

Mayor
Members
COUNCIL

THREE WATERS REFORM – PRELIMINARY COUNCIL POSITION

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1. TE PŪTAKE PURPOSE

To bring the national case for the three waters proposed change into a locally relevant perspective by highlighting key issues, risks and the opportunities. In addition, this serves to communicate the Council's proposed preliminary position on these reforms.

2. TE TUHINGA WHAKARĀPOPOTOTANGA EXECUTIVE SUMMARY

This report acknowledges the broad Government drivers for the proposed three waters reform. Those drivers do not significantly diverge from Rotorua Lakes Council's diagnosis of the challenges facing managers of Three Waters infrastructure: ageing physical infrastructure, a national legacy of chronic under-investment in network renewals often resulting in poor asset condition, the ongoing introduction of higher performance standards and new regulations to better protect people's health and the environment, the significant growth-driven investment required to support new housing, and the impacts of climate change and the forthcoming acute scarcity of a competent workforce. While Rotorua Lakes Council has already recognised those challenges, and put in place some appropriate planning to respond to the issues, that has not been the case in all districts.

The Government has formed the view that the preferred approach for the reform is to create four (4) new water services entities (WSE) to improve the effectiveness and efficiency of service delivery. It cannot be assumed that the counterfactual i.e. "the Council model" means no change to the way current services and that related costs will remain unchanged if the reforms do not proceed. For reasons explained in this report and in order to enable all communities to benefit from expected regulations and standards reform, the "council model" will become significantly more expensive and more challenging to manage.

In this report Council officers highlight that we broadly agree with the drivers for change and note that Council has already adopted a range of risk mitigations against those challenges in its 30-year Infrastructure strategies. Council officers are also taking an active part in discussions and workshops with the Department of Internal Affairs (DIA) and other local Central Government agencies to provide input into the formation of viable long-term options to address those challenges.

Nevertheless, we believe there are fundamental gaps in the current reform proposal that must be addressed in order to strengthen the proposal and to uphold the reform's underlying core intentions.

3. HE TŪTOHUNGA RECOMMENDATION

1. That the report “Three Waters Reform – Preliminary Council Position” be received.
2. That the Council notes officers’ assessments of likely Council impacts arising from the proposed reforms.
3. That the Council notes the advice from the DIA that timeframes for full public consultation will be announced in the coming months.
4. That the Council notes this is the preliminary position arrived at by Council following a series of elected member fora.
5. That the Council endorses the attached preliminary position paper and support officers continuing to work with DIA.

4. TE TĀHUHU BACKGROUND/CONTEXT/ISSUES

Purpose of this section: To provide the drivers for the Government’s proposed three waters reform and note pertinent issues to Rotorua’s context.

4.1 The Government’s stated drivers for a new system for three waters

The Government states that it proposes a national reform of the three waters systems because to significantly improve the safety, quality, resilience, accessibility and performance of these services in a way that it is efficient and affordable for New Zealanders. These ambitions, in the Government’s view, are critical for:

- Public health and wellbeing;
- Improved environmental outcomes;
- Economic growth and employment;
- Housing and urban development;
- Adapting to the impacts of climate change;
- Mitigating the effects of natural hazards.

The Government also wants to ensure that it delivers on its Treaty-related obligations, including by improving outcomes for iwi/Māori in relation to three waters service delivery.

In the Government’s view (statement of intent) the reforms are the best option to achieve those ambitions.

Key design features in these proposed reforms are;

1. Creation of new water services entities to have responsibility for the Three Waters Infrastructure services;
2. Transfer of existing Council-owned three waters assets and responsibilities to the new water services entities to own and manage;
3. Providing that local authorities will jointly “own” the water services entities ownership of water services entities;
4. Protecting against privatisation of those assets;

5. Retaining influence of local authorities and mana whenua over strategic and performance expectations;
6. Providing the necessary balance sheet separations from Local Authorities;
7. An integrated regulatory system.

In developing the proposed reforms, the Government has (through an extensive collection of data from local authorities and subject matter experts' advice) formed the view that the preferred approach is to create four (4) new water services entities (WSE) to enable all communities to benefit from reform.

The factors considered to determine the number and boundaries of these proposed new entities were:

- A. The potential to achieve scale benefits from a larger water service delivery entity to a broader population user base.
- B. Alignment of geographical boundaries to encompass natural communities of interest, belonging and identity including rohe/takiwa.
- C. Relationship with relevant regulatory boundaries including to enable water to be managed from source the sea – ki uta ki tai.

4.2 Challenges for Rotorua Lakes Council in the three waters system

The Government's reform drivers and key objectives are not significantly different to the assessment of identified key issues for Rotorua, emerging risks and service performance challenges as agreed and adopted in our 30 years Infrastructure Strategy 2021-2051. These are outlined in the table below:

Strategic issue	Implications
1. Maintaining assets in a stable, reliable, and safe condition	We need to keep ahead so there is not an unsustainable investment deficit that becomes unaffordable to bridge for our current and future ratepayers. Investment is required to ensure that our assets meet the levels of service to our communities, comply with legislative requirements, and are resilient to service disruption.
2. Meeting future demands on infrastructure	Housing is one of the biggest issues the Rotorua community faces. Identified issues include a shortfall of thousands of homes, homeless, and increasing waiting list for social housing. As a result, Te Arawa and RLC have identified safe, secure housing for all our people as our top shared priority to ensure positive, thriving communities. This is a council priority for the 2021- 31 Long Term Plan.
3. Managing the impacts of legislative and policy change	There are significant emerging changes to legislation that are either planned or underway that will impact the costs and delivery of core infrastructure including freshwater management, zero carbon, and others.
4. Embedding cultural values into the way we manage our infrastructure	It can take considerable and upfront time and cost to ensure our capital projects are culturally appropriate and are supported by our community. In some cases, we need to explore alternative to traditional options and stage appropriate solutions overtime. Increasingly, legislation is requiring that iwi have a greater role in the governance or decision making for key assets such as water.
5. Climate change and environmental sustainability	We are preparing for the impacts of climate change on the infrastructure assets as we are already experiencing impacts such as prolonged droughts and higher temperatures. Increased frequency and

Strategic issue	Implications
	<p>intensity of high rainfall events, which creates flooding risks and a health risk for our potable / drinking water.</p> <p>It is expected that this will impact the core infrastructure particularly:</p> <ul style="list-style-type: none"> – Quantity and quality of water available from water supply sources – Flood management and hazard risk to infrastructure and property
6. Resilience of critical infrastructure	<p>A key focus is strengthening the infrastructural resilience of our core assets.</p> <p>Infrastructure resilience is tested in Rotorua as it is exposed to a variety of natural hazards including earthquake, geothermal activity, landslides, flooding, volcanic eruption and severe storms. These natural disasters can cause considerable damage to infrastructure assets and affect the reliable delivery of service.</p>
7. Maintaining institutional knowledge and capability (i.e. people resilience).	<p>Many of our senior experienced engineers are nearing the end of their careers. This reflects a national issue of limited replacement capability and capacity in the industry.</p> <p>It is recognised that there is a need for technical staff to be attracted, retained and developed and have real career progression opportunities within the industry long term.</p>

The proposed reforms seek to achieve scale advantage by:

- absorbing costs over a larger population base;
- rationalising and harmonising network plans and construction standards;
- pulling together a critical mass to attract, retain and develop competent staff;
- a more dedicated focus on managing risk.

Together, these benefits of scale should, logically, lead to improved three waters services in the long term.

Rotorua Lakes Council broadly agrees with the drivers for change and has already adopted a range of risk mitigations against those challenges in its 30-year Infrastructure Strategy.

Rotorua Lakes Council agreed last year (2020) to take an active part in discussions and workshops with DIA and other local government agencies to assist the formation of viable long-term options to address those challenges.

Nevertheless, staff believe that there are fundamental gaps in the current reform proposal that must be addressed in order to strengthen the proposal and to uphold the reform's underlying core intentions.

5. ANTICIPATED REFORM IMPACTS AND COMMENTS

Purpose of this section: To provide a succinct summary of identified key Council Impacts Assessments arising from the proposed reforms as they currently stand.

In order to evaluate the reform effects (on the basis of information available from the Government and the Department of Internal Affairs) staff have undertaken a high level Council Impacts Assessment. The assessment has addressed four groups of considerations centred on (a) no change i.e. the Council

model and (b) change i.e. the Reform model. There have been 14 considerations adopted by DIA/LGNZ in order to undertake the impacts assessment. These have are summarised in the table below.

GROUP/QUADRANT	CONSIDERATIONS
Service	<ul style="list-style-type: none"> ● Drinking water standards compliance ● Wastewater standards compliance ● Freshwater outcomes ● Robust/sustainable stormwater network ● Asset management, information & planning
Workforce, Delivery and Capability	<ul style="list-style-type: none"> ● Workforce suitability and sustainability ● IT systems and processes ● Supply chain and procurement
Finance and Funding	<ul style="list-style-type: none"> ● Council balance sheet and debt capacity ● Cost of service and efficiency savings ● Estimated impacts on rates ● Impacts on Council post reform(including stranded costs)
Social, Community and Economic Wellbeing	<ul style="list-style-type: none"> ● Iwi/Māori ● Development / growth and community self determination ● Economic impact

5.1 The Council model is performing well

The assessment highlights a good level of confidence that (if the proposed reforms do not proceed) Rotorua Lakes Council will be able to continue to;

- Comply with drinking water standards;
- Operate waste water services in accordance with the National Policy Statement for Freshwater Management;
- Maintain an appropriate internal/external skills balance for an engaged and competent engineering workforce;
- Deploy appropriate and targeted procurement practices that reduce its operating and asset investment risks (i.e Trillity PSOMC);
- Build and maintain strong relationships and co-governance approaches with iwi/hapu that enable the delivery of mutually beneficial complex programmes of work;
- Be able to allocate appropriately prudent capital investment by leveraging its balance sheet and as required to deliver its infrastructure strategy;
- Secure directly and through Government partnerships the required investment to enable growth and to support climate change mitigation programmes.

Broadly the Council model for three waters services performs within the community's expectations for acceptable levels of service expectations. However it is important to note that the "Council Model" is not a static concept. In other words, the current way Council addresses three waters services will continue to come under pressure for the reasons identified earlier resulting in a trend of increasing fiscal and resource demand.

5.2 The main challenges under the Council model going forward

Compliance

The establishment of the national three waters regulator office (Taumata Arowai) will gradually introduce new and higher community health safety standards and environmental discharge limits, requirements that will make reliable and sustainable compliance more challenging for local authorities.

Funding and Investment

While appropriate investment has been allocated for forward assets renewals, the funding and investment required long term poses significant financial sustainability issues. These are driven by bridging of legacy funding gaps in renewals (over the past 30 years), the anticipated escalating operational/maintenance costs driven by old assets, the rising costs in the combined goods cost price indices and the need to fund growth related lead infrastructure.

The alternative of leveraging higher debt levels to offset forecasted cost burden to current ratepayers is constrained by limitations to the Debt to Income ratios applicable to TLAs.

Current private water supplies

The expected need to address current private drinking water supplies is a significant unknown risk. There are six registered private water supply schemes in the district that are known to be non-compliant but there are many, as yet unidentified, supplies including rural homes, schools, marae and papakainga that may also be non-compliant.

Asset condition assessment

More investment will be required to bring asset condition knowledge, predictive failure information and deterioration data to a standard necessary for optimised and timely investment, and to reduce the potential for critical service failure.

5.3 Opportunities arising from the proposed reform

The proposed Water Services Entity (WSE) will remove unknown and rising risks from Council in terms of private water supplies' compliance, the continued introduction of new regulations and the effects/response to climate change impacts.

