

7 April 2022

Local Government Commission  
PO Box 5362  
Wellington 6140  
NEW ZEALAND

Dear Sir or Madam

### Application for Reorganisation – Boundary Alteration

Please find attached, an application lodged by Kawerau District Council with the support of Whakatane District Council. The application seeks an alteration of the boundaries of the two territorial authorities under section 24(1)(d) of the Local Government Act 2002.

Primarily, the objective of the application is to include an additional area into the Kawerau District to enable further expansion of the Putauaki Trust Industrial Park so that it is entirely contained within the same district.

The application also seeks to correct four historical anomalies associated with the existing boundary, comprising:

- **Tohia o Te Rangi Marae** - the boundary divides the parcel of land housing a local Marae that is part of the Kawerau community and is wholly reliant on Kawerau District Council for infrastructure and services.
- **Otarahanga Farm** (Tuwharetoa mai Kawerau ki te Tai) – a working farm that is separated into two districts with consequential administrative and regulatory complications for its owners.
- **Manukorihi Development Trust and Te Rangitupukiwaho & Kanui Waitere** (Wetini Whanau Trust) - the district boundary also divides the land owned by these Trusts into two districts with similar impacts as described above.

Both Te Kori Ngahehu Trust and Te Tahuna Trust also have land that divides over the two districts. However, when both Trusts were approached, they opted not to be included in the boundary change proposal.

Appended to the application are letters demonstrating community support from landowners and key stakeholders in the Whakatane and Kawerau districts.

We trust this application provides sufficient information for the Commission to make an assessment. Please feel free to contact the Kawerau District Council if you require anything further.

Yours sincerely



Russell George CA, MBA  
**Chief Executive Officer**



Malcolm Campbell  
**Mayor**

## **Application for Reorganisation: Boundary Alteration**

### **1.0 Background**

In 2011, the Local Government Commission approved a boundary alteration between the Kawerau and Whakatane districts, which increased the Kawerau district by an area of 145 hectares. Supported by a Business Land Demand Report commissioned by the two councils, the purpose of the reorganisation was to enable the zoning of additional industrial land in the Kawerau District. The rezoned land, known as the Putauaki Trust Industrial Park is now the site of industrial developments, including the Waiū Dairy processing plant. Several other industries are also expected to be established there.

### **2.0 Introduction**

With the support of Whakatane District Council, the Kawerau District Council now submits a formal ("Reorganisation") application for an alteration of the boundary between the Whakatane and Kawerau districts under section 24(1)(d) of the Local Government Act 2002.

The parcels of land included in the application are identified in Schedule One and the proposed new boundary is shown on the map attached with this application.

Primarily, the objective of the application is to include an additional area into the Kawerau District to enable further expansion of the Putauaki Trust Industrial Park so that it is entirely contained within the same district. The application also seeks to correct four historical anomalies associated with the existing boundary, comprising:

- Tohia o Te Rangi Marae - the boundary divides the parcel of land housing a local Marae that is part of the Kawerau community and is wholly reliant on Kawerau District Council for infrastructure and services.
- Otarahanga Farm (Tuwharetoa mai Kawerau ki te Tai) – a working farm that is separated into two districts with consequential administrative and regulatory complications for its owners.
- Manukorihi Development Trust and Te Rangitupukiwaho & Kanui Waitere - Wetini Whanau Trust - the district boundary also divides the land owned by these Trusts into two districts with similar impacts as described above.

The changes sought would expand the Kawerau District by adding three new areas (see attached map):

Area 1: Land owned by the Putauaki Trust, Manukorihi Development Trust and Te Rangitupukiwaho & Kanui Waitere-Wetini Whanau Trust. Much of the land owned by these Trusts borders the existing industrial areas on Kawerau's northeast boundary with the Whakatane District.



Area 2: The parcel of land at the end of Spencer Avenue just outside Kawerau's north-west boundary where the Ngati Tuwharetoa ki Kawerau Marae, Tohia o te Rangi sits. Of note, this is the only area included in this application that has any council infrastructure. The Marae has water supply reticulation and a road provided and maintained by Kawerau District Council.

Area 3: Land on the western boundary of Kawerau that is owned by Tuwharetoa mai Kawerau ki te Tai and operated as part of Otarahanga Farm.

