Landing) Reserve.

Statutory purpose and public access: This Reserves Act process proposed by DOC of Council cancelling their vested interest retains the recreation reserve classification over Waitōharuru through the administering body change back to DOC. DOC have acknowledged that retaining the recreation reserve classification through the reversioning to Tūhourangi also best aligns with Tūhourangi long term aspirations, while continuing public access and enjoyment of the reserve. The approach achieves the intended outcome of Council's 2020 decision through a lawful alternative to revocation, which DOC did not support because the land retains significant recreation value.

Lease, assets and Council implications: The Landing Café's lease expired on 31 December 2023 and the occupation continues on a periodic basis. The occupation does not prevent cancellation, the tenant's consent is not required, and DOC would assume the lessor's rights until a new administering body is appointed or vested. Council would cease to receive rent and hold statutory or operational responsibility from the Gazette date. Any continuing Council interest in the Tarawera Landing toilet block or other services and assets should be documented, including ownership, maintenance, renewal, funding, insurance, access and liability. Council maintaining public assets on areas administered by other parties is relatively common across open spaces particularly with lakeside access points or play areas.

Rotorua Thermal Holiday Park

Statutory purpose and public interests: The proposed process within the Reserves Act maintains the recreation reserve classification over the land through the administering body changes. It gives effect to Council's 2017 direction that responsibility should ultimately sit with Ngāti Whakaue through Pukeroa Oruawhata Trust, using cancellation of vesting rather than the unsuccessful reserve revocation pathway. The existing holiday park lease continues until 30 June 2027, so cancellation would not itself alter current access or use. Area B as shown in Attachment 2, containing the memorial trees and access to Moncur Drive, requires separate protection through registration of the partial surrender documentation and union with Centennial Park under Section 52 of the Reserves Act.

Lease and transition implications: The registered lease to Toi Ohomai would continue without assignment and the tenant's consent is not required. From the Gazette date, DOC would exercise the lessor's rights and Council would no longer receive rent or hold statutory and operational responsibility. Toi Ohomai should be advised of Council's decision and the responsible lessor, while rent, liabilities and responsibilities should be apportioned at the transfer date.

Options

1. Waitōharuru (Tarawera Landing) Reserve

Recommended option — consent to cancellation of Council's vesting.

This option enables DOC to progress Tūhourangi Tribal Authority as the future administering body of the recreation reserve. It is consistent with Council's 2020 direction and DOC's formal recommendation.

Implications

- Council's administering body responsibilities and lessor interest would end from the Gazette date.
- DOC would administer the reserve and exercise the lessor's rights until a new administering body is appointed or vested.
- Lease revenue would be apportioned at the transfer date.
- The Landing Café has been notified of DOC's intention and should receive confirmation of Council's decision and the transition arrangements.
- Any continuing Council services or assets should be documented.

Alternative — do not consent. Council would retain its current statutory, operational and lessor responsibilities. This would not advance the proposed change in administration.

2. Rotorua Thermal Holiday Park

Recommended option — consent to cancellation of Council's vesting, subject to an agreed implementation sequence.

This option enables DOC to progress POT as the future administering body of the recreation reserve. It is consistent with Council's 2017 direction and DOC's formal recommendation.

Implications

- Council's administering body responsibilities, lessor interest and entitlement to rent would end from the Gazette date.
- DOC would administer the reserve and exercise the lessor's rights until POT or another administering body is appointed or vested.
- The existing lease would continue until 30 June 2027.
- Responsibility for the renewal decision and end-of-term improvements must be agreed before the applicable lease deadlines.
- Toi Ohomai has been notified of DOC's intention and should receive confirmation of Council's decision and the agreed transition arrangements; rent, liabilities and responsibilities would be apportioned at the transfer date.

Alternative — do not consent. Council would retain its current statutory, operational and lessor responsibilities and the proposed change in administration would not proceed. Council would also need to determine how Toi Ohomai's request for renewal of the Thermal Holiday Park lease should be considered.

3. Area B of Rotorua Thermal Holiday Park lot — union with Centennial Park

Recommended option — support the union of Area B with Centennial Park.

This option retains the memorial trees and access to Moncur Drive within land administered as part of Centennial Park and gives effect to Council's earlier direction.

Required steps

- Obtain POT's consent as caveator.
- Deposit Land Transfer Plan 559749 and register the Deed of Partial Surrender and Variation of Lease.
- Complete the section 52 process to unite Area B with Centennial Park.
- Confirm whether the Minister's section 52 power has been delegated to Council.

Alternative — do not support the union. Area B would remain within the Holiday Park parcel, leaving the future administration of the memorial trees and access less certain.

Officers recommend that Council approve cancellation of both vestings because the proposals are consistent with the Reserves Act and previous Council direction, and the identified risks can be managed. Approval should be supported by agreed implementation arrangements with DOC and the proposed future administering bodies covering tenant communication, rent and liabilities, Council-owned assets and services, lease responsibilities and deadlines, and, for the Rotorua Thermal Holiday Park, completion of the Area B unification process with Centennial Park in the correct sequence.

**5. TE TINO AROMATAWAI
ASSESSMENT OF SIGNIFICANCE**

The decisions or matters of this report are not considered significant in accordance with the Council's Significance and Engagement Policy. The recreation reserve classifications of the lands are maintained by the process proposed by DOC.

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

Consultation on this matter is not being undertaken. Retaining the recreation reserve classifications of both areas through this proposed process maintains the ability of the public to use and enjoy the reserves. Council has informed both lease holders of the process proposed by DOC.

**7. HE WHAIWHAKAARO
CONSIDERATIONS**

**7.1. Mahere Pūtea
Financial/Budget Considerations**

Under the Reserves Act, revenue generated from commercial leases on reserves is not treated as unrestricted income and needs to be applied to the management and public benefit of the reserve(s) the administering body is responsible for.

The current lease return value from the Tarawera Café ground lease is valued at \$11,500 per year. This was established before the Tarawera Wastewater Scheme rate was set and so the final lease payment amount has not been concluded. Should the Council relinquish the vesting of the Waitōharuru (Tarawera Landing) Reserve then the rental income from the Tarawera Café would only cease to be paid to Council after the vesting has changed.

Toi Ohomai pays an annual lease fee of \$211,000 per year for the Rotorua Thermal Holiday Park site. The lessee owns all of the improvements on the site and this lease is due to expire at the end of June 2027. Similarly with the relinquishing of the vested interest in this reserve, the revenue under the current lease would cease to be paid to Council at the time the vesting was cancelled.

The total lease revenue gained from all RLC Reserves last financial year was \$1.228m.

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

Council's relinquishing the vesting of its interests in these reserve areas would strongly align with previous Council decisions on returning control of these reserves to mana whenua. It would also support the intent of the Tūhourangi Protocol Agreement and Ngāti Whakaue Gifted Reserves Protocol Agreement that Council has with these Iwi. The decision is also consistent with maintaining public access to these reserves and the overall intent of the Reserve Management Plans.

