



17 June 2021

Bay of Plenty Property Members Raise Questions

The Urban Task Force for Tauranga members have questioned some key decisions in Tauranga City Council's 2021-2031 Long Term Plan at last night's verbal submission presentation.

The Urban Task Force for Tauranga was formed earlier this year specifically to represent our local property sector in order to provide strong, informed leadership to our local authorities. "Overall, our membership of property developers, investors, managers and professionals agree that this Long-Term Plan is one of the most important in our city's history and we need to get it right. The capital spend of \$4.6B in the next 10 years is significant, and our members have one voice that we need to improve the city's infrastructure and our quality of living, but we do require very clear transparency and accountability on spending." says UTF Chairman Scott Adams.

Council proposed to increase the Citywide development contributions for new housing by more than \$16,000 per house from 1 August 2021. This short notice and significant structural change to development costs, will immediately affect over 200 new homes and homeowners who have signed sale and purchase agreements but will not have Council consent by 1 August 2021. "This is a significant increase in cost which in some cases passed directly onto homeowners, and in some cases will pass to a home builder that is contractually bound to deliver a home for a fixed price. This is just not right and the scale of these cost increases simply ripple onto our already stressed housing market." says Adams.

The Urban Task Force for Tauranga has also voiced concern over where the costs are coming from, with Council identifying the costs from the yet to be built Waiari Water Treatment Plant near Te Puke. The Waiari Water Treatment Plant was funded in 2017 by the Housing Infrastructure Fund, under a 10-year interest free loan, to support infrastructure providing additional water and wastewater for an additional 35,000 homes. Of the \$230m announced by the government at the time, of which \$114m was for the Waiari Water Treatment Plant, it is uncertain what, if anything, has been spent.

Adams has concerns around the transparency of funding. "These water infrastructure costs have long been planned and funded, and we have no line of sight to what appears to be a major cost blowout. These costs are being passed onto new homeowners in our community where house prices are shutting many buyers out of the market. It appears we aren't making the most of central government funding allocated to our region."

Hearings continue for the rest of this week on the Long-Term Plan 2021-31, with the Commissioners needing to consider the more than 1700 submissions received, before adopting the final plan before 1 August 2021.

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URBAN TASK FORCE FOR TAURANGA

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