The reforms are promoted on the basis that the WSE will have a stronger financial capacity to invest in desirable levels of service improvements. On the other hand, it is unclear how priority will be established (noting that Rotorua will be just one of 22 participating TLAs).

Due to the proposed scale of the new WSE it is more likely that better tools will be created to manage information systems (ICT, asset data etc). Also, that staff working for the sector will have more and better access to career development paths and professional growth opportunities.

5.4 The main reform challenges that must be considered carefully by Council

The purpose of local government is to enable democratic local decision-making and action by and on behalf of communities, and to promote the social, economic, environmental and cultural wellbeing of their communities in the present and for the future.

The Three Waters infrastructure assets are important not just for financial reasons, but also for the environmental, social and cultural outcomes they are meant to achieve.

The business case for the proposed reforms, to date, relies heavily on assumed economic benefits. However the economic benefits that are promoted rely primarily on the ability of the WSE to deliver substantial cost efficiencies. This attracts a significant and healthy degree of scepticism. There appears to be a valid concern that our local communities would carry the burden of increasing service costs if the projected efficiencies cannot be attained and more importantly, without the ability to hold the WSE to account.

It is noted that the Department of Internal Affairs has commissioned a review (by Farrierswier) of work completed by the Water Industry Commission of Scotland (WICS) to assess the potential benefits from

amalgamating and reforming water, wastewater and stormwater services from 67 council areas in New Zealand into a small number of new operationally and financially independent water services entities subject to economic regulation and other stewardship reform.

The review finding (in summary) is that the overall approach adopted by WICS to modelling the potential impact that amalgamation of water entities and associated reforms could have on projected expenditure, financing costs, revenue and prices of water service providers should give reasonable estimates in terms of direction and order of magnitude. Due to the scope of the review they could not provide an opinion whether the forecasts and estimates generated by WICS by applying its methodology and assumptions are reasonable. The review focussed on whether the modelling is likely to give estimates that are appropriately either positive or negative (i.e. direction) and are at an appropriate scale (i.e. order of magnitude). Given the nature of that analysis their review was subject to limitations including that:

- Forecasts almost always turn out inaccurate, especially over a 30-year horizon.
- Choices need to be made over a myriad of modelling approaches, inputs and assumptions that reasonable minds may disagree with.
- Decisions on reform processes of this scale are typically undertaken while facing information challenges related to the quality and availability of relevant information needed to project long term outcomes.
- There is still a wide range of unknowns, including as to what the eventual structure of the WSE sector will actually look like once the reform is implemented.
- Sensitivity analysis shows that the estimated benefits in terms of average household costs in 2051 can vary materially if key assumptions were adopted differently.

However in broad summary, the review considered that the WICS modelling (and the methodology that WICS uses) does not materially affect the direction of estimated benefits from the amalgamation proposed by the reforms.

The proposals, as they currently stand, do not provide clear confidence that the local communities' lead agency (the elected Council) would be able to continue to lead effective community engagement on water services, nor that the WSE will be appropriately responsive to the communities' evolving, diverse needs and aspirations.

The Council has faithfully endeavoured to give meaningful effect to its partnership commitments with Te Arawa. Our iwi/Māori/hapu relationships are currently very strong and these have been built over many years of solid commitment by all parties. The reform proposals have not as yet adequately addressed the possible effect of the reform on those relationship commitments, nor on the Crown's existing Treaty settlements obligations. There is a justified concern to ensure that the proposed reforms must both protect existing settlements, as well as ensure that the Crown (and local government and the Entities) continue to have the ability to put right historic wrongs and reinforce these relationships through direct and respectful mechanisms.

5.5 Other financial considerations for Council arising from the proposed reform

The reforms promise to generate significant capital investment for growth and systems enhancement and for these to be funded through the WSE's ability to borrow 3 to 4 times more than councils due to having a higher allowable debt limit. Assuming a pro-rata attribution based on population share, Rotorua may receive some \$1.4B of that over the next 30 years compared to its estimated \$0.487B considered in its 30-year Infrastructure Strategy.

It is stated by the DIA that the transition costs will be met by Government funding assistance. In addition some \$32m under the "better off" grant will be allocated to Rotorua and modelling indicates

up to \$4.0m costs may be stranded with Council. The proposed new WSE who have been allocated some \$500m at a national level for that purpose will be mitigating these costs during the transition.

Concerns have been raised about the proposed transfer of local three waters assets to the WSE. In some cases this proposed transfer is seen as “gifting” community funded assets. It must be noted that the Council’s infrastructure information identifies that the three waters assets have a current replacement value of some \$900m. However the assets current depreciated value (fair value) is about half of that replacement value. In effect for every \$1 of remaining value there is roughly a \$1 of liability to replace the consumed part of the assets. The current consumed life of the three waters assets is about 45%, 55% and 65% for drinking water, wastewater and stormwater respectively. Therefore if assets are transferred to the proposed WSE so will their replacement, maintenance and upgrade cost liabilities (which by far exceed their remaining depreciated values).

6. COMMUNITY ENGAGEMENT ISSUES

The Government has released high-level discussion documents and is seeking initial views from councils and from iwi. Once it has received those initial views, Government will further develop the proposal and announce the next steps including timeframes for consultation and decision-making.

The proposed three waters reforms constitute a major inter-generational change. Full and effective community consultation will be required in order to give effect to the Council’s community services stewardship responsibilities. At this point in time, there is not adequate Government information to allow councils to begin a properly informed special consultation process, however we expect that this will be part of the next suite of Government announcements.

7. TE WHAKAKAPINGA SUMMARY AND CONCLUSION

The Government proposes to lead major changes to the three waters system in New Zealand. These changes will have inter-generational impacts on our communities. While there are logical conclusions of benefits of scale to be attained, there are also matters of pertinent concern that the proposals as they currently stand do not adequately address.

While national standards will be designed to ensure some consistency in the delivery of three waters services and the supporting infrastructure, local factors will ultimately continue to be the overriding driver of services. To deliver on its purpose local government must, alongside mana whenua, understand and plan for growth capacity and for their communities’ environmental, cultural and social wellbeing needs. To effectively do this local government must have the ability to coordinate and define the infrastructure services required directly with their communities.

It is recognised that there are significant challenges ahead for the Council’s three waters services. There are economic risks associated with an old system of assets, service performance and compliance risks from emerging standards and regulations, high investment demand from growth aspirations and the now emerging scarcity of competent expertise and skills in the sector. The proposed reforms, based on consolidation, promise significant efficiency gains to better and more affordably address these risks and therefore reduce the future cost burden on the communities. However these efficiency gains are based on predictive modelling that, although it appears to be reasonable in terms of direction, cannot be accurately validated over a 30-year horizon.

To a large degree the reform proposals are based on the experience of Scotland which responded to the new European regulations of the 1990s by establishing a vertically integrated service delivery

authority for the water services. It is to be noted though that a study undertaken by “Building Innovation Partnership” in July 2020 identified a recent years’ trend in Northern European countries of similar size to NZ to move way from services consolidation and towards re-municipalisation. While they incur relatively higher costs, they do meet specified European standards and are more responsive to their communities.

Council’s Three Waters Strategy, that informs our Infrastructure Strategy, provides a 50-year blueprint for the district’s guiding decision-making and it is aiming to ensure optimum and balanced outcomes for our current and future communities. It is aligned with the Te Arawa Vision 2050 and the broader Rotorua Way.



Thriving Communities is our keystone principle. The core purpose of the three waters activities is to serve our communities by not only safeguarding their utilities services and wellbeing, but by also strongly upholding the sense of place and purpose that connection to water brings.

It seems possible that the economic benefits of scale could easily be offset by dis-benefits, including a loss of the community voice in the clutter of a much larger population base served by the Entity. Moreover, in the absence of a clear mechanism to ensure that the mandated leadership role of local government is maintained, there is real potential for a siloed, assets-based, management approach that could be unresponsive to the unique needs of iwi and the community at large.

Our proposed approach is to be supportive and constructive in the national effort towards a demonstratively viable and sustainable new Three Waters management framework, and it is recommended that Council adopts and communicates the preliminary reforms position paper to the Minister.

8. NGĀ ĀPITI HANGA ATTACHMENTS

Attachment 1: Preliminary position paper

Rotorua Lakes Council – 3 Waters Reforms – Preliminary Position

As a starting point, we acknowledge the broad drivers for the proposed reform. Those drivers do not significantly diverge from Rotorua Lakes Council's diagnosis of the challenges facing managers of Three Waters infrastructure: ageing physical infrastructure, a legacy of chronic underinvestment in network renewals often resulting in poor asset condition, higher standards and new regulations to better protect peoples' health and the environment, the significant growth-driven investment required to support new housing, the impacts of climate change and the forthcoming acute scarcity of a competent workforce.

The proposed reforms seek to achieve scale advantage by absorbing costs over a larger population base, rationalising and harmonising network plans and standards, pulling together a critical mass to attract, retain and develop competent staff and a more dedicated focus on managing risk. Together, these benefits of scale should logically lead to improved 3 Waters services in the long term.

Our position

Rotorua Lakes Council broadly agrees with the drivers for change and has already adopted a range of risk mitigations against those challenges in our 30-year infrastructure strategies. We are also taking an active part in discussions and workshops with DIA and other local government agencies to help the formation of viable long-term options to address those challenges.

Nevertheless, we believe that there are fundamental gaps in the current reform proposal that must be addressed in order to strengthen the proposal and uphold the reform's underlying core intentions.

The importance of Three Waters infrastructure to local government

The purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.

It is our job to ensure that the current and future needs of our communities for good-quality local infrastructure, local public services, and effective regulatory functions are met in a way that is cost-effective for ratepayers, households and businesses. To enable us to fulfill our purpose (and the four well-beings), we require Three Waters infrastructure that is fit for our community's needs.

The case for the proposed reforms relies primarily on assumed economic benefits. But 3 Waters infrastructure assets are important not just for financial reasons, but also for the environmental, social and cultural outcomes they achieve. Our great concern is that the Entities take a regressive view that infrastructure projects are simply engineering and financial problems. They are not, they are questions of community development and growth. As such, local government can only function effectively if Three Waters infrastructure is provided in a timely and effective manner and in accordance with the unique needs and aspirations of mana whenua and the broader community.

Communities must determine levels of service

Whilst national standards will ensure some consistency in the delivery of Three Waters infrastructure, local factors will continue, ultimately, to be the overriding driver of services. To deliver on our purpose local government must, alongside mana whenua, understand and plan for growth and our communities' environmental, cultural and social wellbeing needs. To do this we must have the ability to define the infrastructure services we require. The lack of clear detail on how this will occur gives local government (and our communities) legitimate cause for concern.

Currently much remains uncertain.

- How will the Entity's operating model ensure consistent and reliable responses to our community's needs?
- What are the processes that will ensure that territorial authorities, as lead local agencies and in partnership with mana whenua, are able to set and define the outcomes and expectations to be delivered by the Entity?
- How can our community ensure that the Entity delivers outcomes *at least* as good as already established?

It seems highly possible that the economic benefits of scale could easily be offset by dis-benefits, including a loss of the community voice in the clutter of a much larger population base served by the Entity. Moreover, in the absence of a clear mechanism to ensure the leadership role of local government is maintained, there is real potential for a siloed, assets-based management approach that is unresponsive to the unique needs of iwi and the community.

It's also important to understand that those operational relationships are often with hapū and Māori land owners (who often have legal ownership and kaitiaki responsibilities for land underlying infrastructure assets). The complexity of those rights and interests is not currently reflected in the proposals.

