

Memo

To: *Local Government Commission*

From: **Don Mackay**

Date: **14 May 2020**

Meeting: **21 May 2020**

Subject: ***Boundary alteration: Western Bay of Plenty District and Tauranga City:
Tauriko West – consideration of submissions.***

Purpose

1. This report analyses the submissions received in response to the Commission’s statement of its intention to make a reorganisation plan to change the boundary between Western Bay of Plenty District and Tauranga City at Tauriko West. It recommends that the Commission proceed to develop and adopt a reorganisation plan to give effect to this proposal.

Recommendations

2. It is recommended that the Commission
 - a. **note** that
 - i. the Commission called for submissions with a closing date of 17 April 2020;
 - ii. measures taken under the Covid-19 emergency have impacted over the period of the consultation;
 - b. **note** the responses to the call for submissions that are set out in attachment 1, and the analysis of these in Part B;
 - c. **agree** that it considers the results of the consultation process are sufficient for it to take further decisions on the proposal;
 - d. **agree** that the submissions do not provide grounds to abandon or modify the proposal;
 - e. **agree** that the issues raised by the submitter Marriott be referred to Tauranga City Council for its consideration;
 - f. **note** the consideration of the:
 - i. objectives to be considered by a reorganisation investigation set out in clause 10 and;
 - ii. the matters to be considered in deciding whether or not to adopt a reorganisation plan specified in clause 12 of Schedule 3, set out in Part C of this report;

- g. **agree** to develop and adopt a reorganisation plan altering the boundary in the Tauriko West area in accordance with the application from the Western Bay of Plenty District Council;
- h. **note** the steps necessary to complete development and implementation of the proposed reorganisation plan;
- i. **note** that it is expected that the reorganisation plan will be available for consideration at the Commission's June meeting;
- j. **note** that advice about next steps in advancing the proposals for boundary changes at Keenan, Belk and Tara Roads will come to the Commission's June meeting.

Executive summary

3. An application was received from Western Bay of Plenty District Council in November 2018 to alter the boundary between the district and Tauranga City at Tauriko West. Following consideration of alternative applications the Commission decided it wished also to consider three further possible boundary alterations at Keenan Rd, Belk Rd and Tara Rd.
4. The reorganisation investigation process document adopted by the Commission identified that it would seek to advance the original Tauriko West proposal in advance of the other possible boundary changes, and that the Commission would carry out public consultation before making a reorganisation plan about any of the proposals.
5. The Commission launched a public consultation on its intention to proceed with the Tauriko West boundary change during March with a closing date for submissions of 17 April. A total of 12 submissions were received from affected councils, interested government agencies, affected landowners and other interested members of the public. One submitter wished to speak to their submission and this was heard (by Zoom) on 11 May. Submissions are attached as attachment 1.
6. The content of submissions is summarised and taken into account in the analysis of the proposal in terms of the decision making criteria set out in clauses 10 and 12 of Schedule 3 of the Act. Officials consider this establishes a strong case for the Commission to proceed with the proposed change. The paper recommends that the Commission agree to the development of a reorganisation plan to advance the proposal, with the text of the plan to be brought for approval to the Commission's June meeting.
7. The Commission is also asked to note that a paper will be brought to the June/July meeting setting out a preliminary analysis of the proposed Belk, Keenan and Tara Road boundary alterations against the decision making criteria set out in clauses 10 and 12 of Schedule 3 of the Act.

This Report

8. In this report:
 - a. Part A summarises the background to the paper.
 - b. Part B describes the consultation process and analyses the results of this;
 - c. Part C sets out an analysis of the relevant statutory criteria (clauses 10 and the 12 of Schedule 3) taking into account the results of the consultation
 - d. Part D sets out the requirements for a reorganisation plan, and the steps towards doing this.

Part A - Background

The application

9. The Western Bay of Plenty District Council lodged an application on 1 November 2018 to alter its boundary with Tauranga City, to add to the city approximately 189 ha. of rural land located at Tauriko West. On 29 November 2018, the Commission agreed to assess the application, and publicly notified the application and invited alternative applications on 15 March 2019.

Alternative applications

10. A total of 7 responses were received by the Commission by 23 May 2019. These included suggestions that:
 - the boundary of the city should also be extended in the area of Belk Road, to facilitate the future extension of the Tauriko Business Estate;
 - the area around Keenan Road (falling partly with the city and partly within the district) should be developed either before or at the same time as Tauriko West; and
 - a further extension should be made to the city boundary adjoining Tara Road in Papamoa.
11. On 16 May 2019, the Commission agreed to consider additional options for boundary alterations, which related to the need for the sub-region to provide an adequate supply of land for residential and industrial development and for the areas to be developed to be entirely in Tauranga City.

