



**Mana Kāwanatanga
ā Rohe**

Local Government Commission

**REORGANISATION PLAN FOR TRANSFER OF LAND FROM
WHAKATANE DISTRICT TO KAWERAU DISTRICT**

9 April 2024

**TE MAHERE WHAKAREREKĒ KI TE WHAKAWHITI I TE WHENUA I TE ROHE O
WHAKATĀNE KI TE ROHE O KAWERAU**

9 Āpereira 2024

INTRODUCTION / KŌRERO WHAKATAKI

In April 2022, the Local Government Commission received a reorganisation initiative from Kawerau District Council for the transfer of three areas at its boundary from Whakatane District to Kawerau District:

- an area adjacent to Putauaki Industrial Park (divided into two by intervening land parcels)
- land housing Tohia o te Rangi marae and surrounds
- a part of Tuwharetoa Otarahanga Farm

The Commission agreed to investigate the initiative and in October 2022, following consultation with affected local authorities, iwi and hapū, it adopted and publicly notified an investigation process.

During 2022 and 2023 the Commission invited Whakatane District Council and affected landowners/land administrators who had already indicated support for the initiative to provide any further comments. It also invited feedback from affected iwi and hapū, neighbouring landowners who had originally declined to be included in the initiative, the Bay of Plenty Regional Council, and the Kawerau and Whakatane communities.

In February 2023 the Commission visited the affected areas and met with representatives of both district councils, with Ngāti Tuwharetoa (Bay of Plenty) Kaumātua, and all affected and neighbouring landowners who wished to do so. These conversations revealed a lack of clarity amongst some landowners about what the proposed boundary change might mean for their land. The Commission asked the Council to reengage with these landowners to ensure they could reach an informed position on the proposed boundary changes.

The outcome of the Commission's investigation and Council's subsequent reengagement with landowners was written confirmation from all affected landowners expressing a preference for their land to be included in the Kawerau District. One landowner adjacent to Putauaki Industrial Park who had initially declined to support the initiative also confirmed their wish to be included.

In line with its investigation process, the Commission also invited public feedback from communities in the affected and surrounding area, between October 2022 and March 2023. As the feedback reflected a consistent level of support for the proposed boundary changes, the Commission decided not to hold a public hearing.

As a result of its investigation, the Commission decided to proceed with the proposed boundary alterations and confirm this reorganisation plan to give effect to them. In doing so, the Commission has considered the requirements of clause

10, Schedule 3 of the Local Government Act 2002. 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) of the Act, the altered boundary will conform with the boundaries of statistical meshblocks determined by Statistics New Zealand.

Nāku noa, nā

The Local Government Commission
Mana Kāwanatanga ā Rohe

REORGANISATION PLAN FOR BOUNDARY ALTERATION BETWEEN KAWERAU DISTRICT AND WHAKATANE DISTRICT

TE MAHERE WHAKAREREKĒ I TE PANONITANGA ROHENGĀ I TE ROHE O KAWERAU ME TE ROHE O WHAKATĀNE

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 / Ngā whakaritenga hukihuki

1. Purpose / Take

The purpose of this plan is to transfer four areas from Whakatane District to Kawerau District.

2. Commencement / Kōkiritanga

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

- (a) Clauses 4 to 7 come into force on 1 July 2024 or such other date agreed to by the affected local authorities, whichever is later.
- (b) Clauses 1 to 3, 8 to 9 come into force on the day after the date of the notification in the *New Zealand Gazette* of the Order in Council implementing this plan.

3. Interpretation / Whakamāoritanga

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

Act means the Local Government Act 2002.

Area 1-North means the area defined on map LG-025_026-2024-Boundary-2 deposited with the Local Government Commission and attached to this plan.

Area 1-South means the area defined on map LG-025_026-2024-Boundary-1 deposited with the Local Government Commission and attached to this plan.

Area 2 means the area defined on map LG-025_026-2024-Boundary-3 deposited with the Local Government Commission and attached to this plan.

Area 3 means the area defined on map LG-025_026-2024-Boundary-4 deposited with the Local Government Commission and attached to this plan.

