



AGENDA

Vision, Planning, Growth & Environment Committee meeting Monday, 14 October 2024

I hereby give notice that a Vision, Planning, Growth & Environment Committee meeting will be held on:

Date: Monday, 14 October 2024

Time: 9.30am

**Location: Bay of Plenty Regional Council Chambers
Regional House
1 Elizabeth Street
Tauranga**

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

**Marty Grenfell
Chief Executive**

Terms of reference – Vision, Planning, Growth and Environment Committee

Common responsibilities and delegations

The following common responsibilities and delegations apply to all standing committees.

Responsibilities of standing committees

- Establish priorities and guidance on programmes relevant to the Role and Scope of the committee.
- Provide guidance to staff on the development of investment options to inform the Long Term Plan and Annual Plans.
- Report to Council on matters of strategic importance.
- Recommend to Council investment priorities and lead Council considerations of relevant strategic and high significance decisions.
- Provide guidance to staff on levels of service relevant to the role and scope of the committee.
- Establish and participate in relevant task forces and working groups.
- Engage in dialogue with strategic partners, such as Smart Growth partners, to ensure alignment of objectives and implementation of agreed actions.
- Confirmation of committee minutes.

Delegations to standing committees

- To make recommendations to Council outside of the delegated responsibility as agreed by Council relevant to the role and scope of the Committee.
- To make all decisions necessary to fulfil the role and scope of the Committee subject to the delegations/limitations imposed.
- To develop and consider, receive submissions on and adopt strategies, policies and plans relevant to the role and scope of the committee, except where these may only be legally adopted by Council.
- To consider, consult on, hear and make determinations on relevant strategies, policies and bylaws (including adoption of drafts), making recommendations to Council on adoption, rescinding and modification, where these must be legally adopted by Council.
- To approve relevant submissions to central government, its agencies and other bodies beyond any specific delegation to any particular committee.
- Engage external parties as required.

Terms of reference – Vision, Planning, Growth & Environment Committee

Membership

Chairperson	Cr Marten Rozeboom
Deputy chairperson	Cr Glen Crowther
Members	Deputy Mayor Jen Scoular Cr Hautapu Baker Cr Rick Curach Cr Steve Morris Cr Kevin Schuler Cr Mikaere Sydney Cr Rod Taylor <i>Mayor Mahé Drysdale (ex officio)</i>
Non-voting members	(if any)
Quorum	<u>Half</u> of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
Meeting frequency	Five weekly

Role

The role of the Vision, Planning, Growth and Environment Committee is:

- To consider strategic issues and opportunities facing the city and develop a pathway for the future.
- To consider Tauranga’s strategic responses at a sub-regional, regional, and national level as appropriate.
- To ensure there is sufficient land supply for housing and for commercial and industrial purposes.
- To ensure there is sufficient and appropriate housing supply and choice in existing and new urban areas to meet current and future needs.
- To ensure that Tauranga’s urban form and transport system enables, supports and shapes current and future sustainable, vibrant and connected communities.
- To ensure there is a clear and agreed approach to achieve measurable improvement in transport outcomes in the medium to long-term including transport system safety, predictability of travel times, accessibility, travel choice, mode shift and improved environmental outcomes.
- To enable Tauranga’s urban centres to thrive and provide a sense of place.
- To ensure that council and partner investments in Tauranga’s build environment are economically and environmentally resilient.

- To work with all key partners to enhance, protect and restore (where necessary) the wellbeing of our natural environment and harbour to ensure the people of Tauranga can thrive and enjoy the lifestyle this city provides.

Scope

- Development and ongoing monitoring and update of the Western Bay of Plenty Transport System Plan and associated programmes and network operating plans.
- Development and ongoing monitoring and update of the Future Development Strategy and urban settlement patterns, including structure plans as required.
- Development and oversight of urban centres strategies, neighbourhood plans and master-plans.
- Development and oversight of the Compact City programme in support of higher development densities and the provision of a greater range of housing options.
- Development of City Plan changes and related matters for adoption by Council.
- Contribution to matters related to the SmartGrowth Strategy and input to the SmartGrowth Leadership Group.
- Regular monitoring of strategic growth-related projects and strategic transport projects.
- Development of strategies, policies, plans and programmes for the medium to long term delivery of social, environmental, economic, cultural and resilience outcomes.
- Ensuring that social, environmental, economic and cultural wellbeing's are promoted through all strategic work considered by the Committee.
- Consideration of significant natural hazards risks across the city, as they apply to current and future land-form and built environment.

Power to Act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

Power to Recommend

- To Council and/or any standing committee as it deems appropriate.

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- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 PUBLIC FORUM**
- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Vision, Planning, Growth & Environment Committee meeting held on 9 September 2024

File Number: A16783798

Author: Anahera Dinsdale, Acting Team Leader: Governance Services

Authoriser: Anahera Dinsdale, Acting Team Leader: Governance Services

RECOMMENDATIONS

That the Minutes of the Vision, Planning, Growth & Environment Committee meeting held on 9 September 2024 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Vision, Planning, Growth & Environment Committee meeting held on 9 September 2024**



MINUTES

**Vision, Planning, Growth &
Environment Committee meeting
Monday, 9 September 2024**

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**MINUTES OF TAURANGA CITY COUNCIL
VISION, PLANNING, GROWTH & ENVIRONMENT COMMITTEE MEETING
HELD AT THE TAURANGA CITY COUNCIL, GROUND FLOOR MEETING ROOMS 1 & 1B, 306
CAMERON ROAD, TAURANGA
ON MONDAY, 9 SEPTEMBER 2024 AT 9.30AM**

MEMBERS PRESENT: Cr Marten Rozeboom (Chairperson), Cr Glen Crowther, Cr Hautapu Baker, Cr Rick Curach, Cr Steve Morris, Cr Kevin Schuler, Deputy Mayor Jen Scoular, Cr Rod Taylor, Mayor Mahé Drysdale

APOLOGIES: Cr Scoular

LEAVE OF ABSENCE: Cr Sydney

IN ATTENDANCE:

Marty Grenfell (Chief Executive), Christine Jones (General Manager: Strategy, Growth & Governance), Barbara Dempsey (General Manager: Community Services), Alastair McNeill (General Manager: Corporate Services), Paul Davidson (Chief Financial Officer), Gareth Wallis (General Manager: City Development & Partnerships), Sarah Omundsen (General Manager: Regulatory and Compliance), Nic Johansson (General Manager: Infrastructure), Andrew Mead (Manager: City Planning & Growth), Janine Speedy (Team Leader City Planning), Sarah Dove (Team Leader: Strategic Transport & Infrastructure), Jason Spencer (Transport Programme Manager – Major Projects), Chris Barton (Senior Project Manager – Transport Major Projects)
Coral Hair (Manager: Democracy & Governance Services), Anahera Dinsdale (Acting Team Leader: Governance Services), Caroline Irvin (Governance Advisor), Aimee Aranas (Governance Advisor)

EXTERNAL: NZTA – David Speirs, Jess Andrews, Ben McPherson

1 OPENING KARAKIA

Cr Baker opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

COMMITTEE RESOLUTION VPG1/24/1

Moved: Cr Hautapu Baker

Seconded: Cr Kevin Schuler

That the apology received from Cr Scoular be accepted.

Notes that Cr Sydney is on Leave of Absence.

CARRIED

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO ORDER OF BUSINESS

Nil

7 DECLARATION OF CONFLICTS OF INTEREST

Nil

8 BUSINESS

8.1 Vision, Planning, Growth & Environment Committee Draft Programme

Staff Christine Jones, General Manager: Strategy, Growth & Governance

Key Points

- Staff presented the proposed work plan programme for the Committee and noted that the work plan included the key areas that related to the terms of reference for the Committee. These were Growth, Transport, Environment & Other and within that these were arranged in key areas that would occur over time.
- It was noted that workshops were highlighted in red in the work programme. Some matters would be presented at a workshop and then to the Committee for the decision making process.
- Also included in the work programme were matters that would need to be reported to the Committee but due to different reasons, the timing of these reports being presented were unconfirmed.
- It was noted that Councillors did not have a lot of material relating to the projects included in the work programme.
- Projects included in the work programme were informally indicated by Councillors and picked up by staff.

In response to questions

- In response to a query, staff noted that “three waters planning” crossed over and would fall under both Environment and Growth headings.

COMMITTEE RESOLUTION VPG1/24/2

Moved: Cr Glen Crowther

Seconded: Cr Rod Taylor

That the Vision, Planning, Growth & Environment Committee:

- (a) Receives the report "Vision, Planning, Growth & Environment Committee Draft Programme".
- (b) Endorses the Committee's Proposed Work Programme, and notes that the programme will continue be updated on an ongoing basis and reported to this Committee.