Commission's investigations

12. The Commission's investigations then initially focused on the potential additional boundary alterations. This was because consideration of these required information not provided as part of the original application, and these proposals had not been subject to the same degree of prior consultation as that for Tauriko West. This involved:
 - a. A visit to Tauranga on 13 and 14 June 2019 to meet with alternative applicants and receive a briefing from officers of the city, district and regional councils.
 - b. A further visit to Tauranga on 17 July 2019 for the Commission to meet with councillors from the three Smartgrowth councils and representatives of tangata whenua. The Commission invited them to consider their responses to the possible additional boundary alterations. On 29 July the councils responded, identifying the extent of possible additional boundary alterations in each area that they considered would be appropriate.
 - c. During August 2019 the Commission wrote to affected landowners in the additional areas, advising them of the possible boundary change in their area, and inviting them to attend meetings with the Commission. More than 80 attended across two sessions. This showed that there appeared to be a significant level of support for the boundary alterations at Keenan Rd and Tara Rd, but more divided opinions over Belk Rd.
 - d. The Commission established contact with Te Kauae a Roopu hapū, a group which had been identified as representative of hapū with interests in the "western growth corridor" (covering Tauriko West, Keenan and Belk Roads) as identified through the Smartgrowth partnership, and Nga Potiki of Papamoa.

Amendments to relevant legislation and adoption of Reorganisation investigation process

13. Amendments to the Local Government Act were enacted on 22 October 2019 which changed the process for dealing with the application. The Commission was given greater flexibility to itself determine the process it would follow, but was required to adopt (after consultation) and publish a “reorganisation investigation process document” setting this out.
14. The Commission consulted on a proposal suggesting that it:
 - a. proceed immediately with action relating to the original Tauriko West boundary alteration, with consideration of the other possible changes to follow over a longer timeframe; and
 - b. would seek public submissions on its intended course of action in relation to each area before any decision to make a “reorganisation plan”.
15. Consultation with the affected local authorities and the affected hapū was initiated in late October 2019. Responses were received from all three councils supporting the proposed process by mid-November. A meeting with “Te Kauae a Roopu” hapū and Nga Potiki took place on 20 December with those participating raising no concerns about the proposed process.
16. The final reorganisation investigation process document was adopted in January 2020. Councils and hapū were advised of the adoption of the process document, public notice was published in the Bay of Plenty Times and the Weekend Sun, and letters were sent to property owners in each of the potentially affected areas.

Part B: Consultation process and results

17. In accordance with the reorganisation investigation process document, the Commission has now undertaken on a proposal to proceed with the Tauriko West boundary alteration.

Process

18. There is only a small number of directly affected landowners and residents (there are fewer than 30 parcels of land in the affected area with only 19 owners). At the same time, the proposed change is part of a planned response to a shortage of residential land in the sub-region which has broader significance. The consultation process sought to reflect both aspects.
19. A consultation document was prepared that provided a plain language explanation of the proposed change and why it is being considered. It included, in a non-technical manner, much of the required content of a “reorganisation plan”. In particular it:
 - a. contained a description of the extent of the boundary change proposed (including a map);
 - b. the context for the change by reference to the growth pressures facing the sub-region and the need to provide adequate land for urban development;
 - c. made clear that it does not require change to representation arrangements for either affected district;
 - d. acknowledged the interests of affected iwi and hapū;

- e. made clear that the powers and obligations of the affected local authorities are not affected beyond the area of boundary change moving from one jurisdiction to another;
- f. set out the reasons for and advantages of the change, while acknowledging potential disadvantages;
- g. provided a picture of what it will mean for affected residents – being in a different district means different representation, rates and regulatory settings;
- h. invited submissions and explained opportunities for engagement with the Commission.

20. Steps taken to publicise the consultation were:

- a. The Commission give public notice of the consultation in the two local newspapers – The Bay of Plenty Times and Weekend Sun on Friday 20 and Saturday 21 March;
- b. The consultation document and supporting material were:
 - i. Published on the LGC website;
 - ii. made available on the Western Bay of Plenty District Council, Tauranga City Council and “Tauriko for Tomorrow” council websites¹;
 - iii. sent directly to the affected hapū with the offer of a meeting;
 - iv. mailed directly to landowners in the affected area²;

The consultation period ran for 4 weeks from the date of publication of the first public notice, with the period for submissions closing on 17 April.

Impact of Covid-19 emergency

21. Plans for the consultation were impacted by the emergence of the Covid-19 emergency. Two additional actions that had been planned had to be abandoned. These were:

- a. It had been intended that the document should also be made available in hard copy at council offices and libraries. In the event libraries and offices were not open at the relevant time; and
- b. It was planned to provide opportunities for face to face information sessions for interested members of the public, and to make provisions for face to face hearings of submitters. The information sessions were abandoned as restrictions were placed on non-essential travel in response to the emerging Covid-19 emergency. Submitters wishing to be heard by the Commission were instead given the opportunity to address their issues using “Zoom” technology.

22. Some consideration needs to be given to how the changed consultation arrangements arising from the Covid-19 emergency may have impacted on the response to the consultation process, and whether the Commission feels the results are sufficient for it to proceed make further decisions.

¹ The “Tauriko For Tomorrow” website was developed by the Smartgrowth partners as part of its earlier public consultations about the future urban development of the area, before the application to the Commission for the boundary change.

² Mail addresses were provided by Western Bay of Plenty District Council from its rating database.

23. While it is difficult to accurately assess how the response was affected by the changed arrangements the number of submissions received, 12, is not greatly fewer than might otherwise have been expected. Given the relatively small number of directly affected property owners, and the previous consultation in the area prior to the application to the Commission, the number of submission was never likely to be great.
24. Officers do not consider that the Covid-19 emergency has impacted sufficiently to call the validity of the exercise into question. They note that:
- a. While some elements of the initially planned consultation were dropped, the opportunity was still available for submissions to be made;
 - b. The Commission had written individually to those most directly affected (Tauriko West landowners) advising them of the opportunity;
 - c. The proposal had been the subject of prior consultation prior to application being made to the Commission;
 - d. The boundary change is only part of a broader process towards the probable future urban development of Tauriko West. Subsequent steps, most notably district plan changes needed before any development can take place, will provide further opportunities for public input.
 - e. Submissions were actually made advancing a variety of views.

