

Local Government Commission Mana Kāwanatanga ā Rohe

# REORGANISATION PLAN FOR TRANSFER OF TAURIKO WEST FROM WESTERN BAY OF PLENTY DISTRICT TO TAURANGA CITY

# INTRODUCTION

In November 2018 the Western Bay of Plenty District Council applied to the Local Government Commission for the Tauriko West area to be transferred from Western Bay of Plenty District to Tauranga City. The application arose from the work of the "Smartgrowth" partnership involving the Western Bay of Plenty sub-region's three local authorities and tangata whenua.

Smartgrowth's work identified Tauriko West as an area as suitable for residential development in the short and medium terms. The land at Tauriko West subject to the proposed boundary change is currently in the Western Bay of Plenty District. The Western Bay of Plenty District Council has proposed that become part of Tauranga City to facilitate future residential development of Tauriko West.

The Western Bay of Plenty sub-region is facing increasing demand and constrained supply of residential land to accommodate current and foreseeable population growth. The sub-region's local authorities have identified the "western corridor" including the land at Tauriko West as an appropriate location for residential development. It is estimated that the land at Tauriko West could eventually accommodate up to 3000 houses and 7000 people.

While the drivers of change are to do with the supply of land for future residential development, the boundary change process does not itself determine how and when this development will occur. This will depend upon a series of later local authority decisions about the provision of infrastructure and resource management planning. What the boundary change would do is simply bring the area in question within the boundaries of the city so that the proposed future development of Tuariko West can be planned in an integrated manner by Tauranga City Council.

After initial consideration of this matter the Commission concluded that this boundary change should proceed. It was seen as desirable because:

- If development is to take place, the land will need to be connected to Tauranga City infrastructure networks as it is not practicable for Western Bay of Plenty District to develop new infrastructure for Tauriko West.
- While it is hypothetically possible for there to be arrangements for infrastructure networks to be provided across council boundaries this would be more difficult to implement it is simpler if the land simply becomes part of the city.
- It is expected that future residents in Tauriko West will for all practical purposes be part of the urban Tauranga community and it makes sense for them to vote and pay rates as part of the city, and to be subject to the same planning and other local regulations as the rest of the city.

Before making a final decision the Commission, in line with the process outlined in its reorganisation process document, issued a statement of its intentions and called for public submissions. Twelve submissions were received, the majority of them in support.

After considering the submissions the Commission has decided to proceed with the boundary alteration and develop and adopt a reorganisation plan to give effect to it. 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 <u>link</u> 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 providing for the Tauriko West area to be included in the Otumoetai-Pyes Pa Ward of Tauranga City (and excluded from the Kaimai Ward of Western Bay of Plenty District) it has considered the matters listed in clause 18.

Brendan Duffy (Chair) Janie Annear (Commissioner) Sue Piper (Commissioner)

20 July 2020

# **REORGANISATION PLAN FOR BOUNDARY ALTERATION AT TAURIKO WEST**

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 to transfer an area at Tauriko West from Western Bay of Plenty District to Tauranga City.

#### 2. Commencement

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

- (a) Clauses 4 to 7 come into force on 1 January 2021.
- (b) Clauses 1 to 3, 8 and 9 come into force 28 days 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 A** means the area defined in Schedule 1 of this plan, and also defined on map LG-022/023-2020-Boundary-1 deposited with the Local Government Commission and attached to this plan.

**Transition body** means the Tauriko West Transition Body established by clause 8 of this plan.

# **Boundary alteration**

#### 4. Boundary alteration

The boundaries of Western Bay of Plenty District and Tauranga City are altered by excluding Area A from Western Bay of Plenty District and including it in Tauranga City.

#### 5. Representation

Area A will be excluded from the Kaimai Ward of Western Bay of Plenty District and included in the Otumoetai-Pyes Pa Ward of Tauranga City .

# Effect on other matters

# 6. 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.

# 7. Affected iwi and hapū

For the purposes of clause 14(2) of the Schedule 3 of the Act it is noted that Area A falls 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.

# **Transition body**

# 8. Tauriko West Transition Body

(1) A transition body (the Tauriko West Transition Body) will be established to make arrangements for the exclusion of Area A from Western Bay of Plenty District and its 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 Area A from Western Bay of Plenty District and its 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 provide for by clause 36 of Schedule 3 of the Act.