### **3.0 Objectives Of The Proposed Boundary Change**

#### **3.1 *Area 1- Expansion of the Putauaki Trust Industrial Park, Establishment of the Off-Highway Road and Inclusion of Trusts' Land Within a Single District***

The Putauaki Trust Industrial Park, created by the 2011 boundary alteration and subsequent rezoning, is located in the Kawerau District on the north-eastern boundary with the Whakatane District. The landowners, Putauaki Trust, are progressing a Māori Land Court partition to subdivide the Park into lots for lease. The Trust received Provincial Growth Fund (PGF) funding to construct the internal roading and related infrastructure to service the Park - the roading construction is near completion.

The Industrial Park is one of three key, interconnected infrastructures being developed within Kawerau. The other two are:

- i. The Kawerau Container Terminal that will provide Eastern Bay of Plenty exporters with a value-added logistics and distribution service;
- ii. The Off-Highway Road (OHR) to be constructed over three adjoining Maori Trusts' properties (including Putauaki Trust) that will provide direct access between the Industrial Park, existing Kawerau industries, the Kawerau Container Terminal and the nearby plantation forests.

These three projects are collectively known as the Kawerau–Putauaki Industrial Development (KPID) and together have been identified<sup>1</sup> as being instrumental in unlocking significant growth opportunities for Kawerau and the wider Eastern Bay of Plenty region.

One of the first industries to establish in the Park was Waiū Dairy in 2019. Waiū Dairy is a dairy processing plant that is a collaborative effort by twelve businesses, eleven of which are Māori and one is Japanese. A variety of several new industries are also looking to establish in Kawerau, some of whom will potentially require more land than is now available. The most suitable land for such expansion is in the Whakatane District and is not currently zoned for industrial use.

The proposed boundary change would allow expansion of the Industrial Park to be undertaken entirely within the Kawerau District. All infrastructure and services are provided by the Kawerau District Council by reason of the Park's proximity to Kawerau. Including the entire development within the Kawerau District would eliminate the need for cross-boundary charging arrangements to be entered into. Other advantages are that all further developments would be subject to the same planning and regulatory regime and enable them to be part of the Industrial Symbiosis Kawerau (ISK) industry cluster.

As mentioned, some of the Trusts included within this Area currently have their land divided by the existing boundary into two districts. The application seeks to remove this irregularity, thereby providing consistency and administration efficiency/ease for the respective landowners.

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<sup>1</sup> The Eastern Bay of Plenty Regional Development Project 2018 report

### **3.2 Area 2 – Inclusion of a Local Marae within the Kawerau District**

Ngati Tuwharetoa ki Kawerau is acknowledged as tangata whenua of Kawerau. One of the iwi's Marae, Tohia o te Rangi, is located at the end of Spencer Avenue just outside the Kawerau District. Spencer Avenue starts on Tamarangi Drive, the main road through Kawerau and is maintained by the Kawerau District Council. Council already provides wastewater infrastructure and water to the Marae. Kawerau is experiencing a housing shortage due to an influx of new residents moving into the town and local Māori have been affected by the reduced supply of rental housing. Kaumatua of Ngati Tuwharetoa ki Kawerau are interested in developing papakainga housing near the Marae.

Including Tohia o te Rangi Marae and surrounds within the Kawerau District would reflect the strong community of interest of Ngati Tuwharetoa ki Kawerau and the Kawerau community. It would unite the provider and the user of council services within the same district and take the district boundary to the end of a road already maintained by this Council. It would also enable any papakainga housing development to occur in the district with which the owners identify and are already based in. Further, such papakainga development would be in close proximity to (Kawerau District) Council staff who can provide support for the development.

### **3.3 Area 3 – Inclusion of an Entire Farm into the Kawerau District**

Previously a Department of Lands and Survey farm, Otarahanga Farm was part of the 1996 Treaty of Waitangi settlement with Ngati Tuwharetoa (Bay of Plenty). The Eastern access to the farm is from Valley Road, one of the main arterial routes in Kawerau. The existing boundary between Kawerau and Whakatane Districts bisects the farm.

