



Local Government Commission
Mana Kāwanatanga ā Rohe

**REORGANISATION PLAN
FOR TRANSFER OF BELK ROAD, KEENAN ROAD AND TARA ROAD AREAS
FROM WESTERN BAY OF PLENTY DISTRICT TO TAURANGA CITY**

INTRODUCTION

In November 2018, the Local Government Commission received an application from the Western Bay of Plenty District Council for the transfer of an area at Tauriko West from Western Bay of Plenty District to Tauranga City. The Commission agreed to assess the application and in March 2019 publicly notified it and called for alternative applications.

Seven responses were received by the Commission in response to the call for alternative applications. These included suggestions that the boundaries of Tauranga City be further extended to include:

- an area at Belk Road (to facilitate the future extension of the Tauriko Business Estate)
- the area around Keenan Road
- an area at Tara Road in Papamoa.

In May 2019, the Commission agreed to consider these additional options for boundary alterations, as they related to the need for the Western Bay of Plenty 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.

During 2019, in relation to the alternative applications, the Commission met at various times with the Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council, tangata whenua, the alternative applicants, and, through two public meetings, more than 80 landowners in the affected areas. We also engaged with Waka Kotahi NZ Transport Agency and the Ministry of Housing and Urban Development.

Before making a final decision the Commission, in line with the process outlined in its reorganisation process document, issued statements of its intentions and called for submissions. Twenty two submissions were received.

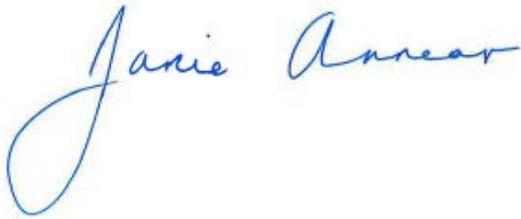
After considering the submissions the Commission decided to proceed with the proposed boundary alterations and develop and adopt a reorganisation plan to give effect to them, along with an additional boundary alteration relating to an anomaly affecting a small area south of the Eastern Link Toll Road. In doing so the Commission considered the requirements of clauses 10 and 12, Schedule 3 of the Local Government Act 2002. The specific matters considered by the Commission are outlined in the report at this [link](#) while an explanation of how the plan will meet the objectives listed in clause 10 is attached to this plan.

The Commission also confirms that:

- As required by clause 17(c) the altered boundary will conform with the boundaries of statistical meshblocks determined by Statistics New Zealand
- In altering the boundaries of wards, constituencies and the Te Puke Community, it has considered the matters listed in clause 18.



Brendan Duffy
Chairperson



Janie Annear
Commissioner



Sue Piper
Commissioner

3 December 2020

REORGANISATION PLAN FOR BOUNDARY ALTERATIONS BETWEEN WESTERN BAY OF PLENTY DISTRICT AND TAURANGA CITY

Pursuant to clause 12 of Schedule 3 of the Local Government Act 2002, the Local Government Commission has adopted a reorganisation plan as follows:

Preliminary provisions

1. Purpose

The purpose of this plan is:

- (a) to transfer areas at Belk Road, Keenan Road and Tara Road from Western Bay of Plenty District to Tauranga City; and
- (b) to transfer an area south of the Tauranga Eastern Link Toll Road from Tauranga City to Western Bay of Plenty District.

2. Commencement

It is proposed that this plan comes into force as follows:

- (a) Clauses 4 to 10 come into force on 1 March 2021.
- (b) Clauses 1 to 3, 11 to 14 come into force on the day after the date of its notification in the *New Zealand Gazette*.

3. Interpretation

The following terms have their meaning in this plan as follows:

Act means the Local Government Act 2002.

Area B means the area defined on map LG-022/023-2020-Boundary-2 deposited with the Local Government Commission, available on the Local Government Commission's website.

Area C means the area defined on map LG-022/023-2020-Boundary-3 deposited with the Local Government Commission, available on the Local Government Commission's website.

