

MINISTERIAL BRIEFING NOTE

Subject	Meeting with Andrew Turner, Independent Chair of SmartGrowth
Date	23 October 2024
Briefing number	BRI-3190

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 st contact
Vanessa Browne	Acting Group General Manager, Transport Services	s 9(2)(a)	s 9(2)(a)	✓

Action taken by Office of the Minister

- Noted
- Seen by Minister
- Agreed
- Feedback provided
- Forwarded to
- Needs change [please specify]
- Withdrawn
- Overtaken by events

23 October 2024

Hon Simeon Brown – Minister of Transport

MEETING WITH ANDREW TURNER, INDEPENDENT CHAIR OF SMARTGROWTH, 24 OCTOBER 2024

Purpose

1. This briefing provides information for your meeting with the Independent Chair of SmartGrowth, Urban Growth Partnership along with Western Bay of Plenty Mayors and mana whenua representatives to discuss key transport decisions in the Western Bay of Plenty:
 - When: 24 October 2024
 - Time: 09:00am – 09:30am
 - Where: Online.
2. The proposed topics for discussion are:
 - Introduction to the SmartGrowth Partnership and Strategy
 - Overview of growth and transport challenges
 - Update on the use of enabling tools and transport projects.
3. The following representatives from the SmartGrowth Leadership Group will attend the meeting:
 - Andrew Turner, Independent Chair.
 - Mahé Drysdale, Mayor of Tauranga City Council.
 - James Denyer, Mayor of Western Bay of Plenty District Council.
 - Jane Nees, Councillor from Bay of Plenty Regional Council.
 - Doug Leeder, Chair of Bay of Plenty Regional Council.
 - s 9(2)(a) [REDACTED], Mana Whenua.
 - s 9(2)(a) [REDACTED], Mana Whenua.
4. You will be supported at this meeting by Steve Mutton, Director Regional Relationships (Northland/Auckland), Caroline Dumas, Partnership Director, Local Government Branch, Department of Internal Affairs, and Liz Anderson, Manager, Urban Development and Public Transport, Ministry of Transport.

SmartGrowth Partnership

5. SmartGrowth is the urban growth partnership in the Western Bay of Plenty. The SmartGrowth partnership is made up of Bay of Plenty Regional Council, Tauranga City Council, Western Bay of Plenty District Council, tāngata whenua, and central government, Health New Zealand Te Whatu Ora, Priority One (the regional economic development agency), Kāinga Ora and the Department of Internal Affairs.

6. The partnership recently agreed the SmartGrowth Strategy 2024 – 2074 and Implementation and Funding Plan, which fulfils the requirement under the National Policy Statement on Urban Development (NPS-UD) for a 30-year Future Development Strategy. This document sets the strategic vision and direction for managing growth in the western Bay of Plenty sub-region over the next 30+ years. Building on the previous Urban Form and Transport Initiative (UFTI) connected centres programme, the Strategy sets out development patterns for the sub-region including through identifying seven Priority Development Areas (PDAs) for future development. A map of the PDAs is included as Annex A.

SmartGrowth Strategy and Urban Form + Transport Initiative

7. The Western Bay of Plenty sub-region is expanding faster than anywhere else in New Zealand. In the last 20 years, the population has doubled. By 2050, around 280,000 people will live in the area. That means an additional 37,000 new homes, and one million movements per day across the transport network.
8. The sub-region's transport system has not kept up with the growth. Congestion, freight reliability, travel times, and traffic pollution will continue to worsen if the region does not adapt.
9. These challenges are intended to be addressed through the implementation of the Connected Centres programme - an integrated land use and transport programme developed as part of the UFTI - endorsed by SmartGrowth and the NZTA Board in 2020 - and now incorporated into the SmartGrowth Strategy and Future Development Strategy.
10. The Connected Centres approach aims to intensify current urban areas, with a focus around centres and key transport routes, as well as develop new communities in the east, west and north of the sub-region with higher densities.
11. A mix of brownfields and greenfields growth is required to service the need. SmartGrowth partners are focused on enabling intensification in the Te Papa Peninsula, around Mount Maunganui, and around centres such as Bayfair and Ōtūmoetai, while also enabling substantial growth in a number of greenfields areas, including:
- Ōmokoroa;
 - The Western Corridor (SH29), starting with Tauriko West; and
 - Pāpāmoa East growth, including eventually expansion into Te Tumu.