Transition body means the Kawerau District Transition Body established by clause 8 of this plan.

Boundary alteration / Panonitanga rohenga

4. Boundary alteration / Panonitanga rohenga

The boundaries of Kawerau District and Whakatane District are altered by excluding Areas 1-North, 1-South, 2, and 3 from Whakatane District and including them in Kawerau District.

5. Representation / Whakaahuahanga

- (1) Areas 1-North, 1-South, 2, and 3 will be excluded from the Rangitāiki General Ward, the Rangitāiki Māori Ward, and the Rangitāiki Community of Whakatane District.
- (2) This clause is 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 11 October 2025.

Effect on other matters / Pānga ki ngā kaupapa anō

6. Affected local authorities continue in existence / Ka noho tonu ngā kāwanatanga ā-rohe kua pāngia

- (1) The Kawerau District Council and the Whakatane District Council, being territorial authorities, continue in existence.
- (2) The districts for those local authorities are the Whakatane District and the Kawerau District.

7. Affected iwi and hapū / Ngā iwi me ngā hapū kua pāngia

For the purposes of clause 14(2) of Schedule 3 of the Act it is noted that Areas 1-North, 1-South, 2, and 3 all fall within the areas of interest of Ngāti Awa, Ngāti Tuwharetoa (Bay of Plenty), and Ngāti Rangitihī iwi.

Transition body / Te hunga whakawhiti

8. Kawerau District Transition Body / Te Hunga Whakawhiti o te Rohe o Kawerau

- (1) A transition body (the Kawerau Transition Body) will be established to make arrangements for the exclusion of Areas 1-North, 1-South, 2, and 3 from Whakatane District and their inclusion in Kawerau District.
- (2) The transition body:
 - a. will comprise an implementation team; and
 - b. will not include a transition board.
- (3) The role of the transition body will be to:
 - a. generally, make such arrangements as are necessary for the exclusion of Areas 1-North, 1-South, 2, and 3 from Whakatane District and their inclusion in Kawerau 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.

9. Membership / Mematanga

The Local Government Commission will appoint the members of the transition body, including a manager of the implementation team, from nominations from Whakatane District Council and Kawerau District Council.