We have learnt from experience of the importance of working with local communities in the initiation and design of services. We have also learnt from experience that the successful delivery of infrastructure projects depends on developing long-term (not just project-based), sustainable and productive operating relationships. We simply cannot see how the Entities can viably develop those community relationships across super-regions, and believe that this will limit the ability to design locally-influenced solutions (as we have done in numerous occasions) based on the needs and values of local communities.

Te Arawa partnership

Our Council, faithful to its partnership with Te Arawa, has in July 2021, resolved to establish a joint committee to consider the impacts of the Three Waters Reform on our partnerships with mana whenua and to make recommendation to the full Council and to mana whenua on the same. The Committee acts as a forum for governance oversight, to identify and develop shared concerns and aspirations, to understand the effects on relationship agreements, and to ensure well-informed, coordinated decision-making of the parties.

It is important that these discussions are had with both Council and mana whenua, so that all parties fully understand the practical complexities and impact of the proposed reforms, and so that we ensure a robust, well-informed and coordinated approach to decision-making by Council and by mana whenua entities.

We also reiterate and support the calls from iwi that the proposals have not adequately addressed the effect of the reform on existing Treaty settlements obligations. We are concerned that the proposed reforms must both protect existing settlements, as well as ensure that the Crown (and local government and the Entities) continues to have the ability to continue to put right historic wrongs.

The solution

Councils (with iwi partners) are the best-placed organisations to continue to define a set of unifying and aspirational objectives for districts, to articulate complex community issues and to lead the collective response to those issues and outcomes. We have a unique leadership role and the necessary institutional competence to do so. Furthermore, that leadership role and competence cannot be readily replicated by a single-purpose agency. We are of the strong view, that any attempt to do so would be naïve, ineffective and will create an unnecessary burden of resource duplication.

We agree that it is not always necessary for Councils to directly deliver the work programmes required to achieve the desired community outcomes. However, in partnership with iwi, we are the only organisations within districts able to monitor the attainment of and be accountable for such outcomes.

Ensuring the Entities deliver on community outcomes

Concerns regarding the reforms could be allayed by establishing early agreements between councils, their respective mana whenua and the Entity (or its Transitional Authority). Those agreements should set out the detail of how we will work together to ensure democratic local decision-making is upheld, and that our communities receive the economic, social, cultural and environmental outcomes that they need and deserve.

The direct link with Councils and mana whenua could be achieved on the following basis:

Setting the strategy

1. A 3-Waters Strategy with clear outcomes for a Council is agreed between the Entity, the Council and mana whenua. The strategy would include (but not limited to):
 - a. Future growth, urban intensification and land use aspirations
 - b. Partnerships with mana whenua
 - c. Mana O Te Wai objectives
 - d. Social and cultural objectives
 - e. Climate change mitigation and resilience
2. The Entity commits to giving full effect to the outcomes and the objectives of the agreed Council 3 Waters Strategy in a manner that enables local decision-making, reinforces relationships with iwi and discharges both the Crown's Treaty obligations and our partnership responsibilities.

Agreeing on delivery

3. The Entity agrees to work jointly with the Council to structure a Business Plan (to be received and endorsed by the Council and mana whenua) that clearly articulates the methodology by which the outcomes and the objectives of the 3 Waters Strategy will be pursued for the district.

4. The Entity agrees to work together and in partnership with the Council and mana whenua to give effect to the future needs of the District. The partnership should be defined by a recognition that the Entity has subject matter expertise, while iwi and the Council have much greater knowledge of local needs and values.

Monitoring outcomes

5. The Entity will report regularly to the Council (in partnership with mana whenua) on progress against the agreed Business Plan and the progress towards the evolving LTP objectives, including the status and health of relationships and partnerships with the communities and specifically with mana whenua.
6. The Entity agrees to report to the Council (in partnership with mana whenua) against investment in local employment, the development of skills and capability in the district.

Conclusion

Our clear intention is to be supportive and constructive in the effort towards a viable and sustainable new 3 Waters management framework, and we hope our position paper contributes to the further development of the reform proposals.

Preliminary Position



ROTORUA LAKES COUNCIL

Te kaunihera o ngā roto o Rotorua

Three Waters Strategy *for the next 50 years*

June 2021

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Te Mihi

Piki mai kake mai

Homai te waiora kia tū tākiwai, tākiwai,

Tākiwaiora e.

Climb hither, ascend thither

Bring me the water of life so I may stand strong and proud.

Kai ngā reo, kai ngā mana, kai ngā ihi me ngā wehi

Tēnā koutou katoa

Ki ngā mate o te wā, ka tangihia, ka poroporoakitia

Rātau ki a rātau, tātau e tau nei te pito ora

Tēnā tātau katoa.

To the voices, to the authorities, to the movers and the shakers

We greet you.

Let us remember those who have passed and wish them well on their journey to the other side of the veil.

To us who remain to carry on the kaupapa

We greet you all.

Te Kupu Whakataki:

Nō te orokohanga na o te ao, kua rangona, kua kitea te rere o te wai. Te waiora, te wairua, te wai māori, te wai tai.

Nō te wehenga o Rangī rāua ko Papatuanuku, i heke ngā roi o mata ki te whenua. He ua tātā, he ua makere whatu, he ua tūperepere.

I uaina te whenua, i waipukehia rawatia a Papa, he āwhā te otinga atu.

Ko te putanga, he wai, nā te Ariki i homai.

Matapoporetia, whakaaronuihia, tiakina.

From the beginning of time, water has been seen and heard flowing across the land. The water of life, the movement of the spirit, waters of the land and sea.

From the time of the separation of Ranginui and Papatuanuku, tears fell from the eyes of Rangī like heavy storms and flooded the land.

Water, tears from a God and gifted to us.

Cherish the water, respect the water, take care of the water.

Foreword

Water is fundamental for life – our community and the environment. This is reflected in the vision of Taumata Arowai, the new water services regulator for Aotearoa:

Wai ora.

Tangata ora.

Healthy Water, Healthy people.

Rotorua's Three Waters Strategy provides a 50 year blueprint for our district, guiding our decision making and ensuring the best outcomes for our current and future communities. This strategy is aligned to *Te Arawa Vision 2050* and *Vision 2030 The Rotorua Way*.

The strategy identifies the key three water issues and challenges we are facing and sets the direction on key priorities. Broad strategies have been developed to ensure a long term view for managing three waters in our district.

Our district is unique, almost 40% of our population identify as Māori, and our community's connection to our geographical features, history and cultural identity is strong. This strategy serves to ensure our district's own unique aspirations are communicated and understood.

The Central Government's Three Waters Reform Programme was initiated in 2019 in response to identified national challenges. It signals potential major changes ahead for the way the three waters services are managed and delivered throughout the country. The exact nature of these changes, and the implications for local government, is still a work in progress and it will take some time before they are fully defined.

Our present and future communities need three waters services regardless of who is responsible for their delivery. It is therefore imperative that any impact on our people is based on complete and accurate information regarding not only medium and long term cost but also wellbeing. It is our intention, by setting this Three Waters Strategy, that any entity responsible for our district's water management is able to deliver the outcomes sought by our community.

Tatau tatau - together we can, and do, make a difference.



A handwritten signature in blue ink, which appears to read 'Steve Chadwick'.

Hon Steve Chadwick JP

Mayor of Rotorua

Section 1 Strategy in Context

1.1 Purpose of the strategy

Water is fundamental to life – the way in which it is managed affects all levels of society and the environment. Access to safe drinking water, sanitation, ecosystem health, preservation of mauri, recreational enjoyment and protection from disaster all fall in the realm of water management. Along with economic considerations, the ongoing balance of these elements ensures not only the function of our current society but also that of our future communities.

The term ‘three waters’ is used to describe drinking water supply, wastewater and stormwater services. This Three Waters Strategy aligns the current and future management of these services with Rotorua Lakes Council’s Vision 2030, the Rotorua Way, the Te Arawa 2050 Vision, and beyond to the next 50 years. The Strategy also works on the premise of seven guiding principles.

The Rotorua Way provides a vision for our city’s development to 2030. Central to this Three Waters Strategy are the seven goals associated with the Rotorua Way. From these goals and in consideration of the guiding principles, we have developed four key strategic priorities, specific to three waters, that form the overall Three Waters Strategy.



The Three Waters Strategy provides a 50 year blueprint for our district, guiding our decision making and ensuring the best outcomes for our current and future communities. This strategy informs the 30 Year Infrastructure Strategy and technical Asset Management Plans, both of which are used to implement strategic actions.

Three water activities in local government are in the process of major reform, it is anticipated that regional water entities will be established and regulated by Taumata Arowai. Therefore, this strategy also serves to ensure our district’s own unique aspirations are communicated and understood. Our hope is that this will allow any new entity in charge of our district’s water management to deliver the outcomes sought by our community.



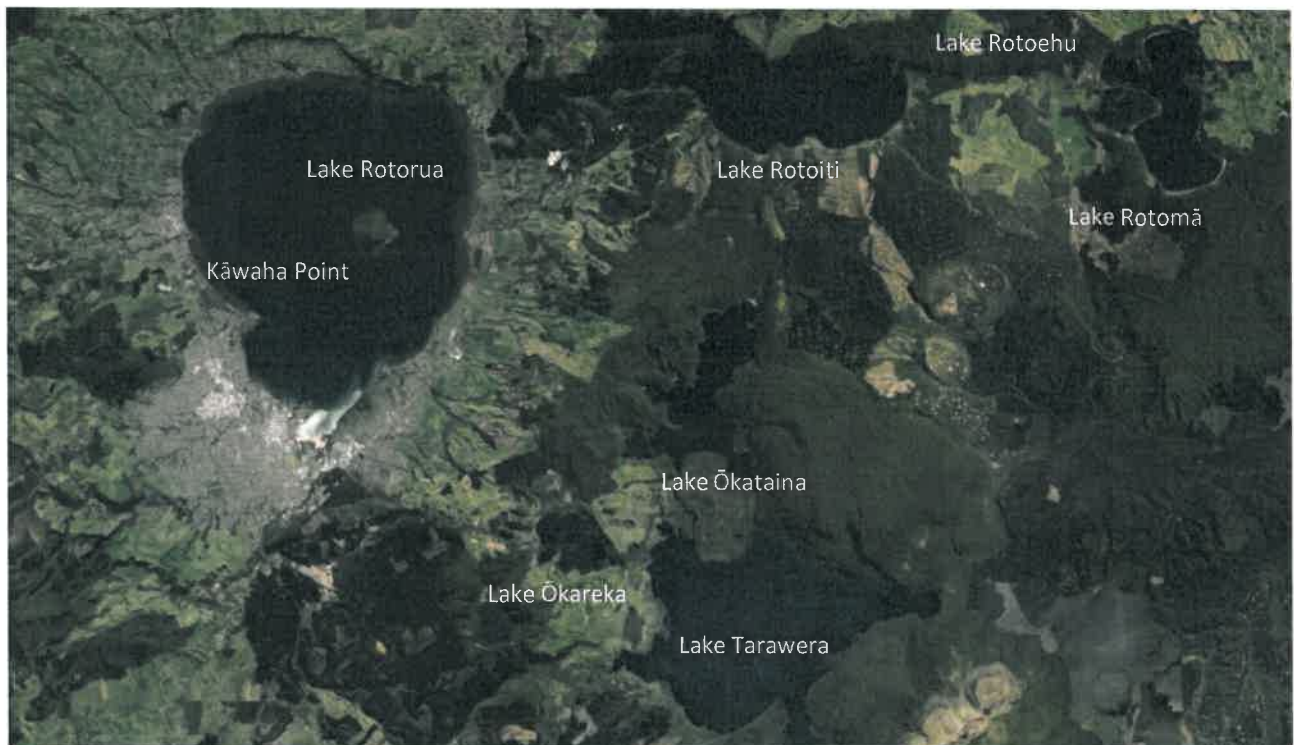
1.2 About us

The history and identity of our district is embedded with our water, specifically our lakes. Kahumatamomoe, an ancestor of Te Arawa, journeyed inland where he discovered Lake Rotorua and settled at what is now Kāwaha Point. Now, our main central business district is found to the south of Kāwaha Point on the southern shores of Lake Rotorua with Lakes Rotoiti, Rotoehu and Rotomā to the north east, and lakes Ōkareka, Ōkātina, Rotokākahi, Rotomahana and Tawarewa to the south east.