## **4.0 Benefits From The Proposed Change And How It Would Promote Good Local Government**

### **4.1 Area 1**

The boundary change would enable all the landowners, developers and business owners involved with this Area's development to operate within a single council planning and regulatory framework. In particular, this means they will all be subject to the same district planning and bylaw requirements. A second benefit is that no single enterprise will have its operation cross the district boundary. Where this is the case currently, it creates inefficiencies for the enterprises concerned. Thirdly, more enterprises will be able to participate in the ISK cluster; subsequently, gaining access to synergies in terms of raw materials and waste minimisation and benefiting from the outcomes of collaboration between members.

A boundary change would promote good local government primarily because a single territorial authority would provide and charge for all local infrastructure, services and regulatory functions in the Industrial Park. This would be the most cost effective option for the enterprises in the Park and facilitate improved economic performance for the companies concerned.

### **4.2 Area 2**

The inclusion of Tohia o te Rangi Marae and its immediately surrounding lands into the Kawerau District would correct the anomaly whereby the Marae is accessed from Spencer Avenue in Kawerau, serviced by the Kawerau District Council and is considered to be part of the Kawerau community, but is situated in a different district. Ngati Tuwharetoa ki Kawerau has intentions to construct papakainga housing on this land. Being part of the Kawerau District would enable this to take place under the jurisdiction of the territorial authority with which the Iwi identifies - as part of the community to which the Iwi and intended residents belong.



A boundary change in Area 2 would promote good local government by allowing the landowners of the Marae and any future residents of the adjacent housing development to participate in the local elections for Kawerau District Council. Given the proximity of this land to Kawerau, it would be significantly more cost effective for both the Iwi and residents for local infrastructure and services to be provided by Kawerau District Council.

#### **4.3 Area 3**

Bringing all of Otarahanga Farm into the Kawerau District would correct an incongruity in which the farm is accessed from Valley Road in Kawerau and considered a part of the Kawerau community, but straddles the Kawerau District boundary into Whakatane.

In relation to this Area the proposed boundary change would promote good local government primarily by simplifying planning arrangements for the owners and managers of the farm. Being fully included in the Kawerau District would also enable Council to legitimately act in the interests of the farm and its owners, who are tangata whenua of Kawerau.

#### **4.4 Kawerau Trails**

Kawerau District Council has been supporting the development of a series of trails (primarily cycle trails) within the district. This has led to the recent formation of a Kawerau Trails Trust and the preparation of a draft network of potential trails encompassing the district. Positive discussions are currently underway with relevant landowners, many of whom are directly involved with this proposed boundary adjustment. The trails are expected to be a significant boost for Kawerau's tourism opportunities and to generate considerable socio-economic benefits for the community. As with the other benefits described in this application, the boundary adjustment will serve to collect all the trails under the one authority/district and thereby, facilitate the ease of their establishment and subsequent operation.

#### **5.0 Kawerau District Council Has The Resources To Be Effective**

Infrastructure in the district was built in three stages since Kawerau's inception in 1954 and has the capacity to cope with a population of up to 15,000 people. The local population grew rapidly for the first 30 years, peaked in 1981 at just over 8,000 and then went into decline. This means that Kawerau has relatively new public infrastructure with surplus capacity. Kawerau District Council has been funding depreciation on infrastructure assets since 1998, thus ensuring adequate funding for the timely repair and replacement of significant assets.

Since the 1990s the pulp, paper and sawmill industries have restructured, reconfigured and reduced staff. However, there are still several large industrial plants operating in and around the former Tasman Pulp and Paper industrial site in Kawerau.

Since 2006, Council has become increasingly involved in local economic development. One of the outcomes is the establishment of ISK. Members of ISK are varied and include wood/fibre processing; geothermal energy, industrial engineering, service businesses, Iwi/Maori business groups and the Kawerau District Council. ISK has successfully marketed Kawerau's access to a significant geothermal energy field, forestry resources and transport/logistic links to a new group of industry players who now also want to set up operations here.

Kawerau District Council employs a relatively small, comparably generalist staff supplemented by contractors where specialist skills and services are required. Council is an owner and active member of the Bay of Plenty Local Authority Shared Services (BOPLASS Ltd.) CCO and has shared service arrangements with the BOP Regional Council and the Whakatane District Council. Council considers further opportunities to improve or augment services as and when required.