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

The Council has worked with both Tūhourangi and the Pukeroa Oruawhata Trust for many years on trying to find a mechanism to transfer the ownership of these reserves to mana whenua. It has been discussed in numerous Protocol Committee hui and meetings between RLC, DOC and mana whenua. This current proposal will transfer the administration of the reserves to mana whenua and while not going as far as ownership, will allow Tūhourang to exercise their aspirations to return to their traditional lands at Tarawera, and strengthen cultural, environmental, economic and social wellbeing. Whilst for POT the re-vesting of the Rotorua Thermal Holiday Park is a step towards Pukeroa Oruawhata's aim to restore ownership and management of their traditional lands and assets.

The Council's vision of "A better Rotorua for all" and LTP outcome of "Mana whenua Aspirations" recognises and supports growing economic and social opportunities for Iwi. There is also a direction in the Annual Plan for the Council to be a model of partnership and collaboration with Iwi/hapu and whānau Māori. This decision to vest the administration of these sites back to the original landowners supports the aspirations of Council and Mana whenua and the partnership approach of Council.

7.4. Tūraru Risks

Legal advice has been obtained on the process proposed by DOC for the changes to the administering bodies for these reserves and there are no major risks identified that are associated with these decisions.

7.5. Te Whaimana Authority

The Council has the authority to relinquish their vested interest in the reserves described in this paper.

Attachment 1 – Waitōharuru (Tarawera Landing) Recreation Reserve.



A - Department of Conservation (DoC) Scenic reserve.

B - Land returned to Tūhourangi Tribal Authority, as part of the Te Pūmautanga o Te Arawa settlement. Includes the area commonly known as "The Orchard" and the Punaromia Rock Art site.

C - Legal Road. Tarawera Road gives legal and physical access to the reserve, the boat ramp, jetty, wharf, the DoC Scenic reserve and Tūhourangi Land.

D - Lake Tarawera. The bed of Lake Tarawera was returned to Te Arawa and is now managed by the Te Arawa Lakes Trust (TALT)

Attachment 2 – Thermal Holiday Park Lot and Centennial Park Reserve

Area “A” shows Thermal Holiday Park Lot lease area where vesting would change.

Area “B” shows section of memorial trees within Thermal Holiday Park Lot that would be separated off and unified with adjoining Centennial Park.



Attachment 3 – Letter from Department of Conservation, consideration of vesting arrangements.

Andrew Moraes
Chief Executive
Rotorua Lakes Council
Private Bag 3029
Rotorua Mail Centre
Rotorua 3046
New Zealand

31 August 2026

Tēnā koe Andrew

Subject: Consideration of Vesting Arrangements for Waitōharuru and Rotorua Thermal Holiday Park

I write regarding the two recreation reserves currently administered by Rotorua Lakes Council; Waitōharuru-Tarawera Landing Reserve and the site of the Rotorua Thermal Holiday Park- Part of Tihiotonga Centennial Park Recreation Reserve. Both reserves have been subject of discussions between The Department of Conservation (the Department) and Rotorua Lakes Council (the Council) for some time.

We acknowledge the Council has had a longstanding interest in progressing the future administration of the reserves discussed in this letter. We appreciate the constructive and collaborative approach the Council has taken in seeking enduring outcomes for the reserves and the communities they serve.

Following organisational changes within the Department in 2025, including increased statutory capability and support within regional operations, we have been able to revisit several reserve administration matters and assess opportunities for progressing them.

The Department considers there are now clear pathways for addressing the vesting arrangements and establishing governance structures that better reflect the interests, aspirations and capabilities of the parties with a strong connection to Waitōharuru and the Rotorua Thermal Park site.

This approach aligns with the Department's commitment to working in partnership with iwi, local government and communities to ensure reserve land is managed by those best placed to provide for its long-term stewardship and public benefit.

Accordingly, having discussed with relevant parties, the Department recommends that Rotorua Lakes Council consider the actions outlined in this letter to enable the necessary statutory processes to proceed.

Waitōharuru (Tarawera Landing Reserve)



In a letter the Council sent to the DOC Rotorua District Office dated 27 June 2023 (RLC Doc ID:19866673), the Council sought support in principle for a process for vesting the reserve administration with Tūhourangi Tribal Authority (Tūhourangi). This included revoking the recreation reserve status, reclassifying as historic and establishing an interim reserves management committee.

Having now reconsidered the matter and the future management arrangements for the reserve, the Department agrees that vesting the reserve in Tūhourangi represents the most appropriate outcome enabling more control and decision making and recognising the significance of the site to Tūhourangi.

A reclassification as a historic reserve and an interim reserves management committee are not needed. We consider the existing recreation reserve classification best aligns with Tūhourangi long-term aspirations while continuing public access and enjoyment of the reserve. Tūhourangi have established governance capability and experience managing comparable environmental and tourism assets appropriate for an administering body of a reserve.

We recommend the Council proceed with a formal resolution confirming its agreement to relinquish its vested interest and associated responsibilities in respect of the reserve.

Should the Council agree, the Department will progress the statutory process, including formal cancelling of the vesting and administration, in accordance with the Reserves Act 1977.

Site of Rotorua Thermal Holiday Park - Part of Tihiotonga Centennial Park Recreation Reserve (Lot 1 DPS 61460)

We understand that Rotorua Lakes Council may no longer wish to retain its vested role in relation to the Rotorua Thermal Holiday Park land and has considered options regarding the management and administration of the reserve by Pukeroa Oruawhata Trust (Pukeroa Oruawhata), on behalf of Ngāti Whakaue.

The Department supports changes to the administration of the reserve and subsequent vesting to Pukeroa Oruawhata as administering body. We recognise that Pukeroa Oruawhata has well established governance and asset management capabilities, including reserve management, appropriate for an administering body.

We recommend the Council proceed with a formal resolution confirming its agreement to relinquish its vested interest and associated responsibilities in respect of this part of the reserve.

Should the Council agree, the Department will progress the statutory process, including formal cancelling of the vesting and administration in accordance with the Reserves Act 1977.

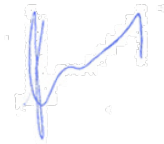
In summary, the Department recommends that Rotorua Lakes Council pass resolutions consenting to the relinquishment of its vested administration role in respect of both reserves. The Department considers that transferring respective administrative responsibility to the Pukeroa Oruawhata Trust and Tūhourangi Tribal Authority Trust represents the most appropriate long-term management arrangement of the recreation reserves.

It is our intention is to progress the appointment or vesting of the proposed administering bodies as soon as practicable thereafter following approval of cancellation by the Minister of Conservation or delegated authority.

Should Council agree to make the recommended resolutions, I will direct my team to work alongside Council officers to progress the required statutory processes. This will include facilitating the cancellation of the existing vesting arrangements, advancing the necessary approvals and documentation, and progressing the transfer of administration to the proposed new administering bodies.

