



Aide-memoire

6 May 2021: Meeting with Tauranga City Council CE and Commissioners			
Date:	5 May 2021	Security level:	In Confidence
Priority:	Medium	Report number:	AMI20/21040513

Information for Minister(s)		
Hon Dr Megan Woods Minister of Housing	Note this aide-memoire provides you with context and background ahead of your meeting with Tauranga City Council CE Marty Grenfell and Commissioners Anne Tolley and Bill Wasley.	

Contacts for discussion			
Name	Position	Telephone	1 st contact
Ernst Zollner	Kaiaki, Place-Based Policy and Programmes, HUD	s 9(2)(a)	V
Oscar Damerham	Policy Advisor, Places and Partnerships, MHUD	s 9(2)(a)	1.2

Other agencies consulted

Minister's office to complete

Noted	Comments	
Seen		
See Minister's notes		
Needs change		
Overtaken by events		
Declined		
Referred to (specify)		
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New Zealand Government



Aide-memoire

6 May 2021: Meeting with Tauranga City Council CE and Commissioners

For: Hon Dr Megan Woods, Minister of Housing

Date:	6 May 2021	Security level:	In Confidence
Priority:	Medium	Report number:	AMI20/21040513

Purpose of the meeting

- In March you received the first quarterly report from the Tauranga City Council Commission. This
 report detailed the Commission's activities, decisions, next steps, and progress since the Crown
 appointed Commissioners to take over the Council's governance responsibilities in February
 2021.
- 2. The report included a cover letter inviting you to meet the CE and Commissioners to discuss matters highlighted in the report.
- 3. The key agenda items (suggested by the Commissioners) for the meeting on 6 May are:
 - a. Update following meeting with Minister Parker at 12.15pm on 6 May re the National Policy Statement for Freshwater 2020 (NPS-Freshwater)
 - b. The alignment of transport, urban development and housing.
- 4. From a Housing and Urban Development perspective there are three specific objectives and related key messages:

Proposed objective Key messages

1. To express general support to the Commissioners for their important task	The Commission has the opportunity to take bold leadership decisions to help address one of NZ's most stressed housing markets and underperforming transport systems. The Government and its agencies will continue to support the Commission in this and other tasks, including through membership of the SmartGrowth partnership and its joint
2. To encourage the Commissioners to take a broad(er) regional perspective to housing and urban	work housing and urban development work streams. Progress in housing, urban development and transport will require adopting regional approaches, including working closely with the Regional Council, Western Bay of Plenty and (at times) Rotorua, Whakatane and Waikato councils and iwi.
growth management	Evidence of such broader, cross-boundary approaches being taken will be important to secure possible additional Crown assistance and investment, including through the Housing Acceleration Fund.

Proposed objective Key messages

3. To stress the importance of the Crown's affordable housing, carbon reduction, and public transport mode shift objectives	To make joint progress it is important that Council staff fully and consistently embrace the need for new developments to provide a wide range of affordable housing, public transport, walking and cycling options; motorway off-ramp communities with traditional suburban housing is no longer an acceptable form of development.
4. To stress the importance of NPS-UD implementation and other measures that unlock housing in the right locations	Government officials are working very closely with Council staff on unlocking land supply in key location such as Te Papa, Tauriko and Papamoa East, and will continue to do so. In this context it's very important that the Council's regulatory approach is fully aligned to the NPS-UD; there is still considerable scope for taking bold steps to allow greater intensification and urban expansion in the right locations.

Meeting details

5. The meeting will take place at your offices, room EW7.6.

Expected attendees

- 6. You will be meeting with two of the four Tauranga City Commissioners, namely **Anne Tolley** and **Bill Wasley**; please refer to Annex 2 for short biographies.
- 7. The Chief Executive of Tauranga City Council Marty Grenfell will also be in attendance, with Brad Ward from HUD.

Media

8. This meeting will not be open to media.

Background

The Tauranga City Council Commission's role

- In February 2021 the Commission was appointed to make decisions on behalf of the city and its residents and to ensure that a process is in place to restore full local democracy at the 2022 local government elections. Together, they seek to:
 - a. Deliver a robust 2021-31 Long-term Plan which addresses Tauranga's current infrastructure and funding challenges and sets a platform to create a liveable city of the future
 - b. Create a spirit of partnership between the council, tangata whenua and the community and work to restore trust and confidence
 - c. Engage with the community openly and honestly. Collaborate with their regional partners to implement solutions which address the Western Bay of Plenty's high-growth issues.
- 10. The Commission is made up of four Commissioners, chaired by Anne Tolley. You are meeting two of these Commissioners, Chair Anne Tolley and Commissioner Bill Wasley.

