

TARAWERA SEWERAGE SCHEME

PROPERTY OWNER FACT SHEET

OVERVIEW OF THE SCHEME

- The Tarawera Sewerage Scheme is a major infrastructure project designed to protect the health of Lake Tarawera and improve wastewater management for the local community.
- The project is being funded through a combination of central government grants, regional and district council contributions, and capital charges from property owners.
- The scheme supports both existing properties and future growth, with 550 properties included in the funding model.
- Construction is underway and expected to be completed by June 2027.
- Property owners will begin contributing through targeted rates starting July 2025.

FREQUENTLY ASKED QUESTIONS

What is the total cost of the scheme?

The total estimated capital cost is \$30.6m (excl. GST) with \$15.46m funded by external and council sources, and \$15.17m to be funded by Lake Tarawera property owners.

Funding Source	Contribution (excl. GST)
Ministry for the Environment	\$7.5m
Bay of Plenty Regional Council	\$1.75m
Rotorua Lakes Council (\$2,700 per property subsidy)	\$1.48m
Department of Internal Affairs - Better Off Funding	\$2m
Rotorua Lakes Council (Lakes Enhancement Rate)	\$2.68m
Total External and Council Funding	\$15.46m
Remaining Cost to be Funded by Property Owners	\$15.17m

What is Better Off Funding?

Rotorua Lakes Council redirected \$2,050,000 of this funding, which was received from Central Government, from the Aquatic Centre redevelopment to help reduce the financial burden on Tarawera property owners.

Why are property owners contributing to the cost?

While significant funding has been secured from government and council sources, the remaining cost of \$15,170,707 is to be covered by property owners as part of their capital contribution to the infrastructure benefiting their properties. These properties, in the absence of reticulation, would have to become compliant with the Bay of Plenty Regional Council's plan.

How many properties are included in the scheme?

A total of 550 properties are included, made up of:

- 408 existing properties ready to be connected.
- 142 future developments (e.g. undeveloped lots, exempt lots, and new planned lots)

Is there room for more growth than the 550?

The infrastructure (pipeline capacity) may allow for additional future properties beyond 550, but the pumping station would require enhancement. These are not funded under the current scheme. Any property development beyond the 550 will need to connect to the scheme through negotiation with Council and cover their own connection and on-site installation costs. Any system capacity enhancement to enable more properties than 550 will be subject to the Rotorua Lakes Council's Developer Contributions Policy applicable at that time for Tarawera.

What happens if the growth of properties goes beyond 550?

If this number changes due to development or subdivision, council may reassess contributions and funding allocations under the Development Contributions Policy

PER PROPERTY COSTS

What is the finalised cost per property for the scheme?

- The per-property cost has been capped at \$36,600 (incl. GST) with a standard on-site Simplex system.

What does the cost per connection include?

The capital cost consists of two components:

- Stage 1 Contribution to the Network: \$17,701 (including GST)
- Stage 2 Installation of the Onsite System: \$18,899 (including GST)

The Stage 1 cost is applicable to both developed and undeveloped sites.

The Stage 2 cost is applicable to all developed sites unless they opt-out. (See Opting Out.)

The Stage 1 cost is also applicable to some exempt properties. (See Exempt Properties.)

How much do developed properties pay and when?

Property owners with existing homes will pay \$36,600 (incl. GST) for full connection to the scheme unless they opt-out (see opt-off conditions below) as from 1 July 2025.

How much do undeveloped properties pay and when?

Owners of undeveloped sites within the maintenance zone will pay \$17,701 (incl. GST) for their share of the Stage 1 network as from 1 July 2025. Upon development, connection will be compulsory.

If owners connect before 30 December 2026, they will pay the targeted Stage 2 rate of \$18,899 (incl GST) from the date of connection. If they wish to do this, they must advise Council no later than 30 December 2025, to lock in this Stage 2 cost.

If owners connect after 30 December 2026 the cost of installation of their required Stage 2 on-site system, will be determined by the market price at the time of connection on a case-by-case basis.