The Department is committed to maintaining momentum on these workstreams and working collaboratively with Council to achieve timely and enduring outcome for both reserves and all parties.

Nāku noa, nā



Jade Kinghazel
Director Operations
Eastern North Island Region
Department of Conservation
Te Papa Atawhai

10.4 ADOPTION OF FACILITIES POLICIES & STRATEGY

Prepared by: Russell George, Manager - Strategic Planning for Infrastructure & Assets

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

Attachments:

1. Draft Facilities Policy (under separate cover)
2. Draft Facilities Strategy (under separate cover)
3. Draft Facilities Divestment Policy (under separate cover)

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to seek Council consideration and approval to adopt the Draft Facilities Policy, Draft Facilities Divestment Policy (where appropriate) for consultation as part of the 2027–37 Long-Term Plan (LTP) consultation process, and adoption of the Draft Facilities Strategy.

**2. TE TUHINGA WHAKARĀPOPOTOTANGA
EXECUTIVE SUMMARY**

Rotorua Lakes Council owns and has the responsibility to manage prudently a significant portfolio of facilities. These facilities aim to support the delivery of community, regulatory, governance, recreation, cultural and economic services across the district as have been adopted by Council over a long term of time .

The facilities portfolio includes community halls, Te Aka Mauri, the Aquatic Centre, Rotorua International Stadium, Rotorua Museum, the Energy Events Centre, Sir Howard Morrison Centre, pensioner housing, public toilets, civic facilities and a range of regulatory buildings and land holdings.

The portfolio has never, to date, been subjected to a strategic review to crystallise its primary purposes nor to clearly identify for elected members the financial burden and liabilities arising from its management.

A review of Council's facilities portfolio has identified a number of significant challenges including ageing assets, inconsistent asset information, ambiguous roles and responsibilities, legacy driven deferred maintenance, variable utilisation levels and increasing community affordability pressures. To address these challenges, Council has directed to be developed, a Draft Facilities Policy and Draft Facilities Strategy with a prudent long term horizon similar to its long-term Infrastructure Strategy.

The Draft Facilities Policy aims to establish a consistent and transparent framework for managing the full facilities lifecycle, including acquisition, retention, maintenance, repurposing, upgrading and disposal where applicable. It also aims to clarify the portfolio governance, management responsibilities, and decision-making criteria.

The Draft Facilities Strategy provides a 30-year roadmap for the facilities portfolio and identifies four strategic themes:

- Portfolio performance and management optimisation.
- Transparent decision-making.
- Sound and reliable asset management practices.
- Long term financial liabilities and fiscal sustainability.

Council has also prepared a Draft Facilities Divestment Policy (to be used where applicable) to guide decision-making regarding assets that are not of critical value to the objectives of the Council, no longer required for the provision of Council's critical services, in ensuring a consistent, transparent and strategically aligned approach to the assessment, declaration and potential divestment of surplus Council-owned properties and facilities.

As these documents will influence future service delivery, Council's investment priorities and funding allocation decisions, it is proposed that consultation occur as part of the 2027–37 Long-Term Plan process.

HE TŪTOHUNGA RECOMMENDATION

- 1. That the report 'Adoption of Facilities Policies & Strategy' be received.**
- 2. That the Council adopts the Draft Facilities Policy (Attachment 1) for consultation as supporting information to the 2027–37 Long-Term Plan.**
- 3. That the Council adopts the Draft Facilities Strategy (Attachment 2) as supporting information to the 2027–37 Long-Term Plan.**
- 4. That the Council adopts the Draft Facilities Divestment Policy (Attachment 3) for consultation as supporting information to the 2027–37 Long-Term Plan.**
- 5. That the Council delegates authority to the Chief Executive to make minor amendments to the draft documents prior to public release.**
- 6. That the Council notes that feedback received through the Long-Term Plan consultation process will be considered prior to the final Facilities Policies and Facilities Strategy being adopted by Council.**

3. TE TĀHUHU BACKGROUND

Council owns and manages a diverse range of facilities accumulated over a long period of time that support the provision of community services and enable Council to undertake its adopted core functions.

The facilities portfolio currently includes:

- Energy Events Centre.
- i-SITE facilities.
- Sir Howard Morrison Centre.
- Civic Centre.
- Te Aka Mauri (Library and Children's Health Hub).
- Rotorua Museum.
- Energy Events Centre.
- Rotorua International Stadium.
- Aquatic Centre.
- Community halls.

- Public toilets.
- Dog pound.
- Crematorium.
- Recycling Centre.
- Pensioner housing.
- Various commercial and community buildings.
- Freehold land holdings without designations or encumbrances.

Many of these assets are ageing and require increasing levels of investment to maintain reliable service levels and to ensure legislative compliance. A comprehensive review of the facilities portfolio identified several crucial issues:

- Incomplete clarity around ownership and lead agency responsibilities.
- A legacy of reactive rather than prudent, planned asset management.
- Historical deferred maintenance and sub-optimal renewal investment.
- Poor understanding and visibility of the level of future investment requirements.
- Sub-optimal facilities utilisation compared to their current and anticipated costs.
- The geothermal impacts on facilities condition and the reduced life expectancy of assets.
- Significant gaps in asset information and asset condition monitoring systems.
- Clarity on the strategic direction for some facilities.
- Escalating costs and long-term community affordability questions.

To respond to these challenges, staff have prepared a Draft Facilities Policy and Draft Facilities Strategy to establish a consistent and evidence-based approach to facilities management. These plans aim to provide elected members with the necessary evidence-based information and a governance framework through which they can make effective and efficient decisions on the portfolio and necessary on behalf of the ratepayers and the Local Government Act.

4. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

Draft Facilities Policy

The Draft Facilities Policy establishes Council's framework for managing facilities throughout their full lifecycle. The policy aims to ensure that:

- Facilities support the Council's adopted strategic objectives and target outcomes.
- Decisions are transparent and fully evidence based.
- Facilities remain fit for their assigned purpose.
- Facilities investment is financially sustainable and fits within the Council's financial prudential strategy.
- Risks are appropriately identified and safely managed.
- Council facilities comply with all relevant legislative/compliance requirements.
- The facilities management practices are consistent and appropriate to the services objectives.

The policy introduces:

Facility Categorisation

Facilities are grouped into five broad categories:

- Critical – Events enabling.
- Critical – Administration support.
- Critical – Regulatory compliance.
- Critical – Community support.
- Non-Critical.

This approach allows Council to apply consistent decision-making processes and allocate maintenance investment regimes across all the asset classes.

Decision-Making Framework

The draft Policy provides a structured facilities assessment framework. Critical facilities are evaluated against criteria including service enablement, long term strategic importance, consideration of cultural and heritage values, utilisation levels, financial demand and performance, and consolidation, repurposing or transfer potential. Non-critical facilities are assessed based on the level of community benefit Council deems appropriate, their return on investment, the current and projected utilisation, and any future optimisation opportunities.