The Council is in catch up mode and at its debt limit

- 11. Tauranga has been on a fast growth track for the past 40 year, this is expected to continue. During that time the city's supply of housing and business land, its transport options, its water and wastewater networks, and its community facilities have not kept pace.
- 12. A legacy of underinvestment has brought Tauranga to where it currently is, under-performing as a city and not meeting the needs of its residents, businesses, and visitors. Tauranga's infrastructure is running at or beyond its capacity.
- 13. The growth and historical under-investment issues that the city faces are a long time in the making and will not be solved quickly. When in 'catch-up' mode, there is rarely a 'quick fix'.
- 14. To meet these challenges Tauranga City Council is currently drafting the city's Long-Term Plan (LTP) 2021-2031 which seeks to address the historic underinvestment in the city. The LTP is a key deliverable for the Commission.
- 15. The draft LTP includes a proposed capital investment programme of \$3.476 billion over ten years. These capital investments come at a time when the council has limited capacity to finance new investment.
- 16. Tauranga City has the highest debt to revenue ratio of any New Zealand council. This ratio is set to increase through the first half of the LTP due to the high level of capital investment proposed in the draft LTP.
- 17. The Council is still considering options for funding and financing of the investments needed outside direct council provision and funding through rates. These options include:
 - a. Targeted rates
 - b. Increasing commercial rates.

Tauranga City Council is a key SmartGrowth partner

- 18. Tauranga City Council plays a leading role in the Smart Growth partnership, including contributing most of the financial and staff resources for the combined work programme. This strong support is likely to continue as Commissioner Bill Wasley is the former chair of SmartGrowth.
- 19. In mid-2020, Tauranga City Council formally endorsed the fully integrated \$7bn land use and transport programme business case known as the *Urban Form and Transport Initiative* (UFTI) which also sets out how and where the broader Western Bay of Plenty sub-region will grow. UFTI is being implemented through several key initiatives that all have strong involvement and support from Tauranga City Council leaders:
 - a. The revised SmartGrowth strategy or joint spatial plan
 - b. The first-ever Western Bay of Plenty Transport System Plan (equivalent to ATAP) as a key input to the Regional Land Transport Plan
 - c. Various District Plan changes, notable Plan Change 26 in Tauranga City
 - d. The Priority Development Area programme, including Te Papa, Tauriko and Te Tumu within Tauranga City, and
 - e. The first-ever joint housing action.

Key agenda items

NPS Freshwater – report back from meeting with Hon Parker

- 20. Tauranga City Council is extremely concerned that the NPS and NES Freshwater will significantly reduce housing and development yields in priority development areas such as Tauriko and Te Tumu. This concern is shared by other high-growth councils and most developers.
- 21. The Council's concerns are set out in some detail in a letter forwarded to you on 5 May, which is included in Annex 4. The central issue is the definition of "Natural Inland Wetlands" and how this may be interpreted.
- 22. The Commissioners are meeting with the Minster for the Environment Hon Parker on 6 May to discuss both their concerns and recommended mitigation measures, which include:
 - Review the definition of 'natural inland wetlands' so only areas "recognised by experts" are captured.
 - b. Ministry for the Environment issuing clearer guidance on interpretation of NPS definitions.
 - c. Reinserting the 'effects management hierarchy' into the NPS and NES for both streams and wetlands, together with 'no net loss' provisions, which would enable offset to occur while also providing for urban development.

Suggested response or key messages

- 23. You are aware of the issue from discussions with both developers and councils and HUD has provided your office with a summary of the on 26 March 2021; you have also informally raised this with Hon Parker.
- 24. HUD officials agree that a more targeted definition of a wetland in the NES-FW would exclude some of the currently (likely) protected areas that are of limited ecological value, and potentially free them up for development.
- 25. Whilst there is no current intention to review the NPS, the Ministry for the Environment is aware of the implementation issues that are being raised and the need for stronger national guidance.