CARRIED

8.2 Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - September 2024

Staff Andy Mead, Manager: City Planning & Growth

Janine Speedy, Team Leader: City Planning

Sarah Dove, Team Leader: Strategic Transport & Infrastructure

Christine Jones, General Manager: Strategy, Growth & Governance

Key Points

- A quarterly update on all initiatives included in the Growth, Land Use Planning and Transport Strategy Projects was provided by staff to the Vision, Planning, Growth & Environment Committee.
- Once projects had been defined, it would move out of this report and be reported on through the Transport Major Projects Update or removed from the list due to completion.
- Staff identified the key current issues in the report and provided an update and included a comprehensive schedule with every initiative in the scope, key matters and a timeline of upcoming initiatives.
- It was noted that other matters that were currently not on the report could be included at the request of Councillors.
- The report was in the context of Tauranga City's high growth environment and the challenges around housing affordability and supplying sufficient housing and business land capacity.
- The report focussed on the progress made by staff over the past three months. It was noted that this progress had been quite significant with projects moving forward at a fast pace.

In response to questions

- PC33 was to provide the medium density zone across the city and more intensification around the CBD and along Te Papa Peninsular. This was fully operative and provided 350,000 plan enabled development capacity units. It was noted that though the capacity would not be met, the intensification area would help meet the urban development and housing needs of the city.
- The industry was responding with development already under way across the city.
- The PC33 project was now finished and no further report would be presented to the Committee unless there were changes made to planning rules by Central Government around intensification.
- Staff had expected Kainga Ora to play a significant role in delivering intensification but with

the new Government's direction, this was unlikely to be the case, as Central Government were more focused on the community housing sector.

- It was noted that Accessible Housing Ltd in Tauranga owned most of the ex-Housing NZ housing stock and staff were working closely with them.
- There were some issues around alignment with investment in public transport (cycling, walking) which were not aligned with Government Policy Statement (GPS) direction for transport investments.
- Tauriko Business Estate (TBE) was an extension of industrial land area for up to 100ha over the next 10 years.
- An Independent Hearings Commissioner had completed these hearings and a report with the recommendations would go to Council on 16 September 2024.
- The Tauriko Enabling Works were under construction and these would allow for half of the area to be developed. The second half would be reliant on further investment.
- The Variation 1 - Tauriko West Urban Growth Area was a variation to PC33. The submissions had been completed and staff were completing documentation for a December 2024 hearing. The Plan Change would enable 4,000 homes to become operative in mid 2025.
- In terms of the Western corridor, it was noted that the Keenan Road project was running behind Tauriko West. Staff were currently in the structure planning phase and determining the over all bones of how development would be delivered with infrastructure, zones, housing and schools.
- A workshop would be scheduled with Councillors to provide further information before going out to the community in early 2025.
- Kainga Ora were leading the investigation for a Specified Development Project (SDP) under the urban development legislation for the broader Western Corridor area which included future potential growth areas with the Western Bay of Plenty District Council. The area along Upper Belk Road could enable 25,000 homes and possible business land. This was a long term project 30-50 years.
- Council staff were awaiting a decision from the Minister of Local Government regarding the SDP which was a planning and implementation mechanism to deliver outside of the Resource Management Act and to bring together a range of existing planning tools into one piece of legislation.
- There was a Private Plan Change for around 500 homes in Ohauti which would be heard late October 2024. The report to establish the Independent Hearings Panel would be presented to the Council meeting on 16 September 2024.
- Te Tumu was a large greenfield area that was currently in planning. It was noted that it had on-going challenges for a long period of time. Access was a key issue and staff were working with Māori Land Owners to establish access into Te Tumu through the TK14 Maori Land Block. A report would be presented to Council before the end of 2024 on this issue.
- SmartGrowth had adopted the SmartGrowth Strategy, including by all partners, partner councils, Government Agencies and tangata whenua. Staff were working on the implementation plan which included more detail on how Council would deliver and implement the Strategy.
- The Implementation Plan was currently being workshopped by SmartGrowth and would then be endorsed by them in October 2024, with the final implementation plan being reported back to this Committee.
- Central Government's Fast Track Approvals Bill sought to move developments and projects faster through the regulatory approval process. TCC had made applications for four projects to be listed in that legislation, including the Pōteriwahi sports field and housing project, Pāpāmoa East Interchange Surplus Land Development Project, Turret Road/15 Avenue Transport Improvement and the Kaituna Storm Water Overflow in Pāpāmoa East/Te Tumu.
- Staff were involved in a range of capacity across Central Government's entire reforms program through unofficial relations and through formal working groups. It was noted that this would also provide opportunity for staff to submit and be heard by Select Committees on the

various reforms.

- In response to a question, it was noted that Central Government was currently undertaking amendments around the Intensification Policies as it related to housing and making the Medium Density Residential Standards (MDRS) Optional. MDRS was not applicable in Mount North. Government was currently making amendments to the National Policy Statement for Urban Development (NPS-UD) along transit roads to encourage more intensification and more height.
- The changes to the National Policy Statement (NPS) would be notified for submissions at the end of 2024 and these would be supported by the Resource Management Act Amendment Bill. It was expected that these changes would be operative by mid 2025 which would be the appropriate time to re-assess the Mount North Area in PC33.
- It was recommended that Council wait until Central Government made the amendments to MDRS and NPS-UD before making changes to PC33, so that no work was made redundant.
- Staff were currently fielding information request from various parties on PC33.
- In response to a query, it was noted that the draft changes to NPS-UD and RMA Amendment Bill relating to the housing supply would be available early next year and these would be reported at a Committee meeting.
- A Welcome Bay and Ohauti planning study was conducted by staff in 2020 based on the broader urban growth potential in that part of the city. It was identified that there was significant urban development potential in this area but was constrained by the transport network and would require a second road access in and out of Welcome Bay.
- It was determined that it was cost prohibited to undertake development of 500 homes in the Welcome Bay area. The outcome of the planning study were to focus on the smaller Ohauti area and to bring more amenities and retail to this area of the city. There was an investigation into a supermarket in Welcome Bay but this had not eventuated at this stage. These would be progressed through Plan Change 38 (PC38).
- A primary school in Ohauti was accepted by Ministry of Education who were exploring options but due to budget constraints, progress was slow.
- There were no easy answers to improving the transport network in Welcome Bay Ohauti. The capacity constraints were largely on the State Highway 29A network and particularly the intersections of Poike Rd and Oropi Rd. These were part of roading that NZTA were not progressing at this stage but they would be considered by the Independent Hearings Panel established by Council.
- Qualifying matters in the Mount North area were set within the legislation where council may limit height or density and there was a prescribed list of when council could use a qualifying matter. A range of qualifying matters were investigated in Mount North area. These included natural hazards. Flooding was a known issue in this area.
- Council proposed to have new cultural and landscape qualifying matters added to the Plan. The Mount Maunganui Plan had a Coastal Environment that had limited height of 11m. This applied from Hopukioré to the base of Mauao, Pilot Bay to the Main Mount Beach, along Marine Parade to Pāpāmoa. An application was considered a discretionary activity and non-compliant if the height limit was proposed to be exceeded.
- No height had changed within this location as a landscape assessment had been completed in 2014, which identified height limits to protect view shaft. In response to submissions made for PC33, there were two landscape assessments undertaken, one for Mount North area and one for all of Council's coastal area.
- Matters would be considered in consultation with local iwi and hapū if the height limit was exceeded.
- The map issued by Minister Chris Bishop identified where there were qualifying matters that limited heights. Not all cases limited the height to MDRS. Some areas within the map allowed for some areas to go to four stories but these were limited by the view shaft.
- PC33 was a unique plan change in which the legislation was specifically written through the Enabling Housing Supply Amendment Act. Every Tier 1 Council had a clear direction where Council had to make a decision by June 2024.
- In response to a query on whether Council had received a report back from NZ Health

regarding their business case on the future of Tauranga Hospital, it was noted that it was the hospitals process to do a Business Case. Staff understood that the timeline had been extended and no formal written correspondence had been received by Council on the likely timing of completion.

