

TITLE: Council deliberations on the proposed amendments to Long Term Plan 2024-2034

From: Robyn Broadhurst, Corporate Planning Specialist and Kyla Carlier, Corporate Strategy Manager

Authorised by Group Manager/s: Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 15 April 2025

Executive summary/Whakarāpopototanga

The purpose of this report is to provide background information and convey staff advice and recommendations to support council's deliberations on the proposals within the Amended Long Term Plan 2024-2034 Consultation Document and Supporting Information Document.

Council consulted on this amendment from 26 February until 28 March 2025. The consultation focused on a proposal to change the structure of council's interests in Marsden Maritime Holding and Northport, which required an amendment to the Long Term Plan 2024-2034 and the way that this strategic asset is reflected in it.

There were 42 feedback forms received during the consultation period. These have been collated and analysed in relation to the proposal.

Feedback was varied, however a majority (50%) supported the proposal and chose the "Do it" option. A further 36% chose "Don't do it" and 14% chose "None of the above". While feedback was largely positive, this was tempered with questions and concerns about the details of the proposal.

Following these deliberations, and should council vote to proceed with the proposal, the final amended Long Term Plan 2024-2034 is presented to council for adoption in a subsequent agenda item for this 22 April 2025 council meeting.

Recommendation(s)

1. That the report 'Council deliberations on the proposed amendments to Long Term Plan 2024-2034' by Robyn Broadhurst, Corporate Planning Specialist and Kyla Carlier, Corporate Strategy Manager and dated 15 April 2025, be received.
2. That council acknowledges that it received 42 submissions on the proposed amendments to the Long Term Plan 2024-2034.
3. That council supports proposed amendments to the Long Term Plan 2024-2034 required to support the change in the structure of its interests in Marsden Maritime Holding and Northport, as proposed in the Amended Long Term Plan 2024-2034 Consultation Document and Supporting Information Document.

| OptionsNo. | Option | Advantages | Disadvantages |
|------------|---|---|--|
| 1 | Support the proposed changes to amend the Long Term Plan 2024-2034, inclusive of the amended Significance and Engagement Policy and Financial Strategy. | The Amended Long Term Plan 2024-2034 will accurately reflect the change to council's strategic asset and consequential financial movements, so that council can proceed | Amended copies of the Long Term Plan 2024-2034 will need to be printed and distributed, resulting in additional printing cost. |

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| | | with an investment proposal in relation to MMH and Northport. Council will remain compliant with the Local Government Act. | For those not in favour of the proposal, perception from the community that their voice hasn't been heard. |
| 2 | Do not support the proposed changes to amend the Long Term Plan 2024-2034, inclusive of the amended Significance and Engagement Policy and Financial Strategy. The current Long Term Plan 2024-2034 will remain in place. | Council will not incur additional debt and loan head room will be maintained for other potential future investment opportunities. | Council will not be able to proceed with the investment proposal in relation to MMH and Northport, while remaining legislatively compliant. The time and resources applied to the proposal to date would not be able to be recouped and the expected benefit of the proposal not realised as it would be unable to proceed. |

The staff's recommended option is Option 1.

Considerations

1. Climate and environmental impact

The decision to support the Amended Long Term Plan 2024-2034, with the change in a strategic asset reflected, will not in itself have an impact on the climate or the environment.

2. Community views

A comprehensive process of consultation has been carried out to inform the recommendations set out in this report. A summary of this consultation and the feedback received is included in this report to inform council's decisions on the amended Long Term Plan 2024-2034.

3. Māori impact statement

Development of the current Long Term Plan 2024-2034 comprised ongoing assessment of the impact on Māori through inclusion of four iwi and hapū representatives of Te Taitokerau Māori and Council Working Party (TTMAC) on confidential council LTP development workshops. Due to NZX listing confidentiality constraints, TTMAC were not engaged in developing the proposed amendment to the Long Term Plan.

The process of consultation included circulation of a pānui inviting feedback on the proposal to council's tāngata whenua contacts, and direct communication of the proposal to relevant iwi and hapū groups informing them of how they could have their say.

Council also made itself available to meet with any iwi or hapū who wished to discuss the proposal and meetings were subsequently held with Te Parawhau, Te Runanga A Iwi O

Ngāpuhi, Te Runanga A Iwi O Ngātiwai and Patuharakeke Trust Board, to discuss the proposal, provide clarification, and understand views and concerns.

4. Financial implications

Financial impacts or implementation issues are addressed in recommendations included within this report. The impact on rates has remained the same, at nil.

5. Significance and engagement

Section 76AA of the LGA directs that council must adopt a policy setting out how significance will be determined, and the level of engagement that will be triggered. Council's current policy was adopted in 2024, and assists council in determining how to achieve compliance with LGA requirements in relation to decisions.

The proposal to amend the Long Term Plan 2024-2034 triggered council's significance and engagement policy, and a comprehensive processes of consultation and engagement has now been carried out. The results of this engagement have been summarised in this document to inform council's deliberations and decision-making process.

