



THE WESTERN BAY OF PLENTY SUB-REGION

## THE CHALLENGES OF GROWTH MANAGEMENT IN THE WESTERN BAY OF PLENTY

MINISTERIAL BRIEFING PAPER  
PREPARED FOR THE HON JIM SUTTON,  
MINISTER OF AGRICULTURE AND ASSOCIATE  
MINISTER OF RURAL AFFAIRS  
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## Introduction

This paper has been prepared as a briefing for the Minister on growth management issues, particularly those relating to agriculture and rural affairs, in the Western Bay of Plenty prior to his visit to Tauranga on 13 May 2005.

The western Bay of Plenty incorporates Tauranga City, Western Bay of Plenty District and the associated administrative area of the Bay of Plenty Regional Council.

The SmartGrowth partnership which includes the three local authorities and Tangata Whenua has been operating since 2000. The partnership has developed the 50 year growth management strategy and is now into the implementation phase.

A joint committee of the three Councils has been established to oversee implementation.

This briefing paper concentrates on three key public policy processes which have recently been undertaken in the Bay of Plenty, namely:

- The SmartGrowth 50 year Live, Work and Play Strategy launched by the Prime Minister in May 2004
- The Smart Economy Economic Development Strategy completed in June 2004
- The Bay of Plenty Regional Land Transport Strategy, adopted by Environment Bay of Plenty in September 2004

The purpose of the paper is to:

- Highlight the key challenges for the western Bay of Plenty
- Provide an overview of the key policy documents listed above
- Discuss emerging issues
- Consider specific ways to move forward on some of the issues raised

## Key Challenges

- Successfully implementing the 50 year SmartGrowth Strategy – a cross-Council Implementation Committee is in place and an Implementation Advisor has been appointed.
- Ensuring that productive rural land is protected.
- Managing water allocation, particularly given the growth that is occurring and the strong agricultural and horticultural industries in the western Bay of Plenty sub-region.
- Maintaining the vast rural road networks in the Bay of Plenty region in order to ensure efficient transportation and movement of goods.

The sub-region would like to work with Government in order to address the challenges raised.

## Overview: SmartGrowth

### *Introduction*

The SmartGrowth Strategy which was completed in May 2004 is a 50 year vision and implementation plan to manage growth in the western Bay of Plenty. It concentrates on the principles of live, work and play in order to provide a balance for growth management.

The population of the sub-region has increased by 14.5% in the period between 1996 and 2001 which equated to 16,500 people. The population in 2001 was 130,000 and this is predicted to rise to 198,000 by 2021 and to 284,000 by 2051, as illustrated below:

	2001	2021	2051
Population	130,000	198,000	284,000
Households	49,000	80,000	119,000

Currently the area contains 3.4% of the nation's population and this is set to rise to 5.2% by 2051. This would result in the area becoming the fourth to fifth largest region in New Zealand.

The area is growing at an extraordinary rate. Every week:

- 100 people arrive from other places
- 52 people leave the area
- 32 new house are built
- 54 more vehicles go on the road, and
- 45 new jobs are created

### *Future Land Use Patterns*

Within the Strategy 75% of future growth is allocated to the Tauranga City Council area. The remaining 25% is to be accommodated in the Western Bay of Plenty District Council area. Of the Tauranga City growth, one third will be achieved through higher density redevelopment of two areas of intensification (see map 1, Appendix 1). One is in Mount Maunganui, and the other within the Tauranga isthmus extending from Pyes Pa in the south to Sulphur Point at the Port of Tauranga. The other two thirds will be achieved through raising the development densities within undeveloped land on the edge of the city from 10 households per hectare to 15 households per hectare. The recently approved 2000 lot subdivision in Pyes Pa, at the southern end of Route K, is an example of this.

One of the main reasons for these allocations in SmartGrowth was to secure a compact urban form in order to protect the productive rural land that exists from urban expansion and sub-division.