The Policy provides clear guidance regarding the acquisition, retention and maintenance, repurposing and upgrades, and disposal where applicable.

Roles and Responsibilities

The Policy defines the roles and responsibilities for facilities governance, management and decision-making across Elected Members, the Executive Leadership Team, Activity Managers, the Facilities Services Team, the Finance Team, and RotoruaNZ. This addresses one of the key issues identified through stakeholder engagement.

Draft Facilities Strategy

The Draft Facilities Strategy establishes Council's 30-year strategic direction for facilities management. The Strategy is built around four interconnected important themes.

1. Portfolio Optimisation

Council will take a portfolio-wide approach to facilities management, ensuring facilities align with strategic priorities as set by Council, meet and enable service delivery requirements, are appropriately utilised, deliver community overall value, and are effectively monitored for future viability. Facilities will be prioritised and managed according to their importance and performance.

2. Transparent Decision-Making

The Strategy aims to improve clarity and consistency around facilities decisions by defining decision-making processes, clarifying responsibilities, developing service level agreements with the operators, requiring evidence-based business cases to support decision making, and aligning such decisions with Long-Term Plan priorities.

3. Sound Asset Management Practices

The Strategy supports improvements in asset condition assessment, drives and informs planned maintenance, asset renewal planning, asset data collection quality, and overall facilities asset management planning for the life cycle of each asset. Council intends to improve facilities asset management maturity from a basic level to a core level over time.

4. Long Term Financial Sustainability

Financial sustainability is the overarching goal of the Strategy. Key actions include aligning facilities management planning with long term financial planning, understanding true lifecycle costs, optimising facilities utilisation, reviewing commercial returns from leased facilities, developing reliable and sustainable renewal and maintenance programmes, and reducing inefficient reactive expenditure.

The Draft Facilities Strategy contains a programme of improvement initiatives including:

- Adoption of the Facilities Policy and Strategy.
- Prioritisation of importance assessment for all Council facilities.
- Development of facilities service level agreements with the facilities operators.
- Improvement of asset data collection, management and condition information.
- Development of prudent asset renewal programmes.
- Establishment of long-term investment and investment prioritisation planning.
- Review of lease arrangements to reduce the cost burden to the general ratepayer.
- Development of a comprehensive Facilities Asset Management Plans.

These actions will provide a structured pathway towards improved portfolio management and focused efforts towards financial sustainability.

Draft Facilities Divestment (surplus to critical requirements) Policy

The purpose of the Facilities Divestment Policy is to establish a consistent and transparent framework for the assessment, declaration, and potential disposal of Council-owned property and facilities that are surplus to Council's critical functional requirements.

The Policy aims to ensure that all potential facility disposal decisions:

- Support the strategic objectives adopted by Council.
- Deliver best value for money and demonstrate responsible stewardship of ratepayer-funded assets.
- Consider current and anticipated future community needs.
- Meet all legal, statutory, financial, contractual, and governance obligations.
- Are undertaken in a transparent, fair, and accountable manner.

Before a facility or property can be declared surplus to requirements, an assessment shall be undertaken against the guiding criteria established within the Facilities Strategy and associated asset management frameworks. Where practicable, any proposed disposal should be identified, planned, consulted on where required, and approved through the Long-Term Plan or Annual Plan process. Where this is not practicable, a business case must be presented to Council outlining the rationale, options, risks, and implications associated with the proposed disposal.

Prior to any disposal, a comprehensive due diligence process shall be completed. This process will identify any legal interests, encumbrances, statutory requirements, community interests, and other relevant matters affecting the property. The due diligence process must also confirm Council's ability to dispose of the property, evaluate disposal options, and ensure all legal and contractual obligations are appropriately addressed.

Where a property has been declared surplus to Council requirements and all due diligence processes have been completed, Council may dispose of the property through a disposal method approved by Council.

Under this option:

- All statutory obligations, and legal requirements must first be satisfied.
- The disposal method will be selected to achieve the best overall outcome for ratepayers, taking into account financial, strategic, community, and risk considerations.
- The process will be conducted in a transparent, fair, and accountable manner consistent with Council's governance responsibilities.

OPTIONS ANALYSIS - DRAFT FACILITIES POLICIES, DRAFT FACILITIES DIVESTMENT POLICY AND DRAFT FACILITIES STRATEGY FOR LONG-TERM PLAN CONSULTATION***Option 1 – Adopt the Draft Facilities Policies, Draft Facilities Divestment Policy and Draft Facilities Strategy for Long-Term Plan Consultation (Recommended)*****Advantages**

- Provides legible strategic direction for the facilities portfolio.
- Improves governance and delivery accountability.
- Clarifies relevant roles and responsibilities.
- Supports evidence-based public investment decision making.
- Enables community feedback through the Long-Term Plan process.
- Aligns facilities management planning with future long term funding decisions.
- Supports reliable and consistent financial sustainability.

Disadvantages

- Requires the appropriate resources to support consultation and future implementation.

Option 2 – Continue Without Adopting the Draft Documents**Advantages**

- No additional immediate work programme requirements.

Disadvantages

- Ongoing inconsistency in facilities decision-making.
- Reduced ability to prioritise limited resources and investment.
- Continued uncertainty around facility primary ownership and accountability.
- Continued legacy reliance on reactive asset management and sub-optimum outcomes.
- Escalating long term financial risk.

**5. TE TINO AROMATAWAI
ASSESSMENT OF SIGNIFICANCE**

The proposal is considered to be of moderate significance. The Facilities Policy and Facilities Strategy establish strategic direction rather than authorising specific capital projects, significant service level changes, new property acquisitions, or disposals. However, because the documents will shape future investment and service level decisions, staff consider it appropriate that consultation occur alongside the 2027–37 Long-Term Plan.

This approach:

- Enables integrated consideration of facilities priorities and required funding.
- Avoids duplicate consultation processes.
- Provides a complete picture of Council's future direction on this portfolio.
- Supports informed community feedback.

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

Following Council consideration and approval, staff will:

1. Finalise the Draft Facilities Policies and Draft Facilities Strategy.
2. Include both documents within the 2027–37 Long-Term Plan consultation material.
3. Undertake community engagement through the Long-Term Plan process.
4. Analyse feedback received from submitters.
5. Update the draft documents where appropriate.
6. Present the final Facilities Policy and Facilities Strategy to Council for adoption following Long-Term Plan deliberations.
7. Implement the strategic actions identified within the Facilities Strategy subject to final Council approval.