What if my property has multiple dwellings?

Properties with multiple dwellings may incur higher costs, depending on the number and size of all dwellings and the size of the on-site system required.

Will the cost vary depending on the property?

Yes. Due to differences in sewage discharge volumes, some properties will require different sized grinder pumps.

The Stage 2 installation cost will be adjusted to reflect the specific pump cost per property.

Single HUE (Simplex)	Payment Frequency	Amount (incl. GST)
Targeted Rate stage 1	Quarterly (25yrs)	\$343
	Yearly (25yrs)	\$1,371
Targeted Rate stage 2	Quarterly (25yrs)	\$366
	Yearly (25yrs)	\$1,465
Lump Sum Stage 1	One off	\$17,701
Lump Sum Stage 2	One off	\$18,899

Double HUE (Duplex)	Payment Frequency	Amount (incl. GST)
Targeted Rate stage 1	Quarterly (25yrs)	\$343
	Yearly (25yrs)	\$1,371
Targeted Rate stage 2	Quarterly (25yrs)	\$732
	Yearly (25yrs)	\$2,929
Lump Sum Stage 1	One off	\$17,701
Lump Sum Stage 2	One off	\$37,798

Quad HUE (Quadplex)	Payment Frequency	Amount (incl. GST)
Targeted Rate stage 1	Quarterly (25yrs)	\$343
	Yearly (25yrs)	\$1,371
Targeted Rate stage 2	Quarterly (25yrs)	\$1,465
	Yearly (25yrs)	\$5,857
Lump Sum Stage 1	One off	\$17,701
Lump Sum Stage 2	One off	\$75,597

PAYMENT OPTIONS & CONDITIONS

What payment options are available for property owners?

Property owners have three options for paying the capital cost:

- Lump Sum Payment**
Pay the full amount by end of August 2025.
- 25-Year Quarterly Targeted Rate**
Spread payments evenly over 25 years, starting from 1 July 2025.
- Quarterly Payments Transitioning to Lump Sum**
Begin with quarterly payments from 1 July 2025, then switch to a lump sum payment upon connection or any subsequent time elected by the individual property owner.

What is the process for selecting a payment option?

- All Tarawera property owners will receive a letter from Council.
- The letter will include a link to the Capital Funding Plan outlining the three payment options.
- All properties are charged Stage 1 and Stage 2 rates over the 25-year option by default. Any ratepayer wishing to pay either rate by lump sum should contact Council on 07 348 4199.

The Capital Funding Plan can also be viewed here:

<https://rlc.net.nz/tsscalfundingplan>

What happens if I choose option 3, (the quarterly payments transitioning to-lump sum)?

If you begin with quarterly payments and opt for a lump sum, anytime over the 25-year period:

- A credit will be applied for all capital payments made prior to paying any lump sum amount.
- If the lump sum is paid during the first rateable year (1 July 2025 – 30 June 2026), the credit will be applied without interest deductions.
- If paid in subsequent years, a 6% annual funding fee will be deducted from the credit.

Under option 2 or 3, can I pay a partial lump sum leaving the remainder on quarterly payments?

Yes, ratepayers shall at any time during the applicable payment term be able to pay-

- One or both rates in full;
- One rate in full and the other as a quarterly payment
- Both rates as quarterly payments.

How will property owners be charged?

It will appear on your quarterly rates bill which will be received on or about 20 July 2025.

How can I pay?

You can either pay in full or in instalments or via direct debit, which allows you to spread the payments evenly over the year without penalty. More information about paying via direct debit can be found via the following link: [Pay Rates by Direct Debit - Rotorua Lakes Council](#)

Why do lump sum or instalment payments not begin at the time of connection?

For Councils it is standard practice that:

- New rates apply from 1 July 2025; the date Council resolved to strike the rate and give price certainly.
- There is one due date for all rates and Council does not set separate dates based on connection timing or payment method.

Will I be penalised for not paying?

Yes, you will face a 10% penalty on the unpaid balance at the due date.

What if I'm concerned about affordability?