12. s 9(2)(ba)(i)

SmartGrowth Growth Challenges

13. Tauranga City is one of New Zealand's least affordable housing markets and there is a lack of housing choice. There is an acute housing shortage in Tauranga. There is sufficient industrial land in the short-term, but more will be needed in the long-term (10-20+ years). Both Western Bay of Plenty District Council and Tauranga City Council have approved intensification plan changes to

implement the NPS-UD and Medium Density Residential Standards. In addition to enabling denser development across the urban areas, they also enable greater heights in Tauranga especially around centres, along Te Papa Peninsula, and in Mount Maunganui.

14. The recently refreshed SmartGrowth Strategy and Housing and Business Development Capacity Assessment identify the following key themes in relation to planning and infrastructure challenges:
- A range of factors including ground conditions, natural hazards, market conditions, restrictive conditions limit brownfields growth.
 - Constrained transport funding limits growth.

Priority Development Areas aligned with Government priorities

15. Many of the Priority Development Areas (PDAs) are well aligned with Government priorities, including especially Tauriko West, Ōmokoroa, and Te Papa, which have combined projected housing capacity of 10,000 homes across both greenfield and brownfield areas. Any realistic housing growth targets, which are currently being considered as additions to the NPS-UD, are very likely to require that these PDAs are enabled. These PDAs have strong alignment with Government priorities such as Roads of National Significance and projects identified for inclusion in Schedule 2 of the fast-track consenting legislation (Schedule 2 projects).

Priority Development Area	Homes enabled	Transport investment
Tauriko West	2,400	Tauriko West Enabling Works (\$240m) made up of NLTF, IFF, IAF and developer funding.
	1,600	Tauriko West State Highway 29 (RONS)
Ōmokoroa	2,500	Takitimu North Link stage 1 (Major Crown Infrastructure Partners and RONS)
		Ōmokoroa intersection short-term improvements (IAF & small NLTF contribution)
	170	Takitimu North Link stage 2 (RONS)
Te Papa Peninsula intensification (brownfields)		Cameron Road Stage 1 – complete (CIP)
		Cameron Road Stage 2 – no NLTF funding. IAF funding \$67.9m.
Te Tumu / Wairakei	2,000-3,000 homes	Pāpāmoa East Interchange (NLTF via HIF loan)
	60-80ha industrial land	Local road improvement developer majority funded, any NLTF funding TBC.

16. Alongside this the broader Western Corridor, extended from Tauriko West out along SH29 and SH36, could enable between 15,000 and 25,000 homes. s 9(2)(f)(iv)

Use of other Government enabling tools

Infrastructure Funding and Financing Act 2020

17. Tauranga City Council (TCC) was the first council to establish an Infrastructure Funding and Financing Act 2020 (IFF) levy, which raised \$177 million on the strength of a 30-year city-wide levy to partially fund a combination of up to 13 different transport projects across Tauranga.
18. The flexibility around how the IFF Act funding can be applied to the 13 projects means that the full IFF Act funding amount is expected to be used, even if some of the projects are reprioritised or do not go ahead. TCC have raised concerns about whether it will be able to draw the full amount of IFF Act funding available given NLTF funding is not available for key projects, especially Cameron Road Stage 2. Due to the flexibility built into the levy, HUD and Crown Infrastructure Partners officials are unclear why this is the case and are waiting to receive further information from TCC before confirming next steps.
19. TCC have chosen not to proceed with a proposed IFF levy for the CBD regeneration project, Te Manawataki o Te Papa, instead using the additional headroom made available with the Local Government Funding Agency to fund the next phase of work on this programme.