7. HE WHAIWHAKAARO CONSIDERATIONS

7.1. Mahere Pūtea Financial/Budget Considerations

The Facilities Strategy identifies an estimated facilities replacement value in excess of \$560 million and annual depreciation/renewal costs of approximately \$10 million in addition to approximately \$5.0mil of operations and maintenance. The Strategy does not commit Council to specific expenditure but provides the framework to guide portfolio management and future investment decisions. Consultation costs will be accommodated within the Long-Term Plan consultation budget.

Future operational and capital expenditure requirements will be considered through Long-Term Plan and Annual Plan processes.

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

The Draft Facilities Policy and Draft Facilities Strategy provide a long-term framework for the planning, provision, renewal and management of Council facilities. Together, they support Council's agreed priorities by ensuring facilities are financially sustainable, and strategically targeted.

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

The Facilities Policy and Strategy acknowledge Council's partnership obligations and provide a framework for considering cultural and community outcomes in facilities management planning.

Engagement with Te Tatau o Te Arawa, iwi and hapū will occur through the Long-Term Plan consultation process. The Policy also recognises statutory obligations arising from settlement legislation and Te Ture Whenua Māori Act requirements where relevant.

7.4. Tūraru Risks

The principal risk is that without a coordinated, long-term approach to Council's facilities portfolio, asset condition, financial sustainability and service delivery pressures may increase over time. Adoption of the Policy and Strategy provides a framework to manage these exposures through improved asset information, lifecycle planning, portfolio optimisation and clearer governance oversight.

Key risks and mitigations are outlined below.

Risk	Mitigation
Continued reactive facilities management	Adoption of Policy, Strategy and AMP framework
Asset failure due to deferred renewals	Improved condition assessments and maintenance/renewal planning
Financial sustainability challenges	Portfolio optimisation and lifecycle planning
Lack of role clarity	Defined governance and lead agency operational responsibilities
Community concern regarding future facility decisions	Consultation through the Long-Term Plan process
Non-compliance with legislative obligations	Improved asset information, condition monitoring and compliance programmes

7.5. Te Whaimana Authority

Council has the authority to approve Council policies.

10.5 PLAN CHANGE 8 NATURAL HAZARDS REQUEST TO APPROVE AND MAKE OPERATIVE

Prepared by: Kim Smith, Principal Policy Planner

Approved by: Jean-Paul Gaston, Group Manager, Destination Development

Attachments: Nil

**1. TE PŪTAKE
PURPOSE**

This report seeks permission to approve and make operative Plan Change 8 – Natural Hazards – to the Rotorua District Plan.

No appeals were received and the plan change process has been completed. The last step is for the Council to give their final approval of the plan change under clause 17 of the Resource Management Act 1991 (RMA).

**HE TŪTOHUNGA
RECOMMENDATION**

- 1. That the report 'Plan Change 8 Natural Hazards Request to Approve and Make Operative' be received.**
- 2. That the Council approve the provisions in Plan Change 8 and that this be effected by affixing the Council seal.**
- 3. That the Council instruct staff to notify an operative date for the plan change as soon as practical.**

**2. TE TĀHUHU
BACKGROUND**

Proposed Plan Change 8 reviews how the Rotorua District Plan (including the Lakes A Zone) manages natural hazard risk. Its scope includes the strategic objectives for all natural hazards but it focuses on policies and rules for flooding, wildfire, fault rupture, land instability, and geothermal hazards. Expressly out of scope are policies and methods to manage volcanic hazards and stormwater discharge requirements.

The plan change was notified for submissions in July 2025 and further submissions in September 2025. Fifty-eight submissions and thirteen further submissions were received. A hearing of submissions was held in May 2026, and the independent hearings panel released their decision under delegated authority at the end of June. The period for appeals to the Environment Court closed in August and no appeals were received.

Key changes to the District Plan adopted by the independent hearings panel in their decision include:

- Replacing strategic objectives and policies to focus on acceptable risk, resilience to climate change, and best practice principles for decision-making.
- Retaining flood hazard mapping outside the District Plan to enable consideration of the best available information in consenting decisions.
- A new rule for buildings and structures, and a new earthworks performance standard, to protect neighbouring land from changes in overland flowpaths in more intensely developed zones.
- Extending the existing and proposed policies and rules for managing flooding in the Natural Hazards Chapter to the Lakes A Zone.
- Inclusion of a new definition of wildfire in the District Plan to assist its recognition as a natural hazard.
- Retaining firefighting water supply requirements for subdivision and extending these to the Lakes A Zone. Extending requirements for firefighting water supply to land use (building) rules.
- A new policy that seeks to encourage further consideration and mitigation of wildfire through subdivision design in Rural Zones and at the urban-rural fringe.
- Removing the mapping of active faults from the District Plan to enable reference to the best available information.
- Refining the rules for building in areas potentially affected by faults to provide a more proportionate approach to risk.
- Extending the fault policy and rules to the Lakes A Zone.
- Removing soft soil and landslide susceptibility mapping from the District Plan so that the best available information can be used.
- Amending the performance standards for earthworks and clarifying the scope of the exceptions from earthworks performance standards.
- Extending the requirement for assessment of geothermal hazards and mitigation options, which currently applies only to the Rotorua Geothermal System, to other geothermal systems. Also extending this requirement to detached minor residential units that do not seek building consent (to be submitted at PIM stage) and building conversions to habitable buildings.

3. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

It is recommended that the Council now proceed to approve the plan change by affixing the Council's seal and notifying an operative date. No further evaluation of the plan change is required, as the evaluation occurred at the time of developing the initial proposal and through the submission and hearing process. The amended rules already have legal effect under section 86B and are treated as operative in terms of administration of the District Plan under section 86F of the RMA.

The other principal option is to withdraw the plan change before it is made operative under clause 8D of the Schedule 1 of the RMA. However, no reasons for doing so are identified.

4. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The decisions or matters of this report are not considered significant in accordance with Council's Significance and Engagement Policy. The decisions flow logically and consequentially from the decisions already made on the plan change.

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

Community engagement was undertaken in preparing the plan changes and through the public submission process. No further engagement is required.

6. HE WHAIWHAKAARO CONSIDERATIONS

6.1. Mahere Pūtea Financial/Budget Considerations

There are no significant financial/budget considerations in relation to this decision. The major costs in progressing the plan change have already been incurred. No significant additional administrative costs are anticipated from the amended provisions.

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

The plan change updates the District Plan to reflect new hazard information and implements refinements to the rules identified through the plan change process. This assists to keep the District Plan current. The decision to approve and make Plan Change 8 operative flows logically and consequentially from the decisions already made through the plan change process, including the Independent Hearing Panel's decision. No inconsistency with Council's policies, plans or previous decisions has been identified.

Plan Change 8 was subject to the Government's plan-stop provisions introduced into the Resource Management Act 1991 in August 2025. However, section 80U(2)(f) provides an automatic exemption for a proposed planning instrument that relates to natural hazards. Council publicly confirmed in October 2025 that Plan Change 8 was continuing under this exemption and that no part of the plan change was required to be withdrawn. The plan-stop provisions therefore do not prevent Council from completing the Plan Change 8 process.