Response

25. A total of 12 submissions were received. These are contained in Attachment 1, and summarised in the table below.

Submitter	Submitter Type	Position
Richard Luoni	Interested individual (outside affected area)	Opposed - Reservations about traffic and infrastructure implications of development
John O'Neil	Interested individual (outside affected area)	Opposed – Not convinced there is adequate planning for transport, jobs and services to support additional housing
Peter McBride/Trinity Lands	Affected landowner	Support
Tauranga City Council	Affected local authority	Support (and extensive supporting information)
Tauriko Property Group	Affected landowner	Support
Bay of Plenty Regional Council	Affected local authority	Support

NZTA	Government agency	Support
Ministry of Education	Government agency	Support
Tauriko West Ltd (part of the same group of companies as the Tauriko Business estate)	Affected landowner	Support
TBE3 and Taurikura Holdings (aka Tauriko Business Estate)	Interested business	Support but also wants the Belk Road boundary extension at the same time
Catran	Affected landowner	Support in general but with small area (including the submitter's property) excluded
Marriott	Affected landowner	Support but with series of requests relating to future development of area

26. All submitters were offered the opportunity to speak to their submissions via "Zoom" technology. Only one (TBE3 and Taurikura Holdings) chose to do so, 8 declined, 3 did not respond (despite two invitations). The submitters spoke to Commissioners on 11 May.

27. The Western Bay of Plenty District Council, as the applicant, was provided with copies of the submissions and given the opportunity to comment.

28. In summary:

- a. 5 responses were from landowners in the affected area. All express support at a headline level although in 2 cases (Catran and Marriott) with qualifications.;
- b. 3 responses were from members of the public seemingly outside the affected area. Two opposed the change, while the third (TBE3 and Taurikura Holdings) sought a larger change;
- c. 2 responses were from local authorities (Tauranga City Council and the Bay of Plenty Regional Council) supporting the proposal;
- d. 2 were from government agencies (NZTA and the Ministry of Education) supporting the proposal.

29. Overall, 2 submitters opposed the proposal, while 10 supported it. Among the 10 however there were 3 where the support was qualified or where either other action was requested. Those submissions which were either opposed, or where support was qualified, or which sought additional action are considered further below.

Submission opposed

30. The submissions opposed to the proposal (Luoni and O'Neil) are both sceptical of the overall concept of residential development at Tauriko West on transport and urban planning grounds. Decisions about transport and other infrastructure will inevitably be

challenging and to some extent contentious. The effect of the proposed boundary alteration is however merely to put these issues squarely in the court of the Tauranga City Council, to be addressed through subsequent processes.

TBE3 and Taurikura Holdings

31. The submission from TBE3 and Taurikura Holdings argues that the Commission should include the boundary alteration at Belk Road at the same time as that at Tauriko West. Representatives of the companies addressed the Commission by Zoom on 11 May stressing the urgent need for additional land to be made available for industrial development in the sub-region.
32. The reorganisation investigation process document previous adopted by the Commission however explicitly identified Tauriko West as the first boundary alteration to be progressed, with the other possible changes, including Belk Road to follow.

Catran

33. The submitter is a resident of the affected area with property at the western end of the area that the proposed change would move into Tauranga City. The submission asks for the area of the boundary change to be altered so that the new boundary runs along Redwood Road. This would result in Mr Catran's property and a small number of neighbouring properties remaining in the Western Bay of Plenty District. He argues that this area is unlikely to be part of any future urban/residential development. It also raises a number of issues about transport linkages and safety issues around S.H. 29.
34. Western Bay of Plenty District Council advises that the issue of the western boundary of the area had been heard in consultations prior to the application being lodged. It has pointed out that the extent and nature of further residential development in that specific area will be dealt with in the development of a structure plan under the RMA. It does not consider that a boundary between districts running down the middle of a street would be optimal.

Marriott

35. The submission from Mr and Mrs Marriott broadly supports the change but raises a series of things they believe would be desirable features of the envisaged future development of the area. These are matters that go beyond the mandate of the Commission in dealing with an application for a boundary adjustment between districts. We understand that at least some of the matters raised are not inconsistent with Tauranga City's early thinking on the shape of the future development that would be developed through a structure plan and district plan change process. Staff have advised Mr Marriott to contact Tauranga City and seek early engagement with the process.
36. The Commission may wish to formally draw the attention of the council to the Marriotts' issues.