- The lease for the Tauranga Racecourse was being managed by staff in the Spaces & Places team. There was a clear understanding that if a decision was made by Health NZ that they did need the land site for a hospital, then Council would enter a long term lease for the hospital and discussions and negotiations would take place on the transition. If Health NZ did not need the site for a hospital, a 15 year lease term would be offered to Racing Tauranga.
- The work on the needs for sports fields in the city was updated every three years, looking at each sporting code, its growth, the population growth, the location and then projects how many sports fields were required and where they needed to be located.
- In response to a question on growth paying for growth, it was noted that development contributions was the key tool used to ensure growth pays for the infrastructure cost associated with providing for growth. Development contributions and where they should be used versus other funding tools like rates, staff had to consider the why for the investment and who benefited.
- Staff had been informally involved in amending the Development Contributions legislative framework to ensure growth pays for growth better than it currently does.
- Council's Development Contributions Policy was reviewed annually and adjustments could be made to charges then. The issue was when consent applications were made, the development contributions charge was locked in for that development over the lifetime of that development.
- Council wrote to the Ministry for the Environment requesting time extensions on PC33 to 30 June 2024 and Variation 1 for Tauriko West was extended to 31 December 2025, due to the complexity of the submissions made and what they sought in terms of the technical work required primarily around landscape matters and economic assessment around the commercial centres.
- In response to a query around Council's recommendation to NZTA to construct a four-lane bridge over Omanawa Stream rather than the proposed replacement twolane bridge, it was noted that NZTA's decision was that it would remain two lanes and future proofed for four lanes. Staff had requested that they receive a copy of the design for the future proofing and would provide feedback whether the proposal would be sufficient for the projected growth for that corridor. Staff had not formally received a response from NZTA as yet.
- As per the SmartGrowth Strategy, Council was working towards the housing shortfall over the next 30 years. Staff were aiming for 4,000 homes in Tauriko West with another possible 8,000 being provisionally allocated across Keenan Road, Upper Belk Road and a proposed Eastern town within the Western Bay of Plenty District.
- Council modelled for a 100 year flooding event and effects were added due to climate change. This was a requirement of the Regional Policy Statement set by Bay of Plenty Regional Council.
- Staff were aware of how many properties were affected by Plan Change 27. It was a significantly greater exercise to then determine how many of the properties that were not affected might be developed.

Discussion points raised

- Additional resolutions (b) and (c) were added to reflect discussions to enable the Mayor and Councillors to fulfill their statements during the election period and the comments received by residents of Mount Maunganui with the implementation of the recommendation of PC33.
- Resolution (c) was reflective of Council being given an opportunity to explore options to reduce the burden on ratepayers.

COMMITTEE RESOLUTION VPG1/24/3

Moved: Cr Steve Morris

Seconded: Cr Rick Curach

That the Vision, Planning, Growth & Environment Committee:

- (a) Receives the report "Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - September 2024".
- (b) Request staff present an issues and options paper on a plan change relating to permitted building height limits and zoning in Mount Maunganui North in early 2025.
- (c) Request staff present an issues and options paper on charging all development contributions at the time of subdivision and the ability to levy a targeted rate at the time of rezoning in early 2025.

CARRIED

At 11.18am the meeting adjourned.

At 11.28am the meeting reconvened.

8.3 Transport Major Projects Update

Staff Jason Spencer, Transport Programme Manager – Major Projects

Chris Barton, Senior Project Manager – Transport Major Projects

Nic Johansson, General Manager: Infrastructure

Marty Grenfell, Chief Executive

Power point presentation

Key Points

- The five major projects were Cameron Road Stage 2, Hewletts Sub Area, Pāpāmoa East Interchange, 15th Ave/Turret Road and Tauriko West.
- It was noted that due to the scale of these five projects, a separate entity was established called T5. Additionally, an oversight group was established to provide advice to Council.
- The five major transport projects were grouped together because they represent the five largest transport projects with Council's partner NZTA, two of which were currently under construction.

15th Ave/Turret Road

- It was noted that the 15th Avenue/Turret Road project total funding secured was low. Council had approved a Business Case to go to NZTA for a decision in October 2024. NZTA had allocated funds in their National Land Transport Programme (NLTP) budget for this project.

In response to questions

- As part of the delivery for the project, staff had looked at speeding up delivery to minimise the disruption to residents. Project leaders looked at three shifts over 24 hours, 7 days a week.
- It was noted that the corridor was constrained and the widening was mainly happening across the bridge.
- It was noted that bailey bridges were taken into consideration to help aid access during construction.

- Clarification sought on funding amounts for 15th Avenue/Turret Road, it was noted that as per page 6 of the presentation, the total funding required was \$156m, the total funding secured was \$4m, the total committed cost was \$1m and the amount paid to date was \$4m with a remaining budget of \$152m.

Cameron Road Stage Two

Key Points

- It was noted that this project was important and a carry on from Cameron Road Stage One. This project had come to a halt due to funding.
- The Cameron Road Stage Two Business Case (CRS2) was presented to NZTA's Value, Outlook and Scope (VOS) Committee and then to the NZTA Board, which declined the business case as it did not fully align with the Government Policy Statement (GPS). Staff were currently working on a new business case for CRS2 which aligned with the GPS and that would go to the VOS Committee in early 2025.
- Staff had a contract with GHD Ltd to do scheme design of the concept and engagement with the community.
- The cost of the project and the risk was currently on Council. Staff took the risk with the understanding that NZTA would approve the Business Case.

In response to questions

- Council had currently paid to date \$2.4m and contractual commitments were up to \$5.8m. It was noted that the contract was currently under review due to NZTA declining the Business Case.
- Committed costs and work on the ongoing business case could come from external funding. Staff would go through the re-negotiation process of the fundamentals of those agreements.

Pāpāmoa East Interchange

Key Points

- The Pāpāmoa East interchange project was being delivered by HEB with \$62m worth of work. The project was on time and to budget.
- It was noted that challenges with working close to the State Highway had all been overcome to date.
- There was a minor delay in piling work which could impact completion date. Staff were in discussion with the contractor to look at minor tweaking of the contract and noted it would be in the best interest of the contractor to meet 10 piles a day, which they were currently not doing.

In response to questions

- In response to a query, staff responded that Council could enable access to service the southern side which would need a new road. It was noted that it was possible but would be costly.
- The project was 51% funded by NZTA and the remaining 49% was funded by TCC.

Tauriko West Enabling Works

Key Points

- It was noted that this was the biggest project by Council which was a relatively high risk and highly complex project with the purpose to enable housing supply.
- This project was delivered by NZTA on behalf of TCC.
- There was an unresolved program extension which was currently under negotiation.

- Staff sought clear separation of financial reporting between the Tauriko project and the new Omanawa Bridge addition within the overall project.
- It was noted that there was various funding sources and the total cost for the project was \$237m.
- The Chief Executive noted that prior to advancement of this project, the previous Council commissioned an independent risk assessment of the funding position of the three developers, the Infrastructure Acceleration Fund and the liability that rests with Council. The comprehensive report on this would be provided to Councillors.

In response to questions

- The Plan Change provided for 2,400 dwellings in this area. There were no technical assessments that could enable 4,000 dwellings based on the enabling works.

In response to questions

- It was noted that the Pāpāmoa East Interchange was partially funded through additional targeted rates which impacted Pāpāmoa East residents. Tauriko West or 15th Ave/Turret Road residents were not paying targeted rates in the same way Staff responded that only the Pāpāmoa East Interchange was partially funded by targeted rates but it was not the project capital it was the cost of capital, meaning the interest accumulating on the debt.
- Construction start date for Cameron Road Stage Two was currently scheduled for February 2026.
- In response to a query about whether the construction for Cameron Road Stage Two could be brought forward to 2025 given that there were other major projects scheduled for 2026 that could cause major traffic disruptions across the city, staff noted that it would be very challenging to bring the project forward given the circumstances with funding on Cameron Road Stage Two.
- Traffic flow analysis was still being worked through with the arterial routes project.

COMMITTEE RESOLUTION VPG1/24/4

Moved: Cr Glen Crowther

Seconded: Cr Rick Curach

That the Vision, Planning, Growth & Environment Committee:

- (a) Receives the report "Transport Major Projects Update".
- (b) Reviews and Approves the update and provides any queries back to the Major Projects Team via an action register.

CARRIED

Attachments

- 1 Presentation - Transport Major Projects Update

8.4 Connecting Mount Maunganui - Project Update

Staff Chris Barton (Senior Project Manager – Transport Major Projects)

Nic Johansson, General Manager: Infrastructure

External David Speirs, Regional Director, NZTA
Jess Andrews, Regional Manager System Design, NZTA
Ben McPherson, Project Manager Connecting Mount Maunganui, NZTA
Ben Peacey (via Teams)

Power point presentation

Key Points

- The Urban Form and Transport Initiative (UFTI) connected blue print was a land use plan, but also indicated the future demand for transport. The Transport System Plan (TSP) was then developed which included the programme of interventions. These were prioritised alongside partner councils and NZTA.
- There was a focus on understanding how traffic flowed across the Tauranga harbour when UFTI and TSP were created.
- One of the key movements was traffic flow across the existing Tauranga bridge and the connection with State Highway 29A and included Totara St, Hull Road and Maunganui Road.
- A survey was conducted during community engagement to understand the needs for transport in the Mount Maunganui area. From this, a list of 107 ideas were put together which was then narrowed down to a short list of key interventions.
- A multi-criteria analysis was used to assess and rank each option from the short list to understand how they would perform against a range of criteria in order to come up with the preferred option.
- The preferred option hugely improved the performance and allowed traffic and freight through to Mount Maunganui to keep moving.
- This project looked to grow Totara Street from two lanes to four lanes between Hull Road and Hewletts Road. The current width on the road allowed for this growth. A fly-over from Totara Street to the harbour bridge was also being explored. This project looked to be delivered in five stages due to budget and constructability constraints.
- There were benefits in converting the bus lane along Hewletts Road to a T3 Lane. It was noted that the implementation of the T3 lane was relatively simple and would need to go for community engagement first.