As well as the concentration on Tauranga and its environs, the Strategy also contains a number of development corridors: (see map 2, Appendix 1)

#### **Eastern Corridor**

The components of this corridor are as follows:

- Additional residential and business development at Papamoa east.
- An eastern highway between Tauranga and Paengaroa potentially funded as a “PPP” under the Land Transport Management Act 2003.
- Possible relocation of Tauranga domestic airport to Paengaroa (200ha post 2021).
- Possible airport related business land (150ha).
- A new Tauranga base hospital (40-50ha post 2021).

Rangiuru Business Park (150ha from 2006) Initiatives are also underway to secure sufficient land for a major regional business park at Rangiuru, east of Te Puke. This development is closely interrelated with the completion of the eastern arterial. It also has considerable benefits for the Whakatane area.

### **Southern Corridor**

The components of this corridor are as follows:

- A major new settlement at Pyes Pa of approximately 2800 sites and 8000 people commencing in 2006.
- A requirement for significant amounts of business land in the immediate vicinity of this settlement to reinforce “live, work, and play” concepts.
- State Highway links to Rotorua. A fully upgraded Pyes Pa Road would further reduce travel time between Tauranga and Rotorua.
- Significant “linkage” potential Ngongotaha and elsewhere in the Rotorua basin for new business and housing land.
- The ability for Environment Bay of Plenty, Rotorua District Council, Tauranga City Council, and Western Bay of Plenty District Council, to work together to implement a “twin-city” urban anchor model similar to that emerging between Auckland and Hamilton.

### **Northern Corridor**

The components of this corridor are as follows:

- Settlement development at Omokoroa, Katikati and Waihi Beach.
- State Highway links to Corromandel and Auckland.
- Rural structure planning for Te Puna.
- Special consideration of harbour impacts from development.

### **Western Corridor**

The components of this corridor are as follows:

- Employment land at Tauriko
- State Highway links to the Waikato

### **Marine (North Eastern) Corridor**

The components of this corridor are as follows:

- Shipping lanes for the Port of Tauranga
- Commercial fishing and marine farming
- Recreational use

### ***Rural Issues***

The SmartGrowth Strategy contains a principle that rural areas are to be managed to provide for continuing rural production. Structure Plans for the rural areas surrounding Tauranga City are proposed to provide better management of environmental and financial impacts.

Land identified as highly versatile for food and fibre production has been excluded from development potential where practicable. This is driven by a community expectation that land with high versatility for production should be retained.

Section 7.2.6 of the SmartGrowth Strategy identifies various growth matters and principles relating to rural issues.

The rural issues identified in SmartGrowth relate to:

- Larger numbers of people choosing to live in rural areas for amenity
- Rural production remains of primary importance. Agriculture is the second largest employer in the sub-region, employing over 10% of the area's workforce.
- Reconciling the need to protect productive land against the push to convert it to residential use is a key issue for the future. So is reconciling the differing desires and activities of those living together in rural regions.
- Case law has indicated that versatile soils do not have the primacy they once had under earlier legislation.
- Rural intensification will lead to increased conflicts between residential and productive activities.

There are three important trends in relation to the rural environment:

*Urban expansion:* Tauranga has seen expansion through Greenfield development of rural land eg growth in the Bethlehem area and parts of Pyes Pa.

*Rural intensification:* Rural population in the Western Bay of Plenty District from 1991 – 2001 increased by 40%. Rural sub-division has led to a significant increase in the amount of land not used for any primary production.

*Primary production:* The market plays a key role in determining the extent to which valuable land is retained for horticultural activities or subdivided for lifestyle blocks.

The main principles emphasised in SmartGrowth are:

- Values expressed by the rural sector as well as the community are acknowledged.
- Productivity of the rural land resource is protected from indiscriminate subdivision and urban development.
- Importance of the rural economy to the sub-region is recognised.
- Structure planning is undertaken in key rural areas.
- Provision is made for small scale rural villages.
- Sufficient business land to support labour force growth.
- Long term sustainable value of highly versatile land is acknowledged and supported.
- Conflict between rural and non-rural activities is minimised.
- The amenity provided by low-density landscape character of the rural environment is protected and enhanced.
- Area of land used for residential purposes in rural areas is minimised.