Conclusions on consideration of Submissions

37. Overall a majority of the submissions support the proposed change. This includes the affected local authorities, interested government agencies, and owners of major land holdings within the affected area. This is consistent with the information provided by the applicants on the results of consultations undertaken earlier by the council and through Smartgrowth planning processes.
38. The issues raised in opposition by submitters Luoni and O’Neil related to the proposed development of these area and state of growth and transport planning around the city more generally, rather than being specific to the issue of the boundary alteration itself.
39. The TBE3 and Taurikura Holdings submission sought to accelerate consideration of the additional boundary alteration proposed around Belk Road. The Commission heard this submitter by Zoom. The decision to proceed with consideration of Tauriko West ahead of Belk Road and other proposed changes is, however, in the short term locked in by the decisions recorded in the Commission’s adopted reorganisation Investigation process document. This specifically signalled that Tauriko West would be addressed as a first stage, with the consideration of the other proposed boundary changes to follow.
40. The probable result of readdressing the adopted process to include Belk Road at this time would be to delay progress with Tauriko West. In addition earlier community engagement revealed that the Belk Road proposal was somewhat controversial. A move to advance the proposed change at Belk Road without further specific consultation, and an opportunity for opponents to be heard, would not seem appropriate.
41. Officers do not agree with the arguments put by the submitter Catran concerning the western boundary of the area. The arguments put by the Western Bay of Plenty District Council, that the river is the most appropriate boundary, as proposed in the original application, are persuasive.
42. Accordingly officers do not consider that the submissions raise issues that should cause the Commission to either alter, or abandon the proposed boundary change.

Part C – Consideration of statutory criteria

The Statutory tests

43. There are two sets of relevant criteria, the factors that the Commission must take into account. Firstly, in considering the desirability of options during a reorganisation investigation it must consider how best to achieve the objectives set out in clause 10. Secondly, in deciding whether to adopt a reorganisation plan it must take into account and the things set out in clause 12. Each of these are set out below.

Reorganisation investigation

44. Clause 10 states that in assessing the desirability of options for the reorganisation of local government in the affected area, the Commission must take into account how best to achieve—
 - a. better fulfilment of the purpose of local government as specified in section 10; and
 - b. productivity improvements within the affected local authorities; and
 - c. efficiencies and cost savings; and

- d. assurance that any local authority established or changed has the resources necessary to enable it to effectively perform or exercise its responsibilities, duties, and powers; and
- e. effective responses to the opportunities, needs, and circumstances of the affected areas; and
- f. enhanced effectiveness, efficiency, and sustainability of local government services; and
- g. better support for the ability of local and regional economies to develop and prosper; and
- h. enhanced ability of local government to meet the changing needs of communities for governance and services into the future; and
- i. effective provision for any co-governance and co-management arrangements that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations.

Adoption of reorganisation plan

45. Clause 12(1) states that the Commission may develop and adopt one or more reorganisation plans “during or at the completion of an investigation”. Clause 12(2) states that, in deciding whether to adopt a reorganisation plan, the Commission must have regard to—
- a. the scale of the potential benefits of the proposed changes to users of local government services in that area, in terms of the objectives set out in clause 11 and the likelihood of those benefits being realised; and
 - b. the financial, disruption, and opportunity costs of implementing the proposed changes at the proposed time; and
 - c. the risks and consequences of not implementing the proposed changes at the proposed time; and
 - d. existing communities of interest and the extent to which the proposed changes will maintain linkages between communities (including iwi and hapū) and sites and resources of significance to them; and
 - e. the degree and distribution of demonstrable public support for the proposed changes within communities in the affected area; and
 - f. the degree and distribution of any public opposition to the proposed changes within communities in the affected area.
46. Clause 12(3) and (4) contains specific conditions relating to the establishment of CCOs, and reorganisation plans impacting on co-governance and co-management arrangements between local authorities and iwi or Maori organisations.

Previous consideration

47. The Commission’s decision to proceed to consultation on the proposed boundary change reflected a consideration of these tests based on the information available to the Commission at that time. The Commission concluded that the proposed change did appear an appropriate one, and that it should consult on the basis of its intention to proceed with it. Any final decision to adopt a reorganisation plan to actually make the

change would then follow a revisiting of these tests in the light of the results of the consultation. This is set out below.

Consideration of Statutory requirements - The reorganisation investigation

48. This part sets out a consideration of the factors the Commission must consider as part of a reorganisation investigation.

Context

49. The considerations set out in clause 10 are intended to apply to a potentially wide range of types and scales of local government reorganisation, up to and including large scale amalgamation proposals. The weight and relevance of each consideration is likely to vary according to the nature of the proposal under consideration.

50. The current investigation is focused on a series of boundary alterations and is towards the lower end in terms of scale and complexity. It does not involve changes to the structure of local governance. The proposed changes do, however, have a broader economic and social significance in terms of the ability of the local authorities of the sub-region to respond to the pressure of ongoing population and business growth of the sub-region.

51. The Tauriko West proposal is for an area of approximately 189 ha, containing 28 parcels of land, to move from the jurisdiction of one territorial authority to another.

Better fulfilment of the purpose of local government as specified in section 10

52. The purposes of local government in section 10 are:

- a. to enable democratic local decision-making and action by, and on behalf of, communities; and
- b. to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Democratic decision-making

53. The proposed changes do not alter the structure of democratic community governance in either the district or the city. It is merely concerned with a defined area from one jurisdiction to another. The promotion of the change reflects an agreed sub-regional growth strategy that has identified the area as a future residential suburb as part of the Tauranga urban area.

54. Given that the future urban population of Tauriko West will for practical purposes comprise part of the urban Tauranga community, it is arguably appropriate on democratic grounds, that the area should be part of the city for governance and representation purposes. The application noted that even the current residents of the area “have for many years associated with, and used public amenities and services located in” the city.