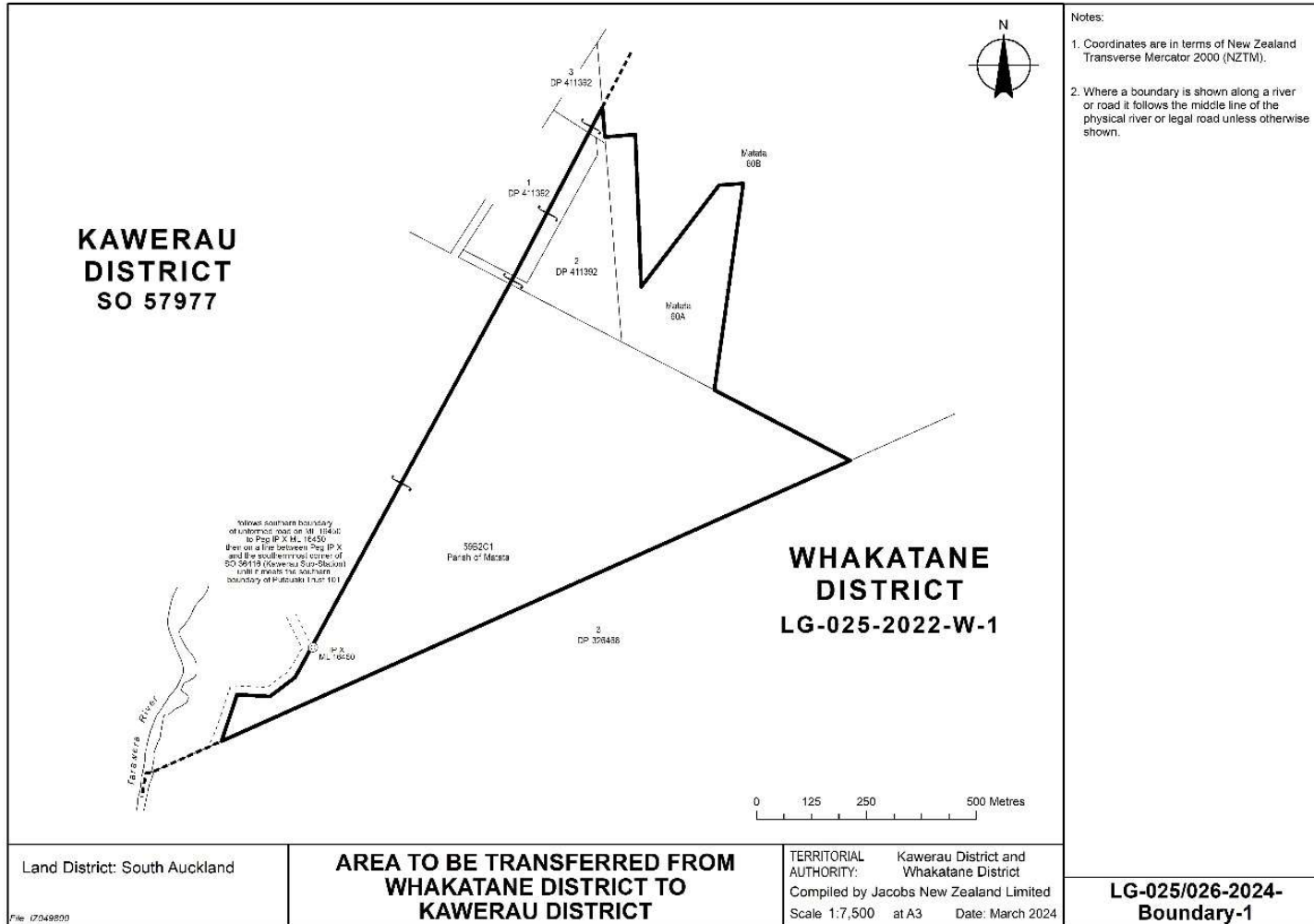
10. Miscellaneous / Whakaehu

- (1) Nothing in this plan requires the appointment of an interim chief executive under clause 38 of Schedule 3 of the Act.
- (2) In accordance with clause 14(5)(b) of the Act, an explanation of the advantages and disadvantages of this plan is attached as Supplementary Information.