The process of deliberations assists council in achieving compliance with sections 77 of the LGA.

6. Policy, risk management and legislative compliance

Consultation on the amended Long Term Plan 2024-2034 proposals has been carried out pursuant to sections 93, 93A, 93B, 93D, and 93E of the Local Government Act 2002 (LGA) and in accordance with the special consultative procedure (section 83 of the LGA).

Consideration of feedback through the process of deliberations will achieve compliance with section 77 of the LGA (Requirements in relation to decisions) and with council's Significance and Engagement Policy, in particular 'We will consult when we are required to by law, when a proposal is considered significant, and when we need more information on options for responding to an issue'.

Background/Tuhinga

Amended Long term plan process

Consultation on council's amended Long Term Plan 2024-2034 (LTP) proposals, as set out in the amended LTP Consultation Document and Supporting Information Document, is now complete. Feedback was received during the consultation period, and this has been collated and summarised to assist council in their deliberations, included as attachment 1 to this report. Feedback was also provided to council in full via a report attached to an email sent on 14 April 2025.

Council staff have reviewed the feedback and provided their advice on the proposals to be considered by council during these deliberations.

Due to the very specific nature of this proposal, these deliberations on the amended LTP have been scheduled and held on the same day as the recommended decision to adopt the amended Long Term Plan 2024-2034, being 22 April 2025. The final document has been prepared in accordance with the recommendations in this report to support the proposed amendments to the Long Term Plan 2024-2034, as proposed in the Amended Long Term Plan 2024-2034 Consultation Document and Supporting Information Document.

As discussed in detail in the adoption item following this item, this process has undergone full external audit to ensure compliance.

Consultation

The Local Government Act requires that consultation be carried out prior to making an amendment to a Long Term Plan. Council adopted a Long Term Plan Amendment Consultation Document and Supporting Information in February, which detailed the proposal and provided the basis for effective consultation and feedback.

The consultation ran from 26 February until 28 March and included direct communication to iwi and hapū with an interest in the Whangārei Harbour, communications to previous LTP submitters and to council's 'Have Your Say' subscription list, council's tāngata whenua contacts, and key business groups. Wider promotion during the consultation period occurred via digital advertising, social media, public notice, media releases and council's website, and by way of the consultation document.

Hearings were scheduled on 3 April, with eight (8) groups/individuals taking the opportunity to speak to elected members at this time.

Along with spoken feedback received at hearings, written feedback was received through council's website, via email, and hard copy submission forms during the official feedback period.

Consultation with iwi and hapū

In addition to receiving feedback mentioned below, council was available to meet with any iwi or hapū who wished to discuss the proposal, and subsequent meetings were held with Te Parawhau, Te Runanga A Iwi O Ngāpuhi, Te Runanga A Iwi O Ngātiwai and Patuharakeke Trust Board, to discuss the proposal, provide clarification, and understand views and concerns.

During these meetings, several concerns were raised, such as the role of Tupu Tōnu noting that they are a crown agency that does not represent iwi and hapū interests, and that iwi and hapū were not included earlier in the discussions given they have been in treaty settlement negotiations regarding the area surrounding MMH with the crown. There were also requests about further details regarding long term return on investment and the nature of divestment to interested parties that represent iwi and hapū.

Iwi and hapū have expressed their concern of the short timeframe with limited resources and capacity to respond on such important Te Tiriti matters for tangata whenua in subsequent written submissions received.

Summary of feedback

There were 42 feedback forms received on the proposal, with majority in general support, however highlighting the need for careful planning, adequate funding, and strong community and Māori engagement. This feedback has been included as attachment 1 to this report and includes a summary and the full feedback.

Submitters **in favour** of the proposal voiced strong support for bringing the ownership of Marsden Maritime Holdings (MMH) and Northport closer to Te Taitokerau, simplifying the ownership structure and enhancing economic growth for the region.

Funding and development issues were raised, with some support conditional on council being willing to raise debt or provide capital to unlock the development potential of the Port and MMH land holdings.

Submitters supported the involvement of hapū and iwi Māori in council investments, aligning with the principles of the Treaty of Waitangi.

Submitters questioned how the new company will be held accountable and kept efficient, and what the governance structure and reporting mechanisms would be. Concerns were also raised about transparency, debt servicing, and job guarantees, and returning of confiscated lands to their rightful owners.

Comment was made that the new consortium should commit to ongoing consultation with the community, including local iwi and hapū, on plans involving public safety and infrastructure projects.

Submitters **not in favour** expressed opposition to the proposal, such as comments made that such a significant decision should not be made without public consultation and consultation with other affected councils, especially regarding iwi and hapū involvement. Concerns were raised about the potential loss of control and the perceived inconsistency of iwi/hapū now wanting to buy in after previously opposing Northport's development, and that council should not participate in any restructure that could become part of treaty settlements, as the council's role is to serve ratepayers.

Feedback raised concerns about needing to increase rates to operate.

