



18 October 2023

SmartGrowth Strategy
c/- 306 Cameron Road
Tauranga

Email: administration@smartgrowthbop.org.nz

Attention: Andrew Turner

Dear Sir,

Urban Taskforce for Tauranga (UTF) – Submission on Draft SmartGrowth Strategy 2023

The Urban Taskforce for Tauranga appreciates the opportunity to make this submission on the Draft SmartGrowth Strategy (2023).

The Urban Taskforce has been incorporated as a Society, with its purpose being to represent its members who are property professionals and funders, developers, iwi and hapu, and owners and managers of properties in the Western Bay subregion.

The Urban Taskforce seeks to provide strong and informed leadership to local authorities, promote and foster productive local networks around property and related issues, and to advocate for our industry, by making submissions to both Central and Local Government. The Urban Taskforce advocates for connected thinking, connected planning, connected government, and strong leadership.

Tauranga is a growing city. Our community is now facing unprecedented challenges because past leaders have seen growth as a problem rather than as an opportunity. The Urban Taskforce is focused on the opportunities presented by growth and to unlock these opportunities by working collaboratively and innovatively across Local Government and the private sector.

Tauranga has a severe shortage of zoned and serviced land to provide new homes for residents and spaces for businesses to invest in. This has created severe housing and business affordability issues. Failing growth management has also led to a lack of essential community infrastructure and facilities, and a lack of investment in utilities infrastructure necessary to support growth.

As per the advice received at the Development Sector Group on the 28th of September 2023, please accept this submission as a general summary/overview of the Taskforces submission and feedback on the Draft Strategy. It is understood that the process provides for this initial submission, with the

ability to provide further technical detail in support of the submission (as well as expert evidence) at the hearing on the Draft Strategy to be held in December 2023.

Our membership and Executive have provided feedback and comments on the Draft Strategy as set out below.

General

The Urban Taskforce supports the SmartGrowth Strategy and considers that it is critically important that the Council's and other partners work in a more aligned manner to plan for the future of the subregion. The Smartgrowth Strategy must provide a guiding framework to deliver employment and housing and assist to resolve the significant crisis in terms of business and residential land supply. The Strategy needs to better recognise the critical need for Smartgrowth to work more closely and collaboratively with the development community to resolve the current sub-regional residential and business land supply crisis.

Challenges for Growth

The current reality for growth in the wider Tauranga area is that residential growth is currently constrained, with Papamoa nearly being at capacity which leaves only intensification, Omokoroa and Te Puke to provide the necessary housing supply in the short term.

The Urban Taskforce considers that the Smartgrowth Partners need to ensure and adopt a much more flexible approach to ensuring there is future land supply available to provide for the growth needs of Tauranga.

The approach of identifying a narrow range of sites for future growth has been problematic particularly where sites are constrained in terms of infrastructure or where there is the inability to deliver business and residential land in a timely and efficient manner.

Role of the Development Community in the SmartGrowth Partnership

The Draft Strategy provides for very little in the way of policy direction requiring Council's and the SmartGrowth Partners to work collaboratively with the development community. Ultimately the role of the development community is critical to the success of the Strategy. The Strategy must provide explicit recognition that it is the development community that leads the delivery of much of the Strategy, including the acquisition of land, undertaking planning processes (including rezoning) and the delivery of infrastructure.

The Urban Taskforce considers that developers have a significant role in terms of long-term planning, working in collaboration with Smartgrowth Partners and other providers to deliver infrastructure and urban outcomes from the very inception of planning processes.

The importance of the role of developers is very clearly set out in the National Policy Statement – Urban Development (NPS-UD). This requires that Council's must engage with the development sector to prepare the housing and business development capacity assessment, Council's must engage to identify significant opportunities for urban development and the future development strategy, as well as seeking advice from the development sector about what factors effects the feasibility of development. There is also a requirement for capacity to be based on commercial viability to a developer, based on the current relationship between cost and revenue.

The Strategy requires amendment to ensure that there are appropriate policies included that mandate the above role of developers so that this is clearly recognised and provided for.

The reality is that without this developer investment and confidence, the actions from SmartGrowth are unlikely to be realised.

SmartGrowth is often criticised for its lack of delivery. There is a real opportunity to improve delivery of the Strategy through better engagement and collaboration with the development sector. There are a number of actions which should be incorporated within the Strategy in relation to the development sectors involvement which also reflect the requirements of the NPS-UD. These actions are as follows:

1. The development Sector Group (DSG) should be formally included in the SmartGrowth structure, with representation on the SmartGrowth Leadership Group (as per the model for the combined Tangata Whenua Forum and Infrastructure Providers).
2. Priority Development Areas should involve strong and early engagement with the development community, both in terms of identification but also in terms of developing servicing and infrastructure solutions for land.