Housing Infrastructure Fund

20. In 2018, TCC secured HIF loans for three projects:
- \$105.9m for a new water treatment plant (Tauranga's third) which will provide additional supply by drawing water from the Waiari stream. (Fully drawn down.)
 - \$51.8m for an upgrade to the Te Maunga Wastewater Treatment Plant to provide additional wastewater treatment capacity across Tauranga. (Fully drawn down.)
 - \$96.1m for the construction of the Pāpāmoa East Interchange over the Tauranga Eastern Link, to support greenfield development in Wairakei and Te Tumu. (Underway.)

Regional Deals

21. With the Strategic Framework now in place, the next step is for Cabinet to confirm the first regions to be invited to provide proposals for Regional Deals. Cabinet decisions have been delayed and will be sought in October 2024. In the meantime, it will be important to manage sector expectations to ensure interest in Regional Deals remains high.
22. The Bay of Plenty sub-region (comprising Western Bay of Plenty District Council, Tauranga City Council and Bay of Plenty Regional Council) is one of the regions considered by Cabinet. Cabinet decisions on selected regions to be invited for a regional deal are due 4 November 2024.

23. We note the SmartGrowth region is a rapid growth region with a strong focus on housing and transport infrastructure. The region is also supported by strong partnerships evident in the work led by the SmartGrowth Partnership.
24. The Western Bay sub-region have been actively pursuing a regional deal and have been working on a proposal for the last year, under their own initiative. Their current proposal includes the following parties: Tauranga City Council, Bay of Plenty Regional Council, Western Bay of Plenty District Council and their economic development agency, Priority One. It is envisaged by the sub-region that any potential deal will align with the SmartGrowth Partnership. The Mayors are highly likely to show their interest in a regional deal.
25. One of the regional deal criteria set out in the framework addressed the need for council to meet all their regulatory standards (i.e. economic and water quality regulation). Both Western Bay of Plenty District Council and Tauranga City Council are investigating a joint CCO model for LWDW.

Transport Investment in the Western Bay of Plenty

26. Significant investment was sought from the 2024/27 National Land Transport Programme (NLTP) across the Tauranga transport network, both local roads and state highways, including as follows.

Connecting the People – 15th Avenue to Welcome Bay

27. The NLTP prioritised Connecting the People – 15th Avenue to Welcome Bay as 'probable'. The business case has been submitted to NZTA and TCC has requested approval of pre-implementation funding. Our structural engineers are working with TCC and their consultants to understand and minimise structural risks prior to making a funding recommendation to the NZTA Board in December.

Cameron Road Stage 2

28. Cameron Road Stage 2 (CRS2) was not included in the 2024-27 NLTP. The recommendation from the Board was for Tauranga City Council to do further work on the proposal given current GPS on land transport priorities. We understand this is underway. However, given the constrained funding in the NLTF this will not lead to NLTF funding becoming available in this NLTP period.
29. Cameron Road was the highest priority multimodal arterial corridor for improvement in the sub-region. The delivery of the project is required to unlock many of the benefits of the completed Stage 1 support intensification in Te Papa and growth in the Western Corridor, and deliver on the planned Connected Centres approach to growth.
30. The CRS2 project was to be partially funded by the Infrastructure Acceleration Fund (IAF). The IAF has \$67.9 million contracted with TCC on their Te Papa Intensification projects with \$56.44 million allocated to CRS2.

Connecting Mount Maunganui

31. The 2024-27 NLTP did not prioritise the Connecting Mount Maunganui project for future phase funding, due to constrained funding, alignment issues with the GPS and a high project cost. This project is a high priority for the new TCC Councillors, and they are very concerned about the lack of funding.

32. The project has recently been updated to align more closely to the GPS and is working through the approval process. Funding opportunities will be explored during the current 2024-27 NLTP period to progress the proposed managed lanes on SH2 Hewletts Road including design, development of necessary enforcement systems, and public consultation.

