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4 June 2025

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Kia ora

Thank you for your feedback during consultation on Rotorua Lakes Council’s draft 2025/26 Annual Plan which considered options for funding the Tarawera Sewerage Scheme.

This letter is to inform you of Council’s final decisions and what these mean for Tarawera property owners.

A total of 344 submissions were received about funding options for the Tarawera Sewerage Scheme and Council considered all feedback during Annual Plan deliberations on 28 May 2025.

Three options were consulted on and a fourth option was developed and presented to Council for consideration along with revised final costs.

Decisions

Council has made the following decisions in relation to funding the Tarawera Sewerage Scheme:

- \$2.05m Better Off funding, initially allocated for the Aquatic Centre, will be re-allocated to Tarawera property owners who agree to join the Sewerage Scheme. This equates to a \$5,024 ex GST, or \$5,727 incl GST, subsidy per property. We need to hear back by 25 June 2025 to confirm that you wish to participate in the scheme.
- All costs associated with the Lake Rotokākahi protests (\$2.6 million) have been removed from the property owners and are not within the figures shown below under “your costs”.
- The Lakes Enhancement Rate (paid by all Rotorua District ratepayers within Bay of Plenty boundaries) will increase by \$2.80 per ratepayer for 25 years.

Additionally, the per-property contribution from Council has previously been increased from \$1500 to \$2700 to reduce costs to Tarawera ratepayers.

Funding of the scheme now consists of:

Funding Source	Contribution (excl. GST)
Ministry for the Environment	\$6,500,000
Bay of Plenty Regional Council	\$750,000
Rotorua Lakes Council (\$2,700 per property subsidy)	\$1,485,000
Department of Internal Affairs – Better Off Funding	\$2,050,000
Rotorua Lakes Council (Lakes Enhancement Rate)	\$1,100,000
Rotorua Lakes Council (Lake Rotokakahi Write-off)	\$1,538,400

Funding Source	Contribution (excl. GST)
Total External and Council Funding	\$13,423,400
Remaining Cost to be Funded by Property Owners	\$18,755,600

Your Costs

Following these decisions, the final cost for a Simplex installation will be:

- **\$46,700 (including GST) as a one-off payment, or**
- **\$3,619 (including GST) per year, or**
- **\$905 (including GST) every quarter for 25 years.**

Note: The above figures are charged on a separately used and inhabitable property (SUIP) basis. We anticipate the vast majority of properties will have one dwelling and be considered as one SUIP, with a Simplex installation. Properties with multiple dwellings are considered multiple SUIPs and will incur increased charges based on the number of dwellings and subsequent size of the system required. These would be assessed on a case by case basis.

Project Costs per SUIP

The final costs for the total project are estimated to be \$32.1 million (excluding GST), including costs associated with the delays caused by protest action near Lake Rotokākahi.

Stage 1 – Reticulation	\$18,300,600 ¹	*includes \$1.1m of costs related to Lake Rotokākahi
Stage 2 – Onsite installation	\$12,340,000	*(based on 408 properties)
Additional costs – Lake Rotokākahi	<u>\$ 1,580,000¹</u>	*not within the \$18.3m above
Total Forecast Cost	\$32,179,000	

Next Steps

All properties in the Scheme will incur the targeted rate for Stage 1 regardless of whether the property is connected or developed.

All property owners who have agreed to join the Scheme by 25 June 2025 will receive the targeted rate for Stage 2 and their allocation of the Better Off Funding. We strongly encourage you to sign your site plans or indicate your willingness to do so by this date to benefit from this per-property subsidy (\$5,024 ex GST or \$5,727 incl GST). Please contact Hamish Stewart (DDL Contract Engineer) directly on 027 235 0967 or

TaraweraSP2@ddl.nz to indicate your willingness to join the scheme.

Remaining properties will be required to join the Scheme at their own cost. This will be done via an approved contractor, installing pre-approved equipment. Council has decided that these properties will not be eligible for the Better Off Funding subsidy.

You'll find full information about Annual Plan consultation and decisions on the Council's online engagement platform Participate – visit rlc.net.nz/participate

Support Available

¹ Total Lake Rotokākahi Costs are \$2.6 million. For accounting compliance reasons these are shown separately.

Following the decisions made last week, the 2025/2026 Annual Plan will be finalised and presented to Council for adoption on 25 June 2025 and will come into effect from 1 July 2025, the start of the new financial year.

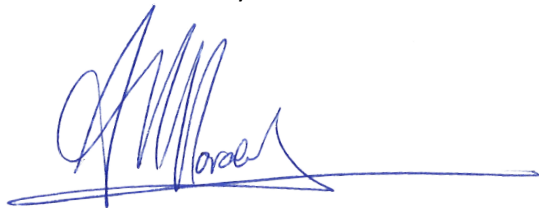
The new rates will be applicable from 1 July 2025 with the first instalment due 20 August 2025. Property owners can contact Council if they wish to opt out of the targeted rate and instead pay a lump sum.

We acknowledge that the per-property cost of this Scheme is significant to Tarawera ratepayers. The decisions outlined above were made by Council to reduce this burden as much as possible, while also balancing overall affordability for the wider community.

Council will continue efforts to find more funding from other sources, including the Bay of Plenty Regional Council. If successful, the cost to Tarawera ratepayers would be adjusted accordingly.

Ratepayers who have concerns about being able to pay these current costs are encouraged to contact Council to discuss their situation. If you're worried about how to pay, please call us on 07 348 4199. We're here to help and discuss rates postponement.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'A Moraes', followed by a long horizontal line.

Andrew Moraes
Chief Executive

A handwritten signature in blue ink, appearing to read 'D Jensen', followed by a long horizontal line.

David Jensen
Chief Financial Officer