In response to questions

- A cost estimate had been undertaken with the NZTA 'cost estimation manual', and the project was estimated to cost \$292m. This was not the Council portion of the cost. The implementation and cost share had not yet been finalised as the project was still in the early stages. NZTA noted that the early estimated cost share of Council was around \$140m.
- The project team had had discussions with Port of Tauranga around exploring alternate routes like Tasman Key, but due to health and safety risks and impacts, were found not to be long term viable options.

Discussion points raised

- Chair thanked NZTA for their attendance today.

COMMITTEE RESOLUTION VPG1/24/5

Moved: Cr Glen Crowther

Seconded: Cr Rick Curach

That the Vision, Planning, Growth & Environment Committee:

- (a) Receives the report "Connecting Mount Maunganui - Project Update"

CARRIED

Attachments

- 1 Presentation - Connecting Mount Maunganui - TCC Council Meeting

9 DISCUSSION OF LATE ITEMS

Nil

10 CLOSING KARAKIA

Cr Baker closed the meeting with a karakia.

The meeting closed at 1:07pm.

The minutes of this meeting were confirmed as a true and correct record at the Vision, Planning, Growth & Environment Committee meeting held on 14 October 2024.

.....
Cr Marten Rozeboom
CHAIRPERSON

8 DECLARATION OF CONFLICTS OF INTEREST

9 BUSINESS

9.1 SmartGrowth Implementation and Funding Plan

File Number: A16480026

Author: Andy Mead, **Manager:** City Planning & Growth

Authoriser: Christine Jones, **General Manager:** Strategy, Growth & Governance

PURPOSE OF THE REPORT

1. This report seeks endorsement of the SmartGrowth Implementation and Funding Plan (including the 'Key Actions') for approval by the SmartGrowth Leadership Group on 15 October 2024.

RECOMMENDATIONS

That the Vision, Planning, Growth & Environment Committee:

- (a) Receives the report "SmartGrowth Implementation and Funding Plan".
- (b) Endorses the SmartGrowth Implementation and Funding Plan (including the 'Key Actions') for approval by the SmartGrowth Leadership Group on 15 October 2024.
- (c) Notes the funding constraints and other issues identified within this report, for ongoing consideration as part of future Council processes and decision making.

EXECUTIVE SUMMARY

2. In May 2024 SmartGrowth endorsed the SmartGrowth Strategy 2024-74. Since the endorsement of the Strategy, SmartGrowth has been working with its partners to prepare a supporting **Implementation and Funding Plan (IFP)** as required under the National Policy Statement – Urban Development (NPS-UD-. **Refer Attachment 1.**
3. The IFP sets out the details of **Key Actions**, with a focus on the next three years, agreed by the SmartGrowth partners to give effect to the SmartGrowth Strategy. The aim of the IFP is to ensure that agreed implementation of the Strategy is clear, coherent and accessible to the SmartGrowth Partners and the community.
4. Prioritisation of Key Actions is based on the extent to which the following criteria apply:
 - (a) Required to achieve SmartGrowth transformational shifts, objectives or growth directives
 - (b) Meets legal or policy requirements
 - (c) Enables cross-organisational outcomes to be achieved (i.e. not business usual)
 - (d) Realises the benefits of joint partner capacity and influence.
5. Funding status identified within the IFP is aligned with current SmartGrowth partner funding availability. In particular, where TCC is a partner to action delivery, the status of funding aligns with current annual and long-term plan status.
6. A number of the Key Actions do not yet have funding identified and/or may be at risk of not being delivered due to other issues. These actions will need to be monitoring and managed and are discussed in further detail below.

BACKGROUND

7. On 27 May 2024 the SmartGrowth Leadership Group (SLG) endorsed the SmartGrowth Strategy 2024-2074 including, as part of that strategy, the Future Development Strategy (FDS). The SmartGrowth Strategy has been developed to proactively plan for and manage future growth. It considers how housing, land, infrastructure, transport, community development, tāngata whenua aspirations, and the natural environment need to be looked at together to achieve effective long-term growth management.
8. The SmartGrowth Strategy has also been formally adopted by Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council and the Combined Tangata Whenua Forum.
9. Key issues addressed in the SmartGrowth Strategy and FDS include:
 - (a) Addressing the shortage of residential development capacity identified in the Housing and Business Assessment (HBA), including the importance of additional growth in the Western and Eastern Corridors in achieving this.
 - (b) Addressing the shortage of industrial / employment land in Tauranga identified in the HBA.
 - (c) Identifying the critical need for funding and delivery tools required to address housing and business land shortfalls.
10. The intention of the IFP is to set out the details of Key Actions, with a focus on the next three years, that are required to give effect to the SmartGrowth Strategy, including assigning roles and responsibilities, funding and timing. The IFP is a requirement of the NPS-UD.
11. In particular, the IFP identifies the Key Actions where a SmartGrowth partnership-led approach can add value to the implementation of the FDS, including land use planning, infrastructure delivery, and funding (including funding gaps) aligned with the plans of partners including Long Term Plans.
12. There are a number of actions which the SmartGrowth partners currently undertake which are considered 'Business as Usual'. These have largely been excluded from the Key Actions outlined in the IFP as they do not require cross-organisational leadership by the partnership in order to be achieved.
13. A Task Force from across the SmartGrowth partnership provided support in developing the IFP including longlisting of potential Key Actions, and shortlisting based on prioritisation criteria. During this time, the SmartGrowth Management Group (SMG) and SmartGrowth Implementation Group (SGIG) considered the draft IFP in detail and provided feedback.
14. Targeted engagement has also occurred with the Development Sector Group (DSG) and with representatives of environmental and social sector groups who made submissions on the SmartGrowth Strategy.
15. The long list of potential Key Actions was developed from:
 - (a) Urban Form and Transport Initiative (UFTI) priority actions
 - (b) SmartGrowth Stocktake Report July 2021
 - (c) Current SmartGrowth Work Programme Actions
 - (d) Recommended Key Actions from Strategy Submissions
 - (e) FDS Critical Infrastructure and Development Infrastructure schedules
 - (f) Transport System Plan
 - (g) Working Group member technical contributions.

16. Approximately 260 potential key actions have been identified in the long listing process. The criteria used for shortlisting is the extent to which a Key Action is needed to:
 - (a) Required to achieve SmartGrowth transformational shifts, objectives or growth directives
 - (b) Meets legal or policy requirements
 - (c) Enables cross-organisational outcomes to be achieved (i.e. not business usual)
 - (d) Realises the benefits of joint partner capacity and influence.
17. Importantly, Key Actions also seek to be in alignment with:
 - (a) Central government policy changes
 - (b) Partner long-term plans and infrastructure strategies
 - (c) The Regional Land Transport Plan
 - (d) Other plans, including any anticipated Regional Deal direction.
18. The shortlisting process has reduced the number of Key Actions to approximately 35, with a focus largely on the next 3 years. Key Actions have been categorised as follows:
 - (a) **Future Development Strategy:** Key Actions to implement the FDS (required by NPS UD) – delivering the Connected Centres settlement pattern. Key Actions grouped by “growth corridors” addressing land use/planning, infrastructure, and finance and funding.
 - (b) **Future Horizons:** Key Actions to undertake forward planning, including investigations and capacity building to support future Strategy and/or FDS reviews, addressing any policy gaps.
 - (c) **Urban Growth Partnership:** Key Actions to meet statutory obligations, enhance delivery and maintain SmartGrowth partnership arrangements.
19. While the Key Actions for the FDS are generally focused on SmartGrowth ‘corridors’, several ‘Sub Regional’ Key Actions are identified that transcend the corridors and are of sub-regional significance, and may be of regional, inter-regional, or national significance in some cases.
20. Funding identified within the IFP is aligned with current SmartGrowth partner funding availability. In particular, where TCC is a partner to action delivery, the status of funding aligns with current annual and long-term plan status.
21. The IFP is intended to be a ‘living document’ able to respond quickly to changing needs and requirements in the operating environment. The IFP will be monitored quarterly and reviewed and updated each year in alignment with annual and long-term plan cycles of SmartGrowth Partners.
22. Mid-cycle updates can also occur when warranted by changes in the operating environment. The IFP is not subject to the Special Consultative Process under the LGA, allowing scope for targeted engagement.