Integrity of the Strategy

It is critically important that the integrity of the Strategy is not undermined by individual SmartGrowth Partners. In particular, background reports which identify and categorise areas suitable for employment land must be applied in the strategy based on the technical assessments (i.e. the Aurecon Industrial Land Assessment) completed by technical experts. Similarly, the feasibility (both in terms of infrastructure provision and land cost) of residential land at the eastern end of the eastern corridor needs to be properly assessed. Further comment is provided on this below.

The public submission and review process is the appropriate mechanism by which areas can be identified or included within the strategy as Priority Development Areas through a clear and transparent process based on evidence and technical assessment.

Significance of the Future Development Strategy

The Future Development Strategy (FDS) is a joint strategy within the overall urban growth policy system and is a significant strategy. It is the primary long-term strategy upon which all large-scale long-term decisions and investments are based, by both the public and private sector. The FDS effectively replaces the substantive content of the Regional Policy Statements Urban Growth Policy. The FDS must be a very stable policy instrument.

It should be implicit that where an area is identified for growth and the SmartGrowth Partners have agreed on its overall appropriateness (including the tradeoffs that have been made), that growth options have properly considered costs and impacts. Feasibility is critically important and further policies are required to be included in the strategy which require the economic feasibility of sites to be considered as a key consideration. For example, high value kiwifruit land to the east of Paengaroa (at the eastern end of the Eastern Corridor and beyond) is unlikely to be feasible for residential or employment purposes due to high land cost. Further policies must be incorporated in relation to the need for feasibility to be fully understood.

When SmartGrowth implementation occurs through RMA and other processes, there should not be any fundamental disagreement from any SmartGrowth Partners on the direction. The focus at that point should be on implementation and not the strategy. SmartGrowth Strategy actions need to make this clear.

Commercial Strategy Review

It is essential for the Commercial Strategy Review to be completed on a subregional basis to achieve a consistent outcome. This work is overdue and needs to be led by Tauranga City Council and prioritised. The indicative Centre Strategy as set out, is woefully inadequate and further urgent work is required to be completed on this. The review needs to be based on collaboration with stakeholders from inception through to completion including the development community, taking into account any completed spatial plans. Engaging with the development community after the completion of the bulk of the technical work will miss key information and opportunities and is a recipe for future conflict and rework. This should be included as a key action in the Implementation and Funding Plan. In the interim, all commercial centres identified through Spatial Plan processes or existing District Plan Centre Network maps should be included on Page 104 of the strategy.

Industrial Business Land Assessment

The Draft SmartGrowth Strategy identifies the need for a further 300 -400 hectares of greenfield business land over the next 30 years and that technical investigations have identified a number of possible locations for future business land. No further business land has been identified in the strategy for the eastern/central corridor. Te Tumu and Rangioru are already identified in “existing allocations”. The Urban Taskforce considers that 60 ha of this land needs to be brought forward. Further land is required to be identified in the eastern/central corridor such as at Wairakei South to cater for future needs, and the assessment tables on page 148 of the Strategy need to be updated.

There are significant anomalies between the Aurecon, Phizacklea Consultant’s and the Draft Strategy in terms of the identification of employment zoned land.

As well as the anomaly with the central/eastern corridor, areas such as Te Puna are absent from the Strategy. Te Puna was the overall top scoring site in the Aurecon Industrial Land Assessment. Instead of Te Puna being identified as a site for business employment land, Te Puna is identified as a “long-term growth area” well outside the strategic planning horizon. Given the Aurecon Assessment and factors such as the Tauranga Northern Link and Omokoroa Pipeline corridors, Te Puna should be included as a short and medium term growth area for business employment land. The approach of excluding Te Puna also conflicts with Marae being treated as Centres (there are 4 key Marae at Te Puna) and the need for Maori housing and employment opportunities to be created as one of the transformational shifts under the strategy identified below. This needs to be resolved through amendments to the strategy and correct interpretation of the supporting technical assessments.

Industrial Strategy Review

Beyond the identification of industrial business land capacity, there is a need to align zoning and plan provisions with the National Planning Standards. This work still needs to be completed and the review needs to involve the Bay of Plenty Regional Council to address integration between land use and the Regional Plan provisions for air and water quality. At present this is occurring in a piecemeal manner and is creating inconsistency and significant delays in delivery at the time of plan change/significant consent processes. The review needs to be based on collaboration with the

development community from conception to completion. Engaging with the development community after completion of the bulk of the work is a recipe for conflict and rework. Again, this is a key action that should be included in the implementation and funding plan.

Residential Land Assessment

There is a need to deliver housing and business land in a timely and efficient manner as Tauranga is now the worst performing Tier 1 Council under the NPS-UD in terms of housing supply and housing affordability.

The Smartgrowth Strategy must adopt a more enabling and fluid policy position to enable the delivery of residential and employment land based on a corridor approach. Key actions are required such as the ability to efficiently deliver and service land with respect to infrastructure. Sound engineering solutions which enable land to be developed should be applied and feasibility assessments must be required to ensure that ultimately the development of land is feasible in order to deliver housing. These are all actions that require inclusion in the Strategy.