55. If the change proceeds the residents of the area would move from the Kaimai Ward of the district to the Otumoetai-Pyes Pa Ward of the city. The numbers of existing residents affected by the change will not materially affect proportionality of representation of either ward and no consequential changes to representation arrangements would be necessary at the time of the boundary change. Over the longer term the development of the area will lead to an increased population of new residents. The implications of this for representation arrangements will be able to be dealt with in future representation reviews by the city council.

Promotion of wellbeing

56. The availability of adequate land for residential and commercial development provides places for people to live and work. This is basic to promoting the social, economic, environmental, and cultural well-being of communities. The Western Bay of Plenty sub-region is one of the fastest growing areas in the country. Tauriko West is estimated to be capable of accommodating 3,000 dwellings and a population of over 7,000 in the future.

57. The application for the boundary change at Tauriko West arose from the sub-regional growth planning carried out by the Smartgrowth partners (representing local authorities and tangata whenua). The changes have been signalled over a long period through such processes. In this context the boundary alteration is but one step in a larger process of making currently rural land available for urban development. This also involves alterations to the urban limits, changes to the district plan and the planning and provision of core infrastructure.

58. In most parts of New Zealand these processes do not give rise to the consideration of an alteration of the boundaries between districts. The issue of a boundary alteration arises solely because the existing Tauranga urban area directly abuts the boundary between districts, rather than the city's boundaries including a significant rural hinterland. There are relatively few places where this occurs.³ In most parts of the country the opening of new areas of land for urban development is undertaken purely through regional and district planning processes with no need for the Commission to be involved.

³ Hamilton and Palmerston North have previously had boundary alterations in similar circumstances.

59. It would be hypothetically possible for the land at Tauriko West to be included in the urban area without altering the boundary between districts. This could happen either by Western Bay of Plenty District providing the necessary urban infrastructure, or by Tauranga City providing infrastructure to an area that remained within the district under some form of cross boundary cross sharing arrangement. In practice it is not feasible for Western Bay of Plenty District to provide such infrastructure - the nearest district council water and wastewater infrastructure is at Te Puke 20k away. There are a number of reasons why a cross-boundary arrangement seems clearly less desirable. The future residents of the Tauriko West area are expected to live their lives as part of the Tauranga urban community, and therefore they should be part of that city for representation and democratic purposes. Including the area within the city will allow a single local authority to plan the development of the area, including the provision of core infrastructure and social and recreational amenities, in an integrated manner. Cross boundary development would lead to different regulatory arrangements in different parts of the urban area. Finally, cross-boundary servicing introduces a seemingly unnecessary layer of administrative complexity.
60. The Commission considers that the Tauriko West boundary alteration better fulfils the purpose of local government by making more effective provision for population growth in the sub-region, while providing appropriate democratic arrangements for the representation of the future residents.

Productivity improvements within the affected local authorities and efficiencies and cost savings

61. In the most direct sense a boundary adjustment is unlikely to make a material difference to the productivity or efficiency of council operations. Each council will continue to provide services at similar scale and institutional arrangements around service provision, beyond Tauriko West, will not be affected.
62. That said making provision for land to be available to meet demand for the expansion of the urban area will clearly be more positive for general productivity and efficiency than failing to do so.
63. The option of the boundary alteration appears far more efficient however than the alternatives of either Western Bay of Plenty District undertaking the provision of the necessary urban infrastructure, or the city providing it under some form of cross boundary arrangement.
64. There would also be inefficiencies in regulatory areas if a future Tauriko West residential area were divided between the city and the district. This would result in different district plans and different regulatory rules applying in different parts of the suburb.

Assurance that any local authority established or changed has the resources necessary to enable it to effectively perform or exercise its responsibilities, duties, and powers;

65. The scale of change being considered is not sufficient to have a material impact on the adequacy of the resources of either of the two affected councils. Both councils would continue to have their existing powers, and both would continue to have the necessary resources to undertake their responsibilities, duties and powers.
66. While the economic consequences of the Covid-19 emergency will impact negatively on the resources available to councils, this will be a nationwide phenomenon and will not be affected by a boundary change such as that under consideration here.

Effective responses to the opportunities, needs, and circumstances of the affected areas

67. The Bay of Plenty is one of the fastest growing regions in the country. It faces major challenges in meeting demand for land for housing and business. The Western Bay of Plenty has a well-established sub-regional growth planning approach through the Smartgrowth partnership.
68. The extent of the challenge is detailed in an extensive report “Western Bay Sub-Region Residential Capacity Review” commissioned by Tauranga City Council which concluded that *“there is insufficient residential development capacity to meet current and projected growth rates for housing development in the Western Bay sub-region, and in particular in Tauranga.”*⁴
69. Tauranga City Council’s submission notes that on current growth forecasts the city will need more than 33,000 additional dwellings for an additional 55,000 plus new residents by 2053. It also acknowledged that the city currently falls short of the requirements of the NPS-UD (National Policy Statement on the availability of and for urban development) over both the medium term (3 to 10 years) and the long term (10-30 years). The submission also notes work done by NZIER indicating that a failure to provide significant additional land for development will have a significant negative impact on regional GDP, and generate undesirable upward pressure on house prices. Note, however, that this analysis precedes the Covid-19 emergency.
70. The planned sub-regional response involves facilitating most growth as part of the urban council where new areas can be connected to existing urban infrastructure (either through intensification or extension of the city boundaries to include greenfield areas). The application for the Tauriko West boundary change arose from this process. The development of the Tauriko West area is expected to contribute to addressing this situation.
71. Officers consider the Commission can accept that the proposed boundary alteration at Tauriko West represents a step towards the most effective approach to addressing future challenges and opportunities.