STATUTORY CONTEXT

23. The National Policy Statement on Urban Development 2020 (NPS-UD) prescribes the effect of an FDS:

“3.17 Effect of FDS

- (1) *Every tier 1 and tier 2 local authority:*
 - a) *must have regard to the relevant FDS when preparing or changing RMA planning documents; and*
 - b) *is strongly encouraged to use the relevant FDS to inform:*
 - (i) *long-term plans, and particularly infrastructure strategies; and*

- (ii) *regional land transport plans prepared by a local authority under Part 2 of the Land Transport Management Act 2003; and*
 (iii) *any other relevant strategies and plans.”*

24. The NPS-UD requires an Implementation Plan to be prepared for the FDS:

“3.18 FDS implementation plan

- (1) *Every tier 1 and tier 2 local authority must prepare and implement an implementation plan for its FDS.*
 (2) *If a tier 1 or tier 2 local authority consists of more than one local authority, the implementation plan must be prepared as a single document by all the local authorities that jointly prepared the FDS.*
 (3) *Every implementation plan, or part of an implementation plan, must be updated annually.*
 (4) *An implementation plan or part of an implementation plan:*
 (a) *is not part of the FDS to which it relates; and*
 (b) *does not need to be prepared using the consultation and engagement requirements set out in clause 3.15; and*
 (c) *does not have the effect of an FDS as described in clause 3.17.”*

25. Other policy changes that may directly affect the IFP approach and content include:

- (a) “Regional Deal” to create a long-term pipeline of regional projects.
 (b) “Going for Housing Growth”.

KEY MATTERS FOR CONSIDERATION IN RELATION TO IFP ACTIONS

26. While the IFP helps to ensure that agreed implementation of the Strategy is clear, coherent and accessible to the SmartGrowth Partners and the community, the delivery environment remains dynamic, with a range of challenges relating to funding, financing, policy settings, and varying stakeholder interests.
27. A number of the Key Actions where TCC is the lead proponent or partner are subject to these challenges, which will need consideration as part of future decision making. These include the Key Actions outlined below.

Deliver Tauriko Network Connections (Actions 25-30, 25-31 & 25-32)

28. This project is focused on long term transport improvements and is reliant on central government funding to deliver the full suite of identified improvements to enable full potential of the Western Corridor growth to be realised. Funding is provided for full delivery of stages 1 and 2, and route protection and design for stage 3 (SH29 Tauranga Crossing to Barks Corner). Funding for delivery of stages 3 and 4 is to be confirmed.

Planning, funding, financing and delivery of Central Corridor transport network (Actions 23-03, 23-27, 25-13)

29. These actions include Cameron Road stage 2; Connecting the People – Fifteenth Avenue to Welcome Bay; and Hewlett's Road sub area – Connecting Mount Maunganui. The projects are required to enable the full potential of the Central (Te Papa) and Western Corridor growth to be realised, as well as supporting wider economic outcomes such as connections to the Port.
30. Currently Cameron Road stage 2 is under review following changes to government transport priorities and funding, and the Hewlett's Road sub area Detailed Business Case is not specifically provided for in the NLTP.
31. The projects are reliant on central government funding to deliver the full suite of identified improvements. In addition, the delays in planning and design have the potential to increase uncertainty of outcomes for the city, delivery timeframes and funding options.

Our Water Future implementation (Action 21-00); and Wastewater Treatment for long term growth (Western Corridor, Action 25-18)

- 32. This collaborative project between TCC and WBoPDC includes development and implementation of ‘Our Water Future’, a 30+ year strategy for subregional wastewater and water supply to understand long term demand, servicing potential, sequencing and strategic opportunities.
- 33. WBoPDC and TCC water teams have started to work together on this project, however, both councils currently face significant financial constraints and additional operational funding is needed to progress the project, including planning and assessments.
- 34. The project is critical to understanding the long-term wastewater and water supply issues and investment requirements to service growth of the sub-region, including the Western and Eastern Corridors. Without the broader understanding, there is a risk of not having adequate information to complete specific growth projects and/or make informed decisions.
- 35. With regard to the Western Corridor in particular, the current wastewater network will be at capacity once Keenan, Tauriko Business Estate and Tauriko West is completed meaning planning for the next growth area (Belk Rd) is reliant on this work progressing. The SmartGrowth Strategy has acknowledged that three water servicing of new growth areas is not well advanced and more should be done to confirm how these areas can be serviced.

Western Corridor – Feasibility, Funding and Financing Planning (Action 3-03); and Structure Planning for Upper Belk Road (Actions 25-06 & 25-19)

- 36. Further to above, there are major shortfalls in planning and delivery budgets associated in the Western Corridor. This includes funding for delivery of the Keenan Road growth area and planning for Upper Belk Road. The Merricks and Joyce area may also require planning funding depending on central government direction related to Going for Housing Growth.
- 37. TCC are also awaiting outcomes of the Specified Development Process (SDP), potential funding tools, Going for Housing Growth framework, and proposed changes to the NPS-UD and RMA. There are also key issues that will need to be canvassed with WBoPDC as part of any project planning, including boundary adjustment.

STRATEGIC ALIGNMENT

- 38. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

- 39. Alongside planning for sustainable growth, the SmartGrowth Strategy and actions for implementation take a holistic approach to supporting the four well-beings including environmental, cultural, social and economic outcomes.

OPTIONS ANALYSIS

- 40. The options are:
 - (a) To approve the SmartGrowth Implementation and Funding Plan **(recommended)**.
 - (b) To seek further changes to the SmartGrowth Implementation and Funding Plan before it is considered for adoption.
 - (c) Not to approve the SmartGrowth Implementation and Funding Plan.

41. A number of matters have been raised by TCC through the development of the IFP process. These have been addressed and we believe the IFP is now able to be approved by TCC without the need for further revision.
42. If the IFP was not adopted (either now or in future), TCC would not meet its requirements under the National Policy Statement for Urban Development. This may compromise our urban growth partnership with the government.

FINANCIAL CONSIDERATIONS

43. Funding identified within the IFP is aligned with current SmartGrowth partner funding availability. In particular, where TCC is a partner to action delivery, the status of funding aligns with current annual and long-term plan status.
44. Some of the Key Actions to be led by SmartGrowth do not yet have funding identified, and there may be other instances where funding is subject to change. These actions remain subject to programming and budget approval.
45. Importantly, the need for new ways of funding and financing development, including growth related infrastructure, is a Transformational Shift sought in the SmartGrowth Strategy, supported by key actions.

LEGAL IMPLICATIONS / RISKS

46. As noted above we have a statutory requirement to prepare the IFP as part of the Future Development Strategy component of the SmartGrowth Strategy. No other legal implications or risks have been identified in respect to adopting the revised Strategy.
47. As noted above, there are significant risks associated with successfully executing and delivering the Strategy, especially in regard to funding and financing of infrastructure. This issue is identified in the Strategy itself and remains a key focus area.

TE AO MĀORI APPROACH

48. Tangata whenua are key partners in SmartGrowth. The SmartGrowth strategy emphasises collaboration with tangata whenua, ensuring their values, knowledge, and aspirations are integrated into growth planning, particularly in relation to their kaitiakitanga (guardianship) of natural resources and their connection to land.
49. Engagement has occurred with the Combined Tangata Whenua Forum (CTWF) throughout the SmartGrowth Strategy and IFP preparation. The draft IFP was presented and discussed at the CTWF on 27 September 2024 at Moko Marae.

CLIMATE IMPACT

50. There are fundamental environmental and climate change principles that are embedded within the delivery of the SmartGrowth Strategy and FDS. These are ongoing and give effect to national, regional and local policy direction. Actions within the IFP include and respond to climate change implications where appropriate and, for TCC, climate change will continue to be considered and addressed in our planning projects, especially as it applies to natural hazards.

CONSULTATION / ENGAGEMENT

51. Formal consultation on the SmartGrowth Strategy, including submissions and hearings, has occurred using the Special Consultative Process provisions of the Local Government Act 2002.
52. As part of development of the IFP, targeted engagement has occurred with the Development Sector Group (DSG) and with representatives of environmental and social sector groups who made submissions on the Strategy. The DSG has been engaged through its normal meeting programme and two workshops. We understand the DSG is broadly in agreement with the approach and scope of the IFP.

53. Environmental and social sector groups have been engaged through one-on-one meetings with the Independent Chair. Sector group representatives' feedback on the IFP is generally positive. This includes largely positive comments on the previous consultation process, the hearings, the Strategy, and the IFP. The implementation plan priorities for public transport, walking and cycling, sustainable water supply, Connected Centre, papakainga and housing system plan are supported.