If affordability is a concern, please contact Council at 07 348 4199 to discuss options such as rates postponement. Council is committed to supporting property owners.

You can find more information about rates rebates and postponements by clicking the following links:

- DIA Rebate - <https://www.rotorualakescouncil.nz/property-building-bins/pay-your-rates/rates-rebate>
- Postponements - <https://www.rotorualakescouncil.nz/property-building-bins/pay-your-rates/due-dates-discounts-penalties-refunds#toc-link-9>

INSTALLATION AND CONNECTION

What is Stage 1 of the scheme?

Stage 1, now completed, involved the installation of shared network infrastructure such as mains pipelines and construction of three pumping stations. All properties in the scheme contribute to this stage, regardless of whether they connect immediately or not.

What is Stage 2 of the scheme?

Stage 2 involves installing a Low-Pressure Grinder Pump (LPGP) infrastructure on each property and connecting properties to the scheme.

When will Stage 2 installations take place?

Stage 2 installations are underway and all LPGP (Low-Pressure Grinder Pump) systems are expected to be installed and connected to the scheme within 18 months.

Under Stage 2, how many dwellings can be connected to a single LPGP system?

Each household or dwelling needs its own LPGP unit. Secondary buildings like small second dwellings or sleep-outs can be connected to the main dwelling's unit if possible. If not, a separate unit will be needed. Larger homes or those with multiple households might need a bigger 'Duplex' or 'Quadplex' LPGP unit. For specific advice, contact Rotorua Lakes Council on 07 348 4199 to speak to the Engineers Representative.

OPTING OUT

Can I opt out of Stage 2 installation?

All property owners with developed sites are automatically within the scheme unless they choose to opt out of Stage 2 (installation of on-site systems and connection to the scheme). This decision is up to individuals.

Property owners who choose to opt out of Stage 2 must do so by notifying Council in writing by **31 July 2025** and comply with the opt out expectations.

What are the opt-out expectations?

- You must connect to the scheme at your own cost using Council-approved contractor, DDL Goodrick, and pre-approved equipment by 30 December 2026.
- You will be charged the Stage 1 rate as from 1 July 2025.
- You must use the approved Stage 2 contractor, DDL Goodrick, who is willing to enter private contracts. Payment would be arranged privately, and the Council would not be involved.
- The work must meet Council standards for the network to function properly. Failure to meet deadlines may result in enforcement action under the Local Government Act.
- Owners who opt out will be responsible for their share of the preliminary and general costs from the Stage 2 contract ensuring fairness to those who don't.

What if I own an undeveloped lot and don't want to opt out of Stage 2 but do not want to pay yet?

Owners of undeveloped sites within the maintenance zone will pay \$17,701 (incl. GST) for their share of the Stage 1 network from 1 July 2025. If owners connect before 30 December 2026, they will pay the targeted Stage 2 rate of \$18,899 (incl GST) from the date of connection. If they wish to do this, they must advise Council no later than 30 December 2025, to lock in this Stage 2 cost.

If owners connect after 30 December 2026 the cost of installation of their required Stage 2 on-site system, will be determined by the market price at the time of connection on a case-by-case basis.

Will there be pan charges?

Yes, operational pans charges, based on the number of toilet pans (toilets) on your property, are charged to fund ongoing operation and maintenance of the sewerage system.

Pan charges will begin from the next financial year, after your Code Compliance Certificate (CCC) is signed off.

They will be charged through your rates bill, as part of the targeted rate structure. Pan charges are \$951 including GST for -4 toilets with additional charges for 5 or more toilets.

What about P&G (Preliminary and General) costs?

P&G costs have been calculated to be shared evenly by all confirmed properties in the scheme. Property owners who opt out will eventually pay their contribution and Council will calculate their P&G costs at the time of their connection.

SYSTEM OWNERSHIP AND OPERATION

Who owns the on-property systems?

The Tarawera Sewerage Scheme and all on-site LPGP infrastructure is to be part of the Rotorua district wastewater network and owned by the RLC, ensuring consistent health protection and coordinated operation across the network.

