



Meeting: Rotorua Te Arawa Lakes Strategy Group

Meeting Date: 20 April 2022

Item under Separate Cover

With reference to item 9.5 “Rotorua Lakes Council East Rotoiti Sewerage Reticulation Scheme”, on the Rotorua Te Arawa Lakes Strategy Group Agenda dated 20 April 2022, herewith a supplementary memorandum circulated under separate cover:

Ngā Pūrongo Reports

Hei Pānui Anake Information Only

**Agenda Item 9.5: Rotorua Lakes Council East Rotoiti Sewerage
Reticulation Scheme**

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MEMORANDUM



To: Rotorua Te Arawa Lakes Strategy Group

From: Helen Creagh
 ROTORUA CATCHMENTS MANAGER

Date: 20 April 2022

Subject: Recommendations Update Memo – Rotorua Lakes Council Report “East Rotoiti Sewerage Reticulation Scheme – Funding Balance”

Background

On 23 March, Ministry for the Environment (MFE) officials advised in writing of the Minister’s decision in respect of Strategy Group requests for further funding for the completion of the east-Rotoiti sewerage reticulation scheme, made in 2021. A copy of the MFE letter is provided in the paper to which this memo relates. The Strategy Group are aware of the decision of the Minister and its impact on funding for the proposed Tarawera reticulation scheme and the Lake Rotorua Incentives Scheme, key deliverables of the Programme. The Partners of the Programme have remained uncomfortable with the decision of the Minister as outlined in that letter and have worked together to find a response which will meet the Ministers needs in terms of further Ministerial consideration of the decision outlined in the letter.

The letter outlines the steps needed for further Ministerial consideration as:

“To present a formal case to the Minister for his further consideration, we will need to receive a letter and/or memo which has been approved by the Strategy Group. This will need to include (but is not limited to):

- *an official request for the Minister to reconsider the decisions made regarding funding for the Rotoiti Scheme and rescission of RLC’s offer of FIF funding for the Tarawera Scheme on 23 September 2021,*
- *confidence as to how the Tarawera Scheme will overcome the risks which resulted in the decision to rescind said funding [further specific guidance included below], and*
- *confidence on what the Strategy Group intends to do to manage the \$6.5m shortfall for the Rotoiti Scheme.*

We note that the Ministers decision to approve the transfer of \$3.5m in unspent Programme funds was on the basis that the \$6.5m would also be available to make up the full Rotoiti Scheme shortfall. There will need to be strong confidence and assurance that the \$6.5m shortfall will be met for the Minister to reconsider and approve the transfer of \$3.5m in unspent Programme funds.



Response Letter – Updated recommendations

In response to the MFE letter, Rotorua Lakes Council (Stavros Michael) has prepared the report on this Agenda entitled “*East Rotoiti Sewerage Reticulation Scheme – Funding Balance*”. Since the preparation of that report the partners of the Programme have met and agreed joint recommendations to this hui which update the recommendations of Mr Michael’s report and meet the requirements of the Ministry letter in terms of seeking further Ministerial consideration of the decision outlined in that letter. These recommendations to the Strategy Group (agreed by all partners at a meeting on 13 April 2022) now replace the recommendations of Mr Michael’s report (with the exception of receiving his report) and are as follows:

1. *Recognise the importance of the Lakes to our people and communities.*
2. *Recognise importance of the Lakes Programme moving forward.*
3. *Seeking the Minister to agree to \$10m of deed funding be reallocated from the Incentives Fund to the Rotoiti Rotoma sewerage scheme funding shortfall on the basis that there is a commitment from RLC to be part of the funding solution with setting a Lakes Water Quality Improvement Rate.*
4. *Agreeing to a future review of the work programme.*
5. *Noting the current strategy group review.*
6. *Seeking the Minister to rescind his decision and retain \$6.5m for Lake Tarawera for Freshwater Improvement Funds.*
7. *Agreeing to improved project management with all partners involved.*