SIGNIFICANCE

54. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
55. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
56. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

ENGAGEMENT

57. Taking into consideration the above assessment, that the decision is of medium significance, and the fact that public consultation occurred on the draft Strategy, officers are of the opinion that no further engagement is required prior to Council making a decision given consultation undertaken to date.

NEXT STEPS

58. The IFP will be monitored quarterly and reviewed and updated each year in alignment with annual and long-term plan cycles of SmartGrowth Partners.
59. TCC will continue to work with SmartGrowth and its partners through delivery of the actions, including through the Priority Development Area and other forums.

ATTACHMENTS

1. **SmartGrowth Implementation and Funding Plan 2024 - A16782205 (Separate Attachments 1)** 

9.2 Waste Infrastructure Programme Business Case development

File Number: A16716384

Author: Dan Smith, **Manager: Sustainability & Waste**

Authoriser: Nic Johansson, **General Manager: Infrastructure**

PURPOSE OF THE REPORT

1. The purpose of this report is to seek approval to engage in discussions with EnviroNZ as part of exploring partnership opportunities for Tauranga's waste infrastructure needs. These discussions will inform the Waste Infrastructure Programme Business Case development, which will consider a Public-Private Partnership (PPP)/Joint Venture (JV) with EnviroNZ as one of the potential options to address the city's waste challenges.

RECOMMENDATIONS

That the Vision, Planning, Growth & Environment Committee:

- (a) Receives the "Waste Infrastructure Programme Business Case development" report.
- (b) Notes that the development of a Business Case for the Waste Infrastructure Programme will consider all options, including exploring a PPP/JV and other options, will be presented to Council on the 9th December 2024.
- (c) Approves staff to enter non-binding discussions with EnviroNZ to explore a partnership (PPP/JV), ensuring transparency and accountability throughout the process.

EXECUTIVE SUMMARY

2. Tauranga is currently managing approximately 134,000 tonnes of waste annually, a figure projected to rise by 65% over the next 30 years. Presently, only 30% of this waste is diverted from landfill. However, with the right infrastructure and support, this diversion rate could increase to 75%. Aging infrastructure and rising costs mean Tauranga's existing facilities can no longer meet the city's growing needs.
3. To address this challenge, a Detailed Business Case will be developed to identify the best options for improving Tauranga's Waste Infrastructure Programme. One of the key aspects of this process is exploring a Public-Private Partnership (PPP)/Joint Venture (JV) with EnviroNZ, Tauranga's current waste services contractor. Such a partnership would enable TCC to share costs and risks while enhancing service delivery, creating opportunities for revenue, and potentially ensuring value for money.
4. The final options for Tauranga's Waste Infrastructure Programme, including the potential for a PPP/JV, will be presented to Council on 9th December 2024.

BACKGROUND

2. Over the past decades, waste management has evolved, driven by environmental concerns and regulations. The Waste Minimisation Act 2008, Local Government Act 2002, and Resource Management Act 1991 provide legal obligations for TCC to manage waste in a way that protects the environment and the well-being of the community.
3. In 2022, TCC developed and started implementing its [Waste Management and Minimisation Plan](#) (WMMP). The WMMP aligns with the New Zealand's national Waste Strategy, aiming to reduce waste, increase recycling, and ensure that waste services are accessible and efficient.

4. Tauranga's waste infrastructure is outdated and under pressure, with only 30% of the 134,000 tonnes of annual waste diverted from landfill. The Maleme Street Transfer Station is closed due to stormwater contamination and flooding, leaving Te Maunga as the only public facility, which is also nearing the end of its operational life. With waste volumes expected to increase by 65% over the next 30 years, the current system cannot keep up with demand.
5. The 2023 Regional Waste Infrastructure Analysis highlighted these challenges and recommended significant upgrades, including improvements to the Te Maunga Transfer Station and Material Recycling Facility (MRF), as well as the development of an organic waste processing facility and a new Resource Recovery Park to align with projected growth and national Waste Strategy goals that aim to move the country towards a circular economy.
6. To address these challenges, TCC allocated \$45M for waste infrastructure in the 2024-2034 LTP, but this funding alone isn't enough. Additional funding and land sales are required, with over \$40M needed to purchase land alone. Given the high costs, it may no longer be financially feasible for TCC to address these challenges on its own.
7. TCC's existing waste services contracts sit with EnviroNZ, which run until 2037 (with the potential to extend +2+2). This limits our flexibility to make independent changes or generate any meaningful revenue. However, exploring a PPP/JV with EnviroNZ would allow us to work collaboratively with EnviroNZ, while meeting legal and regulatory requirements.
8. The overall costs associated with the current waste services contracts, which are funded through both general and targeted rates, have been as follows over the past three financial years (FY 21/22 – 23/24). Only glass currently generates revenue to offset these costs:

Contract costs in \$'000	
<i>Kerbside Collection</i>	15,085
<i>Kerbside Processing</i>	7,676
<i>Charges and levies</i>	2,115
Total	24,876

WASTE INFRASTRUCTURE PROGRAMME BUSINESS CASE DEVELOPMENT

9. To meet future demands of the city, while reducing the burden placed on rate payers, TCC is currently developing a Detailed Business Case for TCC's Waste Infrastructure Programme.
10. The process seeks to create a sustainable, efficient, and resilient waste system for Tauranga and the Western Bay of Plenty. The programme begins with a Strategic Case, followed by an Indicative Business Case, which will evaluate cost-effective and value-for-money options for delivery. Finally, the Detailed Business Case will provide a thorough analysis of the preferred option, including financial, operational, and procurement details.
11. This programme includes exploring opportunities through PPPs/JVs. A potential PPP/JV with EnviroNZ offers the chance for Tauranga City Council to share both financial and operational responsibilities, while striving to enhance service delivery and seeking ways to provide value for ratepayers. As we evaluate various partnership models and infrastructure solutions, the benefits and risks of each option will be thoroughly assessed. This approach ensures that any options presented to Council align with strategic objectives.

POTENTIAL BENEFITS OF A PPP/JV

12. EnviroNZ offers much-needed capital investment, ownership of landfills, and expertise needed to develop a more efficient Waste Management Programme. As part of a PPP/JV, TCC can share costs and risks, explore alternative sites, and ensure operational goals are met while generating revenue, unlocking the current waste management related challenges facing the city.
13. Without action, waste management costs (operational costs of the kerbside system, including collection, processing, disposal costs and managing illegal dumping) are expected to rise

from \$664 per tonne in 2024 to \$944 per tonne by 2034 (tonnes of waste collected through the system). This projection is driven by factors such as:

- (a) Rising operational costs for collection, levies, charges, processing, and transportation.
 - (b) Increased waste generation due to population growth.
 - (c) Fluctuating resource prices and limited revenue from recovered materials (only glass currently generating income, covering less than 5% of costs).
 - (d) High landfill costs, particularly for transporting waste to Hampton Downs.
14. A partnership with EnviroNZ could help reduce these increases by sharing infrastructure costs, reducing operational costs (e.g. reduced disposal fees) and sharing revenue. Their expertise could also improve waste diversion, helping TCC achieve its goal of raising the diversion rate from 30% to 75%.

STATUTORY CONTEXT

- 15. **Local Government Act 2002:** TCC must promote community well-being through effective waste management, ensuring public health and sustainability.
- 16. **Waste Minimisation Act 2008:** TCC is required to implement a WMMP to reduce landfill waste, focusing on recycling and resource recovery in line with national waste reduction objectives.
- 17. **Climate Change Response (Zero Carbon) Amendment Act 2019:** TCC must manage greenhouse gas emissions from landfills. By reducing organic waste sent to landfills, our programme helps minimise emissions and supports the net-zero carbon target by 2050.
- 18. **Health Act 1956:** TCC is mandated to manage waste collection and disposal to protect communities from contamination and pests, highlighting the importance of effective waste management for public health.
- 19. **Alignment with National Strategies:** Our programme aligns with the New Zealand Waste Strategy, which aims to increase resource recovery by 60% by 2030 and reduce emissions from organic waste. It also supports the Emissions Reduction Plan’s goal of reducing biogenic methane emissions by 30% by 2034, demonstrating our commitment to sustainability and reducing waste’s environmental impact.

STRATEGIC ALIGNMENT

- 20. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	✓

- 21. By looking into strategies through the Waste Infrastructure Programme, including potential partnerships with EnviroNZ, we can improve Tauranga’s waste management. This approach will help minimise environmental impacts as the city continues to grow. It will also create accessible facilities and provide financial stability, ensuring good value for our ratepayers. This partnership aims to balance waste reduction efforts with affordability, supporting the local economy and managing financial risks.