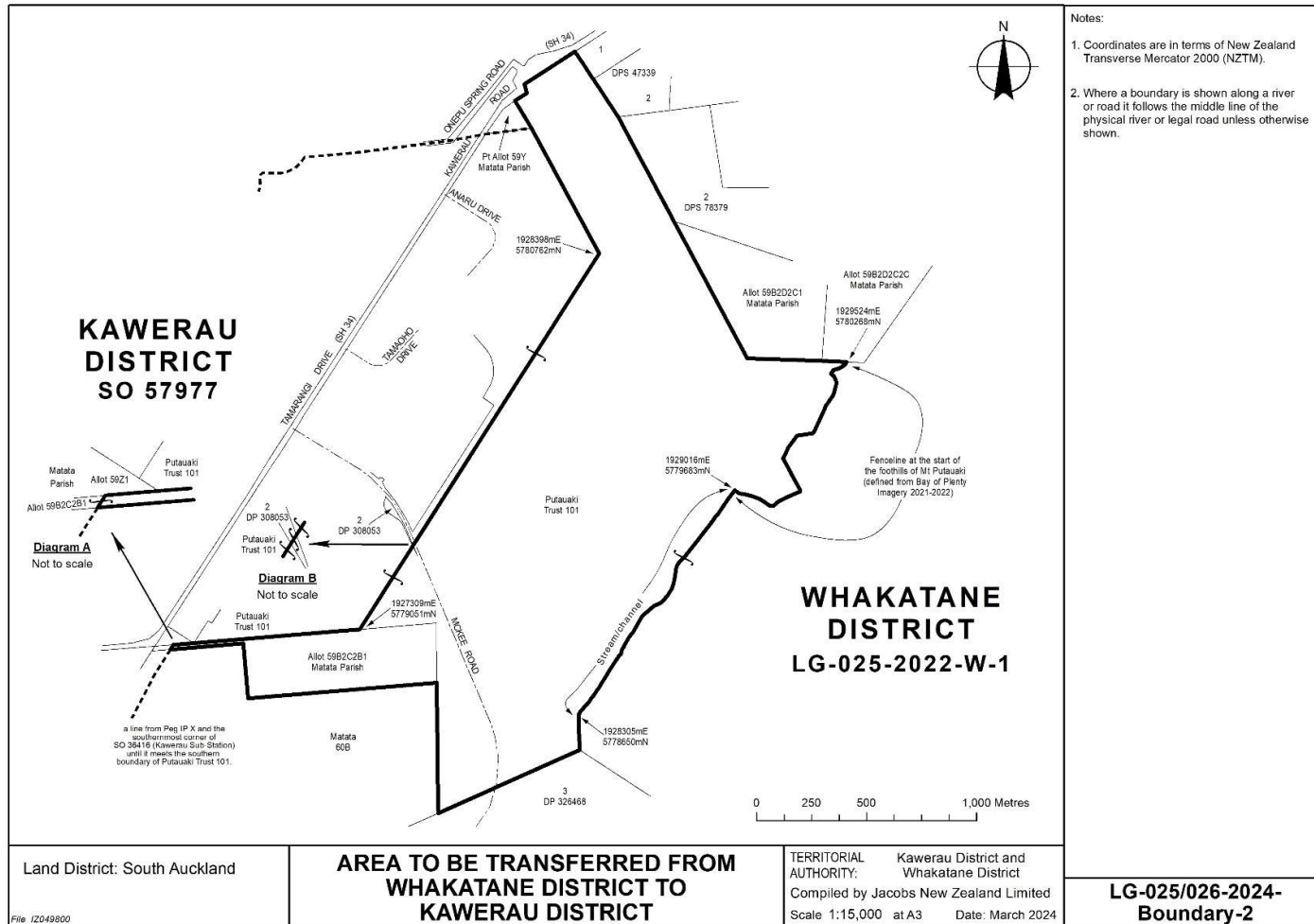
SCHEDULE 1 / HŌTAKA 1

AREAS TO BE INCLUDED IN KAWERAU DISTRICT / NGĀ WĀHI KIA URUA I TE ROHE O KAWERAU

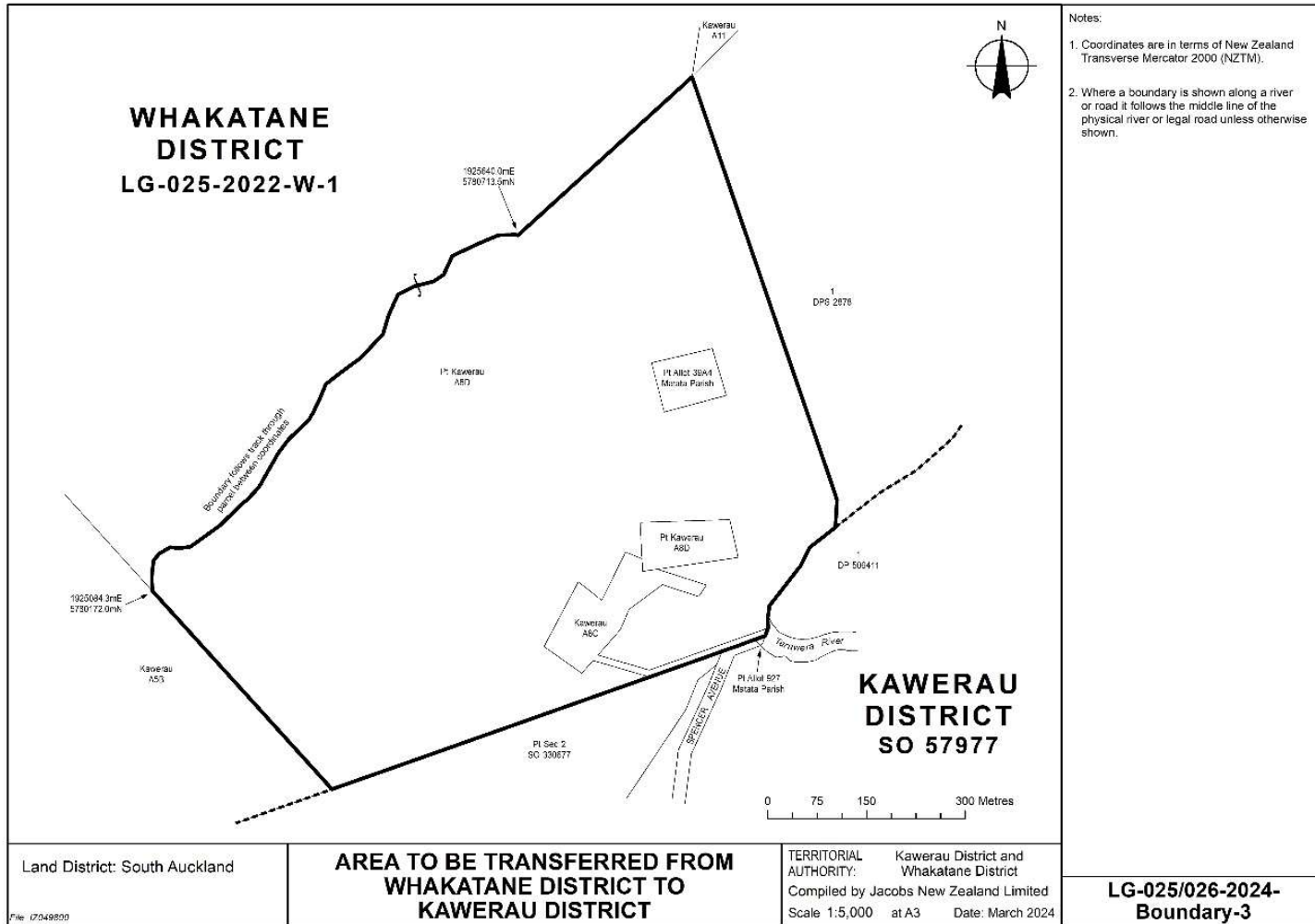
Area 1-South



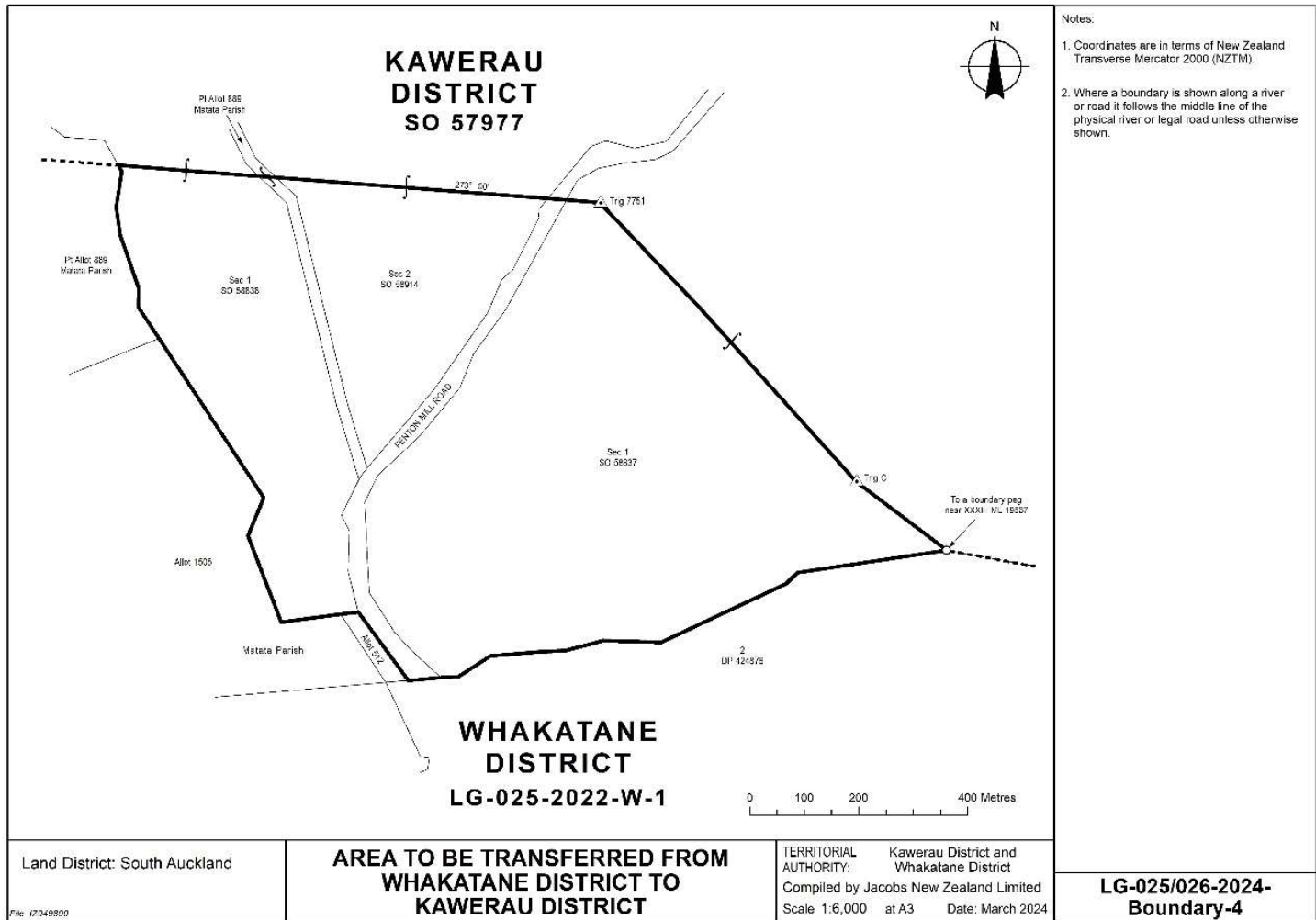
Area 1-North



Area 2



Area 3



SUPPLEMENTARY INFORMATION / MŌHIOHIO TĀPIRI

ADVANTAGES AND DISADVANTAGES / NGĀ PAINGA ME NGĀ TAUMAHATANGA

Clause 14(5)(b) of Schedule 3 of the Act requires that the reorganisation plan must 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.

The advantage of the boundary changes is that they will improve alignment of the District's boundary with areas that are wholly reliant on the Kawerau District Council for infrastructure and services. As a result the Council will be better able to plan for and regulate land use and development at the District's fringe.