Approval at this stage is the final procedural step required to complete the plan change process.

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

A mana whenua impact statement was provided during the notification of the plan change to support iwi, hapū and Maori land trusts understand the key impacts of the plan change. This outlined that new fault mapping to support the implementation of the fault rules would be positive for many land blocks but the location of some realigned or newly identified faults may be a concern for some. Affected landowners were also specifically notified.

The mana whenua impact statement also highlighted changes being considered to firefighting water supply requirements, the extension of the requirement to assess geothermal hazards at the time of building to other geothermal systems and the alignment of the approach to natural hazards in the Lakes A Zone.

This plan change was not considered to trigger plan making obligations under joint management agreements with Raukawa and TARIT in relation to the Waikato River. The relevant iwi organisations were informed about the plan change (along with other iwi organisations) and did not raise any concerns with respect to joint management agreement obligations.

**6.4. Tūraru
Risks**

No risks have been identified in relation to the proposed decision, which is essentially an administrative step to complete the process.

**6.5. Te Whaimana
Authority**

The RMA requires Council to develop a District Plan and to change/review the District Plan in accordance with the first schedule of that Act.

Final approval of a plan change is addressed by clause 17 of the Schedule 1. Council may approve a plan change if it has disposed of all submissions or appeals relating to that part. Every approval under this clause shall be effected by affixing the seal of the local authority.

The plan change shall become operative on a date which is to be publicly notified (which must be at least 5 working days after the public notification) (clause 20 of Schedule 1).

10.6 2025/2026 YEAR-END DRAFT NON-FINANCIAL PERFORMANCE MEASURES

Prepared by: Colleen Litchfield, Lead - Corporate Strategy & Compliance

Approved by: Sam Fellows, Group Manager - Organisational Performance & Innovation

Attachments: 1. Draft Performance Measures - Statement of Performance (under separate cover)

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to present to Council the draft results of the non-financial performance measures for the 2025/2026 financial year ending 30 June 2026.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report '2025/2026 Year-end draft non-financial performance measures' be received.

**2. TE TĀHUHU
BACKGROUND**

The levels of service Council delivers are established through the Long-term Plan process in consultation with the community. The performance measures included in this report relate to Year Two of the adopted Long-term Plan 2024/2034 and provide an indication of how well Council is delivering the services and outcomes it has committed to provide.

The Local Government Act 2002 requires local authorities to report on performance against these agreed levels of service through Key Performance Indicators (KPIs). The results presented are draft year-end results and will be subject to final review and audit. The final performance results will be published in Council's 2025/2026 Annual Report later this year.

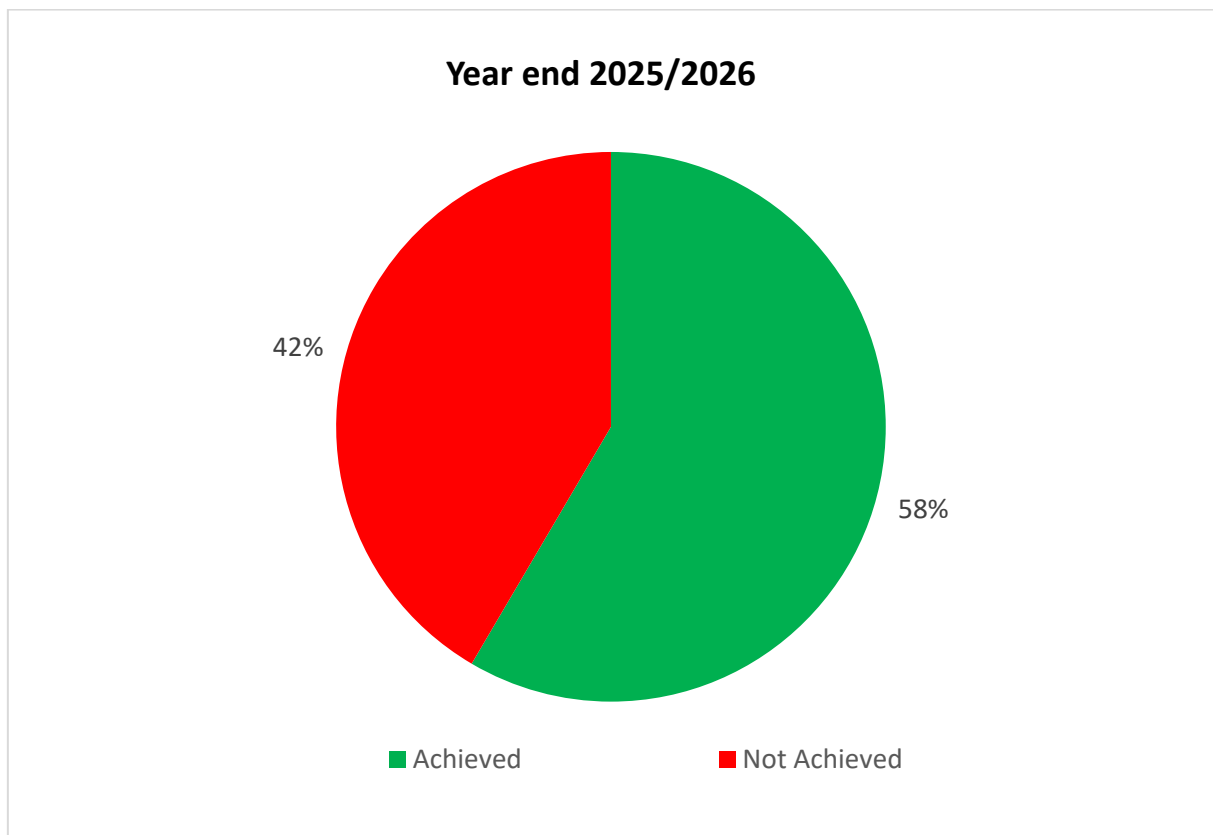
**3. TE MATAPAKI ME NGĀ KŌWHIRINGA
DISCUSSION AND OPTIONS**