## **6.0 The Expanded District Would Be Appropriate**

Situated in the heart of New Zealand's principal forestry region, Kawerau is a well-established wood-processing centre and home to the world's largest application of geothermal energy for direct industrial use. The ISK collaboration enables the sharing of resources to increase the viability and competitive advantage of all the enterprises involved. Members exchange materials, energy, water, by-products, services, knowledge, intellectual property, social capital and networks to reduce resource costs, increase revenues and create new business opportunities. It would be appropriate that new enterprises establishing operations in the Putauaki Industrial Park and on any adjoining Trusts' land could also become part of ISK.

At just under 24 km<sup>2</sup> the Kawerau District is currently very small and has little or no hinterland outside the urban and industrial areas. It would be entirely appropriate that more rural land be included within the district, particularly in this case because both areas are owned by Kawerau's tangata whenua who are already considered an integral part of the district.

## **7.0 The Expanded District Would Contain Distinct Communities of Interest**

Bringing the whole of Area 1 into the Kawerau District would enable all its enterprises to work with the same territorial authority, participate in ISK and avoid separating the industrial community of interest across two different districts.

In relation to Area 2, the expanded district would contain Tohia o te Rangi Marae and its immediately surrounding lands which it is hoped will soon house people who are part of the Kawerau community. The lands are owned by Kawerau's tangata whenua, who are an integral part of the local community. We are not aware of any current occupants living in this area.

The proposed expansion in relation to Area 3 also involves bringing all of Tuwharetoa mai Kawerau ki te Tai lands into the community of which the owners are intrinsically part of. It would also bring to a close the existing undesirable situation whereby the farm is divided by two separate districts. The Whakatane segment of the farm has no residences.

## **8.0 Area of Impact of the Local Authorities Concerned**

### **8.1 Area 1**

The proposed future use of this area is to expand the Putauaki Industrial Park, establish the OHR and provide for further development. It seems logical for it to become part of the Kawerau District whose Council is actively involved in establishing, developing and marketing the developments within this Area and is supporting the other enterprises operating there. The location of Area 1 also lends itself to becoming part of the Kawerau District, being adjacent to the existing industrial areas and within 5 km of Kawerau - rather than Whakatane, which is some 35 km away.

### **8.2 Area 2**

Kawerau District Council already provides the water supply and roading infrastructure to Tohia o te Rangi Marae. We are not aware of any residents living on the land. The Marae is located very close to Kawerau and the hapū are tangata whenua. Accordingly, the landowners are considered part of the Kawerau community and the Marae trustees and Kaumatua have long-standing working relationships with Council. Kawerau would provide the services for the planned papakainga housing and the development process would be smoother and more cost effective for landowners if implemented within the Kawerau District.



### **8.3 Area 3**

It is an incongruity that the farm owned and operated by Tuwharetoa mai Kawerau ki te Tai is divided across the Kawerau and Whakatane territorial authority boundaries. Subsequently, there are two sets of rules, two sets of rates and two sets of officials to deal with. The proximity, access and landowners' community of interest all lend themselves to a natural connection with Kawerau District rather than the Whakatane District.

### **9.0 Area of Benefit of Services Provided**

The proximity to Kawerau and the history, experience and relationships with the Kawerau District Council make dealing with this Council and within this Council's regulatory framework a more logical fit for the landowners and any future residents of the three Areas.

### **10.0 Likely Effects To The Whakatane District Council Of The Exclusion Of The Affected Areas From Its District**

Whakatane District Council would lose the rural rates revenue from land in the three areas of approximately \$26,200 per annum. The three areas have a combined population of fewer than 20 residents/potential electors on the Whakatane District Council electoral roll.

### **11.0 Reorganisation Would Promote the Purpose of Local Government in the Affected Areas**

Please see the discussion in section 4 above.

### **12.0 Reorganisation Would Facilitate Improved Economic Performance In The Affected Areas**

The reorganisation would enable one set of planning rules (the Kawerau Operative District Plan) to be administered and monitored across all industrial development within the Putauaki Industrial Park.