The Rotorua Lakes district is home to approximately 76,200 people, making it the country's tenth largest urban area and the Bay of Plenty's second largest urban area after Tauranga. Our population is expected to continue growing, reaching approximately 90,800 people by 2051. We are a bicultural district, with an increasingly multicultural population. Almost 40% of our district's population identify as Māori, and the strength of our community's connection to our geographical features, history and cultural identity make our district unique.

The principles of te ao Māori are intrinsic to our decision making at all levels, and this is especially so for our three waters activities. In addition to our inherent consideration of te ao Māori, the Water Services Bill states that all persons and functions in the three waters activity must give effect to Te Mana o te Wai. We are committed to valuing, upholding and enhancing the integrated, holistic wellbeing of our district's water.

Figure 1 Our district's identifying features



Section 2 Our Principles and Goals

2.1 Thriving communities

Our keystone principle is thriving communities. The principle of enabling our communities to thrive is paramount for driving long-term change and supporting sound decision making for three waters management.

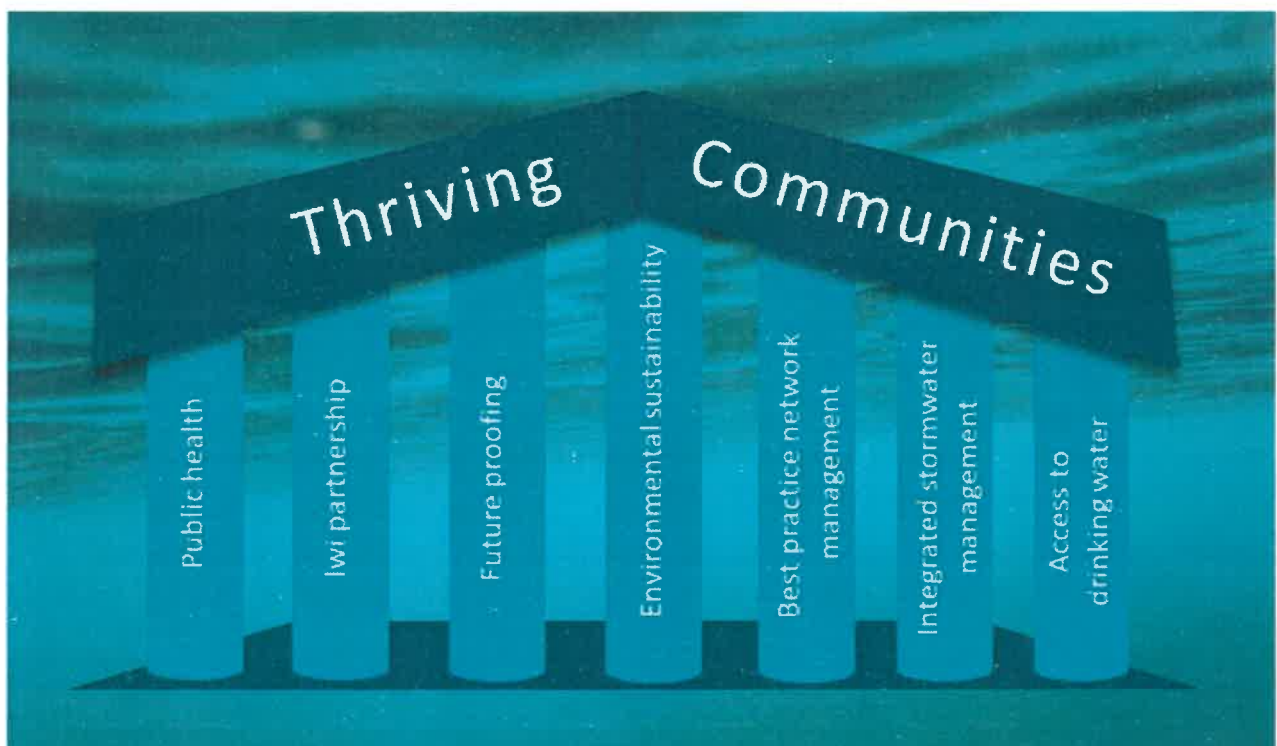
The core purpose of the three waters activities is to serve our communities by not only safeguarding their wellbeing, but also by upholding the sense of place and purpose that connection to water brings.

2.2 Guiding principles

The principle of thriving communities is supported by seven guiding principles that will govern our actions when delivering the Strategy. The guiding principles are all equally essential for delivery against all four of our strategic priorities.

Our guiding principles can be conceptualised as a whare, with our overarching principle upheld by the seven pillars or principles as shown below.

Figure 2 Our seven guiding principles



Public health

Ensuring the protection and improvement of public health and providing safe drinking water and sanitary services to our communities.

Iwi partnership

Ensure that iwi and hapū are engaged, and te ao Māori integrated in all phases of the management of the three waters.

Future proofing

Meeting the demands of our district's anticipated, planned growth.

Environmental sustainability

Planning for, and adapting to, climate change, including minimisation of the adverse effects of wastewater through implementation of wastewater reticulation schemes and upgrade of major infrastructure.

Best practice network management and cost-effective service procurement

Network management decisions are underpinned by best practice research and information. The risks associated with an ageing infrastructure are addressed through targeted network renewals where costs can be predicted through contracts with performance monitoring.

Integrated stormwater management enabling growth and environmental protection

Up to date modelling for stormwater management planning that enables housing development, mitigates flooding risk and minimises the pollution into our lakes due to stormwater.

Access to drinking water

Meaningful partnership with iwi and hapū to ensure access to drinking water sources as our district continues to grow. Simultaneously investigating alternative water supply sources and planning for contingency measures.

2.3 Alignment with our Visions

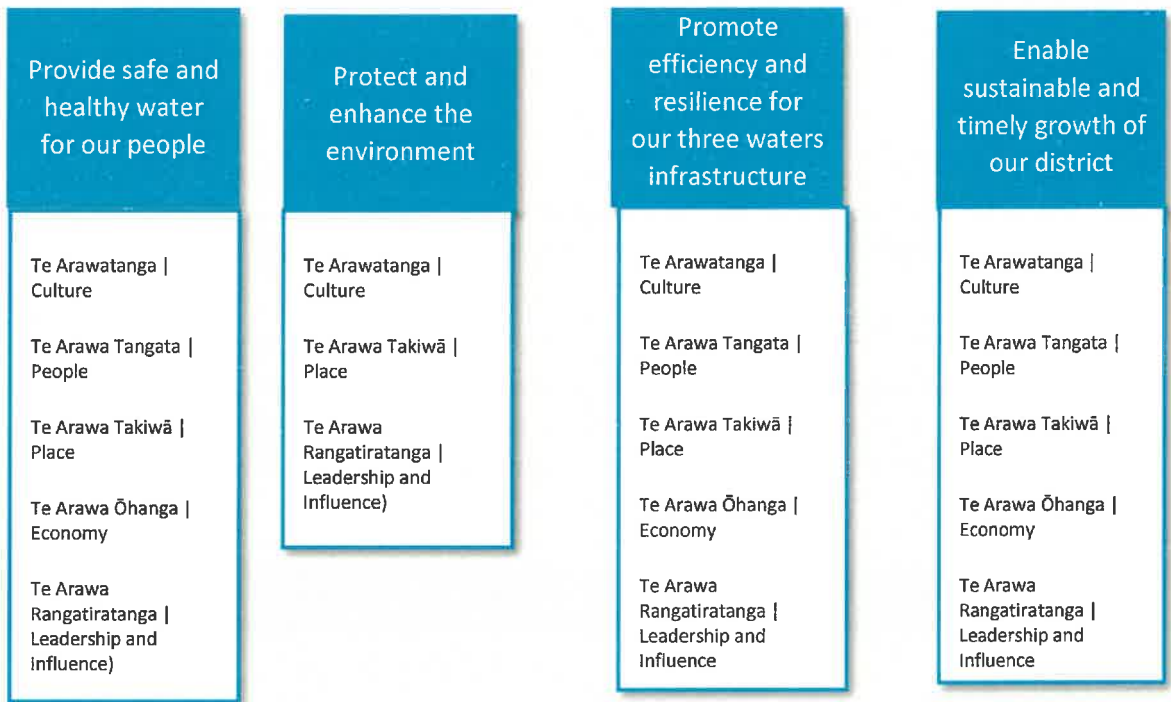
2.3.1 Alignment with Te Arawa 2050 Vision

The Te Arawa 2050 Vision is:

Mauri Tū, Mauri Ora, Te Arawa E!

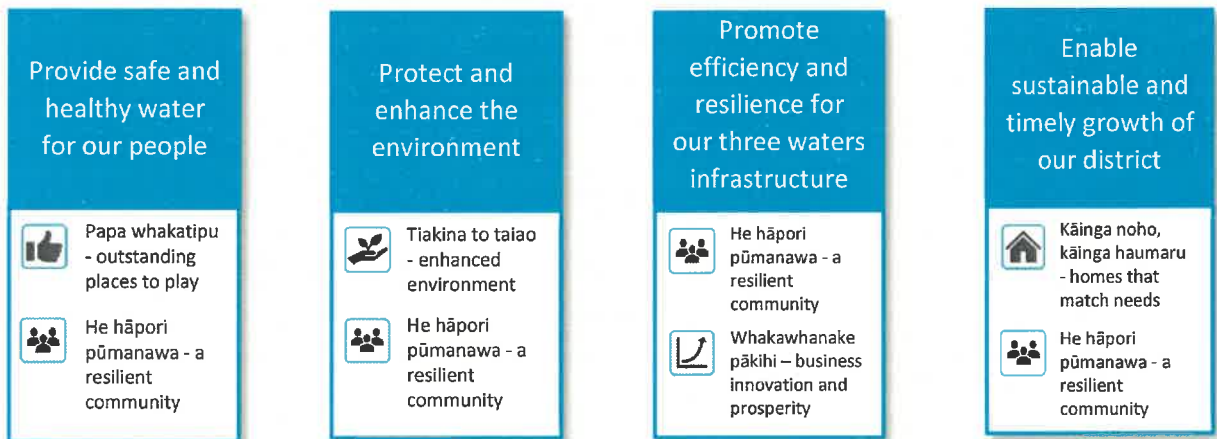
The Te Arawa 2050 Vision refers to the optimal growth and wellbeing of culture, people, place, environment, economy, innovation, leadership, and unity and collaboration for all within the Te Arawa rohe. This vision is guided by the words of our ancestor Houmaitawhiti.

Seven strategic themes have arisen, each with its own whāinga tawhiti and strategic objectives for 2050. Each of the four three waters strategies delivers against the strategic themes as provided for by the *Te Arawa Vision 2050*.



2.3.2 Alignment with Vision 2030

Each of the four strategies delivers against specific goals as provided for by our Vision 2030, *The Rotorua Way*.