Some property owners believe that on-property systems should be privately owned and maintained by the property owner. However, LPGP systems are complex and last about 20-25 years.

If property owners were responsible, they would need to manage all costs for operating, maintaining, repairing, upgrading, and renewing the system themselves. In contrast, under the current council policy, all these responsibilities and associated costs are covered in perpetuity under the district's annual sewerage rates paid by all connected ratepayers.

The Medical Officer of Health insists that such systems should be managed by the council to ensure consistent and reliable health protection. Council officers also recommend against private ownership, as managing a mix of private and public systems would be difficult. For effective operation, the LPGPs must work together as part of a coordinated system.

Therefore, all should be part of any publicly managed sewerage network.

Who maintains the system?

Contractor TRILITY, on behalf of Rotorua Lakes Council, will manage servicing and repairs for the LPGP infrastructure on your property and the street/road. However, the council is not responsible for household plumbing that connects to the LPGP tank. Property owners must cover the cost of repairs to their own plumbing and any internal sewerage system issues up to the LPGP tank.

What are the district's annual sewerage rates?

These are agreed annually as part of the Councils wider annual rating policy.

When do I start paying the district annual sewerage rates?

Once your property has been connected, you will pay the annual sewerage rate from July 1 the following financial year. For indicative purposes only for the annual period 1 July 2025 -30 June 2026 these have been set at \$951 (including GST).

SPECIAL CASES AND REGULATORY CONSIDERATIONS

Are On-site Effluent Treatment (OSET) systems allowed under current regulations?

Yes. These are permitted under Bay of Plenty Regional Council (BoPRC) regulations, but if sewerage reticulation is available discharge from the system will become a discretionary activity, and they must have a current and valid consent. BoPRC strongly supports reticulation. Where it is available, property owners are expected to connect. New or renewed consents for OSET systems are unlikely to be granted.

What happens if a property continues to use an unconsented OSET system?

The property may be subject to enforcement action by BoPRC. Owners are advised to seek connection or consult BoPRC about their specific situation.

Do all properties need to connect to the sewerage scheme?

- If a septic tank is in use:
The property must connect to the scheme.
- If a consented OSET system is in use:
Connection will be subject to negotiation with the property owner and depend on BoPRC's position regarding continued use of the OSET system.

I am planning to build a new dwelling or subdivide, what must I do?

Any new dwelling or subdivision within the maintenance zone must be connected to the network via an on-site LPGP infrastructure.

Discharge to land falls within the Bay of Plenty Regional Council's jurisdiction. It may be possible to install an interim wastewater system until the LPGP for the property is installed. Please contact Rotorua Lakes Council on 07 348 4199 to speak with the Engineers Representative.

I have an Aerated Wastewater Treatment System (AWTS), can I continue to use it?

The Local Government Act requires that properties connect to a reticulated wastewater system if one is provided. Where a consented AWTS is in place the system can be used until the expiry of the consent. After that, the property owner is unlikely to get a new consent and would have to connect to the reticulation scheme at the actual cost at that time.

Can I apply for a resource consent for an Aerated Wastewater Treatment System with Nitrogen Reduction?

Yes, but with sewerage reticulation available, when assessing the discretionary activity resource consent application, Bay of Plenty Regional Council would need to consider it against (amongst other matters) the policy direction that supports connecting to reticulation where this is available. Also, in accordance with the Discretionary Activity rule – see Rule 14(5)), the application would need to be supported in writing by Rotorua Lakes Council, which will not be forthcoming. These circumstances determine the likelihood of such an application having to be publicly notified and it is unlikely consent would be granted at the end of the process.

EXEMPT PROPERTIES

How are exempt properties classified?

There are currently 24 properties that are exempt from the scheme, and they fall into five groups:

1. Outside Maintenance Zone with active OSET
2. Outside Maintenance Zone with other systems
3. Inside reticulation zone with active OSET
4. Part of another property with shared connection
5. No running water or toilets

Are Group 1 & 2 properties (outside the maintenance zone) permanently exempt?