The boundary change at the Putauaki Trust Industrial Park will ensure that planned expansion of the Park will happen entirely within the Kawerau District, which already provides infrastructure and services to the area. This allows the Park's expansion to happen under a single planning and regulatory regime and alongside two interconnected developments, the Kawerau Container Terminal, and an off-highway road linking the terminal with Kawerau's industrial zone. The boundary change also means all businesses establishing themselves in the Park can access the benefits of membership in Kawerau's industry cluster.

The more specific advantage of the remaining boundary changes is that they rectify anomalies in the current boundaries, providing administrative and regulatory efficiencies for landowners whose land has historically been divided by the district boundary. In this respect, the boundary change will better align the District's boundary with Kawerau's communities of interest.

A possible disadvantage of the boundary changes is that it does not align with land parcels at Putauaki Industrial Park and Tohia o te Rangi. This provides a degree of administrative complexity by requiring landowners in those areas to deal with two separate local authorities.

MEETING THE OBJECTIVES SET OUT IN CLAUSE 10 OF SCHEDULE 3, LOCAL GOVERNMENT ACT AND PROMOTING GOOD LOCAL GOVERNMENT / KIA WHAKATUTUKIA NGĀ WHĀINGA KUA HORAHIA I TE AHO 10 O TE HŌTAKA 3, I TE TURE KĀWANATANGA ME TE WHAKATAIRANGA I TE KĀWANATANGA Ā-ROHE PAI

The following commentary outlines how the plan will meet the objectives that must be considered in relation to a reorganisation, set out in clause 10 of Schedule 3 of the Act. In doing so it also describes how the plan will achieve the purpose of local government reorganisation set out in section 24AA of the Act, to promote good local government.