Enhanced effectiveness, efficiency, and sustainability of local government services

72. The alteration in the boundary to allow Tauranga City to provide services as part of its city-wide networks represents the most effective option for providing these services to the future population of the area. Similarly having the area under the jurisdiction of a single territorial authority for planning and other regulatory purposes can be expected to be more efficient and effective than it being divided between districts.

⁴ “Western Bay Sub-Region Residential Development Capacity Review”, Veros Property Services, May 2019.

Better support for the ability of local and regional economies to develop and prosper; and Enhanced ability of local government to meet the changing needs of communities for governance and services into the future

73. As set out more fully in preceding sections of this analysis, the Western Bay of Plenty sub-region has been one of the fastest growing areas of the country and this growth is expected to continue. Providing sufficient urban land to accommodate the expected population and economic growth is arguably the greatest challenge facing it. The Tauriko West boundary alteration is a step in a broader sub-regional strategy intended to accommodate and support the expected future population growth in the sub-region.

Effective provision for any co-governance and co-management arrangements that are established by legislation (including Treaty of Waitangi claim settlement legislation) and that are between local authorities and iwi or Māori organisations

74. The proposed boundary alteration does not affect any co-governance and co-management arrangements that are established by legislation

In conclusion

75. Consideration of the factors set out in clause 11 provides strong support for the alteration of the boundary at Tauriko West (as sought by the original application from the Western Bay of Plenty District Council). The consideration of information provided by submitters does not call this into question.

Consideration of Statutory requirements - Adoption of reorganisation plan

76. This part sets out a consideration of the factors the Commission must have regard to before adopting a reorganisation plan. This provides the second part of the basis for the recommendation that the Commission consult on its intention to issue a reorganisation plan for the Tauriko West area.

The scale of the potential benefits of the proposed changes to users of local government services in that area, in terms of the objectives set out in clause 11 and the likelihood of those benefits being realised

77. This criterion effectively summarises the factors previously considered in the course of the reorganisation investigation (as set out in clause 11).

78. The proposed change is a significant step towards enabling the councils of the sub-region to provide effectively for anticipated population growth. While the boundary change directly affects only a small area of land the benefits of facilitating execution of the councils' growth strategy are significant, widespread and ongoing.

The financial, disruption, and opportunity costs of implementing the proposed changes at the proposed time;

79. The financial disruption and opportunity costs of implementing the change are not significant. While there are considerable costs of preparing the area for urban development these do not arise directly from the boundary adjustment, as they would occur regardless which district the land was in. The change affects a relatively small area of land, and a small number of landowners and current residents, in order to make effective provision for the future.

The risks and consequences of not implementing the proposed changes at the proposed time

80. The risk of not proceeding with the change at this time is that the response of the sub-regions councils to growth pressures is delayed or impeded.
81. The work done through Smartgrowth draws a clear picture of the growth challenges facing the sub-region and a strategy to respond has been adopted seemingly with wide community support. The sub-region faces real pressure in providing sufficient land for development to accommodate the expected population growth. This has been confirmed by a recent report on the sub-regions residential development capacity undertaken during 2019.⁵ The Tauranga City Council submission referenced work undertaken by NZIER indicating a significant negative impact on regional GDP and significant upward pressure on house prices if the region fails to provide adequate additional land for urban development. While the proposed boundary change at Tauriko West is only one of a number of steps towards averting this, the potential risks of not proceeding with the boundary change are clearly significant.
82. The proposal to adopt a reorganisation plan for the proposed boundary change at Tauriko West in advance of completing the consideration of other possible boundary changes appropriately reflects the real urgency of the situation.

Existing communities of interest and the extent to which the proposed changes will maintain linkages between communities (including iwi and hapū) and sites and resources of significance to them

83. The proposed change will facilitate significant change in communities of interest in the affected area, as what is now a predominantly rural area will become available for urban development. However, to some extent the process of a previously rural area being increasingly drawn into the urban environment is already occurring regardless of any change to the district boundaries. The original application noted that “the existing residents have for many years associated with, and utilised public amenities and services located within Tauranga City”.
84. The Commission has engaged with the hapū identified as having interests in the “western growth corridor” including the land at Tauriko West – the “Te Kauae a Roopu” group. These hapū have raised no concerns about adverse effects on sites or resources of significance and have expressed support for the proposed change.