Landowners, developers and the owners and managers of enterprises would deal with only one territorial authority. This would promote a consistency of approach and certainty/ease of doing business for those groups, particularly in connection with resource management, building consents, rating and regulatory matters.

Industry would also benefit from the simpler communication afforded by dealing with only one council.

These factors will serve as further attractors for new industries wanting to establish in Kawerau.

### **13.0 Community Support**

Appended to the application please see letters demonstrating community support from landowners and key stakeholders in the Whakatane and Kawerau districts.

We trust this application provides sufficient information for the Commission to make an assessment. Please feel free to contact the Kawerau District Council if you require anything further.

Yours sincerely



**Chief Executive Officer**  
Kawerau District Council



**Mayor**  
Kawerau District Council



## SCHEDULE ONE

### Area 1.

Owner/ Land Administrator	Valuation Reference	Legal Description	Land Area (ha)
Manukorihi Development Trust	07181 458 01	Matata 60A Block	9.3135
	07181 460 00	Pt Lot 2 DP 411392 (Bal on KDC 7281/1910)	5.2887
	07181 461 00	Pt Lot 1 DP 411392 (Bal on KDC 7281/1900)	5.5235
	07181 462 00	Pt Lot 3 411392 (Bal on KDC 7281/1911)	1.2815
Te Rangitupukiwaho & Kanui Waitere - Wetini Whanau Trust.	07181 463 00	Pt Allot 59B No 2C No 1 Matata Parish Blk XIII Rangitaiki Upper S D -Bal in 7281/24 -Subj to Pipeline Easement as shown on DPS 38209	91.1987
Putauaki Trust	07181 389 00 A + B	Part of Putauaki Trust 101 Block ML 528377 Balance of Land in Asst 7181/38900 (N.B. only the easy contoured land up to the foothills)	287.0
<b>TOTAL</b>			<b>399.608ha.</b>

### Area 2.

Owner	Valuation Reference	Legal Description	Land Area (ha)
Marae	07181 038 00	Marae	1.7719
Te Ahi o Maui Partnership	07181 039 00	Part of Kawerau A8D Blk IX Rangitaiki Upper SD (to the ridgeline)	61.0
<b>TOTAL</b>			<b>62.772 ha</b>

### Area 3.

Owner	Valuation Reference	Legal Description	Land Area (ha)
Ngati Tuwharetoa Holdings Limited	07181 052 00	Pt Sec 1 SO 58837 Pt Sec 1 SO 58838 Pt Sec 2 SO 58914 Blk XVI Rotoma SD -Pt Edgecumbe Farm Settlement -Bal at 7284/90600 (Kawerau District)	86.0