Area D means the area defined on map LG-022/023-2020-Boundary-4 deposited with the Local Government Commission, available on the Local Government Commission's website.

Area E means the area defined on map LG-022/023-2020-Boundary-5 deposited with the Local Government Commission, available on the Local Government Commission's website.

Transition body means one or both of the transition bodies established by clauses 11 and 12 of this plan.

Boundary alterations

4. Boundary alterations

The boundaries of Western Bay of Plenty District and Tauranga City are altered by:

- (a) excluding Areas B, C and D from Western Bay of Plenty District and including them in Tauranga City; and
- (b) excluding Area E from Tauranga City and including it in Western Bay of Plenty District.

Representation

5. Territorial authority wards

(1) Areas B and C are excluded from the Kaimai Ward of Western Bay of Plenty District and included in the Otumoetai-Pyes Pa Ward of Tauranga City .

(2) Area D is excluded from the Maketu-Te Puke Ward of Western Bay of Plenty District and included in the Mount Maunganui-Papamoa Ward of Tauranga City.

(3) Area E is excluded from the Mount Maunganui-Papamoa Ward of Tauranga City and included in the Maketu-Te Puke Ward of Western Bay of Plenty District.

6. Te Puke Community

(1) Area D is excluded from the Te Puke Community.

(2) Area E is included in the Te Puke Community.

7. Regional constituencies

(1) Areas B, C and D are excluded from the Western Bay of Plenty Constituency of Bay of Plenty Region and included in the Tauranga Constituency of Bay of Plenty Region.

(2) Area E is excluded from the Tauranga Constituency of Bay of Plenty Region and included in the Western Bay of Plenty Constituency of Bay of Plenty Region.

8. Representation reviews

Clauses 5, 6 and 7 are subject to any review of representation arrangements undertaken under Part 1A of the Local Electoral Act 2001 prior to the triennial elections of local authorities to be held on 8 October 2022.

Effect on other matters

9. Affected local authorities continue in existence

(1) The Western Bay of Plenty District Council and the Tauranga City Council, being territorial authorities, continue in existence.

(2) The districts for those local authorities are the Western Bay of Plenty District and Tauranga City.

10. Affected iwi and hapū

For the purposes of clause 14(2) of the Schedule 3 of the Act it is noted that:

- (a) Areas B and C fall within the areas of interest of hapu Ngāti Kahu, Ngāti Rangi, Ngāti Pango, Pirirakau, Ngāti Hangarau, and Ngāi Tamarawaho, which whakapapa to Ngāti Ranginui iwi of Tauranga Moana.
- (b) Areas D and E fall with the area of interest of Ngā Pōtiki, which whakapapa to Ngāi Te Rangi iwi of Tauranga Moana.

Transition bodies

11. Belk Road, Keenan Road and Tara Road Transition Body

(1) The Belk Road, Keenan Road and Tara Road Transition Body will be established to make arrangements for the exclusion of Areas B, C and D from Western Bay of Plenty District and their inclusion in Tauranga City.

(2) The transition body:

- (a) will comprise an implementation team; and
- (b) will not include a transition board.

(3) The role of transition body will be to:

- (a) generally, make such arrangements as are necessary for the exclusion of Areas B, C and D from Western Bay of Plenty District and their inclusion in Tauranga City;
- (b) meet the purposes of a transition body provided for by clause 34(2) of Schedule 3 of the Act; and
- (c) undertake the responsibilities of a transition body provided for by clause 36 of Schedule 3 of the Act.

12. Hurst Property Transition Body

(1) The Hurst Transition Body will be established to make arrangements for the exclusion of Area E from Tauranga City and its inclusion in Western Bay of Plenty District.

(2) The transition body:

- (a) will comprise an implementation team; and
- (b) will not include a transition board.