The degree and distribution of demonstrable public support for the proposed changes within communities in the affected area

The degree and distribution of any public opposition to the proposed changes within communities in the affected area

85. Information provided with the original application recounted how prior to lodging its original application Western Bay of Plenty District Council undertook consultation with:
- a. ratepayers and residents within the affected area;
 - b. hapū with interests in the affected area:

⁵ “Western Bay Sub-Region Residential Development Capacity Review” by Veros Property Services May 2019,

- c. Tauranga Moana Iwi Authorities; and
 - d. the general public across the Tauranga and Western Bay of Plenty Districts.
86. In July and August 2018, residents and ratepayers in the affected area were sent individual letters providing information and seeking feedback. Responses from 19 of 37 properties (representing 93% of the affected land area) expressed support. There were no responses from 7 properties, while 2 were opposed.
87. Hapū representatives (Te Kauae a Roopu hapū) were asked whether they supported the proposed alteration at a meeting on 9 July 2018. The proposal was unanimously supported. Similarly, the proposal was unanimously supported by Tauranga Moana Iwi Authorities (Ngāti Ranginui, Ngai Te Rangi and Ngāti Pukenga) at a meeting on 24 August 2018.
88. A public opinion survey was conducted for the councils across both districts in July and August 2018. The headline results were that in Tauranga 68% of respondents supported the boundary change, with 16% opposed and 16% uncertain. In the Western Bay of Plenty District, support was at 61%, opposition at 19% and those uncertain at 20%. On the face of it this suggests a general consensus supporting the proposal.
89. The Commission's own investigations prior to the current consultation, including engagement with hapū, had brought forward no information to suggest any different.
90. The results of the consultation confirm the general picture presented by the earlier information. Support for the proposal is not universal, but this is not something that would be expected in the context of a proposal which sits within a planned process of making a previously rural area available for urban development. It is to be expected that some residents and neighbours may see the change as part of a process leading to a loss of lifestyle amenity. It is also to be expected that not everybody will be comfortable with the overall pattern and rate of growth of the urban area, or have confidence in the planning for transport and other infrastructure to deal with this.
91. On the other hand the submissions from key institutional players (the affected local authorities and interested key government agencies) have expressed support for the change and the broader growth planning processes which it arose from. In addition the majority of the affected landowners who submitted, including some of the larger landholders, expressed support for the change.
92. Overall the submission process has confirmed a high level of support for the change, along with some lesser opposition, broadly consistent with the earlier information provided by the applicant.

In conclusion

93. The proposed boundary alteration offers significant benefits in facilitating the response of the sub-region's councils to the demands of expected population growth. The councils already face significant pressure to ensure an adequate supply of land for residential development and denying or delaying the boundary alteration would risk contributing to a future shortfall, with negative consequences across the sub-region.
94. The costs of proceeding with the change do not appear significant and the change is what councils have planned for and which has been clearly signalled through Smartgrowth and regional planning exercises.
95. The boundary alteration will result in change for the current residential community as it will accelerate a process of a formerly rural area becoming assimilated into the urban

area. There appears to be significant (if not unanimous) level of community support, both within the affected area, and throughout the two districts generally. Iwi and hapū have been consulted by council at earlier stages in the process and supported the proposal. Although no submissions were received from affected hapū support was expressed at a meeting the Commission held with hapū.

Part D – Next Steps

96. This Part sets out the next steps in the process. This covers both the Tauriko West boundary adjustment that has been the subject of this paper, but also the steps for advancing the remaining proposed changes in the boundary between the Western Bay of Plenty District and Tauranga City.

Tauriko West

Reorganisation Plan

97. If Commissioners agree to the recommendations in this paper it is considered that advice should be given to the affected councils and submitters that the Commission has decided to proceed to the next step of adopting a “reorganisation plan”.
98. The next statutory step is then the formal adoption of the reorganisation plan for the change, followed by the making of an Order in Council to give effect to it. There are specific statutory requirements relating to the content of a reorganisation plan, its public notification and the publication of a supporting statement. These are set out in attachment 2.
99. The required contents of the plan are for the most part relatively simple and high level. In part this reflects that most of the detailed “nuts and bolts” are dealt with subsequently in the reorganisation implementation scheme to be developed in conjunction with the transition body. In part it simply reflects that the change proposed in this case is a relatively simple one. The content of the consultation document released earlier by the Commission broadly followed the required contents of the reorganisation plan in a general and plain English manner. There are two additional key elements however to be addressed to complete the plan.
100. The first is the detailed legal description and map of the area to change districts. This has recently been obtained. The other aspect is settlement of the composition of the transition body that the Commission is required to establish for the next step in the process. This can be either a Transition Board (a governance level body) or simply an officer level body. The decision is one for the Commission to make reflecting the complexity of the change in questions and the issues it raises in transition. Arguably the makeup of the body should also have the agreement of the affected councils if it is to function effectively. Officers have discussed this matter with council officers and have agreement that an officer level body is appropriate here, although it is envisaged that confirmation of this would now be sought from Mayors and Chief Executives before proceeding.
101. Once these things have been done then the plan can be developed and presented to the Commission for adoption at the June meeting.

Transition process

102. The next statutory step is the development of the reorganisation implementation scheme in conjunction with the transition body. These schemes deal with a potentially wide range of practical matters such as the transfer of assets and liabilities, application of plans and policies, and where relevant transfers of staff. Clauses 42 to 54 of Schedule 3 deal at length with such matters. There are a number of “default” conditions set out in clause 45 that apply unless expressly otherwise decided. It is only where specific exceptions to the default are required that significant detail is required.
103. Given the change in question here is small and relatively simple this is not seen as likely to be a difficult task. Western Bay of Plenty District and Tauranga City have already established a joint implementation team, which is developing a project plan including addressing matters the scheme may need to provide for.
104. Once the Commission has adopted the scheme this is then given effect by an Order in Council. This completes the process. The aim is to reach this point for a 1 January 2021 effective date for the change, as this is the date requested by the councils.