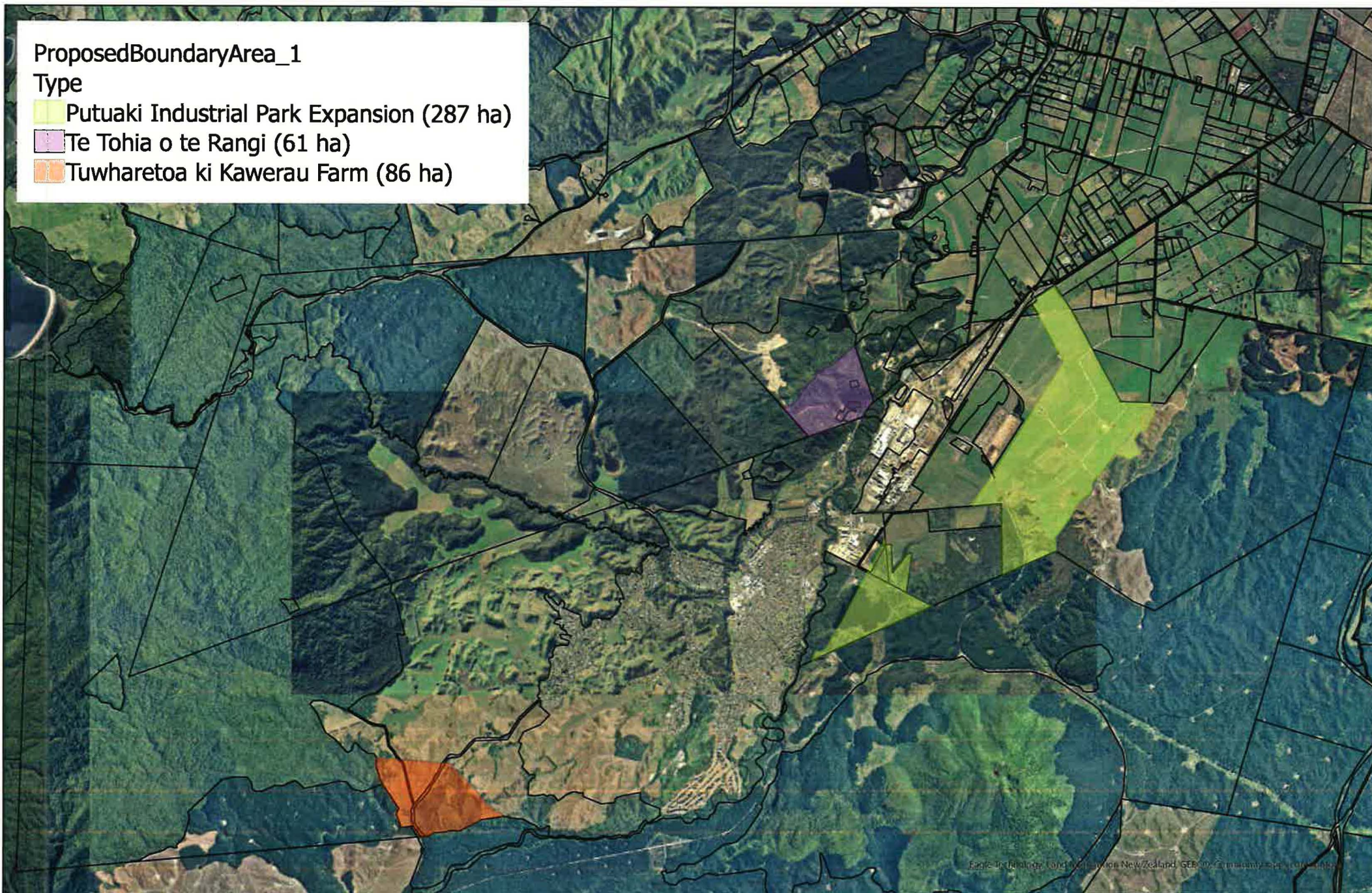
## ProposedBoundaryArea\_1

### Type

 Putuaki Industrial Park Expansion (287 ha)

 Te Tohia o te Rangi (61 ha)

 Tuwharetoa ki Kawerau Farm (86 ha)



## KDC Boundary Adjustment

Path: G:\DATA\GIS\ArcGIS\Projects\StrategicProjects\KDCBoundaryAdjustment.aprx

Date of issue: 24/02/2022

Scale: 1:40,000

Author: stepheno



KAWERAU DISTRICT COUNCIL

19 MAR 2020

RECEIVED



12 March 2020

Kawerau District Council  
Ranfurly Court  
Private Bag 1004  
Kawerau 3169

Tēnā koe Malcolm

**WHAKATĀNE DISTRICT COUNCIL ENDORSEMENT FOR THE KAWERAU DISTRICT COUNCIL'S  
BOUNDARY REORGANISATION APPLICATION TO THE LOCAL GOVERNMENT COMMISSION**

The intent of this letter is to support the Kawerau District Council's reorganisation application to the Local Government Commission.

The Whakatāne District Council welcomes the close working relationship between our respective Council's. The challenges and opportunities facing the communities we represent – in particular those related to economic outcomes – are common to both districts and are in many respects interrelated. The solidarity we share in supporting and uplifting wellbeing of the communities we represent, provides the foundation for continuing our valued partnership into this new triennium.

In September 2019, the Kawerau District Council approved a reorganisation application to the Local Government Commission subject to Whakatāne District Council having the opportunity to consider and support the application.

The Whakatāne District Council notes that the application is driven primarily by the expansion of the Kawerau Putauaki Industrial area, but also acknowledges the changes included which seek to provide for strengthened cultural communities of interest. The Whakatāne District Council further notes the intention of the Kawerau District Council to "engage with the Whakatāne District Council, the owners of land used for pulp and paper waste and other affected parties to develop a further reorganisation application in respect to the waste site, an identified anomaly in Onepu Springs Road and any other agreed areas".