OPTIONS ANALYSIS

- 22. **Option 1: Business as Usual (BAU)** - current waste management system costs approximately \$28.6M per year, waste management costing \$664/tonne (operational costs of

the kerbside system, including collection, processing, disposal costs and managing illegal dumping). Without changes, the waste management costs are expected to rise to \$944/tonne by 2034, which is a 40% increase compared to the current cost per tonne.

23. **Option 2: Comprehensive solution exploration, including the potential for PPP/JV** - this option involves exploring both infrastructure and non-infrastructure solutions, including one of the options being a PPP/JV with EnviroNZ, to improve service delivery, maximise community engagement, and ensure that waste management remains affordable. By considering a broad range of options, we aim to deliver value for money while meeting environmental and community priorities.

FINANCIAL CONSIDERATIONS

24. **Current Waste Management Cost:** waste management costs for the sub-region are approximately \$28.6M per year, equating to about \$664/tonne. This includes the operational costs of the kerbside system, covering collection, processing, disposal, and the management of illegal dumping. This makes disposing of waste to landfill is cheaper than diverting waste, presenting a financial barrier to improving rates of diversion.
25. **Cost Projections (without action):** The kerbside system costs are projected to rise from \$664/tonne in 2024 to \$944/tonne by 2034, representing a 40% increase over 10 years.
26. **LTP budget allocation:** \$45 million for waste infrastructure in the 2024-34 LTP has been allocated, but rising costs and market volatility necessitate a careful consideration to ensure a value-for-money approach to ensure financial sustainability.
27. The projected rise in waste management costs underscores the importance of exploring a PPP/JV as an option to share financial risks and reduce the burden on ratepayers. By partnering with EnviroNZ, we can unlock new revenue streams and ensure that waste management services are delivered efficiently and transparently.

LEGAL IMPLICATIONS / RISKS

28. With current infrastructure nearing the end of its operational life, failure to invest in new facilities could lead to service disruptions and higher costs due to emergency measures. Inaction would result in increased risk of:
- (a) Escalating costs for ratepayers.
 - (b) Diminished flexibility to address waste management challenges.
 - (c) Missed opportunities for revenue generation and innovation.
 - (d) Increased reliance on ageing infrastructure, leading to potential service failures.
 - (e) Community dissatisfaction with facilities.
29. The Local Government Act 2002 allows for joint ventures, provided they align with the community's waste management goals.
30. Waste Minimisation Act 2008 also allows TCC to manage waste services, so there are no structural barriers to joint ventures, but they must align with waste minimisation goals.

TE AO MĀORI APPROACH

31. In exploring waste infrastructure options, we are committed to respecting Te Ao Māori values, particularly in relation to environmental sustainability and the relationship with Papatūānuku. The programme will incorporate cultural perspectives to ensure that it reflects both environmental and community well-being.

CLIMATE IMPACT

32. The Waste Infrastructure Programme supports the national Emissions Reduction Plan by seeking to reduce greenhouse gas emissions from waste. By minimising organic waste sent to landfills, we can lower emissions and enhance Tauranga's climate resilience, aligning with the community's environmental goals.

CONSULTATION / ENGAGEMENT

33. Community engagement will be an essential part of the programme to ensure transparency and build trust. Effective engagement will help us to deliver solutions that meet the needs of both the community and the Council.

SIGNIFICANCE

34. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
35. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
36. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of high significance.
37. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance until such time as options are presented on the 9th December 2024.

ENGAGEMENT

38. Taking into consideration the above assessment, that the matter is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision on the 9th December 2024.

NEXT STEPS

39. Begin discussions with EnviroNZ on potential PPP/JV opportunities.
40. Continue developing the Waste Infrastructure Programme Business Case, focusing on stakeholder engagement and feasibility studies. Ensuring that all options considered meet our strategic objectives (as per the Business Case development), provide the best possible value for money for ratepayers, support efficient delivery, and foster community trust and transparency.
41. Prepare options to go to Council on 9th December 2024 for decision on preferred approach.

ATTACHMENTS

Nil

9.3 Takitimu North Link Toll Proposal Submission

File Number: A16781423

Author: Sarah Dove, Principal Strategic Transport Planner

Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance

PURPOSE OF THE REPORT

1. To present the finalised TCC submission on NZTA's toll proposal for Takitimu North Link.

RECOMMENDATIONS

That the Vision, Planning, Growth & Environment Committee:

- (a) Receives the report "Takitimu North Link Toll Proposal Submission"
- (b) Approves the Takitimu North Link Tolling submission.

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2. NZTA is undertaking consultation on tolling of the Takitimu North Link (TNL) <https://www.nzta.govt.nz/assets/projects/takitimu-north-link/docs/tnl-tolling-consultation-brochure.pdf> and submissions closed on Monday 7 October 2024. TCC staff have connected with NZTA, sought and received an extension to the timeline to provide time of consider response to our Official Information Act request and to provide Elected Members the opportunity to consider the draft submission at this meeting.
 3. The submission (attached) sets out a number of concerns and uncertainties with the tolling proposal. TCC supports tolling in principle under certain circumstances but in respect of this proposal there are a number of outstanding issues that require further consideration.
 4. Due to limited information and time, we have not been able to engage with NZTA and have not been able to form a position on our support or otherwise for the proposal. Our submission seeks a chance to further engage with NZTA and the opportunity to provide further feedback before tolling decision are made.

ATTACHMENTS

1. TNL tolling consultation memo - A16773355 [↓](#) 

Tauranga City Council submission to New Zealand Transport Agency – Toll proposal for Takitimu North Link



In preparing this submission, it was noted that technical information required to make an informed submission was lacking on the webpage and consultation material. Tauranga City Council (TCC) therefore lodged an information request on September 18 and received a response on September 30. Some of the information provided through this request has informed this submission. The Official Information Act (OIA) response is attached.

Initially some of the information sought from New Zealand Transport Agency Waka Kotahi (NZTA) was not provided in the OIA response. However, estimated maintenance costs for Takitimu North Link were provided to TCC on October 3.

Due to the initial lack of supporting information on the consultation website and engagement material, and a lack of time to fully consider the substantial technical information we did receive, we have not been able to form a firm position on the tolling proposal.

We have concerns with a number of aspects of the proposal and request that NZTA build additional time into the process to undertake further engagement with TCC and provide a further opportunity for input to be provided.

1. Takitimu Northern Link

Tauranga City Council (TCC) supports the Takitimu North Link (TNL) project for several reasons, these include:

- As the new main route to improve traffic flow and bypass the suburban Bethlehem area.
- Improving traffic safety.
- Providing resilience in terms of transport network connection options, as there is currently only one Wairoa River bridge crossing to access areas north of Bethlehem.
- The opportunities for improvements to the current SH2 in the Bethlehem town centre urban area, which is to be currently proposed to be revoked to a local road.
- Offering a more direct and safer route for freight to Tauranga City Centre and the Port of Tauranga.

2. Tolling

TCC supports the tolling of new roads in principle, under certain conditions:

- That the approach and decisions for tolling of new roads is applied consistently across New Zealand. Noting the disproportion of toll roads in Tauranga. If TNL is tolled, Tauranga and the Western Bay of Plenty region will have 3 toll roads. There is only one existing toll road elsewhere in New Zealand. We would not support tolling of TNL unless there was certainty that other RONS and other major State Highway projects are also tolled.
- Revenue generated by the toll be reinvested in transport infrastructure in the geographic area from where it was collected.
- The toll charge should be at an appropriate level that enables balance between revenue collection and achieving the benefits (i.e. safety, accessibility and utilisation) of the new road. This balance does not appear to be achieved in the TNL tolling proposal as described later in our submission.

3. Broader road pricing

Work is currently underway as directed by the Government on broader road pricing legislation for metropolitan areas. The timing of legislation being enacted and then implemented could be similar to when TNL Stage 1 is completed. In our view it does not make sense to make a final decision on tolling of TNL Stage 1 when it may be more appropriate for this to be incorporated into a more holistic road pricing approach for the Tauranga City metro area.

4. Tolling of Takitimu Northern Link

(a) Revenue generation and allocation

The consultation document states:

“Tolling Takitimu Northern Link would allow for the Stage 1 maintenance costs to be covered so the road remains at an appropriate standard and would support the construction phase for Stage 2.”

TCC supports the tolling of new roads, if the toll can generate revenue to bring forward or support future transport investments. However, tolling will not bring forward the delivery of TNL Stage 1, as construction is well advanced. In relation to Stage 2 we are aware that the project is one of the governments Roads of National Significance projects and is therefore a high priority. Nonetheless, the project has not been committed for delivery through the 2024-27 National Land Transport Plan (NLTP), and there remains uncertainty around when (and even if) it will be built.