The link between transport and housing

- 26. The Council has found it at times challenging to align the Crown's transport investment through Waka Kotahi with the Government's housing and urban development objectives.
- 27. The issue appears to be that providing for urban growth and housing yield is not a strong focus within the *GPS Land Transport*, which directs Waka Kotahi's investment approaches.
- 28. Such a narrower transport focus has led to ongoing tensions between Waka Kotahi and the Council around key projects such as the future design of SH29 through Tauriko, and how the new Tauranga Northern Link will tie into the existing SH29.
- 29. The Council is seeking assurance that the GPS Housing and Urban Development (GPS-HUD) and the GPS Land Transport will in future present a (more) coherent framework for housing, urban development, and transport - and include explicit direction for transport investment to support housing and business land development.

Suggested response or key messages

- 30. Under the Kāinga Ora Act, Kāinga Ora must give effect to the GPS-HUD when performing its functions. However, successful delivery of the proposed strategic direction will rely on collective action <u>across the range</u> of Government agencies and other actors across the system, including Waka Kotahi.
- 31. You will be seeking support from your colleagues for the strategic direction proposed in the GPS-HUD once finalised, including on creating obligations and expectations for all relevant agencies to help give effect to it. Over time we envisage the GPS-HUD could be a tool that informs changes to other portfolio strategies, including transport investment strategies.
- 32. To assist with integration 'on the ground', officials from HUD and Kāinga Ora are already proactively supporting Waka Kotahi and the councils in the planning and design of transport networks and priority development areas, including ensuring that housing yield is (as far as currently possible) included in transport investment considerations.

Other talking points

- 33. In their quarterly report to the Minister for Local Government (refer Annex 3) the Commissioners have raised many issues they wish to discuss with Ministers over time.
- 34. Annex 1 provides further detail on the most relevant of these topics, some of which may be raised in passing at the meeting.

Annexes

- ANNEX 1: Tauranga City Commission's actions-required-from-Government list
- ANNEX 2: Tauranga City CE and Commissioners Biographies
- ANNEX 3: Tauranga City Commission's March 2021 Report to the Minister of Local Government
- ANNEX 4: Letter from Commission Chair Anne Tolley regarding the meeting on 6 May.





ANNEX 1 – Commission's actions-required-from-Government list

Issue for Tauranga Council	Action sought from Crown	Suggested response or key messages
NPS Freshwater The definition of 'Natural Inland Wetlands' is significantly reducing housing yields in Tauranga's priority development areas, including Te Tumu West	 Review definition so only 'natural inland wetlands' as recognised by experts captured. Issue clear guidance on interpretation of NPS FW definitions. Reinserting the 'effects management hierarchy' into the NPS and NES for both streams and wetlands, together with 'no nett loss' provisions which enables offset to occur while also providing for urban development. 	You are aware of the issue from discussions with both developers and councils, and HUD has provided your office with a summary of the issue and proposed solutions on 26 March 2021. HUD officials agree that a more targeted definition of a wetland in the NES-FW would exclude some of the currently (likely) protected areas with little ecological value, and potentially free them up for development. It could also be beneficial to reconsider the level of protection provided to wetlands by enabling resource consent applications. This would mean the positive effects of a development proposal and wetlands' enhancements could be considered, alongside any need for earthworks.
Natural Hazards The "highly prescriptive" Bay of Plenty Regional Council's RPS hazard provisions are limiting development yields and potential, including for residential intensification.	 Provide clear(er) national guidance on natural hazard risk assessment, which includes consideration of alignment with the Building Act and alignment with Urban Growth Agenda objectives. 	This matter is being considered as part of the RMA Reforms, and the linkages to the Building Act and other relevant Codes. Whilst officials understand the concern it remains important that future developments have acceptable level of residual risks from hazards such as earthquakes, flooding, and coastal inundation.

