

19 August 2022



Ministry for the Environment
PO Box 10362
Wellington

Attention: Minister Parker

Tēnā koe Minister

Letter of Assurance – Te Arawa Lakes Partnership Programme

Thank you for your consideration of the resolutions of the Rotorua Te Arawa Lakes Strategy Group meeting of 20 April this year, related to funding of lakeside sewerage reticulation projects within the Te Arawa Lakes.

We acknowledge the passing of Tā Toby Curtis this week, Chair of the Te Arawa Lakes Strategy Group and of the meeting in which these resolutions were made. Moe mai rā e te Rangatira. Tā Toby's passion and commitment to the betterment of the Te Arawa Lakes for our community was an inspiration to us all, we are driven and committed to continue this work with a view across the Te Arawa Lakes.

As a partnership, we eagerly await your decision in respect of the two matters in front of you:

1. Continued Crown support and funding, from your Freshwater Improvement Fund, for the reticulation of the Tarawera lakeside community.
2. Reallocation of funds under the Deed of Funding for the four lakes identified in that Deed, to Rotorua Lakes Council, to support the completion of the reticulation of Lake Rotoiti (Hinehopu to Curtis Road).

The purpose of this letter is to provide you further assurances in respect of those two matters in front of you.

1. Tarawera Lakeside Reticulation

Community consultation on this project is complete and Rotorua Lakes Council will, next Thursday, consider whether to implement this project. A staged approach to reticulation of this community is being considered. Stage One would be to accept a contract for the installation of the reticulation network and pump stations. Stage Two would be to undertake further competitive procurement work for onsite connections to that network.

The partners are in agreement that reticulation is the only viable solution for ongoing wastewater disposal in this catchment. We estimate there are 170 existing properties that are unable to install compliant onsite systems. Providing capacity in this community for further housing development (through sewerage reticulation) enables mana whenua to develop land and return to their whenua, also much needed extra housing in the Rotorua community.

Rotorua Lakes Council staff have worked with Ministry officials, following their letter of 23 March this year, to resolve concerns raised and, with confirmation that the \$6.5 million remains available, we believe this scheme can commence now.

If the Minister's decision is delayed further, the scheme will not progress in this triennium and will be left for consideration in later years.

2. Reticulation of Lake Rotoiti

As per the resolutions of the Rotorua Te Arawa Lakes Strategy Group, the Partners are committed to completing the reticulation at Lake Rotoiti and ensuring the Incentives Scheme for Lake Rotorua completes its work.

The two projects are working on very different timeframes, the Rotoiti Scheme will be completed in the next two years. The Incentives Scheme is long-term, generational change.

Through its adoption of the Integrated Framework as the sustainable solution to water quality on Lake Rotorua, the Te Arawa Lakes Strategy Group are committed to delivering the change in land use across the Lake Rotorua catchment that is required to achieve community expectations for water quality. The Integrated Framework is the mechanism for achieving the sustainable nutrient load to Lake Rotorua by 2032, set in the Regional Policy Statement and was developed in collaboration with stakeholders. It includes rules (now implemented), the Incentives Scheme and other mechanisms to change land use and reduce nitrogen input to Lake Rotorua.

Land use and land management change in the catchment is what will deliver the sustainable nutrient load to the lake and requires ongoing commitment, over decades from our partners and our community.

The temporary reallocation of funding from the Incentives Scheme to the completion of reticulation at Rotoiti is proposed.

The Incentives Scheme will continue work until its target is achieved and adapt as needed to deliver to that. The Regional Council, as the operator of the Scheme, is confident that it will meet its targets over the long term.

The funding proposed to be transferred to the reticulation of Rotoiti here is not required by the Incentives Scheme in the next three years. As such, the Strategy Group resolved in April 2022 that Rotorua Lakes Council commit, and this is re-confirmed in this letter, to consult and provide a recommendation on the implementation of a targeted lakes restoration rate to recharge the Incentives Scheme and carry the Programme forward with its work during its annual plan process. This new additional targeted rate recognises the important and ongoing role of Rotorua Lakes Council funding infrastructure to improve environmental outcomes.

Both Toi Moana and Rotorua Lakes Council will continue to rate their respective communities to achieve the required environmental outcomes for the Te Arawa lakes. Both councils are working towards our new councils considering and consulting on the Rotorua Lakes Council, Lakes Restoration Rate and Toi Moana's Rotorua Te Arawa Lakes Programme targeted rate for the 2023/2024 Annual Plan process. We welcome a Letter of Expectation from you in this regard.

Thank you for your consideration of the above two items.

The partners are committed to ensuring the delivery of all of the committed projects across the Te Arawa lakes, and adapting as necessary to deliver to these. We look forward to an urgent response from you, following the requests from Strategy Group of 20 April this year, so this important work can continue.

Nāku noa, nā



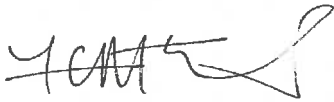
Geoff Williams

Rotorua Lakes Council



Simone Coffin

Te Arawa Lakes Trust



Fiona McTavish

Toi Moana

From: Juscinta Grace <Juscinta.Grace@mfe.govt.nz>
Sent: Tuesday, 23 August 2022 11:06 am
To: Helen Creagh; Lorena Stephen
Cc: Caytion Wineera; Regan Fraser; Nicki Douglas [EXTERNAL] (TEARAWA); Wes Patrick; Simon Ingram
Subject: RE: Signed Letter to Minister

Thanks Helen, acknowledging receipt.