(3) The role of transition body will be to:

- (a) generally, make such arrangements as are necessary for the exclusion of Area E from Tauranga City and its inclusion in Western Bay of Plenty District;
- (b) meet the purposes of a transition body provided for by clause 34(2) of Schedule 3 of the Act; and
- (c) undertake the responsibilities of a transition body provided for by clause 36 of Schedule 3 of the Act.

13. Membership

The Local Government Commission will appoint the members of the transition bodies, including a manager of each implementation team, from nominations from the Western Bay of Plenty District Council and the Tauranga City Council.

14. Miscellaneous

Nothing in this plan requires the appointment of an interim chief executive under clause 38 of Schedule 3 of the Act.

SUPPLEMENTARY INFORMATION

ADVANTAGES AND DISADVANTAGES

The advantage of these boundary changes, particularly those at Belk and Keenan roads, is that it will allow the Western Bay of Plenty sub-region's councils to move ahead in implementing their strategy for providing sufficient land for urban development in the Tauranga urban area. There is currently a significant shortfall in land suitable for residential development and this is projected to grow in the future. This has been identified as resulting in significant foregone economic activity and driving inflation of residential property values. This is a significant limiting factor on the aspiration to improve the social and economic wellbeing of the sub-region's communities.

Making the boundary changes will allow for development of these areas to be planned and delivered in an integrated manner by Tauranga City over the coming years. This will contribute towards addressing the current and projected shortfalls in available land. There would be significant negative consequences across the community if the supply of land for residential development in the sub-region is not able to meet demand.

The more specific advantages of the boundary changes at Tara Road and the Hurst property are that they rectify anomalies in the current boundaries, and ensure that these areas are included in the territorial authority district best placed to deal with any impacts related to them.

A potential disadvantage for some of the current residents of the area may result from the broader process of development, rather than the boundary change as such; the usage of the area may change once other planning processes have concluded. For some current residents this could present an opportunity rather than a disadvantage.

MEETING THE OBJECTIVES SET OUT IN CLAUSE 10 OF SCHEDULE 3, LOCAL GOVERNMENT ACT AND PROMOTING GOOD LOCAL GOVERNMENT

The following commentary outlines how the plan will meet the objectives set out in clause 10 of Schedule 3 of the Local Government Act 2002. In doing so it also describes how it will promote good local government.

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

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

The proposed changes do not alter the structure of democratic community governance affecting either the district or the city. They are merely concerned with the movement of several defined areas from one jurisdiction to another.

The future urban population of areas envisaged for residential development, and most of those likely to find employment in the proposed new industrial area, will for practical purposes comprise part of the urban Tauranga community. It is most appropriate that the areas should be part of the city for governance, representation and accountability purposes.

None of these changes require immediate change to the structure of governance and representation in either district. The numbers of current residents in these areas are modest. The impacts of the larger changes in population that may follow urban development in these areas can be addressed through future council representation reviews.

Promotion of wellbeing

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 New Zealand.¹

A shortfall in land supply available in both the short and medium term for residential development has been identified. Similarly, the need has been identified for additional industrial land supply for the period out to 2027.

The two larger boundary changes (Keenan Road – residential, and Belk Road - industrial) are both in areas that have long been signalled in sub-regional growth planning carried out by the Smartgrowth partners as areas for future urban development as part of a western growth corridor. This is reflected in the urban growth limits set out in the Bay of Plenty Regional Council’s regional policy statement. The proposed change at Tara Road falls outside these agreed sub-regional plans but also reflects an aspiration by some for residential development on the land.

The agreed approach of the two affected territorial authorities is that urban development should be undertaken under the jurisdiction of Tauranga City Council. This would allow it to be planned and developed in an integrated manner as part of the broader urban area. It also reflects the practical necessity for infrastructure to be provided by the city as there are no adjacent district networks.