SmartGrowth has several key actions to address rural issues which include:

- **Preparing structure plans**
- **Developing strategies for eco village housing**
- **Regulating for minimum lot sizes that will enable productive use of versatile soils for primary production**
- **Providing for compatible rural support activities in rural areas**
- **Providing for "Protection Lots" which allow rural lifestyle lots to be created in conjunction with protection of a significant natural feature**
- **Monitoring and reviewing District Plan policies and rules on rural amenity**

## Overview: Smart Economy

Smart Economy is the western Bay of Plenty sub-regional Economic Development Strategy. The Strategy was completed in 2004 with a Regional Assistance Grant from New Zealand Trade and Enterprise.

Smart Economy sets out the following high level outcomes which the sub-region expects to achieve in ten years:

1. Per capital GDP has grown faster than the national average
2. Value of the sub-region's exports as a proportion of total output has increased
3. Survey of businesses shows that business profitability has increased
4. Average household income has increased faster than the national average
5. There has been a reduction in the percentage of households in the bottom quartile of national income
6. Appropriate training and attracting skilled labour will halve the skill gaps identified in 2004 through the skill gap survey by 2009.
7. Level of skills of workforce has increased relative to the national average.

The achievement of these outcomes will contribute to a sustainable and thriving economy together with delivering an enviable quality of life.

The Western Bay of Plenty Sub-region has a number of existing strengths, and the Smart Economy Strategy focuses on turning these strengths into a source of competitive advantage:

- Existing strengths and/or opportunities identified in several **sectors** that have the potential to contribute to a productive and competitive, export based economy. Key sectors for development include horticulture, agriculture, dairying, food processing, marine sector, health sector, and some manufacturing sub-sectors. The strong "transport and storage and finance" sector has an important role to play in supporting these key sectors.
- The economy also has significant strengths in construction, tourism, retail, financial services and creative industries. These sectors also have an important role to play both in driving and supporting economic development.
- The **Port of Tauranga** which is already the country's largest export port. The Port is both a source of competitive advantage, and a generator of economic activity in its own right. Industries such as horticulture, wood industries, and dairy industries are heavily dependent upon the Port and in turn, drive much of the Port's activities. Proximity to the port should be a major source of competitive advantage for exporting industries.

Importantly, SmartEconomy identifies the following consistent achievers in the western Bay of Plenty economy:

- Primary sectors (agriculture, horticulture, food processing)
- Construction
- Business services
- Transportation and storage
- Retail / wholesale

## Overview: Bay of Plenty Regional Land Transport Strategy

In September 2004 Environment Bay of Plenty adopted the Bay of Plenty Regional Land Transport Strategy ("RLTS") under the new Land Transport Management Act 2003 ("the Act"). The document is a first for New Zealand. It has been prepared in response to the rate of growth in the Bay of Plenty.

The Strategy has a 10 year focus on transportation in the Bay of Plenty Region. It has a particular emphasis on the 2004 – 2006 period and will be reviewed again in 2006.

The vision of the Strategy is *"an integrated, safe, sustainable land transport needs that meets the current and developing needs of the people of a vibrant and growing region"*. Section 3 of the RLTS identifies a number of key issues facing the region. In particular, the critical links between future land use and transport. The Strategy focuses on a corridor pattern of development and seeks to implement in a practical manner the key strategic corridors from the SmartGrowth Strategy.

The Strategy focuses on the following Strategic Outcomes:

- Integration
- Safety and Personal Security
- Responsiveness
- Sustainability
- Economic Development
- Energy Efficiency
- Access and Mobility
- Public Health

Other outcomes relate to inter and intra regional corridors, demand management, monitoring and funding.

As a result of extensive public submissions this Strategy has a much greater emphasis on both rail and public transport.