Roads of National Significance

33. The Roads of National Significance for the sub-region are:

- Takitimu North Link Stage 2 (SH2)
- Tauriko West (SH29).

Project	Current status	Cost of next phase(s)
Takitimu North Link Stage 2	NZTA Board has noted the project to proceed to lodgement of the RMA approvals package very early in 2025. s 9(2)(i)	s 9(2)(i)
Comments	s 9(2)(g)(i)	
	<ul style="list-style-type: none"> • Public consultation on the preferred tolling scheme for Takitimu North Link has been undertaken across September and October. s 9(2)(f)(iv) 	
Project	Current status	Cost of next phase(s)
Tauriko West (SH29, 29A & 36)	Investment case underway to progress and refine the project in line with the GPS. This is due for completion early to mid-2025. Ōmanawa Bridge replacement is moving at pace, with geotechnical investigations underway and detailed designer to be appointed early November 2024. s 9(2)(ba)(ii)	s 9(2)(i)
Comments		

Other transport project updates

Tauriko West Enabling Works

34. Since works started at SH29/Redwood Lane in March 2024 we've made good progress, including site clearance on both sides of SH29 for construction of the new roundabout at SH29/Redwood Lane, earthworks for the construction of the walking and cycling underpass, road widening of Redwood Lane, and work on undergrounding of power lines on SH29 and Redwood Lane.
35. Works at SH29/Cambridge Road and Tauriko Village commenced in September 2024. The first stage of these works is to construct the new access road in the urban growth area and the temporary carpark for Tauriko School as this enables the widening of SH29 to commence.
36. Tauranga City Council is progressing the process to rezone the Tauriko West urban growth area in the City Plan to enable urban development. Public submissions have been received and hearings are planned for December 2024. s 9(2)(ba)(i)
37. Delivery of the homes will start once the Tauriko Enabling Works are complete, with the first homes expected to be available from 2027.

Takitimu North Link Stage 1 (Tauranga to Te Puna – in construction)

38. Stage 1 is approximately 43% through, with nearly half the earthworks achieved, of a total 3,000,000m³.
39. Four of 10 bridges are completed (Minden Road, Minden Gully off-ramp, Wairoa Road, Cambridge Road).
40. Works to complete the local road alignment at Cambridge Road are complete.
41. 2024/25 construction season key activities planned at:
 - SH2/Fifteenth Ave - large 150-metre retaining wall adjacent to Fifteenth Ave and build on-ramp bridge connection to SH29/Takitimu Drive Toll Road (TDTR).
 - Construction of roundabout at SH29/TDTR and 363m flyover bridge. Widening works are starting.
 - Minden Road Interchange – construction of two roundabouts and bridge tie-in works underway, to form diamond interchange.
42. Work continues at Wairoa River Bridge, Wairoa Valley, Te Mete Valley and SH2 western tie in near Loop Road where a large culvert is being constructed. Major culverts are in construction across the project after preloading the sites to accelerate settlement. Some culvert sites have had over 2m of settlement.
43. The first season of landscape planting complete with 70,000 plants now planted out of the total of 900,000.
44. Current estimated completion 2028.

45. Tolling consultation ended on Monday 7 October 2024, and the Board will consider this and make a recommendation to you in November.

Ongoing SH2 median barrier issues

46. A small group of local residents continue to campaign for the reinstatement of right-hand turns through an area of recently installed median barriers on SH2, following the decision by the NZTA board in August to halt further median barrier installation. Police made two arrests last month after a protest at one of the roundabouts when 2 men chained themselves to the median barrier and are following up on incidents of vandalism and harassment of workers.
47. The residents group presented a petition to Parliament in August asking for reinstatement of right turns.
48. A recent request for a face-to-face meeting with representatives of that group has been declined.
49. NZTA received a request for comment from a local media outlet (*SunLive*) in response to a story they propose to run on impacts of the barriers on the local community.
50. The Board decision was to complete the two further roundabouts and wide centrelines for the safety improvement project, maintaining all right-turning movements on remaining intersections along the corridor, but not to continue with the remainder of the median barrier installation. The Board made the decision that all other improvements should remain.