Section 3 Our Activities Today




3.1 Rotorua’s physical features

Rotorua’s volcanic landscape of lakes, calderas and geothermal features are unique. The compact size of the city, the geothermal features and the ready access to parkland, lakes, forests and rural landscapes are popular destinations for residents and visitors alike. The city is located on the southern lakeshore.

3.2 Assets at a glance

Three waters assets mainly service the three urban areas of Rotorua (Ngongotahā, city and eastern suburbs) and some lakeside, rural and farming communities. Council owns and manages \$878 million (replacement value as at June 2020) of three waters infrastructure assets which can be summarised as follows.

Table 1 Asset summary

Activities	Description
<p>Water supply</p> 	<ul style="list-style-type: none"> • Ten defined supply areas including three urban areas • Eleven water sources • Nine water supply treatment plants • Approximately 768km of pipelines • Fifteen water pump stations
<p>Wastewater</p> 	<ul style="list-style-type: none"> • 405 km of gravity pipelines and 150km rising mains • Services three urban areas of Rotorua (Ngongotahā, city and eastern suburbs) and some rural lakeside communities • Two wastewater treatment plants • 81 wastewater pump stations
<p>Stormwater</p> 	<ul style="list-style-type: none"> • 284km urban reticulated pipelines • 153km of open drains • Service three urban areas of Rotorua (Ngongotahā, city and eastern suburbs) • Reporoa land drainage scheme

Source: RLC’s Revaluation FY20 CPI (as at September 2020)

3.3 Current asset state

The current state of our three water assets is shown in the following table in terms of age and performance. This shows that our water supply assets are relatively young compared to wastewater and stormwater.

Table 2 Current asset state

Activities	Age (asset remaining life)	Network performance
Water supply 	Watermains – <i>Most pipe assets are about halfway through their design lives. The majority of plastic pipes are halfway through their design life and most asbestos concrete pipes are either approaching or have exceeded their design life.</i>	✓ All supplies fully compliant with drinking water standards
	Plant – <i>Most plant asset classes are less than halfway through their design life.</i>	✓ Water leakage within acceptable industry benchmarks for the two main urban schemes (Eastern and Central but not Ngongotahā)
Wastewater 	Gravity mains – <i>About two thirds are asbestos concrete pipes and are approaching, or have exceeded, their design life. About one quarter are plastic pipes and most are less than halfway through their design life.</i>	✓ Dry weather overflows within acceptable industry benchmarks
	Rising / pressure mains - <i>The rising (pressure) main network is relatively new. Most of the plastic pipes are less than a quarter through their design life.</i>	Preliminary assessment of the catchment’s (a natural, physical area in which water drains naturally by gravity, also known as a watershed) system performance (inflow and infiltration) completed. Effective management strategies to improve network resilience will be undertaken.
Stormwater 	Mains – <i>Most are concrete pipe materials and are half to two thirds through their design life.</i>	✓ Achieved the flooding mandatory performance measures in 2018/ 19 and 2019/20 years
	Channels – <i>Most are relatively new and fully effective. We will need to respond to anticipated expectations in the safety and management of open channels.</i>	✗ A major storm event on 29 April 2018 resulted in flooding throughout the district with more than 70 habitable floors flooded. The Ngongotahā catchment (or watershed) experienced severe flooding.

Key: ✓ Achieved ✗ Not Achieved

There are some gaps in our knowledge of the condition of our three waters assets. We have plans underway to improve this knowledge, including:

- Putting focus on assessing the condition of our wastewater gravity-controlled pipes via a programme of accelerated surveying
- Starting planned condition surveys of stormwater pipelines
- Starting asset condition surveys of the critical above ground water supply assets and take samples of critical below ground water supply assets.
- Starting analysis of breaks in the underground pipes.

3.4 Meeting current and future demand

3.4.1 Understanding water demand

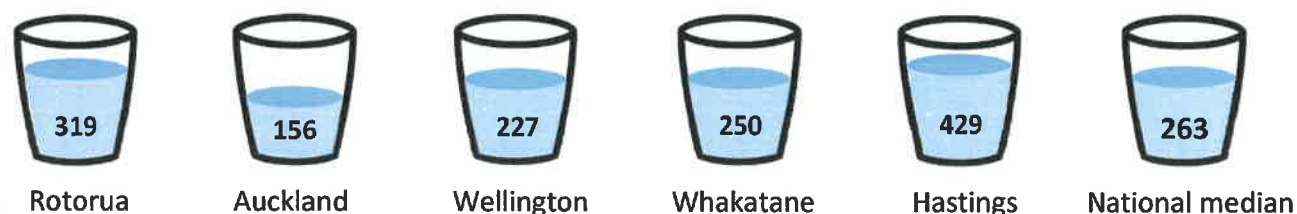
Quick facts

- Council’s parks and reserves activity consumes the highest volume of water among all groups, followed by tourist attractions, hospitality and Rotorua Hospital
- Almost 15,000,000 m³ was abstracted across eight supply areas in 2019/20
- Central Area represents over 60% of total volume abstracted
- Some supply areas are already exceeding their consent limits from time to time
- About 5,800 water meters in total, with all non-residential connections in the urban areas and all rural connections metered

Freshwater is a scarce resource. Resource consents set limits on how much water can be taken from any particular source, and it cannot be assumed that we can take more than what is currently consented or even continue to take the current limit set going forward. Our water sources are mainly spring water but also a bore and a lake for two of our rural schemes. We need to plan carefully for our future demand and use current resources wisely.

Our average daily residential water consumption (per capita) is higher than the national median based on an industry performance benchmarking review, as shown in the following diagram. It is also higher than most other similar size district councils. Auckland and Wellington are shown for comparison purposes but are classified as large water entities.

Figure 3 Average daily residential water efficiency (litres per person per day)



Source: Water New Zealand’s National Performance Review (2018/19)

The high water demand is partially due to the abundance of spring and lake water coupled with universal metering not adopted to date. Although water leakage is within acceptable industry limits for Eastern and Central areas, we will implement our proactive demand management programme. This will reduce demand to keep within the existing consented takes as well as accommodating predicted additional demand due to population growth.

Water demand is changing due to various factors including population growth, proposed freshwater management reforms and climate change impacts. The Rotorua Lakes District is projected to increase in population. The Central and Eastern Areas are where most of the development and growth are forecast to occur.

Based on our Water Supply Master Plan (2020), the Central Area is forecast to accommodate this additional demand if the existing consented take is rolled over and our proposed demand management programme is implemented. This will mean that no new source will be required until 2051 for the Central Area. The two springs (Waipā and Hemo) that supply the Eastern Area have sufficient capacity to accommodate this additional demand if the existing consented takes are rolled over.

What we are doing well

We know that strategic planning is important to guide long-term infrastructure planning. We have developed the Water Supply Master Plan (2020) as an overarching framework to consider interrelated issues including consent requirements, resilience, demand management as well as growth.

3.4.2 Understanding wastewater demand

The Eastern and Central Areas are anticipated to have the most future development and growth (similar to water supply). The Rotorua Wastewater Treatment Plant serves the city and has current capacity (known as *Average Day Flow*) of 23.8 ML per day. To accommodate population growth, Council has capital works scheduled over the next few years to expand the capacity of the existing plant to 72 ML per day.

Quick facts

- Rotorua Wastewater Treatment Plant serves the city and discharges approximately 620,000 m³ of effluent on average every month
- Rotomā/Rotoiti Wastewater Treatment Plant serves the lakeside communities and has relatively low demand at about 1,400 m³ effluent per month as recently commissioned. The projected effluent discharge will be in the range of 9,000 to 15,000 m³ per month when it is fully commissioned.

There are inter-related issues that need to be considered with long-term planning for wastewater that cannot be taken in isolation as shown in the diagram below. In a similar manner to the decision making for water supply, we use our Wastewater Master Plan (2020) as the framework to guide our decision making.

Figure 4 Long-term wastewater planning



3.4.3 Understanding stormwater demand

Quick facts

- The Rotorua urban area largely surrounds the southern half of Lake Rotorua from Hannahs/Holdens Bay on the eastern side of the lake to the northern end of Ngongotahā township on the western side of the lake
- It consists of seven main catchments and 29 sub-catchments
- These catchments together with Ngongotahā Township and Rotorua City have a combined area of approximately 313 km²
- Annual rainfall of 1,400mm

The two main parameters impacting future stormwater flows and demands are hard surface areas and the frequency and intensity of rainfall events. Stormwater demand is indirectly linked to population growth due to resulting new residential dwellings and subdivision development which often contribute to the following:

- An increase in hard surface areas, for example pavements, roads and roofs.
- Changes to the hydrology of a catchment, whereby water moves in greater volumes and in different places than previously.

Rotorua township has developed around the Rotorua Lake caldera; the lake was formed due to a violent volcanic eruption. The other well-known caldera in New Zealand is Lake Taupō. Development in the Rotorua urban area happened first in the lower, downhill part of the caldera.

The early urban stormwater systems were designed to cater for the initial development and engineering standards at that time. They also did not anticipate development in the uphill areas which drain into the lower areas. As the urban area expanded, the existing stormwater system required more capacity.

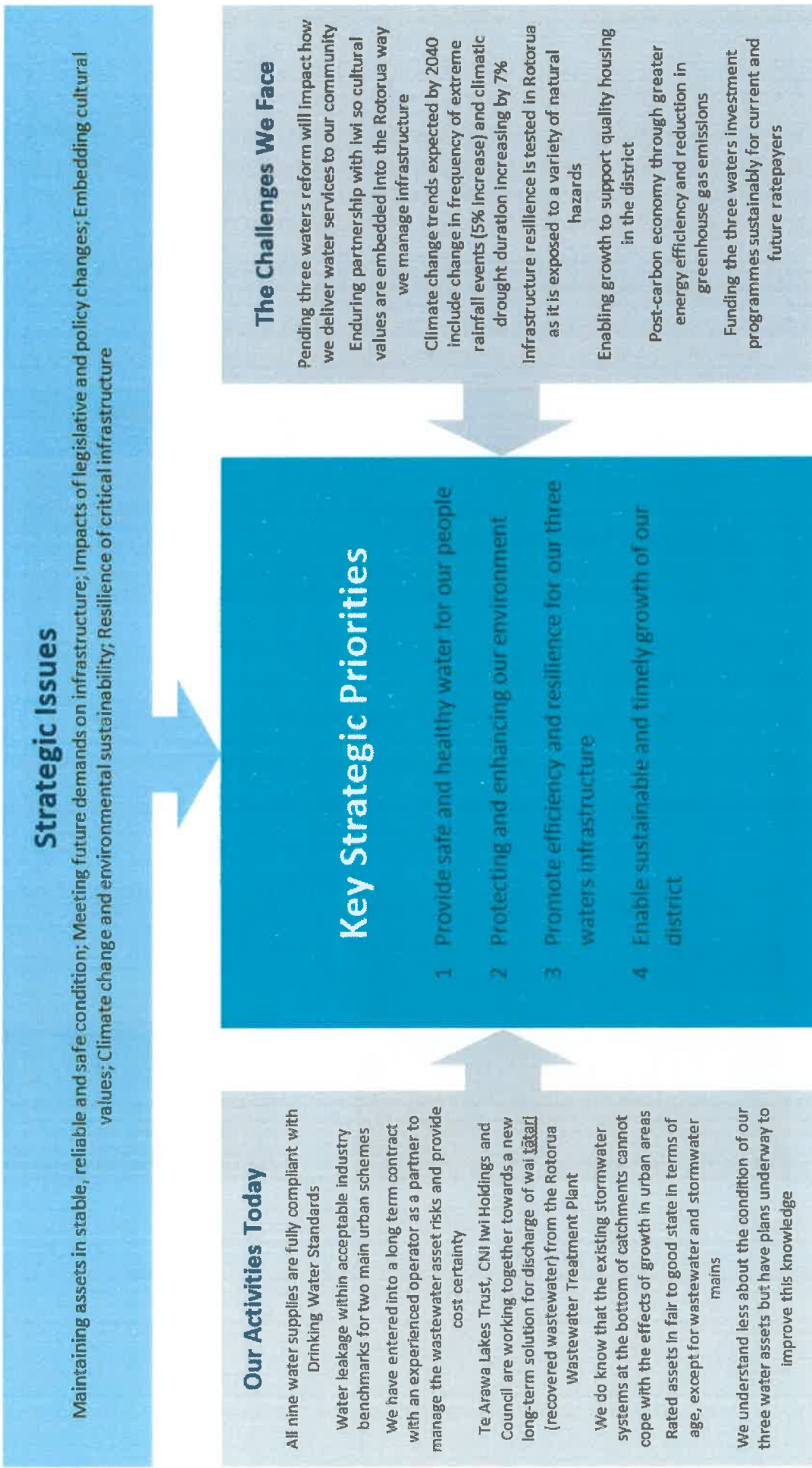
Flooding sometimes occurs where growth planning has occurred, and stormwater infrastructure has not been upgraded to accommodate the growth. The challenge we face is enabling growth areas without compromising our existing communities, homes and facilities.