The RLTS recognises that, in terms of land area, the Bay of Plenty region is predominantly rural. Approximately 22% of the land area in the region is farm land, less than 4% of the land in the region is urban. This poses a unique set of challenges for land transport management.

Some of the key infrastructure investment needs relate to:

- Improved route security
- Upgrading the rural network via enhanced facilities particularly with seal extensions
- Improved and affordable access to facilities and services, including employment

The strategic outcomes contained in the Strategy include:

- The efficient and affordable movement of people and goods
- Continued improvement of safety and personal security
- Ready access to health, education, employment and leisure activities

The RLTS recognises that successful growth management requires timely infrastructure investment. There is an infrastructure lag particularly in the major roading areas in the western Bay of Plenty. The Strategy identifies a significant funding gap for the region as follows:

<p><b>Potential 'strategic' funding requirements:</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Strategic Road Projects throughout the region (primarily, Tauranga, Western Bay and Rotorua) (\$650m)</li> <li><input checked="" type="checkbox"/> Additional passenger transport services expenditure – estimate (\$30m)</li> </ul>	<p>\$680 million Approximately</p>
<p><b>Expected 'discretionary' funding</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Uncommitted State highway funding</li> <li><input checked="" type="checkbox"/> Uncommitted local road funding</li> <li><input checked="" type="checkbox"/> Travel Demand Management, Uncommitted Rail and Barging</li> <li><input checked="" type="checkbox"/> Regionally distributed funding</li> </ul>	<p>\$210 million Approximately</p>
<p><b>Forecast funding shortfall over the 10 years</b></p>	<p><b>\$470 million</b></p>

All three of the key strategy documents overviewed are inter-related. The western Bay of Plenty sub-region, through SmartGrowth, has a strong focus on integrated planning. The sub-region relies on the Local Government Act 2002, the Resource Management Act 1991, and the Land Transport Management Act 2003, as well as other non-statutory processes, for an integrated growth management approach. Environment Bay of Plenty, Tauranga City and Western Bay of Plenty District all work together in a collaborative manner in order to effectively manage the significant growth that is occurring in the western Bay of Plenty sub-region.

Recently the Minister of Transport and the Chair of the Regional Council have announced the formation of a Joint Officials Group to investigate the need for additional Government funding for transportation in the Bay of Plenty.