Issue for Tauranga Council	Action sought from Crown	Suggested response or key messages	
Rezoning at pace The existing options for rezoning land for residential and business (the standard RMA Schedule 1, Streamlined Planning, Covid 19 Recovery Act) all have challenges in certainty of application and outcome regarding the delivery of housing at pace and scale.	 Introduce legislation (based on the prior HASHA) which will enable zoning to occur at pace in parallel with the infrastructure investment for Priority Development Areas agreed through Spatial Planning processes; and/or Significantly increase resources at central government to progress Streamlined Plan Change proposals much quicker than current processes and introduce mechanism for greater certainty of timing and outcome. 	Ministers and officials understand this issue and are actively considering options that would reduce the timeframes and costs of rezoning for priority developments. As part of the SmartGrowth Priority Development Task Group, HUD officials have undertaken to ensure that Government agencies work in a more proactive and integrated manner to help speed up this process.	
Enabling Urbanisation of Multiple Owned Maori Land Critical development opportunities (such as the 240-hectare Te Tumu Kaituna 14 TK14 block) are lost or stalled because - unlike in sectors such as forestry, aquaculture and papakainga - there is no funding available to Māori entities to engage the skills and experience to appropriately plan an urban development of this scale.	7. The Government should provide financial support to trusts to plan the urban development of their land. For example, it is estimated that the Te Tumu Trust requires approximately \$2 million to progress the successful development of their land.	Kāinga Ora is exploring options for providing such assistance on a case-by-case basis. Other options that have been explored to date include facilitating access to DIA and TPK grants, but this has not been successful to date.	

Issue for Tauranga Council	Action sought from Crown	Suggested response or key messages	
Strategic Crown land development opportunities The Crown could significantly facilitate development at pace and scale on land that it owns or could acquire.	 8. The 35-hectare Crown-owned Tauranga Racecourse is a potentially significant development opportunity in the medium and longer term, and whilst there are some complex issues to resolve (such as relocating the racecourse) its strategic location on the Te Papa Peninsular would make this a key priority to pursue. 9. s 9(2)(f)(iv) 	The Tauranga Racecourse opportunity is now part of the SmartGrowth Priority Development Area Task Group programme, and Kāinga Ora and HUD have both agreed to take lead roles in exploring it further. However, there are complex tenure and stakeholder relationship issues that will need to resolve and will take time to address. \$ 9(2)(f)(iv)	
Funding and financing support Development a pace and scale is being held up by the limited Council's ability to fund and finance the required enabled infrastructure	 Modify the Papamoa East interchange HIF agreement in principle to enable this investment and incorporate the costs of the Papamoa East Interchange in the existing Tauranga Eastern Link toll scheme. Consider whether the Housing 	HUD is actively working on this request with Council, Waka Kotahi, and Treasury officials The SmartGrowth Priority	
	Acceleration Fund (HAF) can specifically support Te Papa transport, stormwater, and public space networks, and Tauriko roading and three waters networks.	Development Area Task Group (led by HUD) is considering these and other regional opportunities for HAF, as part of a broad programme on unlocking land supply.	
	12. s 9(2)(f)(iv)	s 9(2)(f)(iv)	

Issue for Tauranga Council	Action sought from Crown	Suggested response or key messages
Aligning transport, housing, and urban development policy direction It has at times been challenging to align the Crown's transport investment through Waka Kotahi with housing and urban development priorities as the GPS on Land Transport does not have a strong focus on the urban growth agenda and housing supply.	13. Ensure that the GPS Housing & Urban Development and GPS Land Transport present a coherent framework for housing and urban development, including an explicit reference to support housing and business land supply in both.	Successful delivery of the proposed NPS-HUD strategic direction will rely on collective action across a range of Government agencies and other actors across the system, including Waka Kotahi. You will be seeking support from your colleagues for the strategic direction proposed in the GPS-HUD once finalised, including on creating obligations and expectations for all relevant agencies to help give effect to it. Over time we envisage the GPS-HUD could be a tool that informs changes to other portfolio strategies, including transport investment strategies.
Kāinga Ora role in affordable housing supply There are several important opportunities for Kāinga Ora to play a key role in increasing the supply of affordable housing in Tauranga Moana.	 14. Key opportunities (in the Council's view) for Kāinga Ora include: Supporting Accessible Properties (APL) with the development of their land in Gate Pā and Merrivale Partnering with the DHB to develop land on Cameron Road Acquiring Council-owned land in Bethlehem for a strategic infill development Other specific sites in Te Papa, Mount Maunganui 	All these opportunities are being actively considered by Kāinga Ora in the development of the regional investment plan.
NPS Urban Development implementation The Council enabling a much greater degree of intensification with is current plan change proposals and requires support from the Crown through the regulatory process.	15. Crown agencies could play a more supportive role of key regulatory initiatives such as Plan Change 26, which allows for intensification in Te Papa and other key sites across the City.	Recent discussions between Kāinga Ora, HUD, Waka Kotahi, and the Council staff have identified some helpful key areas of agreement, including the need for further work to achieve the objectives of the NPS Urban Development.