Clause 10(a): Better fulfilment of the purpose of local government as specified in section 10

The purpose of local government as set out in section 10 of the Act is:

- (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 district. They are restricted to moving several defined areas from one jurisdiction to another.

None of these changes require immediate change to the structure of governance and representation in either district. There is currently only one resident across the areas at which boundary changes are proposed. If in future, residential or papakainga development occurs in these areas, any population will for practical purposes comprise part of the Kawerau community. Any significant population changes could be appropriately addressed through future council representation reviews. It is most appropriate that the areas should be part of the District for governance, representation and accountability purposes.

Promotion of wellbeing

Provision of adequate land for industrial development provides places for people to work. This is basic to promoting the social, economic, environmental, and cultural well-being of communities. With the decline of the forestry processing industry affecting the Kawerau economy, the community must look to wider growth opportunities.

The proposed boundary alteration at Putauaki Industrial Park better fulfils the purpose of local government relating to community wellbeing by unlocking economic growth opportunities associated with land serviced by the Kawerau District. More industrial zoned land is now required to accommodate anticipated industrial growth. The most appropriate land for this expansion is at the Industrial Park but is currently in the Whakatane District and not zoned for industrial use.

The Kawerau District Council has identified the Putauaki Industrial Park as one three interconnected infrastructure developments considered instrumental to providing growth opportunities for the district. The other two are the Kawerau Container Terminal and an off-highway road linking the terminal with Kawerau's industrial zone. Together the projects are known as the Kawerau Putauaki

Industrial Development (KPID). The KPID received \$20 million from the Provincial Growth Fund in 2020 towards development of the three projects.

Due to proximity the Kawerau District would provide infrastructure and services for this area. Including the area in Kawerau District will allow a single local authority to plan for and regulate the development of the area in an integrated manner.

Bringing the areas at Tohia o te Rangi and Tuwharetoa Otarahanga Farm into Kawerau District promotes community wellbeing by better aligning the boundary with the Kawerau community. The principal hapū of Tohia o te Rangi marae are Ngāi Tamarangi and Ngāti Peehi who whakapapa to Ngāti Tuwharetoa (Bay of Plenty). Tuwharetoa Otarahanga Farm was part of a Treaty of Waitangi settlement with Ngāti Tuwharetoa (Bay of Plenty). The Kawerau District Council acknowledges Ngāti Tuwharetoa (Bay of Plenty) as tangata whenua of Kawerau. The changes ensure a legitimate basis for the Kawerau District Council to act in the interests of these areas, for which it already provides infrastructure and services.

The proposed change at Tohia o te Rangi also better fulfils the purpose of local government in relation to community wellbeing by supporting Ngāti Tuwharetoa (Bay of Plenty)'s aspiration to develop papakāinga housing on the land. Proximity means Kawerau District would be the most efficient provider of infrastructure and services for any such development.

The remaining proposed boundary changes in the areas neighbouring Putauaki Industrial Park better align the Kawerau District's boundaries with the services and infrastructure it currently provides to these areas. Landowners are variously involved in forestry activities or have aspirations to develop papakāinga housing or food production enterprises that leverage their proximity to the off-highway road. The boundary change will allow administrative efficiency for these landowners by placing these operations within a single local authority area.

Clauses 10(b) and (c): Productivity improvements within the affected local authorities; and efficiencies and cost savings

The proposed boundary changes are 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 will not be affected.

Boundary alterations moving these areas into the Kawerau District are clearly far more efficient, however, than the alternative of Whakatane District undertaking the provision of the necessary services and infrastructure, or Kawerau District providing it under some form of cross boundary arrangement. This recognises the services and infrastructure Kawerau District already provides to the affected

and adjoining areas and will facilitate integrated district planning, and the application of a single set of regulatory settings for land, or development of land that is currently split across two districts.

Clause 10(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

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.