## Emerging Issues

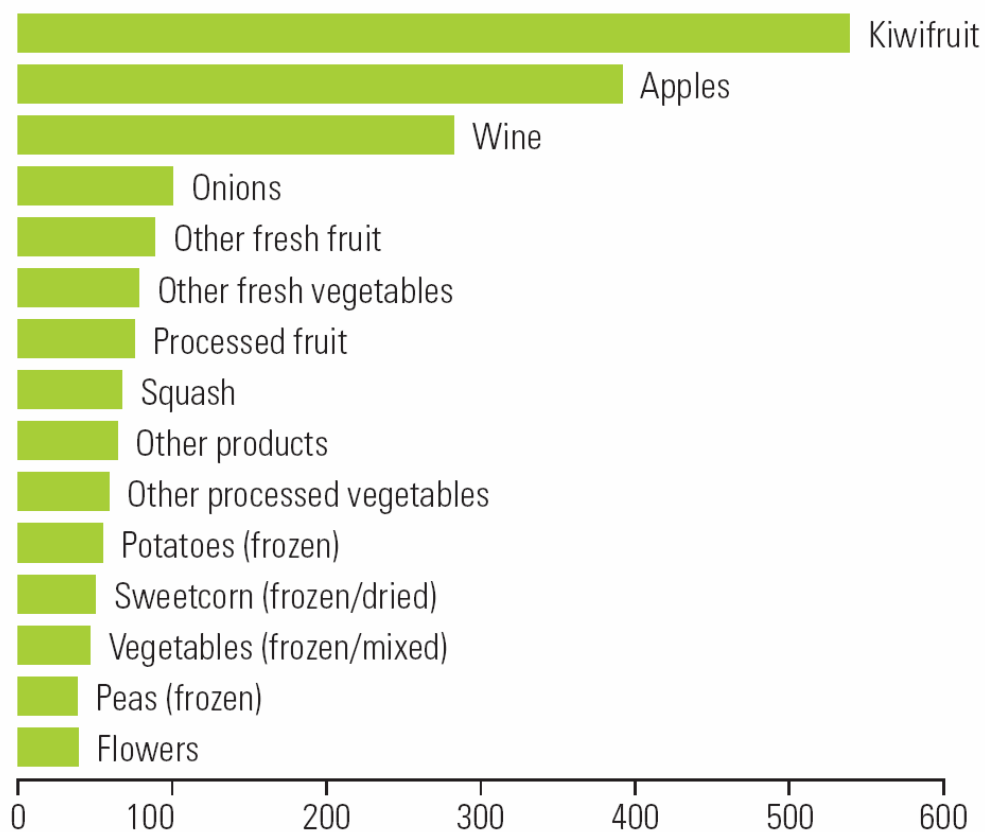
### *Productive Land Protection*

The agricultural and horticultural industries are of significant importance to the western Bay of Plenty economy. In 2001, the combined horticulture and agriculture sectors employed around 4,700 full-time equivalents (9.7% of total employment in the sub-region).

Kiwifruit is the most important horticultural crop produced in the Western Bay of Plenty. The Bay of Plenty region has 9,148 hectares of Kiwifruit<sup>1</sup>, which is the largest of any region in the country. The Western Bay of Plenty District has the majority of kiwifruit land with 62.3% of New Zealand's planted kiwifruit area.

Kiwifruit is New Zealand's largest horticultural export earner. It continues to achieve record net sales.

### **Horticultural exports 2003 (\$ million, fob)**



Source: Hort Research, *New Zealand Horticulture: Facts and Figures, 2003*.

SmartGrowth has a strong interest in ensuring that the productive land of the Western Bay of Plenty is protected. The Strategy aims to achieve this through:

<sup>1</sup> Source: Statistics New Zealand, Agricultural Production Survey for the year ended 30 June 2003.

- A smaller urban footprint (higher densities in the urban areas)
- Structure planning for rural areas to protect productive land from indiscriminate sub-division
- Regulating minimum lot sizes
- Providing for "protection lots" - allows rural lifestyle lots to be created in conjunction with protection of a significant natural feature

### ***Water Management***

Effective water management is very important to the western Bay of Plenty sub-region, particularly given the growth that is occurring and the strong agricultural and horticultural industries.

The western Bay of Plenty sub-region has the following growth issues relating to fresh water supply:

- Conflicting demands between water quality and allocation
- Increasing demand placed on water resource from on-going urban development
- Long term sources of water supply to accommodate demands of growth
- Water quality
- Increasing expectations on water supply standards

There is sufficient water in the sub-region to support on-going demands, in particular from urban growth, agriculture and horticulture. However, the way the water resource is managed will become increasingly important for the sub-region in order to ensure long term supply and efficient use.

SmartGrowth contains an action to complete a Strategy for:

- (a) Water allocation within the sub-region
- (b) Underground water allocation within the sub-region

There is also an action to complete an active water conservation and demand management Strategy.

It will also be necessary to establish the availability of water (surface and underground) and its sufficiency to meet the needs of the sub-region.

The western Bay of Plenty sub-region is comfortable with the current water allocation strategy but would like the need for water use for local power generation to be recognised.

### ***Rural Roding***

As noted earlier, in terms of land area, the Bay of Plenty region is predominantly rural, with approximately 96% of the land in the region. For this reason rural roding is very important to the sub-region. The maintenance of these roads is necessary to ensure that produce can reach markets efficiently.

The RLTS contains some key infrastructure investment needs which relate to the rural roding network:

- Improved route security
- Upgrading the rural network via enhanced facilities particularly with seal extensions
- Improved and affordable access to facilities and services, including employment

The Bay of Plenty region has vast expanses of rural roading and contains some very remote areas. These roading networks are sometimes the only link that a settlement or an individual farm may have with the rest of the region and the only means of getting produce to markets. Given the importance of agriculture and horticulture to the Bay of Plenty economy it is essential that these links are well maintained.