Suggested questions to ask

- What are the barriers to delivering the agreed SmartGrowth strategy?
- How will some of the Government's proposed changes impact the Partnership?

If you are asked about Regional Deals, you can respond with:

As you know, I recently announced the strategic framework for regional deals. This announcement marked an important milestone in the development of regional deals.

Work is underway to seek final Cabinet decisions on the first regions to invite for a regional deal. Invitations to regions will be made as soon as possible after Cabinet decisions to enable draft proposals to be provided before end of 2024.

Western Bay of Plenty is a high population growth region. As highlighted in your City Deal Proposal from earlier in the year, I acknowledge that the housing affordability and transport congestion are some of the most challenging in NZ, and the importance of the development of key corridors in your region.

Economic growth and development from these kinds of projects is what our communities expect us to work together on, and I look forward to engaging with you and the wider sector as policy development progresses.

I am excited to make additional announcements on regional deals soon. In the meantime, I am keen to hear from councils about what the type of work they would like to see reflected in a potential regional deal with central government.

Noting the scope of the strategic framework, I am interested to hear what type of central government support councils consider could help bring council objectives into fruition.

It is recommended that you:

- 1. **Note** the contents of this briefing.

Vl Browne

.....
Vanessa Browne

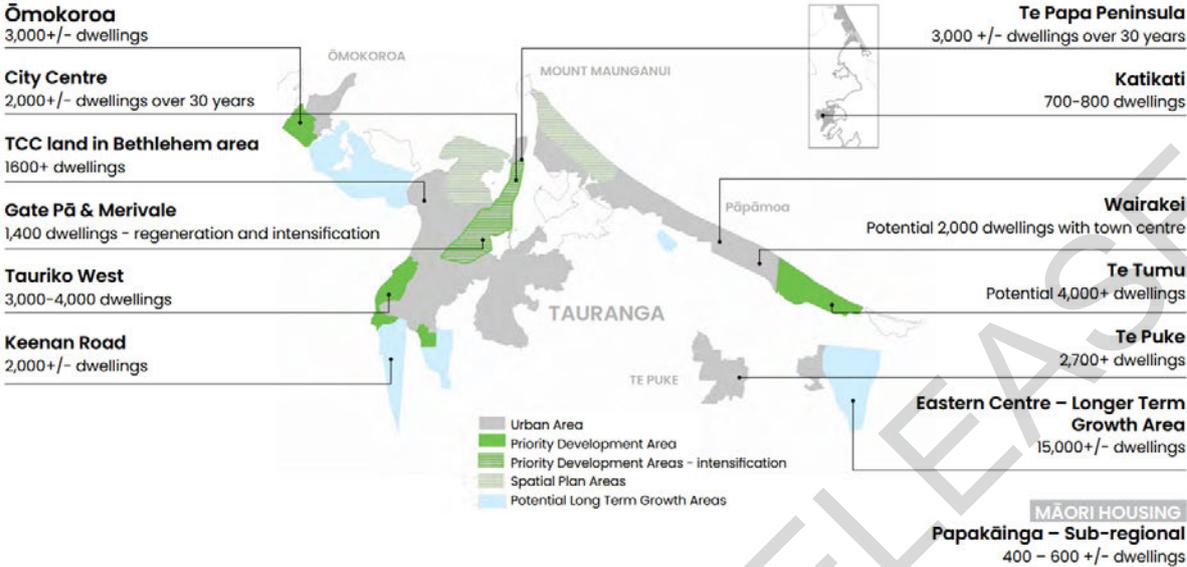
Acting Group General Manager, Transport Services

.....
Hon Simeon Brown, Minister of Transport

Date: 2024

PROACTIVELY RELEASED

Annex A – SmartGrowth Priority Development Areas



PROACTIVELY RELEASED