



LONG TERM PLAN SUBMISSION TO BAY OF PLENTY REGIONAL COUNCIL

From

THE LAKE TARAWERA RATEPAYERS' ASSOCIATION

Introduction:

The Lake Tarawera Ratepayers' Association (LTRA) represents the majority of those most affected by funding decisions in relation to the Lake Tarawera reticulated wastewater scheme. Currently, with the existing funding in place, the 446 existing property owners will fund 67% of the scheme. Each property owner would need to contribute \$50,000 including GST.

Local councils and central government have rightly seen fit to subsidise the reticulation scheme given the wide benefits of improving water quality at Lake Tarawera. However, these subsidies were struck many years ago and their value in real terms has eroded significantly since then.

The proportion of the total cost to be borne by property owners, initially envisaged at around 50%, has steadily increased as successive iterations of the scheme reflect continuing cost escalation in the goods and services relevant to the scheme's construction. It is totally unreasonable that the eroded real value of the frozen subsidies should be 'made whole' by property owners.

LTRA submits that the total value of the subsidies from both local councils and central government should be adjusted to re-establish the property owners share at 50%. This share is also consistent with the property owner contributions applied to the Deed Lakes.

This more equitable sharing of the cost of the scheme is further supported when all who gain from improved lake water quality are considered. The scheme provides benefits to a wide variety of beneficiaries throughout New Zealand and beyond the Tarawera settlement, including the mauri of the lake and the mountain. If we all look after the mountain and the lake they will look after us.

Role of Regional Council in the funding of the scheme.

LTRA made a submission on the 2021 Regional Council Long Term Plan. The Council responded to that submission referring to their 2018 commitment to contribute \$750,000 to the scheme; stating *'We consider that this funding contribution towards a service that is the primary responsibility of Rotorua Lakes Council is the appropriate amount'*. That statement is a very narrow interpretation of the Council's role in funding the scheme.

LTRA submits that providing additional funding for the scheme is consistent with the fundamental role of the Council, which includes promoting the social, economic, environmental, and cultural well-being of communities in the present and for the future (section 10 of the LGA 2002). This ties in with the decision-making requirements on Council and the specific requirement that when making any decision (including any decisions on the draft LTP) it must take account of the likely impact of any decision on each aspect of well-being referred to in section 10, being the well-beings listed above (section 14(1)(c) of the LGA 2002).

It is submitted that additional funding for the Lake Tarawera reticulated wastewater scheme is one of the few activities in the Region that would actually have a positive impact on all 4 well-beings. The Lake Tarawera community believes that the reticulation scheme is essential to protect the environmental, economic, social and cultural health of the Rotorua Lakes area. The leaching of nutrients from septic tanks, or indeed any OSET system, into Lake Tarawera causes a deterioration in water quality. The reticulation scheme is necessary to prevent further deterioration and preserve this resource for future generations.

Benefits of the improved water quality as a result of the scheme.

The improvement of water quality of Lake Tarawera as a result of the scheme will provide a number of benefits to the Region:

- Social, economic, environmental and cultural - the Rotorua Lakes area is vital for tourism in Aotearoa New Zealand and the Region. Lake Tarawera is a destination for hiking, boating and fishing. These activities are all enhanced and enabled by improved water quality and it will ensure that future generations are able to enjoy the same activities. There is no doubt the Lake is iconic and a gateway to NZ tourism and cultural tourism.
- Environmental and cultural - Lake Tarawera, like all Rotorua Lakes, is a taonga to people of Te Arawa. Lake Tarawera also provides the habitat for numerous taonga and mahinga kai species. Declining water quality threatens the health of these taonga.
- Social, economic and environmental – the reticulation scheme proceeding provides a superior lake water quality outcome than under the Regional Council's plan change requiring onsite effluent treatment systems on each property because once completed it *completely eliminates wastewater discharge to the lake in perpetuity*. Furthermore, reticulation protects those property owners from having uninhabitable homes under the Regional Council's plan change requiring onsite effluent treatment systems on each property. Without reticulation, there would be approximately 169 properties not able to be occupied, because physical constraints mean that they are unable to accommodate the specified OSET system.
- Social, economic and environmental – Reduction of the risks to human health from drinking or swimming in water that is affected by septic tank effluent.
- Social, economic and environmental - improved resilience for this community. Any OSET system is vulnerable to damage in the event of a natural disaster, which would pose a serious health hazard. The implementation of a reticulation makes the Lake Tarawera ecosystem and community more resilient to natural disasters.
- Social and economic - the implementation of a wastewater reticulation system will align the infrastructure of Lake Tarawera with the rest of the Rotorua Lakes region.

LTRA appreciates that the benefits referred to above, are benefits of the scheme itself. But what you can see from that list is that the beneficiaries are a very wide range of people in the Community (both locally, regionally, nationally, and internationally), not just the property

owners at Lake Tarawera. And it is currently the property owners that are paying the bulk of the costs for the scheme. Hence the request from LTRA that the Regional Council provide additional funding to recognise this scheme does benefit the entire region and it does benefit it against all 4 well-beings.

The funding contribution of Regional Council should reflect the significant direct benefits of the scheme to the Council

The Regional Council is a significant beneficiary of the scheme relative to the counterfactual of OSET replacement, and its funding contribution should reflect the benefits.

Consistent with the Regional Council's LGA purposes and objectives stated earlier, the scheme delivers wastewater discharge outcomes for Lake Tarawera which significantly exceed the measures the Council has mandated. In fact, the scheme delivers the best lake water quality outcome with respect to the settlement's wastewater that is possible.

Further, the Council derives substantial economic gain from the Tarawera Sewage Scheme relative to shouldering the burden and cost of implementing and regulating an OSET replacement programme, namely:

- Management and compliance during the significant undertaking of replacement of the settlement's 400 plus septic tanks with advanced on-site treatment systems and determining viable alternatives for the 43% of properties where advanced OSET is impossible.
- Quality and compliance management for individual on-site wastewater systems within the Lake Tarawera settlement in perpetuity.

The existing 2018 BOPRC funding of \$750,000 even if inflation adjusted is immaterial compared to the substantial economic gain the Council derives from the avoidance of OSET replacement.

The Council's OSET Plan is the means by which all wastewater discharges at the Tarawera community are authorised. In 2006, the OSET Plan introduced the requirement for advanced on-site treatment systems to reduce the nutrient load to the environment within specified performance criteria – to be installed at owners' cost.

Funding Required

The scheme is now fully committed with contracts in place for overall completion of the reticulation project works due in June 2025. The overall project cost and default funding situation is now well understood:

- The cost of the project is \$29m including a contingency allowance.
- Existing subsidies from BOPRC, RLC and the Fresh water fund (Government) total \$8.1m.
- The 446 property owners would fund 67% of the project cost.
- That equates to about \$50,000 per property (including GST).

For the reasons already explained above, the expectation that property owners provide this level of funding is unrealistic.

Instead, the LTRA seeks the Regional Council's endorsement of an equitable 50-50 approach to project funding under which the two local councils and central government will provide additional funding that limits the property owner contribution to the scheme to no more than 50% of the project cost.

- **Additional funding of \$6.1m is required.**
- The 446 property owners would fund 50% of the project cost.
- That equates to about \$37,000 per property (including GST).

LTRA Request of the Regional Council

We request that the Regional Council endorses that a fair contribution from property owners is 50% of the project cost and that Council provides additional funding to the scheme to reduce the cost share to owners.

The LTRA requests the opportunity to present its submission in person to the Bay of Plenty Regional Council.

Libby Fletcher
Chair

Tel: 021 670 774

Email libby@ultimatenz.com