Stormwater demand is increasingly also related to the implementation of green infrastructure in both new and existing developments. Moreover, there is demand on the stormwater network to treat the runoff using urban water sensitive design and green infrastructure.

As development continues so too do the opportunities for pollutants such as hydrocarbons from roads, nutrients from gardens and sediment from exposed earth to enter our stormwater networks and then our lakes. It is expected that our stormwater networks and the management of them will have both the capability and capacity to capture and remove such pollutants as the demand due to changes in hydrology as a result of development are compounded by increases in rainfall events.

Section 4 The Challenges We Face

4.1 Key challenges and opportunities



4.2 Community priorities

We are committed to ensuring that our community can participate in the decisions that affect their lives and our environment. We undertake regular and specific community consultation for three water services. Consultation not only allows the community to have a voice but also allows us to understand their key priorities, directly influencing the planning and future of the district.

How we engage with stakeholders and the community

There are a range of platforms that we use for consultation. These include:

- Our Let's Talk Kōrero mai website interface provides real time opportunities for people to provide feedback on current consultations
- Our Annual Plan and long-term planning procedures include opportunities for general, specific and targeted feedback on three waters issues
- A targeted Community Reference Group for the Ngongotahā Flood Review Project was established
- The Rotorua Wastewater Services Operations - Statement of Proposal had a specific consultation opportunity included in the process
- We sought targeted feedback on the Rotorua Te Arawa Lake Strategy

The general terms that guide our planning and which our community expect of us are stable, reliable and safe water services now and in the years ahead.

Stable means the condition of the critical part of the network does not deteriorate.

Reliable means the reliability of the service and that no unforeseen shock events disrupt the service for users.

Safe means that shock events and incidents do not cause unreasonable safety risks to our communities.



4.3 Key strategic issues: what we need to work on

There are significant issues facing our district, which may intensify in future years unless Council takes active steps to manage and mitigate them. These strategic issues will impact on what infrastructure we deliver, where and how. We have identified the key strategic issues for us to work on. The following table summarises key strategic issues, implications and Council’s response.

In determining the core elements of this Strategy, we have considered the key strategic issues, challenges and community priorities, so as to balance service levels, risk and the financial impact on current and future ratepayers. This balancing act is conceptualised below.



Figure 5 Strategic issues affecting three waters

Strategic issue	Implications	Council’s response
<p>1. Maintaining assets in a stable, reliable and safe condition</p>	<ul style="list-style-type: none"> We know that we need to continue to invest in our three waters infrastructure. We need to keep ahead so there is not an unsustainable deficit that is unaffordable for our current and future ratepayers. Investment is also required to ensure that our assets meet the levels of service to our communities, meet legislative requirements and are resilient to any disruption. 	<ul style="list-style-type: none"> Implement risk-based critical asset renewal Critical asset condition assessment as a priority Systematic proactive maintenance
<p>2. Meeting future demands on infrastructure</p>	<ul style="list-style-type: none"> It is difficult to predict the timing for Council to build infrastructure that enables growth, particularly in the new world with the global pandemic. Under one scenario, the economy slows with significant job losses in the district. Under a different scenario, more land needs to be developed to meet the strong housing demand. 	<ul style="list-style-type: none"> Implement Master Plans for optimal capital investment to meet demand in sequence of proposed developments Te Arawa and RLC developed the He Papakāinga, He Hāpori Taurikura Homes and Thriving Communities Strategic

Strategic issue	Implications	Council's response
	<ul style="list-style-type: none"> Housing is one of the biggest issues the Rotorua community faces. Identified issues include a shortfall of 1,500 to 1,750 homes (as at the end 2019), homelessness and an increasing waiting list for social housing. As a result, Te Arawa and Council have identified safe, secure housing for all our people as our top shared priority to ensure positive, thriving communities. This is a Council priority for the 2021 Long Term Plan. 	<p>Framework (2020). Council's infrastructure asset groups including three waters need to be aligned to the strategic framework for future demand planning.</p>
3. Managing the impacts of legislative and policy change	<ul style="list-style-type: none"> There are significant changes to legislation that are either planned or underway that will impact the delivery of three waters infrastructure including water reforms, freshwater management and Zero Carbon. 	<ul style="list-style-type: none"> Awareness and compliance with standard operating procedures Reflect changes in financial planning Participate and influence freshwater management and three waters reforms
4. Embedding cultural values into the way we manage our infrastructure	<ul style="list-style-type: none"> It can take considerable time and cost to ensure our capital projects are culturally appropriate and supported by our community. In some cases, we need to explore alternative options and stage appropriate solutions over time. Increasingly, legislation is requiring that iwi have a greater role in the governance or decision making for the three waters. 	<ul style="list-style-type: none"> Apply relationship protocols Meet cultural elements and performance in designs Reinforce partnership with iwi
5. Climate change and environmental sustainability	<ul style="list-style-type: none"> We are preparing for the impacts of climate change on the three waters assets as we are already experiencing impacts such as prolonged droughts and higher temperatures. Increased frequency and intensity of high rainfall events, which creates flooding risks and a health risk for our potable/ drinking water It is expected that this will impact the three waters infrastructure particularly: <ul style="list-style-type: none"> Quantity and quality of water available from water supply sources Flood management and hazard risk to infrastructure 	<ul style="list-style-type: none"> Design infrastructure for climate change demands Ongoing emission reductions Identify and apply responses to mitigate the effects Adaptation of existing systems to climate demands
6. Resilience of critical infrastructure	<ul style="list-style-type: none"> A key focus is strengthening the infrastructural resilience of our three waters assets Infrastructure resilience is tested in Rotorua as it is exposed to a variety of natural hazards including earthquake, landslides, flooding, volcanic eruption and storms. These natural disasters can cause considerable damage to infrastructure assets and affect delivery of service. 	<ul style="list-style-type: none"> Prioritise interventions based on risk Develop redundancy for critical parts of infrastructure

Section 5 Our Strategy for the Next Fifty Years

5.1 Our strategy to provide safe and healthy water

Provide safe drinking water



Providing safe drinking water is our highest priority. We have a suite of plans and processes to provide assurance that we are providing safe drinking water. These include the water safety plans, operating procedures, and operations and maintenance manuals for the water treatment plants. Water quality is measured monthly against the Government's compliance measures and reported in our Annual Report.

Our water supplies are fully compliant with the current New Zealand Drinking Water Standards. We know that the standards may increase with the establishment of Taumata Arowai. We are actively involved in the water industry to ensure the highest quality and safe water is produced for our end customers that is also pragmatic and affordable for our community.

Our ability to provide safe drinking water is impacted by the dependability of the sources from which we obtain the water. Our strategy to ensure ongoing availability of safe drinking water supply for our communities is to work in collaborative partnership with mana whenua and simultaneously research supply options that may complement or substitute our current supply sources should the need arise.

Manage impacts of wastewater overflows



Wastewater overflows and leaks into the environment have an ongoing impact on our ability to maintain safe and healthy waterways for the community. When untreated wastewater enters the environment it not only impacts the health of the natural environment, but also risks compromising the health and safety of people who come into contact with it.

Mitigation of these overflows and leaks involves a series of physical solutions in the form of infrastructure renewals and non-physical solutions, for example community engagement programmes and regulatory measures.

We are developing a strategy for programming renewal of our critical underground wastewater pipes, based on their condition from field surveys. This will allow us to target those pipes which present the greatest risk of overflowing or leakage. Our recent partnership with industry in a long-term network contract with clear performance measures will provide a proactive way of managing the risks associated with our aging wastewater network.

Inflow and infiltration is the term used to describe groundwater and stormwater entering into dedicated wastewater pipes resulting in the system becoming overloaded and overflows occurring. Effective inflow and infiltration management will be achieved through ongoing detection and reduction strategies employed by our long-term contractor, and policy direction on private drainage pipes established. The inflow and infiltration programme will also inform our proposed wastewater capital works programme, creating efficiency by simultaneously considering all interrelated issues at catchment (watershed) level.

Driving community awareness, for example correct disposal of fats, greases and wipes, can prevent localised overflows and contribute to lessening the pressure on the whole network. Regulatory measures which will contribute to this strategy include making design requirements for capacity compulsory in newly developed areas. This is very important in our environmentally sensitive areas such as lakeside communities.

Effective communication



The Havelock North Inquiry drew attention to the need for robust communication to ensure the safety of drinking water supplies both during business-as-usual operation and for reactive incident management. Our water safety plans provide the operational communication requirements for our drinking water supply and are also the tool used for driving improvements to those communication channels.

The role of effective communication for the provision of safe and healthy water extends beyond operational demands. Our partnership with Te Tatau o Te Arawa and the communication and understanding of traditional management of the health of our waters facilitated by this partnership is integral to the delivery of this strategy.

With the introduction of Taumata Arowai and associated new water entities, the face of water management nationally is changing; regardless, the priorities of our unique district remain. Effective communication of our priorities as they work together with our goals and guiding principles will take a central role in our relationship with the new water entities going forward.

5.2 Our strategy to protect and enhance the environment

Protect lake water quality



The Rotorua Te Arawa Lakes support multiple values for our community, and it is through protecting and enhancing the quality of their associated ecosystems that we can fully realise their value. The quality of the water in our lakes is primarily affected by stormwater runoff and wastewater overflows.

Water sensitive urban development such as bioretention and green infrastructure mitigate the effects of stormwater runoff. These design practices reduce pollutants such as hydrocarbons and sediment from entering our lakes. We need to be proactive in our approach to the management and improvement of stormwater quality. Not only do water sensitive urban design features need to be applied to new developments but also retrofitted to existing developed areas where practical.

We will be working to increase our own capability in stormwater management. Our first step is to undertake a stocktake of our existing stormwater quality assets to establish a baseline and enable measurement of improvements as we commence implementation of water sensitive infrastructure.

Sediment which builds up on roads and is subsequently picked up by stormwater surface runoff is a major source of contamination, and it is imperative that we take steps to prevent this contamination from entering our lakes. Frequent street sweeping programmes are an effective way of doing this. Our street sweeping programmes are based on industry best practice, rainfall patterns and actual sweeping removal rates, and were independently reviewed by NIWA in 2013.