Currently yes, however if they require new wastewater infrastructure and reticulation is available, they must connect.

Will Group 1 & 2 properties (outside the maintenance zone) be charged any rates?

Currently no, however, charges will apply if they connect or require new systems. Otherwise, they may face enforcement if non-compliant.

Will Group 3 (inside reticulation zone with active OSET) be permanently exempt or be charged any rates?

- While the system is consented, they remain exempt and pay no charges.
- When the consent expires it is unlikely to be renewed as renewal

becomes a discretionary activity, and both councils strongly favour reticulation. Additionally, c459 of the Local Government Act provides councils the power to require owners to connect.

- If the system is or becomes unconsented, the property must connect.
- Charges will apply upon connection, including both Stage 1 and Stage 2 costs.

Will Group 4 (part of another property with shared connection) be charged separately?

No. Charges will apply only to the primary connected property.

Will Group 5 (properties with no running water or toilets, i.e. undeveloped properties) be charged?

Yes. However, they will only be charged the Stage 1 rate from 1 July 2025 and considered as undeveloped until they generate wastewater.

What is the status of the 36 OSET systems mentioned in the Capital Plan?

Only 1 has a current consent. The remaining 35 are either non-compliant or awaiting connection. All will eventually need to connect or upgrade. As reticulation is available they will be charged the Stage 1 rate from 1 July 2025 and Stage 2 when connected.

What is the Maintenance Zone?

It refers to properties within 200 meters of a Rotorua lake. These properties are subject to stricter wastewater compliance and maintenance requirements.

How are exemptions from connection managed?

Any exemptions granted will be:

- Recorded by Rotorua Lakes Council (RLC) on the property's LIM (Land Information Memorandum) and other official records.
- Outlined in writing to the property owner, including any relevant terms and conditions.



GLOSSARY OF TERMS

Term / Acronym	Definition
LPGP	Low-Pressure Grinder Pump – A small, on-site pump system that grinds and moves wastewater from a property to the main sewer line.
Maintenance Zone	All properties within 200 meters of a Rotorua Lake, and defined in the BoPRC On-Site Effluent Treatment Regional Plan, Schedule 10 Maintenance Zone Maps https://atlas.boprc.govt.nz/api/v1/edms/document/A3816253/content
HUE	Household Unit Equivalent – A unit of measurement used to represent the wastewater load of a standard household. Larger or multi-dwelling properties may count as multiple HUEs.
Stage 1	Refers to the network infrastructure (pipes, mains, etc.) that connects properties to the central sewerage system. All properties pay for this.
Stage 2	Refers to the on-site installation of the LPGP system on each property. Only connected properties pay for this.
Simplex	A standard LPGP system for a single dwelling (1 HUE).
Duplex / Quadplex	Larger LPGP systems designed for properties with 2 or 4 HUEs respectively (e.g., multi-dwelling properties).
Targeted Rate	A specific rate charged to property owners to fund a particular service or infrastructure project, in this case, the sewerage scheme.
Lump Sum Payment	A one-time full payment of the capital cost instead of spreading it over 25 years.
Quarterly-to-Lump Sum	A payment option where the owner starts with quarterly payments and later pays all or some of remaining balance in a lump sum.
OSET	On-site Effluent Treatment – A general term for systems like septic tanks or AWTS that treat wastewater on the property.
AWTS	Aerated Wastewater Treatment System – A type of OSET system that uses aeration to treat wastewater more effectively than a standard septic tank.
BoPRC	Bay of Plenty Regional Council – The regional authority responsible for environmental regulation, including wastewater discharge consents.
RLC	Rotorua Lakes Council – The local council managing the sewerage scheme and infrastructure.
LIM	Land Information Memorandum – A report issued by the council that includes information about a property, including any exemptions or infrastructure details.
Better Off Funding	A central government grant provided to councils to support infrastructure and community wellbeing projects.
Lakes Enhancement Rate	A targeted rate collected by RLC to fund environmental protection and restoration projects around Rotorua's lakes.