### *Amendments to the RMA 1991*

SmartGrowth endorses Central Government's approach to the amendments to the RMA 1991, which is heavily based on partnership, underpinned by strong government leadership. This is the same collaborative approach; between the SmartGrowth partner councils in the western Bay of Plenty sub-region which has been the key to SmartGrowth's success.

Past governments have had a hands-off approach to the environment with minimal central government intervention. This ideology has 'trickled-down' into local government. It has often resulted in urban form / land-use being uncoordinated with the timely provision and funding of necessary infrastructure, leading to financially unsustainable burdens on local authorities – particularly in high growth areas such as the western Bay of Plenty sub-region.

SmartGrowth takes a pragmatic approach to these issues, with the view that there is no place for ideology if local authorities and local communities can't meet the true costs of growth (particularly those associated with the timely funding and provision of necessary infrastructure).

SmartGrowth therefore supports Central Government continually pushing the boundaries, both within and outside the RMA 1991. The major challenge ahead, as highlighted in the Cabinet Paper late last year [CAB Min (04) 30/10], is integration between the principal statutes in this area, being the RMA 1991, LGA 2002, and LTMA 2003. Integrated planning of urban form / land-use, infrastructure, and funding is key.

In terms of the amendments proposed to the RMA 1991 which the Minister has helped develop, SmartGrowth has a special interest in the third set of initiatives which aim to improve local policy and plan making. SmartGrowth is looking for the role of regional policy statements to be strengthened with regional and district plans having to 'give effect to' these – in essence, leadership and coordination at the regional level in collaboration with the district and city level.

SmartGrowth recently presented to the Local Government and Environment Select Committee supporting the growth management amendments to the Resource Management and Electricity Legislation Amendment Bill 2004.

The submission focused on the importance of leadership and coordination, at the Regional Council level, on the following policy issues:

1. Sustainable urban form.
2. The timely and effective provision of infrastructure.
3. The integration of infrastructure with land-use.

In order to achieve the "Live, Work, & Play" principles/outcomes of the SmartGrowth Strategy close integration of land-use and infrastructure planning is required. This includes the funding and provision of infrastructure in a timely manner, and striking a sustainable urban form for all existing and future settlements. These policy goals are to be implemented in part by each of the Strategy's partner councils progressing changes to their regional plans/policy statements and district plans respectively. The amendments to the RMA 1991 will provide the tools to allow Councils to progress such changes.

The Bill also reinforces the approach of the Local Government (Auckland) Amendment Act 2004 ("LGAAA 2004"). The LGAAA 2004 has already had some positive effects in the form of proposed changes to the Auckland Regional Policy Statement and District planning documents. The amendments to the RMA 1991 will help the Bay of Plenty anchor similar principles in key planning documents so as to be able to successfully implement strategies like SmartGrowth. The changes to the RMA 1991 set up a leadership framework through the Bay of Plenty Regional Policy Statement ("RPS"). SmartGrowth has already begun implementing some of its initiatives through proposed changes to the RPS. These changes will incorporate the Regional Settlement Pattern and urban limits strategies contained in SmartGrowth.

It is very important to the Bay of Plenty region that the Resource Management and Electricity Legislation Amendment Bill 2004 is passed by Parliament this year. The amendments are vital in terms of having the necessary tools to manage growth and will provide support for the changes to the RPS which SmartGrowth has proposed.

## Moving Forward

The Western Bay of Plenty sub-region would like to:

- Explore with the Minister opportunities to partner with the Government on initiatives to protect productive rural land.
- Be kept informed of water allocation policy initiatives.
- Have the need for water use for local power generation recognised.
- Work with the Government and Transit New Zealand to ensure that rural roading is adequately maintained.
- Implement the amendments to the RMA 1991 given the importance of those tools to growth management in the western Bay of Plenty. This is contingent on the amendment bill being passed in its current form.