Studies undertaken in our district show street sweeping and maintenance of drainage facilities contribute significantly to reduction in contaminants that enter the environment. We will continue to work with our transport team and funding partner Waka Kotahi to deliver effective street sweeping programmes to reduce contaminants resulting from the road network.

Our wastewater network inspection and renewals programme delivered by our long-term contractor is our greatest line of defence against overflows caused by pipe condition and blockages. The capacity of the network is currently considered sufficient, and the ongoing renewal of our network to meet growth demands will continue to ensure this is the case.

The Rotorua Te Arawa Lakes Strategy has been developed with partner organisations Te Arawa Lakes Trust and Bay of Plenty Regional Council. That strategy provides a platform for a holistic and integrated management approach and is the platform for co-management of the lakes between the three parties.

Provide acceptable wastewater solutions



Our wastewater solutions must be fit for purpose, safeguard our natural environment and meet cultural expectations for treatment and disposal of wastewater products.

Wastewater challenges are driven by more stringent future consent requirements, environmental protection, the Government's freshwater reform programme, and growth, all of which will require significant investment.

We realised that a long-term approach was critical for the success of our wastewater activities and we have been proactive in our partnership with industry on a long-term contract to provide not only network maintenance but also, potentially, a significant upgrade to the Rotorua Wastewater Treatment Plant.

The upgrade to the treatment plant also includes a close partnership between Council, CNI Iwi Holdings and Te Arawa Lakes Trust who have agreed a Sustainable Forest Approach to ensure an acceptable solution is provided for the quality and discharge of treated wastewater.

Effective sludge management



Sludge or biosolids refers to the solid material resulting from wastewater treatment. As a result, wastewater sludge is typically high in nutrients, for example phosphorous and nitrogen. These same nutrients are extracted from the ground to produce synthetic fertilisers.

We are already in a strong position regarding the management of the sludge produced by our main treatment plants. Through a regional initiative run by industry, we vermicompost most of our wastewater sludge. Vermicomposting (worm farming) practice is relatively unique throughout New Zealand. Many other producers of wastewater sludge are required to dispose of this potential resource to landfill.

Our strategy for the effective management of sludge is to continue to promote its beneficial reuse through vermicomposting or other methods that avoid landfill disposal and promote reuse of the nutrients it contains. Our contractor, responsible for operation of the Rotorua Wastewater Treatment Plant and network maintenance, is also responsible for continuing the operation of a suitable sludge handling and disposal facility.

5.3 Our strategy to promote efficiency and resilience

Reduce impacts of flooding



There was a major storm event on 29 April 2018 in the Rotorua District. Although there was flooding throughout the district, the Ngongotahā catchment experienced severe flooding. We will need to further invest in stormwater infrastructure for the Ngongotahā and the other impacted catchments to mitigate the risk and effects of future flood events and ensure public safety.

In response to this major storm event, we are developing comprehensive flood risk management plans collaboratively with the Regional Council, iwi, key stakeholders and the community. We are also working with our Community Reference Group for the Ngongotahā Floor Review Project to look at proposed options and to guide the implementation of works to reduce the occurrence and impacts of flooding which affects homes and livelihoods.

Reduce demand



Management of demand on our water supply and wastewater networks requires a multifaceted approach. Demand increases as our population grows, and there are measures we can take to reduce the demand per capita. Inflow of unnecessary water into our wastewater network occurs during storms and when the pipes are faulty. This extra volume impacts the capacity of the network and treatment plants. Furthermore, leaks in our water supply network cause loss of clean water before it can be used.

It is important that the water supply network is managed sustainably so that wastage is minimised. A demand management programme has been developed as part of the master planning process to plan for growth. The adopted demand management programme involves aggressive water loss reduction measures, nominal reduction of per capita domestic water use over time. At this point in time, universal metering (i.e. metering all water connections) has not been adopted. It may be considered in future if supported by a strong business case.

Effective reduction of unwanted inflow to our wastewater network will be achieved through detection and reduction strategies. We wish to understand the impact of private laterals (pipe connections to the main sewer pipe) and a policy direction will be established in the next three years.

Education is also integral in reducing our district's demand and increasing the resilience of the services. Education programmes are focused on encouraging feedback from public on breaks, leaks and unauthorised use, alternative uses and sources for water and what the systems are capable of receiving, for example fats, greases and wipes which also impact capacity of wastewater networks.

Improving resilience of our networks



At a strategic level, we use our Master Planning process to ensure an integrated approach. Using this process allows us to consider growth, consenting requirements, environmental performance as well as risk management for all three waters simultaneously. Resilience of our networks relates to implementation of better technology, materials and ideas as they become available and ongoing monitoring of these to continually improve the performance our networks now and into the future.

The resilience of our water supply network has been investigated for potential improvements by introducing redundancy, whereby if one system fails another is available. Improvements have been identified to strengthen resilience of our water supply network particularly between the three urban supply areas. It includes interconnection of the Eastern and Central supply areas, and provision of link between the Ngongotahā and Central supply areas.

During our renewals process, specifically when replacing critical assets, we consider replacement with a more resilient material. This may include for example, replacing old concrete pipes with those made from highly stable polyethylene. Material replacements increase the resilience of our networks against geothermal and earthquake activity for example.

As the community expands, wastewater networks and treatment plants become less resilient and increasingly prone to the effects of climate change and natural disaster. Implementation of decentralised wastewater treatment may increase resilience of these networks by allowing sewage to be separated from water that is used only for washing (grey water). Decentralisation together with a robust inflow and infiltration programme (see 'Manage impacts of wastewater overflows') means the main treatment plant would not be required to meet the ongoing increase in volumes due to growth in the district which would also help to safeguard our lakes. We expect to further investigate decentralisation as part of our Strategy in the next fifty years.

Gains in energy efficiency also contribute to the resilience of our networks. Pumping water and wastewater around our networks and the running of our water and wastewater treatment plants requires significant amounts of electricity. Aligning with a nationwide move towards zero carbon, we expect to investigate more resilient sources of power generation as part of our Strategy in the next fifty years.

5.4 Our strategy to enable sustainable and timely growth

Servicing growth areas



Enabling housing is important for our district and three water assets are vital for supporting this strategic priority for Te Arawa and Council. Stormwater assets can be a constraint for enabling housing in some areas and our strategy is to focus on installing bulk stormwater infrastructure at the right location, at the right size and at the right time.

We know that the existing stormwater systems at the bottom of catchments cannot cope with the effects of growth in urban areas. These stormwater assets are undersized, and any additional paved surfaces may result in localised flooding. The Rotorua Stormwater Master Plan and the corresponding capital programme is being prepared for the eastern and western parts of Rotorua where most of the development is expected to occur.

Community engagement



We recognise that sustainable growth cannot be achieved through planning and capital investment alone. Engagement of our communities over the subject of water will be integral to ensuring the success of this Strategy. We expect to be increasingly reliant on the knowledge, empowerment and buy-in of our community if we are to prevent unsustainable demand and compounding environmental impacts.

Over the next fifty years we will seek to implement a range of initiatives, including continuous improvement of our own understanding of our communities, behaviour change through awareness and emphasis and pride in the strong connection to our heritage felt throughout the Rotorua District.



5.5 Actions and responses to key challenges

Table 3 provides a summary of the actions and timing of those over the next fifty years in order to meet our strategic priorities.

Table 3 Timing of actions to achieve the four strategic priorities

Strategy	Actions	Timing
Provide safe and healthy water for our people	Water safety plans	Ongoing
	Partnership with iwi	Ongoing
	Condition based renewals assessments (critical assets)	0-5 years
Protect and enhance the environment	Upgrade to Rotorua Wastewater Treatment Plant	0-5 Years
	Wastewater pipe renewals to enable growth	Ongoing
	Water sensitive urban design	10-50 years
	Vermicomposting of wastewater sludge	Ongoing
Promote efficiency and resilience for our three waters infrastructure	Policy developed for private laterals	5 years
	Inflow and infiltration	Ongoing
	Decentralised wastewater treatment for lakeside communities	10-30 years
Enable sustainable and timely growth of our district	Implementation of the capital programme associated with the Stormwater Master Plan	0-10 years
	Community awareness and understanding	Ongoing

Section 6 Implementing the Strategy

6.1 Improving as we go

Our approach to three waters management for the next 50 years is multifaced and complex. We consider each of the three waters to be of equal importance in term of the goals and outcomes sought for our unique district.

The Three Waters Strategy will not only be used to inform our tactical management plans, including annual and long-term plans but also its priorities will be incorporated into business-as-usual processes for informing investment decisions. When implementing the Strategy, we will strive to optimise allocation of resources and funding to implement actions that target more than one strategic priority, and ultimately more than one of the three waters.

In line with our commitment to engaging in continuous improvement of our understanding of our communities, we will strive to seek and act on feedback where this presents opportunities for improving our response to the challenges we face in our management of three waters resources.

6.2 Monitor and review

This strategy reflects our best, current understanding of the challenges the Rotorua Lakes District will face over the next 50 years. Our knowledge will evolve as the strategy is implemented, and indeed as the district develops over time. We are prepared to be responsive to change and we plan to formally review the Three Waters Strategy every three years.



THREE WATERS STIMULUS GRANT PROJECT SUBSTITUTION REQUEST

Instructions for completion: In accordance with the agreement described in paragraph 1 below (the **Agreement**), the Territorial Authority has provided DIA with a Delivery Plan which DIA has approved. This form is to be completed by the Territorial Authority if the Territorial Authority seeks to substitute a project (including contingency projects) included in the approved Delivery Plan, with a project not included in the Delivery Plan. Any proposed substitutions will be assessed to ensure there is a valid and realistic argument for substitution and that the substitution will have no negative effect on the Territorial Authority's ability to deliver on the other Delivery Plan Milestones which make up the full Expenditure Programme. The assessment principles are outlined in Appendix A.

A Substitution Request signed by an authorised official of the Territorial Authority must be submitted with the next quarterly report to threewaters@dia.govt.nz, with a copy to 3waters@crowinfrastructure.govt.nz. The Substitution Request will be assessed by the Department of Internal Affairs and Crown Infrastructure Partners Limited, who may elect to provide feedback and require further detail, additions or alterations. A Territorial Authority may be asked to resubmit a revised version of the Substitution Request, incorporating all agreed changes, before the substitution is approved. If the request is approved by the DIA's Executive Director, DIA will provide the Territorial Authority with a fully signed version of this form.

Any change to the Delivery Plan is not deemed to take effect until this form is signed by both the Territorial Authority and DIA. Until the Territorial Authority has received confirmation from DIA that the substitution has been approved the Territorial Authority should not redirect stimulus grant funding to the proposed project.

If the substitution is approved the Territorial Authority is expected to report on the amended Milestones with all upcoming quarterly reporting.

Other than the changes described in this form, all other parts of the Delivery Plan and terms of the Agreement remain unchanged.

Territorial Authority information

1. Agreement Title and Date:
2. Programme Title:
3. Territorial Authority:
4. Date of request:

5. Organisation Lead Contact:

Name:	Peter Dine
Position:	Capital Programmes Manager
Email:	Peter.dine@rotorualc.nz

Proposal for change

6. Please provide a brief description of the proposed project to be included in the Delivery Plan and the project it would replace:

1. Carry out a condition assessment of RLC critical trunk AC water mains to determine the remaining useful life and update the renewal programme;
2. Review of 3 Water's infrastructure pipe expected useful life.

7. Detail how the proposed project aligns with the Three Waters Reform Objectives:

Undertake detailed assessment of critical water supply infrastructure in line with objectives of water reform to improve asset management.

8. Detail the reasons for the substitution request and why the project was not included in the Delivery Plan:

The original allocation for professional services for water reform does not require all funds and within total allocation this additional project can be completed. Professional services advise now \$120,000 and pipe condition assessment now allocated \$500,000.