The “lead time to Development” identified on page 144 of the Strategy needs actions included in the Strategy to support a reduction in the development timeframes. Much of the delay is due to poor Council Plan Change and District/Regional consent processes. The need for urgent action and collaboration implicit in the Draft Strategy is not currently translated into delivery. Further actions are needed to require Smartgrowth Partners to sufficiently resource processes, and to offer fast track Plan Change and premium consent processing services. These Actions will greatly assist with the supply of land from Priority Development Areas identified in the Strategy.

Based on feedback from Urban Taskforce members, there are a number of amendments required to the short, medium and long term residential growth allocations table on page 147 of the Strategy (and associated changes to timing of infrastructure provision tables and associated staging maps) as follows:

1. Move Te Tumu 4,200 dwellings to 2027-2034, and 4,200 dwellings to 2034-2054
2. Move Tauriko West 2,000 dwellings to 2027-2034 and 1800 dwellings to 2034-2054
3. Move Keenan Road 1,000 dwellings to 2027-2034.
4. Add Wairakei south 2000 Dwellings to 2027-2034 and 2000 dwellings to 2034-2054

Transformational Shifts

The Urban Taskforce agrees with the use of the transformational shifts which are identified for change and which provide guidance when implementing the strategy. The transformational shifts are identified as:

1. Homes for everyone
2. Marae’s being centres and opportunities for whenua Maori
3. Emission reduction through connected centres
4. Strong economic corridors linking the east and west to the city and the port
5. Restoration and enhancements of ecosystems for future generations
6. Radical change to the delivery funding and financing model for growth.

Although the Urban Taskforce supports the six principles relating to transformational shifts we consider that the Strategy should also incorporate a seventh shift, this being the need for further social infrastructure such as public and community amenities to be recognised. The reason for this is that there has been significant underinvestment in such infrastructure by successive Councils in Tauranga, and the city remains in “catch up mode”. The Strategy needs to address this.

Funding and Financing of Growth

The Urban Taskforce strongly supports the need for radical change to the delivery funding and financing model for growth. A range of different funding and finance models must be identified within the strategy including options for public-private partnerships. The Urban Taskforce also supports the use of the Infrastructure Funding and Finance Act with respect to the funding of infrastructure. Tauranga City Council has successfully used this Act for other projects which is a much fairer and efficient approach to infrastructure funding and one which spreads the cost over a sustained time period improving intergenerational equity and unlocking additional infrastructure investment.

Greater Central Government investment is also required to enable the development of infrastructure and further policies should be incorporated within the strategy to promote Central Government funding of infrastructure through a partnership arrangement as an important funding option.

Co-operation and coordination

Large areas of employment and residential land (such as at Te Puke and elsewhere) are unable to be unlocked due to the inability of District & Regional Council Partners to work collaboratively together on stormwater solutions. There have been many meetings between the Councils, but little in the way of outcomes. Given the housing and business land supply crisis and the critical reliance on areas such as Te Puke to deliver land supply in the short term, actions are required to be included in the strategy to require Regional & District Councils to collaborate and to reach solutions using a taskforce/working group tasked with identifying and implementing solutions to unlock such land in a timely and efficient manner.

There are many other examples across the sub-region where the Partner Councils must start working more collaboratively in a partnership role, in anticipation of amalgamation & combined services (i.e., combined water services, and a combined Regional Planning Committee) as this appears to be something the new government will encourage.

Reviewing delivery and cooperation between the Partners and their performance should also be a key requirement.

These actions should be included in the Implementation and Funding Plan.

Wider Regional Cooperation & Freight

It is important that the strategy identifies the need for regional cooperation, particularly in relation to the need for freight links (with State Highway 29 being located both within the Waikato and Bay of Plenty regions) and the role of the Port of Tauranga in New Zealand’s future. Freight volumes will only grow as the Auckland Port closes. The Port of Napier is relatively disconnected and the Port of Whangarei is geographically isolated. Freight volumes will continue to expand as will the demand for local industrial land associated with import/export and port related activities.

The Strategy should contain actions in relation to this, including a close working relationship with neighboring Councils (particularly the Waikato and Futureproof). Better/safer highways and rail for passengers and freight between the inland and coastal ports is required as an action.

In relation to employment land in the eastern Corridor, industrial zoned land adjacent to the eastern railway link needs to be properly planned as a freight feeder and distributor for the Eastern BOP and Port of Tauranga, and not be excluded from a rail connection. The current line is only at 30% capacity. An action is required to enable this in the implementation and funding plan.

Contributions to growth and infrastructure required from the Port of Tauranga should also be identified (particularly in relation to the provision of infrastructure and transport upgrades) in the implementation Plan.

Decision Sought

The Urban Taskforce seeks that amendments be made to the Draft Strategy which reflect and take into account the matters raised in our submission above.

We understand that our submission is an interim submission, and that further information will be able to be presented to the SmartGrowth Hearings Committee at the time of the hearing to be taken into account in their deliberations and decision making on the strategy.

The Urban Taskforce wishes to be heard in support of its submission and intends to expand further on the matters raised above.

Yours Faithfully



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