Per our kōrero yesterday, the Minister has:

- Reversed his decision to transfer the \$6.5m from the Lake Tarawera Scheme (FIF) to the Rotoiti Scheme, and instead supports progressing the Tarawera Scheme on the basis that the Draft Work Plan and Deed is ready for signing (also acknowledging the changes to reporting to the Strategy Group giving greater project oversight) – Wes/Simon will be in touch with RLC to finalise details to sign the Deed for this
- Approved a transfer of \$10m from the Incentives Scheme to the Rotoiti Scheme – pending receipt of a letter of commitment (received – thanks) and a letter of expectation to be drafted by him to the Strategy Group. These letters are to give assurance that the nitrogen target will not be impacted and that alternate means to ‘reimburse’ the Scheme will be identified.

Caytion and I will get in touch next week to talk through next steps in varying the Deed of Funding.

Ngā mihi

Juscinta Grace

Kaiwhakahaere Pūtea | Manager – Funds

Kāhui Whakangao Wai | Freshwater Investment Team

Policy Implementation and Delivery

Manatū Mō Te Taiao

s7(2)(a) | juscinta.grace@mfe.govt.nz | mfe.govt.nz

Ministry staff work flexibly by default. For me this means you may receive an email outside of usual working hours – this works for me. Please respond at a time that is convenient for you.



From: Helen Creagh <Helen.Creagh@boprc.govt.nz>

Sent: Monday, 22 August 2022 9:23 am

To: Lorena Stephen <Lorena.Stephen@mfe.govt.nz>

Cc: Juscinta Grace <Juscinta.Grace@mfe.govt.nz>; Caytion Wineera <Caytion.Wineera1@mfe.govt.nz>; Regan Fraser <Regan.Fraser@rotorualc.nz>; Nicki Douglas [EXTERNAL] (TEARAWA) <nicola@tearawa.iwi.nz>

Subject: Signed Letter to Minister

Importance: High

MFE CYBER SECURITY WARNING

This email originated from outside our organisation. Please take extra care when clicking on any links or opening any attachments.

Morena Lorena,

As promised, please find attached the letter to the Minister regarding the requests related to funding of sewerage reticulation. Now signed by all parties.

We look forward to the Minister's response.

Ngā mihi,

Helen

Helen Creagh

Rotorua Catchments Manager

Bay of Plenty Regional Council Toi Moana

P: 0800 884 880 s7(2)(a)

E: Helen.Creagh@boprc.govt.nz

W: www.boprc.govt.nz

A: PO Box 364, Whakatāne 3158, New Zealand

Thriving together – mō te taiao, mō ngā tāngata

Toi Moana offers flexible working hours to its staff, I have young children so sometimes work unusual hours in order to meet their needs. If you are receiving this e-mail late at night it is because that is convenient to me and a reply is not expected until it is convenient for you.

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21 September 2022

Te Arawa Lakes Strategy Group
C/-Geoff Williams, Chief Executive - Rotorua Lakes Council
Karen Vercoe, Chief Executive – Te Arawa Lakes Trust
Fiona McTavish, Chief Executive - Bay of Plenty Regional Council

Dear Geoff, Karen and Fiona

Letter of Expectations – Rotorua Te Arawa Lakes Programme

First, I want to acknowledge the passing of Sir Toby Curtis. Sir Toby's passion and commitment to Te Arawa Lakes was significant, as were his contributions to environmental and wider Māori development outcomes.

This letter sets out my recent decisions in response to the resolutions made by the Rotorua Te Arawa Lakes Strategy Group (Strategy Group) in April this year, and to the letter of assurance you provided to my officials on 19 August.

In making my decisions, I note that:

- RLC has provided the information required to progress the Lake Tarawera project, including completing a draft Work Plan and draft Deed
- the Strategy Group has strengthened oversight of the Lake Tarawera project to ensure it is completed to time and budget
- funds within the Lake Rotorua Incentives Scheme are not needed until future years, giving time for the Strategy Group to confirm actions to “reimburse” the Scheme.

Funding Decisions

I can confirm that, subject to the conditions noted below, I agree to both resolutions of the Strategy Group, that is:

- to transfer \$10m from the Incentives Scheme to the Rotoiti/Rotoma Sewerage Scheme
- to retain \$6.5m from the Freshwater Improvement Fund for the Lake Tarawera Scheme.

Conditions

I have been provided information by officials that these decisions will not negatively impact on the Strategy Group's ability to meet the Incentive's Scheme 100t nitrogen target and that Strategy Group partners commit to reimbursing the Incentives Scheme in later years when it is forecast to be needed. I also acknowledge the Letter of Assurance from Strategy Group partners received by the Ministry for the Environment on 22 August 2022 that confirms your commitment to this.

Please note my expectation that this commitment will be met in future years.

Officials from the Ministry for the Environment will be in touch with you shortly to amend the Deed of Funding to reflect these decisions and to progress the Freshwater Improvement funding for Lake Tarawera.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Parker', with a stylized flourish at the end.

Hon David Parker
Minister for the Environment