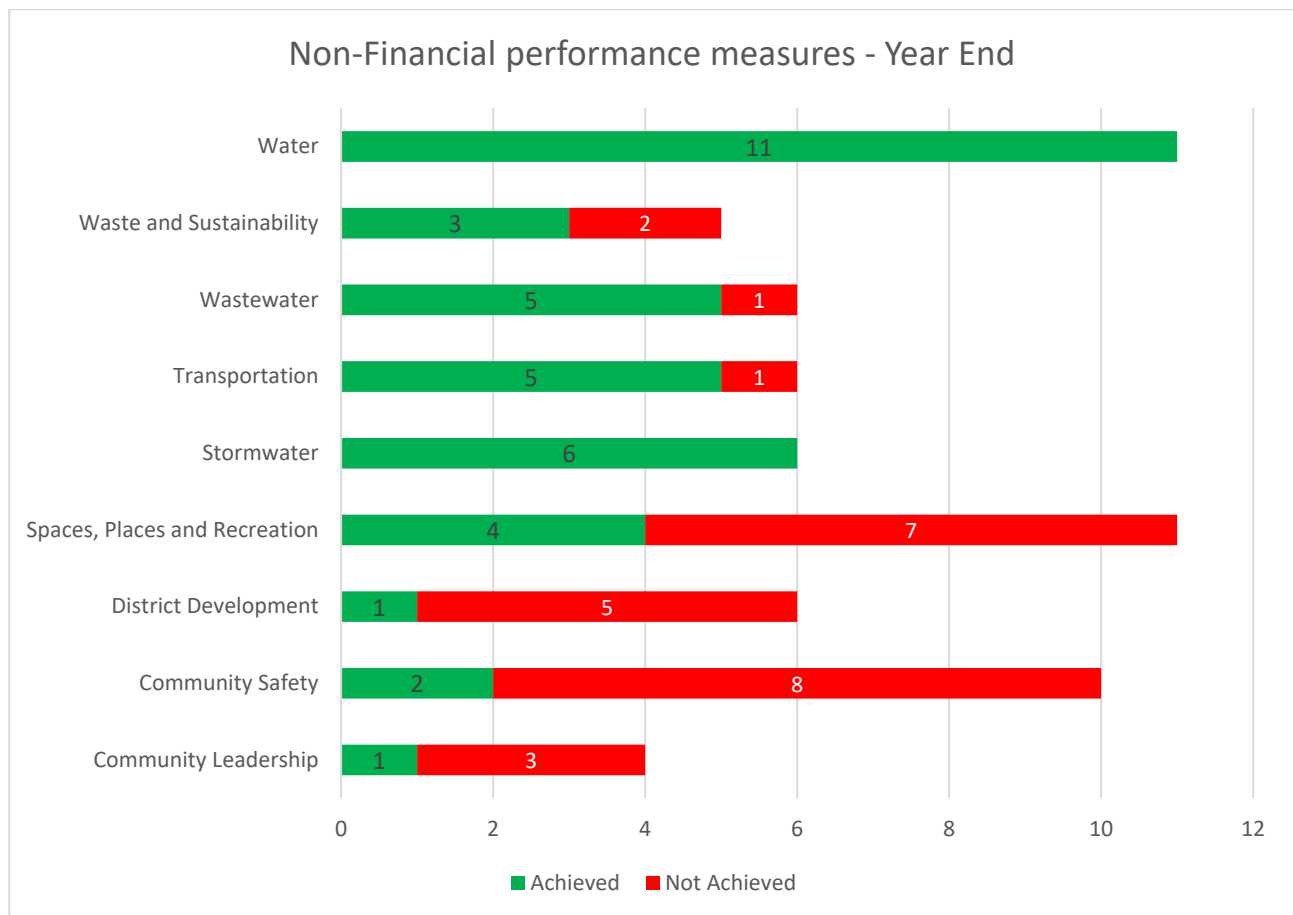
The 2024/2034 Long-term Plan groups Council services into nine activity areas and includes 65 key performance indicators (KPIs) that measure how well Council is delivering services and outcomes for the Rotorua community. Of these measures, 25 are mandatory performance measures prescribed by the Department of Internal Affairs (DIA), enabling communities to compare the performance of core local government services, such as water, wastewater, stormwater and transport, across councils throughout New Zealand.

Council continued to deliver strong performance across a broad range of services during 2025/2026, achieving 38 of its 65 performance measures. Strong results were recorded across drinking water, wastewater, stormwater and transport services, while significant improvements were made in resource consent processing, customer response times, Learn to Swim participation and waste reduction. Although some performance targets were not achieved, many showed substantial improvement on previous years, demonstrating continued progress in service delivery across the district.

For the 2025/2026 financial year, 38 of the 65 performance measures (58%) were achieved and 27 measures (42%) were not achieved. This compares with 46 measures achieved (71%) and 19 not achieved (29%) in 2024/25. While the overall achievement rate was lower than the previous year, a number of measures showed significant year-on-year improvement, particularly in areas where performance has been the focus of ongoing operational improvement initiatives.

Eleven performance measures across the nine activity groups are informed by the quarterly Residents Experience Monitor, independently undertaken by Key Research on behalf of Council. These measures provide insight into community satisfaction with a range of Council services and complement the operational and statutory performance measures by capturing the community's experience of Council service delivery.





4. **TE TINO AROMATAWAI** **ASSESSMENT OF SIGNIFICANCE**

The decisions or matters of this report are not considered significant in accordance with the Council's Significance and Engagement Policy. The non-financial performance framework was adopted as part of the Long-term Plan 2024. The final performance measure results will be available to the public in the Annual Report when published later this year.

4.1. **Mahere Pūtea** **Financial/Budget Considerations**

The associated levels of service for these non-financial performance measures are included in the budgets set as part of the Long-term Plan. There are no additional financial or budget implications to consider at this point.

**4.2. Kaupapa Here Me Ngā Hiraunga Whakariterite
Policy and Planning Implications**

There are no policy and planning implications to consider at this stage. The performance management framework is set during the Long-term Plan and Council will have an opportunity to reset or amend non-mandatory performance measures through the development of the Long-term Plan 2027.

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

This report is provided for information and presents Council's performance against the non-financial measures adopted through the Long-term Plan. While a number of the activities reported on may be of interest to mana whenua and the wider Māori community, this report does not seek any decisions that directly affect Māori interests. Any future initiatives, projects, or policy changes arising from these activities will be considered separately and will include engagement with iwi and hapū where appropriate.

**4.4. Tūraru
Risks**

This report being information based does not introduce any material risks, however while a number of measures have not been met this financial year, management controls and assurance are well managed. Future LTP planning and assurance allow us to revisit this framework over the next 8 months for adoption by 30 June 2027.

**Te Whaimana
Authority**

Council has the authority to receive this report under the Local Government Act 2002:
Schedule 10, 1(4) – Statement of service provision.
And - *Section 98 (2)(a) Annual Report.*

10.7 CCO QUARTERLY REPORT - ROTORUA REGIONAL AIRPORT YTD MAY FY26

- Prepared by:** Nicole Brewer, Chief Executive-Rotorua Regional Airport
- Approved by:** Nicole Brewer, Chief Executive-Rotorua Regional Airport
- Attachments:**
1. CCO Quaterly Report - Rotorua Regional Airport YTD May FY26
 2. Compliance Calendar

**1. TE PŪTAKE
PURPOSE**

The purpose of this report is to present the quarterly update from Rotorua Regional Airport Limited as per the Statement of Intent.