Other Proposed Boundary Changes

105. The reorganisation investigation process document previously adopted by the Commission indicated that it would first progress the Tauriko West proposal and address the additional possible boundary changes at Belk, Keenan and Tara Roads. If the recommendations in this paper are accepted and the Tauriko West process moves towards implementation then the opportunity now exists to turn attention back to those other proposals.
106. It is considered that this should be done by officers developing and the Commission considering a paper that sets out:
- a. a preliminary analysis of those three proposals in terms of the criteria and tests and clauses 10 (objectives for reorganisation investigation) and 12 (adoption of reorganisation plan) – the range of matters covered in part C of this paper;
 - b. a recommendation to either proceed or not to proceed to consult on a intention to advance the proposals;
 - c. (in the event of a recommendation to consult) advice on the consultation process seen as appropriate.
107. It is envisaged that this would consider Belk, Keenan and Tara Road proposals in a single process, (although not necessarily to a single outcome following consideration of submissions). While it is arguable that there is greater urgency about advancing consideration of the proposed Belk Road change, Tauranga City believes the Belk and Keenan Road changes should be advanced in tandem so that the issues around addition industrial land and residential land are considered together.
108. There may be issues relating to the Commission’s ability to use an appropriate range of consultation measures for these proposals under the Covid-19 emergency. There is a high level of uncertainty about the ability of the Commission to travel, and hold public meetings for instance. Advice offered will need to reflect what is possible at the relevant time.
109. Advice will be brought for consideration to the Commission’s June meeting.

Recommendations

110. It is recommended that the Commission:

- a. **note** that
 - i. the Commission called for submissions with a closing date of 17 April 2020;
 - ii. measures taken under the Covid-19 emergency have impacted over the period of the consultation;
- b. **note** the responses to the call for submissions that are set out in attachment 1, and the analysis of these in Part B;
- c. **agree** that it considers the results of the consultation process are sufficient for it to take further decisions on the proposal;
- d. **agree** that the submissions do not provide grounds to abandon or modify the proposal;
- e. **agree** that the issues raised by the submitter Marriott be referred to Tauranga City Council for its consideration;
- f. **note** the consideration of the:
 - i. objectives to be considered by a reorganisation investigation set out in clause 10 and;
 - ii. the matters to be considered in deciding whether or not to adopt a reorganisation plan specified in clause 12 of Schedule 3, set out in Part C of this report;
- g. **agree** to develop and adopt a reorganisation plan altering the boundary in the Tauriko West area in accordance with the application from the Western Bay of Plenty District Council;
- h. **note** the steps necessary to complete development and implementation of the proposed reorganisation plan;
- i. **note** that it is expected that the reorganisation plan will be available for consideration at the Commission's June meeting;
- j. **note** that advice about next steps in advancing the proposals for boundary changes at Keenan, Belk and Tara Roads will come to the Commission's June meeting.

Statutory requirements relating to reorganisation plan

Content of reorganisation plan

1. Clause 14(2) provides that the reorganisation plan must describe, for each affected local authority proposed to be continued,—
 - a. the type of local authority; and
 - b. the name of the district or region of the local authority; and
 - c. the nature and extent of any proposed changes to—
 - i. the boundaries of the district or region; and
 - ii. the representation arrangements of the local authority; and
 - iii. the extent to which the areas of interest of affected iwi or hapū are included in the district or region; and
 - iv. in the case of a unitary authority, any local board areas and any local boards of the local authority; and
 - v. any communities and any community boards of the local authority; and
 - vi. the committees of the local authority; and
 - vii. the council-controlled organisations of which the local authority is a shareholder; and
 - viii. the statutory obligations of the local authority; and
 - ix. any constraints imposed on the local authority's exercise of the discretion conferred by section 12(2); and
 - d. any other matters the Commission considers necessary or desirable.
2. Under clause 14(5), a reorganisation plan must also—
 - a. contain information about the role, powers, and composition of the transition body, including—
 - i. whether the transition body will include a transition board; and
 - ii. if a transition board will be included in a transition body, how each affected local authority will be represented on the transition board and whether the transition board will include other persons; and
 - iii. whether an interim chief executive will be appointed for any local authority under clause 38; and
 - iv. if an interim chief executive will be appointed, which of the powers listed in clause 39(1) may be exercised by the interim chief executive; and
 - b. have attached to it a full and detailed explanation of the advantages and disadvantages of the plan and of how it will promote good local government.

Notification of reorganisation plan

3. Clause 13 requires that as soon as practicable after adopting a reorganisation plan, the Commission must—

- a. give public notice of the plan and, in the notice, specify where copies of the plan may be inspected; and
 - b. take any other action that it considers necessary to inform persons, bodies, and groups that the Commission identifies as having an interest in the plan.
4. It must also attach to the plan a full and detailed statement that:
- a. explains how the plan will achieve the objectives set out in clause 11; and
 - b. provides a balanced assessment of the reorganisation plan and outlines the advantages and disadvantages of the proposal including, but not limited to, the advantages and disadvantages of—
 - v. the creation or alteration of any district or region; and
 - vi. the exclusion of any remaining area of a district or region affected by the proposal; and
 - vii. any changes to the responsibilities of each affected local authority; and
 - viii. any change to how a local government service is managed and provided.