Given Stage 2 remains uncertain, and is a separate project to Stage 1, we question whether a Stage 1 toll revenue can lawfully be used to fund Stage 2 under section 46 of the Land Transport Management Act (LTMA), or if it is lawful, whether it is appropriate for tolls from Stage 1 to fund Stage 2. If toll revenue can lawfully be used from Stage 1 for Stage 2, we submit that a toll for this purpose should not be confirmed until Stage 2 construction is committed through funding and construction contracts being let.

Utilising toll revenue for funding operation and maintenance costs of TNL Stage 1 could create inequity. TNL users will be directly paying for the upkeep of the road via tolls, along with paying for the upkeep of the wider State Highway network through petrol exercise duty (PEDs) and/or road user charges (RUCs) which seems inequitable.

- We note that from the information provided by NZTA, operation and maintenance costs are anticipated to be low in the initial years (around \$100,000 to \$200,000 p.a. until the 2050's and overall averaging approximately \$2m p.a., with expected annual net toll revenue starting at an estimated \$12m scaling up to \$45m by year 2050.
- Hence there will be a vast majority of surplus toll revenue for an extended period, especially with TNL Stage 2 not likely to be operational until 2035 or beyond. It is inequitable to charge tolls primarily for Stage 2 when the benefits of Stage 2 are so far into the future.

Given the level of maintenance costs vs toll revenue and the uncertainty of TNL Stage 2 if a toll was to be charged it should be much lower in early years.

We would support toll revenue being used to fund capital costs associated with the revocation of the existing highway along with additional ongoing operational, maintenance and renewal costs on the old highway resulting from signification traffic diversion as the result of the tolling approach (around double the traffic on the old highway as the result of tolling), but we understand this is outside the statutory bounds provided for in the LTMA.

(b) Proposed toll pricing

TCC would like to request a further opportunity to liaise with the NZTA tolling modelling team to better understand the proposed toll pricing in more detail. The Tolling Study report provides a good summary, but it is still unclear why the consultation tolling pricing structure has been proposed. TCC would like to better understand and potentially influence the following aspects:

- On page 29 the Tolling Study states that “The network impact outcomes have demonstrated that a toll for the TNL Stage 1 movements of \$2.10 is at the limit of an acceptable level of diversion to the alternative route (measured at Wairoa Bridge).”
The report also demonstrates that at a charge of \$2.50 during peak (\$1.25 off peak), at the forecast year of 2048 predicts <30,000 average daily traffic (ADT) on TNL (under the expected capacity of approximately 40,000), and still around 18,000-19,000 ADT on existing SH2 (over capacity).

If this is the case, why is the proposed peak price higher than these tested amounts? TCC is concerned that a higher price will create more diversion of trips onto the local network, creating local network impacts (capacity and safety).

- It is not clear from the consultation material why the proposed toll charge does not suggest a capped fee, as suggested in the Tolling Study. A cap would reduce diversions, along with ensuring the benefits of the use of TNL by heavy vehicles is achieved (i.e. remove more heavy vehicles from the current SH2). Heavy vehicles attract a higher toll and diversion to the local network (current highway) is far less appropriate given its suburban nature through Bethlehem.
- In chapter 7 of the Tolling Study, the scenarios tested (lower charges for heavy vehicles and/or lower overall charges) are integral to managing diversion, but they were discounted due to a lower revenue generation (lower VKT and hence lower crash cost benefits due to more longer trips, i.e. greater use of new TNL). However, in our view, the impact on ADT on the existing SH2 along with safety of encouraging heavy vehicles to utilise the TNL should be considered more strongly in making this decision.

TCC also notes that traffic diversion to the current highway due to both the proposed toll and existing Takitimu Dr toll will encourage through trips using 15th Ave / Turret Rd which is inconsistent the function of this road as agreed through the Urban Form and Transport Initiative (UFTI) and the Transport System Plan projects (including by NZTA) instead of the SH29 and SH29A. This would impact on the planned 15th Ave to Welcome Bay upgrade project.

(c) Peak / off-peak pricing variance

TCC agrees that a peak pricing mechanism could be a useful tool for managing peak demand, along with trip suppression. However, the modelling undertaken in the Tolling Study indicates that there is more than sufficient capacity available on TNL Stage 1 in both 2031 and 2048 scenarios at peak times and higher peak tolls do not seem to be justified.

TCC also notes that introducing a higher toll at peak times at the opening of TNL Stage 1 may lead to the following problems:

- Not realising the full safety, operational and traffic management benefits of TNL Stage 1, by reducing utilisation of the new road relative to the un-tolled alternative, and hence
- Encouraging more traffic, including heavy vehicles (whose proposed peak toll is \$6.20), to utilise the existing SH2, which has not the same safety benefits that the TNL offers and does not help to get ‘the right traffic on the right road’.

In short, peak pricing undermines the purpose of the TNL and why it is being built and will result in much poorer management of traffic flows. Further measures should be considered by NZTA to ban or restrict heavy vehicles using the current highway instead of TNL.

The peak period public transport alternative options are limited for this route, with only two infrequent services (route 80 and 81, every 1 hour / 45 minutes respectively). Both services commence after 7am and the last bus departs just after 5pm, hence they are not efficient services to provide full peak hour alternative travel options.

There is significant transport congestion in other parts of the Tauranga transport network at peak times, however peak pricing of the TNL will not address this issue as traffic using the un-tolled alternative will impact these locations in a similar manner to traffic that will use TNL (eg: Elizabeth Street / Takitimu Dr intersection).

(d) Monitoring

TCC recommends, regardless of tolling, implementing a monitoring process once TNL Stage 1 is operational that considers the following:

- How TNL Stage 1 affects the efficiency of SH2 from Omokoroa to Te Puna
- Safety and accessibility benefits from Stage 1
- How the full benefits of the new road are realised by the sub-region

Analysis of how tolling has potentially affected the above would be beneficial as inputs into the development and planning of TNL Stage 2 (including timing considerations).

5. Current State Highway / Revocation

The delivery of the TNL project is proposed to result in a section of the existing State Highway being revoked and passed back to TCC and Western Bay of Plenty District Council to own and operate. NZTA is progressing a business case for improvements that are required for it to be handed back in a fit for purpose state. We seek confirmation of this investment being committed in a timely manner (eg: before TNL Stage 1 is operational). In addition, the revocation process boundaries need to be determined fairly to enable TCC to evaluate asset management requirements. We note that the existing section of State Highway east of Bethlehem to 15th Avenue is very much an urban highway by way of form and functionality and should always remain as a State Highway asset.

Notwithstanding, we have concerns as demonstrated by the NZTA Tolling Study that tolling will drive significantly higher volumes of traffic on to the existing route, undermining the value of the TNL. This will create additional unfunded operational and maintenance costs on the existing route for local ratepayers to fund (pot holes, bridge structure maintenance, reseals etc), without commensurate additional central government funding support.

The overall balance between toll prices (including peak pricing) and optimising the use and benefits of the substantial investment in TNL vs the diversion of traffic as the result of tolling needs significantly more thought in our view. At this time, we do not support the current highway being revoked based on the tolling proposal as it will not be operating as a local road. Rather, it will still be operating as if it was a State Highway and should remain a State Highway until the proposed tolls are removed or the proposed tolling scheme is significantly amended following further engagement.

6. Summary

In summary, TCC seeks to engage further on the issues set out in this submission and be given further opportunity for feedback before decisions are made. At this stage we have a number of concerns. We support tolling in principle under certain circumstances but in respect of this proposal there are a number of outstanding issues that require further consideration.

7. Attachment: NZTA Official Information Act response to TCC



DRAFT

9.4 Growth Funding and Growth Capex Workshop Session

File Number: A16783634

Author: Andy Mead, **Manager:** City Planning & Growth

Authoriser: Christine Jones, **General Manager:** Strategy, Growth & Governance

PURPOSE OF THE WORKSHOP

1. The purpose of the workshop is to provide Elected Members with information on:
 - Guiding growth funding principles
 - Growth capex and funding resources
 - Development contributions, including:
 - Citywide v local charges
 - Under-collection
 - Development agreements
 - Key workstreams
 - Government funding reforms
 - Development feasibility
 - Growth related operating costs

ATTACHMENTS

1. **Presentation - Paying for growth - A16783532** [↓](#) 

9.5 City Plan Work Programme Overview - Workshop Session

PURPOSE OF THE WORKSHOP

1. The purpose of the workshop is to provide information to Elected Members on:
 - City Plan Work Programme
 - Commercial Centres Strategy
 - Plan Change 38 – Business Land Framework (including Mount industrial area)

ATTACHMENTS

1. City Plan Work Programme - A16782398 [↓](#) 

10 DISCUSSION OF LATE ITEMS

11 CLOSING KARAKIA