¹ A Stats NZ news release, 22 October 2020, stated that “Bay of Plenty provisionally had the highest percentage population growth of all regions in the year end June 2020 ... This was driven by the high growth in Tauranga City and Western Bay of Plenty District.”

The proposed boundary alterations at Belk and Keenan roads better fulfil the purpose of local government relating to community wellbeing by facilitating the chosen pathway of the affected local authorities for making provision for population and employment growth in the sub-region and supporting their aspiration to ensure that sufficient land is available for residential and industrial development.

The proposed change at Tara Road has not been previously planned and signalled in this way. The fact that the Tara Road land remains in the Western Bay of Plenty District when it is effectively “landlocked” by the S.H 2 expressway is, however, clearly anomalous. If the area is to be developed it will require connection to Tauranga City infrastructure and will for practical purposes be part of the Tauranga urban area. If it is not developed it is still more logically placed in Tauranga City.

The Hurst property is not proposed to be developed and the same issues do not apply. However its location in Tauranga City is now anomalous and it should logically be located in Western Bay of Plenty District.

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

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 the areas of the three proposed boundary changes, will not be affected.

Boundary alterations moving these areas into the city are clearly 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. This takes advantages of the scale of urban infrastructure already in place in adjoining areas of the city, and will facilitate integrated urban planning, and the application of standard regulatory settings across the urban area.

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

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 will continue to have their existing powers, and both will continue to have the necessary resources to undertake their responsibilities, duties and powers.

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

As discussed above, the Western Bay of Plenty sub-region is one of the fastest growing areas in New Zealand. Meeting demand for land for housing and business arising from this is arguably the greatest challenge facing the sub-region. The sub-region has an immediate shortfall in land available for residential development, and the need for additional industrial land for the period beyond 2020 has previously been identified. The Western Bay of Plenty has a well-established sub-regional growth planning approach through the Smartgrowth partnership which has recognised these challenges.

The planned sub-regional response involves facilitating most growth as part of the Tauranga City Council's jurisdiction where new areas can be connected to existing urban infrastructure (either through intensification or extension of the city boundaries to include green field areas).

Enhanced effectiveness, efficiency, and sustainability of local government services

The alteration in the boundaries to allow the Tauranga City Council to provide services as part of its city-wide networks represents the most effective option for providing these services to the future populations and workforces of the areas in question. 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.

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

While the proposed boundary changes do not in themselves solve the issue of land availability, they help clear the way for councils to take steps towards addressing them. The potential economic impacts are highly significant.

After reviewing Tauranga City's projections of land available for housing, the New Zealand Institute of Economic Research estimated that the city was at risk of significant housing cost appreciation as a result.² It concluded:

- Its impact on growth would lead to foregone GDP of \$272.7 million over the next 3 years, growing to \$725.5 million by year 10; and
- Its impact on the median house price would be \$40,119 per annum in the short term (1 – 3 years), increasing over the medium term (10 years) to \$702,082.

The proposed changes, especially those at Belk and Keenan roads, will facilitate the councils implementing agreed strategies for meeting the challenges of growth and, at least partly, addressing the impacts of a shortage in land supply.

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

The proposed boundary alterations do not affect any co-governance and co-management arrangements that are established by legislation.

NEXT STEPS

In accordance with section 25 of the Local Government Act 2002, an Order in Council is now being prepared to give effect to this reorganisation plan.

² NZIER, Impact of Housing Shortages: Assessing the Effect for Tauranga City, February 2020

With assistance from the affected councils and the implementation teams the Commission will prepare a reorganisation implementation scheme. This scheme will set out arrangements required to assist a smooth transition. This could include for example identifying whether Western Bay of Plenty District bylaws continue to apply to the areas being transferred to Tauranga City for an interim period, or whether Tauranga City bylaws apply immediately the boundary change takes effect.

The reorganisation implementation plan will also need to be given effect to by Order in Council.

The Commission and the local authorities have agreed that the boundary change should take effect on 1 March 2021.