**HE TŪTOHUNGA
RECOMMENDATION**

1. That the report 'CCO Quarterly Report - Rotorua Regional Airport YTD May FY26' be received.

YTD May 2026 (Jul 2025 to May 2026)

Report writer: Nicole Brewer, Chief Executive

Report approver: Nicole Brewer, Chief Executive

WHAT WE'RE WORKING TOWARDS

Purpose Statement

RRA's purpose is to be **"Rotorua's runway to a thriving future"**

and its vision is **"To be a uniquely Rotorua hub our community can be proud of"**.

RRA's core business is to maintain a safe and efficient Airport operation in a commercially viable manner, whilst optimising the use of its assets to facilitate and grow tourism and trade, other commercial activity, and Airport profitability. RRA is responsible for the ongoing capital development and maintenance of the Airport assets and infrastructure.

Strategic Objectives

The board and management have identified five key priorities for the airport to deliver its vision:

- Excelling Today
- Ready For Tomorrow
- Quality Asset Management
- Stronger Together
- Be Financially Sustainable

Critical elements in delivering the vision and realising these priorities include:

- A continuous improvement culture that embraces best practice Safety Management System, compliance and aeronautical practices
- Future ready capability that seeks to adopt emerging aviation technologies and adapt with climate change
- Plan and maintain assets to a high standard including a mature asset management system with maintenance, renewals and clear future financial forecasting
- Deliver value from people, partnerships and customer experience and drive positive community outcomes
- Drive commercial success and reduce the financial reliance on RLC by unlocking under-utilised airport land and growing non-aeronautical revenue

PROGRESS AGAINST SOI

Financial Performance

Rotorua Regional Airport's (RRA) financial accounts for YE Jun '26 are currently being audited and are yet to be accepted by the RRA board. As such all financials presented in this quarterly update are for the period July '25 to May '26 unless otherwise stated.

Net Surplus (after depreciation) for the 11-month period July '25 to May '26 was 91% ahead of budget, driven by operating expenses being 16% lower than forecast. Total revenue, including both aeronautical and non-aeronautical revenue for the period was 2% ahead of budget.

Air NZ carried 176k passengers in Jul-May which was 3% ahead of forecast and -9% behind the same period last year.

Operating expenses for Jul-May were -16% below budget, due to some heavy maintenance work that has moved into FY27, and overheads were 3% ahead of budget. Total expenses (excl depreciation) were -8% below budget.

Due to prudent cost management the Net Surplus after depreciation for Jul to May was \$733k versus a forecast of \$383k. RRA expects to finish the year with a net surplus above budget.

Capital expenditure for the full year is \$713k (subject to audit) which is below budget. Delays have moved some items, including the climate resilience airside swale and the final instalment of the Angloco, into FY27.

Non-Financial Performance

RRA is on track with regards to all non-financial performance measures.

Operations and Compliance

The airport's new fire appliance has arrived, met all required testing and is now in service.

RRA has declined to provide affected party approval for the resource consent application for the expansion of the Kura o Ruamata. RRA has submitted as part of the consent process highlighting potential safety issues, particularly with regard to the risk to persons on the ground from noise or a possible aircraft accident. There is expected to be a hearing and RRA is seeking external advice on the safety concerns identified in the initial submission.

RRA has lodged the Stage 1A earthworks consent with BOPRC.

Looking Forward

Delivery of stage 1A is progressing with detailed design and procurement underway. Ngāti Uenunkukōpako and Ngā Uri o Karamramu have declined RRA's invitation to form an Advisory Group to provide input into the Stage 1A development.

Technical investigations continue for the Solar Array Project and RRA is in the process of narrowing down likely gen-retailer and EPC contractor partners.

The handover of the Airways Airfield Ground Lighting (AGL) assets has been delayed slightly. RRA is still working towards handover in 2026 with an upgrade of on-airport AGL assets in the new year.

FINANCIAL MANAGEMENT

	Jul - May Actual	Jul - May Target	FY26 Target
a. Aircraft			
Aircraft movements	4,731	5,062	5,364
b. Passengers			
Domestic	176,025	170,543	182,881
c. Financial			
Aeronautical Revenue	\$4,669,179	\$4,632,514	\$4,964,943
Non-Aeronautical Revenue	\$1,464,382	\$1,363,627	\$1,486,031
Service Funding Agreement	\$1,650,000	\$1,650,000	\$1,800,000
Total Revenue	\$7,783,561	\$7,646,141	\$8,250,974
Operating expenses	\$2,171,730	\$2,579,460	\$2,842,612
Overheads (less Interest)	\$2,089,626	\$2,024,443	\$2,301,217
Interest	\$267,600	\$324,005	\$353,460
Total Expenses (excl Depreciation)	\$4,528,956	\$4,927,908	\$5,497,289
Net Surplus (before Depreciation)	\$3,254,605	\$2,718,233	\$2,753,685
Depreciation	\$2,521,548	\$2,335,201	\$2,547,492
Net Surplus / Loss (after Depreciation & before tax)	\$733,057	\$383,032	\$206,193
Capital expenditure (July-June subject to audit)	\$713,167		\$2,302,500
Shareholders' funds to total assets			77%
d. RRA Term Borrowings			
(with LGFA via RLC)			
As at 31 Jan	\$9,750,000	\$9,750,000	\$8,350,000

NON-FINANCIAL PERFORMANCE MANAGEMENT

	Jul - Apr Actual	Jul - Apr Target	FY26 Target
e. Aviation Compliance			
RRA has a current Part 139 Operating Certificate	Yes	Yes	Yes
f. Legal Compliance			
5 year compliance calendar	Attached		
h. Asset Management			
High-level Asset Management Plan to RLC			Due by 30 Dec

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[illegible]

11 HE WHAKATAUNGA KIA HURI ATU TE ARONGA O TE HUI KI TE HUI TŪMATAITI – RESOLUTION TO MOVE INTO PUBLIC EXCLUDED (TO CONSIDER AND ADOPT CONFIDENTIAL ITEMS)

PUBLIC EXCLUDED

1. Exclusion of the Public
2. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

RECOMMENDATION

1. That Council resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Confidential Minutes of the Ordinary Council Meeting held on 19 August 2026	Please refer to the relevant clause/s in the open meeting minutes.	Good reason for withholding exists under Section 48(1)(a).
11.2 - Disposal of 61 Kawaha Point Road	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
11.3 - IIG Stormwater: Grant Funding Agreement for Waikete Precinct Development	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
Plain English	Making the information publicly available would impact Council’s ability to carry out commercial activities.	

Consideration has been given to the public interest in these matters and officers advice is that the above reasons for confidentiality outweigh the public interest in the matters.

12 TE KARAKIA WHAKAMUTUNGA – CLOSING KARAKIA

Kia whakairia te tapu
Kia wātea ai te ara
Kia turuki whakataha ai
Kia turuki whakataha ai
Hāumi e. Hui e. Tāiki e!

Restrictions are moved aside
So the pathway is clear
To return to every day activities
To return to every day activities
Allied, enriched, unified, and blessed