9. What impact would the substitution have on the delivery of other projects included in the Delivery Plan? What risks have been identified and how will these be mitigated?

No impact on original programme

10. What is the expected number of people employed, and net jobs created through the project? How has this been estimated?

10 FTE – Estimated using contract costs and DIA guidelines.

11. What are the consequences if the Project Substitution Request is not approved:

Delay and less targeted in programming future work.

12. Please indicate how the Expenditure Programme would change with the proposed substitution:

Included in LTP	N	Amounts NZ\$	Year
Included in Annual Plan 2020/21	N	Amounts NZ\$	N/A
Not funded in any plan	Y	Amounts NZ\$500,000	Year 24-27
Was funded but COVID-19 deferred	N	Amounts NZ\$	Year
Is any Territorial Authority co-funding being contributed?	N	Amounts NZ\$	Year

13. Please set out how the key milestones of the Expenditure Programme would change with the proposed substitution:

	Expenditure Programme Milestone (including a description of how the milestone is identified)	Completion Date	Maximum Funding instalment amount (NZ\$)	Budgeted costs to complete the expenditure programme (NZ\$)
1.	Commencement Date occurring under the Funding Agreement	31 October		Nil
2.	[Commencement of expenditure programme]	July 2021	NZ\$500,00	NZ\$500,000
7.	[Completion of expenditure programme]	January 2022	NZ\$500,000	NZ\$500,000
	TOTAL			

DIA USE ONLY

14. Additional requirements in respect of the Project Substitution (such as specific reporting requirements):

The parties acknowledge and agree that the Delivery Plan is amended in accordance with the above change.

SIGNATURES


SIGNED by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate:

Name:
Position:
Date:

SIGNED for and on behalf of

Rotorua Lakes Council

by the person(s) named below, being a person(s) duly authorised to enter into obligations on behalf of that territorial authority:

STAVROS MICHAEL 
Name: Stavros Michael
Position: Deputy Chief Executive TLE Solutions
Date: 15/7/21

Name:
Position:
Date:

Appendix A: Assessment Principles for Project Substitution

Principles to consider	Assessment standard
Alignment with Three Waters Reform Objectives	Proposed project should have no less alignment than project which will be substituted out/ reduced in scope in terms of the Three Waters Reform Objectives.
Capex/Opex project	'Like-for-like' substitution is preferred.
Does not negatively impact the Expenditure Programme budget	The budget of the overall Expenditure Programme is not jeopardised by the substitution or redirection. If a partial redirection the revised scope of the impacted existing project is achievable with the reduced budget proposed. Substitution does not create or add to potential risk of funding shortfall.
Maintains, or increases level of TA co-funding	Level of co-funding from TA is not reduced by substitution.
Does not negatively affect the ability to achieve the remaining milestones	Substituting the project should not have repercussions on the ability to achieve the remaining milestones or lead to a major re-evaluation of the milestones but rather work within the perimeters of the approved Milestone schedule.
Does not unduly impact the Delivery Plan timeline	Should have no impact on any other projects and the timeline agreed for these in the Delivery Plan. Substituted (and, if applicable, revised scope project) project should be achievable within timeline.
Delivery of substitution project achievable	The scope of the new project should be achievable within the resources of the TA.
Outcomes of substitute project comparable	Positive impact/outcomes such as FTE created assessed as, at least, comparable with project substituted out or where resources have been redirected.
Approvals	Necessary council approvals have been obtained from the council and supplied to CIP and DIA.



THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

KARAKIA

Tūtawa mai i runga

I summon from above

Tūtawa mai i raro

I summon from below

Tūtawa mai i roto

I summon from within

Tūtawa mai i waho

I summon the surrounding environment

Kia tau ai te mauri tū

The universal vitality and energy to infuse

Te mauri ora, ki te katoa

and enrich all present

Hāumi e. Hui e. Tāiki e!

Enriched, unified and blessed

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

PURPOSE OF THIS WORKSHOP

- Update elected members on the status of the 3 waters reforms
- Highlight key points of the reform programme
- Reach informed consensus on areas of agreement
- Identify and agree critical decision making factors

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

GOVERNMENT CONCERNS AND STATED OBJECTIVES FOR REFORM

- Safety and quality of drinking water
- Increasing resiliency of three waters services
- Financially sustainable/affordable services
- People capability
- Assist local government to enhance delivery of wellbeing objectives
- Equitable access to three waters services
- Improving coordination of limited resources
- Improving transparency and accountability

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

GOVERNMENT'S REFORM DRIVERS VS RLC'S

- Our own assessment 2018/48 Infrastructure Strategy similar
- General ageing of infrastructure/high risk
- Historical underinvestment poor condition
- Emerging higher standards & regulations
- Growth driven investment required
- Ageing/scarce competent workforce
- Led to Trility PSOMC contract / risk reduction

THREE WATERS REFORM PROPOSED

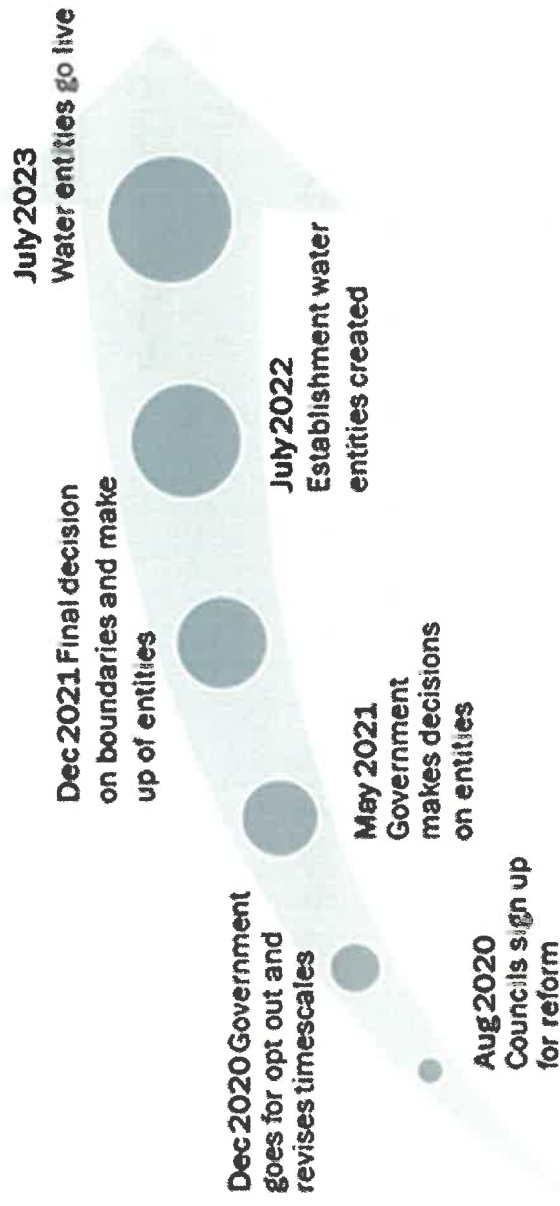
THE EMERGING SHAPE OF THE GOVERNMENT PROPOSAL

- New National standards and National Performance Monitoring Authority
- Establishment of a small number of Service Providers (Optimum connections 250-500k)
- New Entities will be Asset owning
- Will be governed by Professional Boards
- Will have statutory powers to plan and rate (for revenues)

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

THE TIMELINE AND DECISION POINTS



THREE WATERS REFORM PROPOSED

A POSSIBLE WAIKATO/BOP ENTITY WOULD LOOK LIKE

- \$7.0 B Assets
- \$350 m Annual Income
- \$330 m Capital Programme
- \$825 m Debt now
- Requires \$4.0 B for capacity/growth/compliance (LTPs)
- Has some \$1.7 B Legacy underfunding
- Absorb current staff (476) – Average Age 50
- Anticipates 3 Waters Related rates increases basic 140% in 10 years to meet standards

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

WHERE WE SEE ALIGNMENT IN THESE PROPOSALS (SUPPORT)

- Achieving scale advantage (cost absorption spread larger population)
- Rationalisation and Harmonisation of plans/standards
- Leveraging asset value/income for growth investment
- Critical mass to attract and retain competent staff
- Improved risk focus and consequence intervention protocols

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

ASPECTS WE SHOULD BE CONCERNED ABOUT

Infrastructure a derived outcome/serves the needs of the community in broader sense the overall wellbeing. Therefore the proposals may lead to:

- Loss of ability to lead and control community outcomes
- Potential for siloed assets management approach which becomes unresponsive to iwi/community needs (examples – NZTA objection to land development and MSD unmanaged use of motels for accommodation etc)
- There will be increase in costs to the Rotorua community no matter who generates the rates and to support smaller communities
- Stranded organizational costs difficult to reduce effectively
- Limitations to ability to design locally influenced solutions
- Disconnection between city planning and infrastructure planning
- Rotorua may be deemed to be doing well, resulting in lower priority for investment - this would mean our rates flow to other communities in the region deemed higher priority

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

LED BY THE SCOTTISH MODEL MAY NOT BE THE RIGHT WAY

- The Scottish Model has 30 years of evolution but not the best
- Many European countries are reverting to re-municipalisation of 3 waters and are meeting higher standards

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

WHAT WE COULD CONDITION OUR AGREEMENT ON?

- Local leadership and decision making retained by Council
- Setting of future direction based on Council's spatial plan, Infrastructure plan and growth projections
- Relationships with iwi and treaty obligations/partnerships that enable local decision making
- Wellbeings need to be central to the ongoing stewardship and delivery of service

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

WHAT WE COULD CONDITION OUR AGREEMENT ON?

- Entity required to give effect to Iwi/community developed 3 waters strategy for our District (recognizing a place based approach not a utility based approach.
- Agreement with any new entity but they will uphold the Te Arawa Lakes Settlement principles.
- That Council receives services that meet or exceed the standard of services provided prior to the establishment of the entity.
- Regular performance reporting to Council Committee focused upon evidence that network management efficiencies are achieved that produce operational and capital risks not just on the 3 waters networks but to the council's broader objectives related to community wellbeing.

THREE WATERS REFORM PROPOSED

ROTORUA
LAKES COUNCIL

Trish Solomon

From: Susan Freeman-Greene <susan.freeman-greene@lgnz.co.nz>
Sent: Wednesday, 4 August 2021 4:06 PM
Subject: Agenda for Three Waters update - Mayors, Chairs and Chief Executives
Attachments: LGNZ release of Castalia reports, context and response.pdf; OPN_ Local authority consultation obligations in relation to the proposed Local Government Three Waters Reform Programme - 35360006 v 1.PDF

Kia ora koutou

Look forward to catching up again. In our session on Thursday afternoon we will:

- Review the guidance you were sent by email last Friday
- Talk about the process to address outstanding issues
- Discuss the better-off conversations that we're keen to have with each council (which I emailed you about separately yesterday)
- Have as guests Geoff Swier from Farrierswier and Garry Macdonald from Beca, who can speak to their reports peer reviewing the WICS analysis.
- Leave plenty of time for questions

I've attached to this email the Castalia reports, which were mentioned in our most recent zoom. These reports were useful at the time, and prompted debate and changes early on in the policy process.

I've also attached the legal opinion on consultation that I mentioned last week. It confirms that current 8-week engagement period doesn't trigger the need for formal consultation.

Just a reminder that we are holding another webinar for all elected members next Monday at 1pm – we have sent you a calendar invite for this to forward on please. This webinar will cover the reform basics, package and next steps, with plenty of time for questions.

See you virtually tomorrow.

Ngā mihi
Susan