# 9. Membership

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

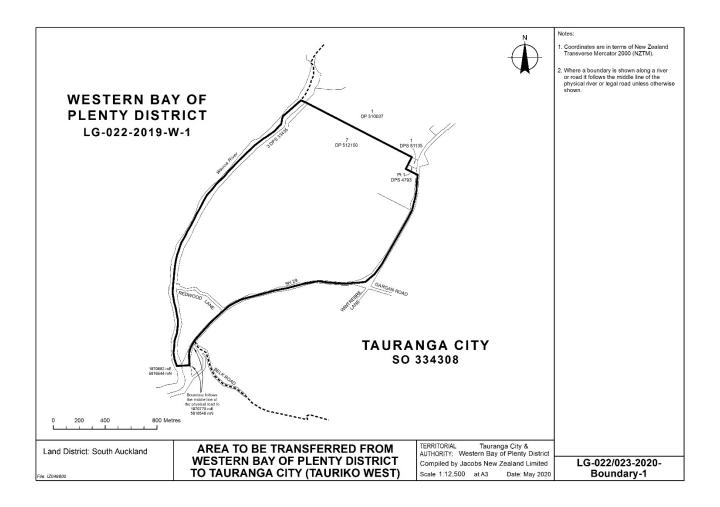
# 10. Miscellaneous

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

# Schedule 1

# Area to be included in Tauranga City

All that area bounded by a line commencing at the easternmost corner of Lot 7 DP 512150, thence following the northern boundary of the said Lot 7 in a westerly, northerly and then westerly direction, thence following a projection of that boundary to the middle line of the Wairoa River, thence following the middle line of the Wairoa River in a generally south-westerly direction to coordinate 1870682 mE 5816544 mN, thence to coordinate 1870778 mE 5816549 mN, thence following the middle line of the physical road of State Highway 29 to its intersection with Belk Road, thence following the middle line of the legal road of State Highway to the point of commencement.



# SUPPLEMENTARY INFORMATION

# ADVANTAGES AND DISADVANTAGES

The advantage of the boundary change is that it will allow the Western Bay of Plenty subregion's councils to move ahead in implementing their strategy for providing sufficient land for residential 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 not a significant limiting factor on the aspiration to improve the social and economic wellbeing of the sub-region's communities.

Making the boundary change will allow for residential development of the Tauriko West area 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 residential land. There would be significant negatives consequences across the community if the supply of land for residential development in the sub-region is not able to meet demand.

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 change does not alter the structure of democratic community governance affecting either the district or the city. It is merely concerned with a defined area from one jurisdiction to another.

Given that the future urban population of the Tauriko West area will for practical purposes comprise part of the urban Tauranga community, it is most appropriate that the area should be part of the city for democratic purposes – governance, representation and accountability. The residents of the area will associate with, and use public amenities and services located in the city, and it is appropriate they should have a say in how these are provided and pay their share of the costs of their provision.

# Promotion of wellbeing

The change is being made to bring all of the land at Tauriko West into Tauranga City so that the city can plan in an integrated manner for its future development as a new residential suburb. This will help address a projected shortfall in land available for future residential development in the sub-region.

Provision of adequate land for residential development provides places for people to live. 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. It is an area where major infrastructure can be provided by extension of existing city networks.

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 district plan and the planning and provisions of core infrastructure.

It would be possible for the land at Tauriko West to be developed for residential purposes 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 the district to provide such infrastructure - the nearest district council water and wastewater infrastructure is at Te Puke 20k away. There might be some arrangement under which Tauranga City provided major infrastructure to an area that remained within the district. Such arrangements are however less than ideal, as cross-boundary servicing introduces a seemingly unnecessary layer of administrative complexity and would lead to different regulatory rules applying in different parts of the urban area.

Including the area within the city will allow a single local authority to plan the development of the area in an integrated manner. Ultimately it is expected that the future residents of the Tauriko West area would live their lives as part of the Tauranga urban community, and therefore they should be part of that city for representation and democratic and fiscal purposes.

# 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, as each council will continue to provide services at similar scale and institutional arrangements around service provision, beyond Tauriko West, will not be affected.

Making land available to meet residential demand by such an expansion of the urban area will clearly be more positive for general productivity and efficiency than failing to do so.

The boundary alteration is clearly the most efficient option for providing for the residential development of Tauriko West, as it allows integrated planning for infrastructure and services to be delivered as part of city-wide networks. It avoids the costs imposed by complex cross boundary arrangements. It also avoids the costs of administering differing planning and other regulatory rules.

# 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 would 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;

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. The Western Bay of Plenty has a well-established sub-regional growth planning approach through the Smartgrowth partnership. A 2019 study 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."* A short term shortfall (over 3 years) of 600 dwellings has been projected, while over the medium term (4 to 10 years) this increases to 3,500.

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 green field areas). The Tauriko West boundary will contribute to addressing this situation.

# Enhanced effectiveness, efficiency, and sustainability of local government services;

The alteration in the boundary to allow Tauranga City to provide services as part of its citywide 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.

# 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 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 one of the greatest challenges 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.

A failure to make sufficient land available for residential development is a significant constraint on economic growth potentially leading to foregone GDP of \$179>8 million over the next 3 years growing to \$524.3 million by year 10. It has been estimated to result in inflation of the median house price by \$40,119 per annum in the short term, growing further over the medium term.

# *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 alteration does 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.

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 Tauriko West from Western Bay of Plenty District to Tauranga City.

With assistance from the implementation team the Commission will prepare a reorganisation implementation plan. This plan 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 Tauriko West 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 January 2021.