Infrastructure in the Kawerau District has capacity for a population of up to 15,000 people and the Council has continued to fund depreciation on its infrastructure assets. The District's population has been increasing since 2006 with a 2023 total population estimate of 7,820 (Statistics NZ), leaving excess infrastructure capacity for population growth.

Clause 10(e): Effective responses to the opportunities, needs, and circumstances of the affected areas

As discussed above, Kawerau District needs to pursue growth opportunities for its community. It has identified the KPID as an effective way to meet this need. Land identified for the expansion of Putauaki Industrial Park and the establishment of the off-highway road is within 5km of Kawerau town but currently in Whakatane District, adjacent to the boundary. It is approximately 35km from Whakatāne town. The Kawerau District Council will be best able to plan for, regulate, and maximise the benefits of such development if it occurs wholly within the District boundary.

As part of its focus on economic development, the Kawerau District Council has supported the formation of Industrial Symbiosis Kawerau (ISK), an industry cluster that includes members from a range of industry specialists located, operating, and employing in Kawerau. The ISK enables the sharing of resources to increase the viability and competitive advantages of its members. It has attracted industry interest in Kawerau by marketing the area's access to geothermal energy, forestry resources and transport/logistic links. Ensuring the KPID happens wholly within Kawerau supports current and future businesses in the area to maximise social and economic outcomes through participation in ISK.

At the 2018 Census, Kawerau District had close to the highest number of people per dwelling in the country, which the Council attributes to a shortage of

housing.¹ Papakāinga housing would go some way to easing housing pressures. The Kawerau District Council is better placed to plan and support the aspirations of Tuwharetoa kaumātua for papakāinga housing at Tohia o te Rangi, which is accessed from Kawerau, if this area is brought into Kawerau District.

Clause 10(f): Enhanced effectiveness, efficiency, and sustainability of local government services

The alteration in the boundaries reflects the Kawerau District Council's current provision of services as part of its district-wide networks. For practical purposes any development at these areas will necessitate increased access and levels of service from Kawerau District. Having the areas under the jurisdiction of Kawerau District ensures that council's long term, and asset management planning reflects the services it currently provides and will likely provide in future.

Clause 10(g) and (h): 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

The proposed boundary change at Putauaki Industrial Park facilitate efficient development of growth opportunities for Kawerau and the Eastern Bay of Plenty sub-region. Development of the KPID will provide for the co-location of forestry and manufacturing activities and distribution hubs, and reliable access to markets. In recommending provincial growth funding for the KPID, the Ministry of Business, Innovation and Employment identified the development as creating transformative, interrelated social and economic outcomes for Kawerau²:

- a number of direct and indirect jobs
- increased and more diverse business investment
- more efficient transport connections to ports and markets
- reducing the environmental and social impacts of industry growth by reducing heavy vehicle traffic and congestion issues, increasing road safety and reducing greenhouse gas emissions
- optimising access to global markets or exporters across the Eastern Bay of Plenty

Bringing the area at Putauaki Industrial Park into the Kawerau District will facilitate efficient development by bringing it under a single planning and regulatory framework.

¹ Kawerau District Council Long Term Plan 2021-2031, https://www.kaweraudc.govt.nz/sites/www.kaweraudc.govt.nz/files/documents/long_term_plan_2021-2031_adopted_270721.pdf

² Ministry of Business, Innovation and Employment, <https://www.mbie.govt.nz/dmsdocument/12238-red-29-jan-20-briefing-2030-19-20-kawerau-putauaki-industrial-development-package>

Clause 10(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

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

NEXT STEPS / TE ARA INĀIANEI

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.

Once this Order in Council has been signed a transition body comprising an implementation team will be established. The team will start the necessary practical arrangements for the transfer of Areas 1-South, 1-North, 2, and 3 from Whakatane District to Kawerau District.

With assistance from the implementation team the Commission will prepare a reorganisation implementation scheme. This plan will set out arrangements required to assist a smooth transition. This could include for example identifying whether Whakatane District bylaws or rating arrangements continue to apply to Areas 1-South, 1-North, 2, and 3 for an interim period, or whether Kawerau District arrangements apply immediately on the boundary change taking effect.