Concern was raised that the proposal would remove the limited control ratepayers currently have over their asset and that after 40 years, ratepayers are close to getting a decent return on their port investment, and the proposal would block this outcome.

Submitters **niether in favour or not favour** expressed concerns about the proposed change in ownership composition of Marsden Maritime Holdings and Northport, and that council would lose its controlling share.

Concerns were also raised about a potential loss of annual dividend payments if council divests some of its shares, with concerns that the proposed changes would reduce the council's shareholding and, consequently, its income, leading to higher rates for ratepayers. Submitters discussed councils role as serving ratepayers and not to participating in treaty settlements.

Feedback also considered the positive impacts of the proposal including increased economic benefits, enhanced Māori participation in governance, job creation, cultural and environmental stewardship, regional growth, and long-term economic autonomy.

Potential negative impacts were raised including the risk of over-reliance on port operations, cultural conflicts, environmental concerns, financial risks, potential loss of local control, and the impact on smaller hapū.

Some feedback was provided that related to matters outside of council jurisdiction and the proposal at hand.

Discussion

Submitters raised a number of questions and concerns about the proposal in their feedback, that staff will address here as appropriate.

Potential of the asset

The need to unlock the potential of the asset was emphasised, with questions posed about the ability of council to raise capital to enable development. Comment was also made that any expansion should employ local skills.

Maximising the development and competitive position of the asset is a key objective for council. It is considered that the proposal will better enable future development by providing certainty of capital requirement.

Structure

Concern was raised about voting rights under the new structure, including how NRC and Tupu Tonu exercise their voting powers and that development could be veto'd by larger conservative crown/council entities. Concern was raised that ratepayer control would be lost. Questions were also raised about the accountability of the new company.

It is noted that the proposal would actually increase ratepayer control in Northport and under the proposal council would have equal control rights for the new company, which includes MMH.

Northport is currently owned 50/50 between Port of Tauranga (POT) and MMH. That means that council, with its current 53.6% share in MMH, effectively owns only 26.8% of Northport. Under the proposal, NRC would hold a 43 percent stake in the new and enlarged company holding the assets of both MMH and Northport, with Port of Tauranga (POT) taking a 50% stake and Tupu Tonu (Ngāpuhi Investment Fund Ltd) taking a seven per cent stake.

In addition, the current ownership model, with MMH being an NZX listed company also means that NRC has no influence or control over what happens at the port other than through the appointment of directors onto MMH.

From a legislative perspective, the new company would not be a Council-Controlled Organisation (CCO) or Council-Controlled Trading Organisation (CCTO). It would be bound by the Companies Act 1993, with accountability, audit and reporting managed within the clear requirements of that act.

Involvement of māori

Concern was raised about engagement with tanatga whenua.

Concern was also raised about the sale of endowment lands, and crown confiscated land under the Waitangi Tribunal.

There was concern raised in relation to the involvement of iwi and hapū in the proposal, and that not all hapū will have an equal opportunity under the proposal.

A process of engagement has been carried out, as summarised in 'Consultation with iwi and hapū', above.

The properties earmarked for sale at this point are all Harbour Board endowment properties involving lessors' interest (land only) in Whangārei, with the exception of a freehold commercial property in Dargaville. A more forensic examination will be carried out on the titles before sale, noting councils policy on sale of property with first right of purchase to iwi/hapū, followed by the Crown to land banking for potential future treaty settlement redress, prior to being offered on the open market.

Council has provided an avenue via Tupu Tonu for ngā hapū o Ngāpuhi to become part owners (7%) of the port should they wish to. An additional 7% has been set aside for other iwi and hapū with interests within the rohe (area) of the Whangarei Harbour. The process for allocating the additional 7%, would involve those iwi and hapu to negotiate with the Crown, to purchase that additional 7% for potential future treaty settlement redress.

Financial

Questions were raised about the borrowing required and servicing of that loan, that rates have already been increased and borrowing seems reckless, and that dividend income would be reduced.

From the perspective of a minority shareholder, concern was raised about loss of potential increases in return over a long term investment.

Council's share of the proposed deal is not expected to impact rates. The additional \$40.78 million required from council – on top of its current shareholding in MMH – would be paid for by borrowing from the New Zealand Local Government Funding Agency as well as selling some of the council's non-strategic property assets.

As outlined in the consultation document, the proposal is considered financially beneficial to ratepayers, and the proposal forecasts significant increases in dividend income from short to long term. Finally, it is noted that shareholders will have an opportunity to vote as to whether they support the sale of shares or not through the scheme of arrangement process.

Staff recommendation

Given the feedback received and the discussion above addressing concerns raised, it is staffs recommendation to proceed with the proposal as consulted on with no further amendments as a result of feedback.

Staff will be available during deliberations to provide clarification on, or to further explain any recommendations that may not be clear in this report.

Attachments/Ngā tapirihanga

Attachment 1: Amended Long Term Plan 2024-2034 summary of feedback [↓](#) 