The Whakatāne District Council is appreciative of the opportunities that have been provided to influence the scope of the proposal, and of the responsiveness of the Kawerau District Council to the input that was fed back.

The Whakatāne District Council has assessed the proposal and is supportive of the outcomes that are intended to be achieved, and satisfied with the justification in relation to the provision of effective, efficient and appropriate local government.

The Kawerau District Council is commended for their support for the economic development aspirations of the Kawerau community. The Whakatāne District Council is similarly progressing key projects that stand to fundamentally change the economic trajectory and broader wellbeing for our communities. Partnerships, including those with neighbouring councils, are critically important as we look to further support unlocking the potential of the Eastern Bay of Plenty.

The Council will watch with interest the outcomes to be achieved through this boundary reorganisation proposal and looks forward to the opportunity to progress 'stage two' within this current triennium.

Nāku noa, nā,



Judy Turner  
**MAYOR WHAKATĀNE DISTRICT**





25 February 2022

Russell George  
Chief Executive  
Kawerau District Council

Email: [Russell.George@kaweraudc.govt.nz](mailto:Russell.George@kaweraudc.govt.nz)

Tēnā koe Russell,

**BOUNDARY ADJUSTMENT BETWEEN KAWERAU AND WHAKATĀNE DISTRICT COUNCILS**

In accordance with the decision of the Whakatāne and Kawerau District Council's, I can confirm that the **attached** map reflects the decision of our Councils and can be released to accompany the application to the Local Government Commission supporting the proposed boundary adjustment.

Nāku noa, nā

Steph O'Sullivan  
**CHIEF EXECUTIVE**

17 October 2017

Chief Executive Officer  
Russell George  
Kawerau District Council  
Ranfurly Court  
Private Bag 1004  
Kawerau 3127

**Proposed District Boundary Change**

Tena koe Russell

I write in response to your letter dated 4 October 2017 regarding the above matter.

On behalf of Ngati Tuwharetoa Holdings Limited, I wish to confirm support of including PT SEC 1 SO 58837 PT SEC 1 SO 58838 PT SEC 2 SO 58914, known as part of Otarahanga Farm in the proposed boundary change that Kawerau District Council wish to undertake and understand that this may be a lengthy process.

I look forward to updates regarding progress and acknowledge the opportunity of including us in this process.

Heoi ano



Spence McClintock  
Tumaki  
Group Chief Executive Officer







# Putauaki Trust



05 October 2017

Russell George  
Kawerau District Council  
Private Bag  
KAWERAU 3169

Tena koe Russell

**Putauaki Trust-Extension of Industrial Zoned Land**

I refer to your letter dated 22 September 2017. I confirm that the Board of Putauaki Trust approved at their board meeting held on 27 September 2017 to the Trust's entire property being rezoned within the Kawerau District Council.

We look forward to working with KDC to make this happen.

Kind regards

John O'Brien  
**General Manager Putauaki Trust**

W.A.O.P.H.M.T.ae

KAWERAU DISTRICT COUNCIL  
06 NOV 2020  
RECEIVED

6<sup>th</sup> November 2020

Tohia o Te Rangi Marae  
137 Spencer Ave  
Kawerau

Attention: Russell George  
Chief Executive Officer  
Kawerau District Council

Tena Koe Russell

RE Proposed change to Kawerau boundary

I confirm that Tohia o Te Rangi Marae (Kawerau A8C) wish to have our land included in the Kawerau boundary change proposal.

Heoi ano



Tomairangi Fox  
Marae Chairman



3 Westminster Drive  
Rotorua

20 November 2017

Russell George  
Chief Executive Officer  
Kawerau District Council  
Private Bag 1004  
KAWERAU



Tena Koe Russell

I am writing to let you know that the trustees of Manukorihi Development Trust met on Saturday 18 November where they discussed the letter that you sent. The trustees resolved to support the Kawerau District Council's Proposed District Boundary Change. This decision was unanimous.

I hope to hear from you in the near future regarding the Trust's rates.

Yours sincerely

Pare Aratema  
Secretary  
Manukorihi Development Trust