## Contact Details

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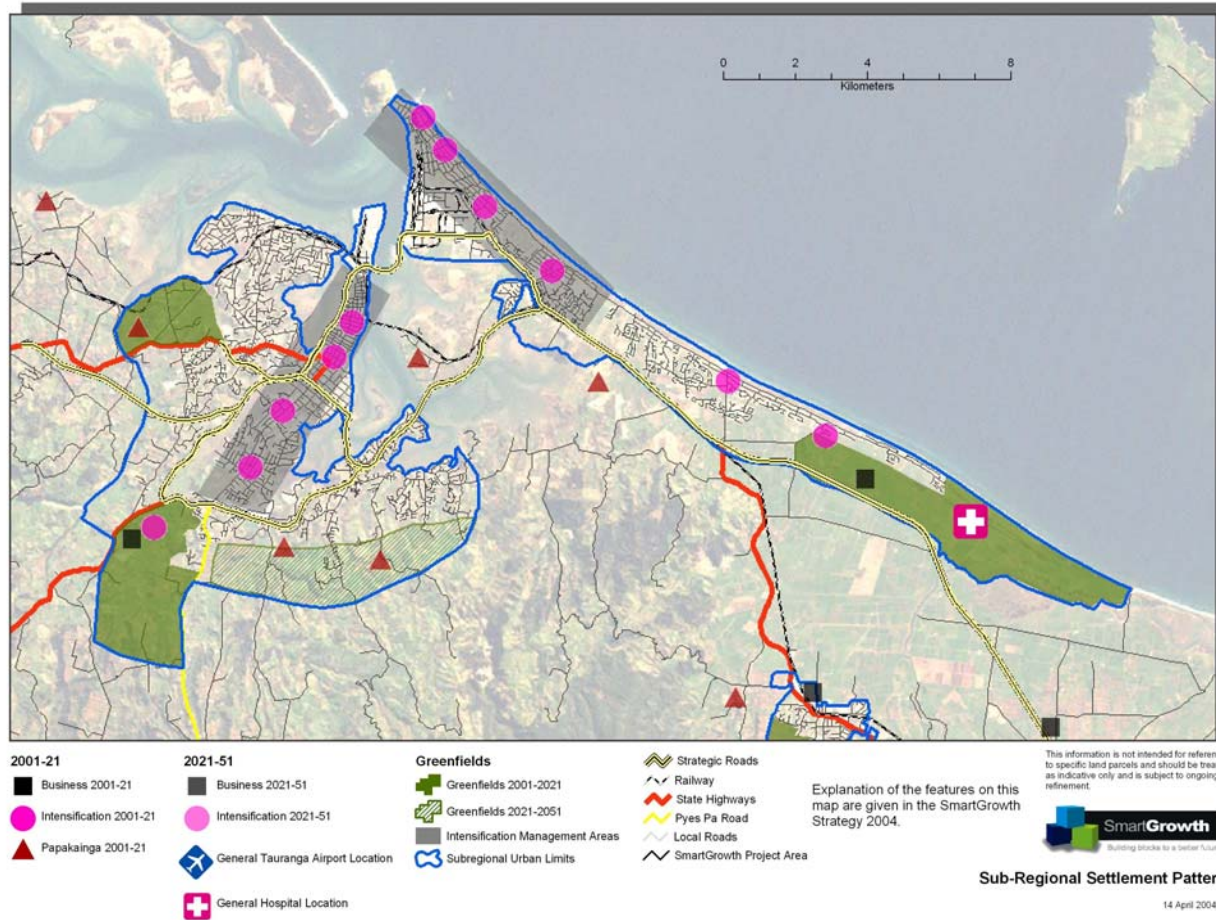
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Appendix 1: Map 1 Sub-Regional Settlement Pattern  
*Tauranga City - intensification corridors shaded dark grey*



## Appendix 1: Map 2 SmartGrowth Land Use and Transport Development Corridors