ANNEX 2: Tauranga City Council Commission and CE biographies



ANNE TOLLEY, Commission Chair

Anne Tolley has had a wide experience in local and national politics over the last 30 years. Elected to the Napier City Council in 1986, she was quickly appointed a Standing Committee Chair, and was then Deputy Mayor for six years. She was also elected to the inaugural Hawkes Bay Regional Council for one term. In 1999, Anne was elected to Parliament as a National Party List MP based in Napier. She then moved to Gisborne and successfully contested the election for the East Coast Electorate in 2005. She held the seat until her retirement from national politics in 2020, moving to Öhope as the growing electorate's boundary reached the edge of Te Puke. During that time, she has been a vocal advocate for the development of both Kawerau and Öpötiki. Anne served for nine years as a Government minister, holding the portfolios of Education, Police, Corrections, MSD, Children and Local Government, From

2017 to 2020, she served as Deputy Speaker and as part of that role, chaired the committee which developed a Code of Conduct that covered everybody working in the NZ. She was also the Parliamentary representative to the International Parliamentarians Union.



BILL WASLEY, Commissioner

Bill Wasley has more than 40 years' experience in resource management and senior management positions in local government and the private sector. He comes from a professional planning background and before founding his own consultancy business, Wasley Consultants Ltd in 1996, he was Company Secretary for the Port of Tauranga Ltd and held directorships of its subsidiary companies. A previous Director of Planning & Environment with Tauranga City Council, Bill was responsible for planning, building services, environmental health, and land information. He was also the Council's Acting Chief Executive in 1994/95. Bill has held commissioner or chairperson roles within a range of New Zealand organisations, with a substantial focus on integrated growth management (strategy, funding, and implementation) strategies and spatial plans. He also has a strong

interest in governance and collaborative approaches which achieve integration between spatial planning, economic development, and social/ community outcomes. Amongst his many current and past governance roles, Bill was the Independent Chair of the western Bay of Plenty's SmartGrowth partnership from 2001 until his appointment as a Tauranga City Council Commissioner. He is currently chair of the FutureProof Growth Management Partnership in the Waikato and finishes his role as the Independent Chair of the Greater Christchurch Partnership in March.



STEPHEN SELWOOD, Commissioner

Stephen Selwood is a professional director and an expert in infrastructure vision, strategy, and policy. In addition to his role as a Commissioner for Tauranga City Council, he currently serves as a member of the Board of the New Zealand Infrastructure Commission – Te Waihanga; provides public policy advice to the infrastructure sector, as a director of Selwood Infrastructure Advisory; and is managing director of Rapt Ltd an online and bricks and mortar retail gift, decor and fashion business based in Auckland. In his former role as founding Chief Executive of Infrastructure New Zealand, Stephen had a proven record of leading and influencing policy at both a Government and industry level. This included galvanising support from disparate public and

private sector parties into a common vision centred on national benefit. In 2019, he received the Infrastructure New Zealand leadership award for his contribution to the industry in New Zealand.



SHADRACH ROLLESTON, Commissioner

Shadrach Rolleston is a consultant planner and policy advisor with expertise in resource management and Māori relationship management and engagement. He is of Māori descent with tribal connections to Ngāti Ranginui, Ngāi Te Rangi, Ngāti Pukenga and affiliations to Te Arawa. His public service career spans more than 20 years at a national, regional, and local level. He has worked as a policy advisor and planner for both central and local government, having been involved in transport and environmental reforms. He spent some time in the private sector as an academic researcher, then as a consultant planner contracted to assist clients with a range of complex and challenging problems, from marine casualties to power generation, and water and waste. Relationship management, engagement and mediation are his core strengths. Shad

supported his iwi Treaty of Waitangi claims settlement research and negotiations with the Crown, having served on the Ngāti Ranginui Post Settlement Governance Entity as a board member, and iwi property leasing company as a Director. He is a former SmartGrowth Tū Pakari Advisor and co-chair of the Combined Tāngata Whenua Forum, is the current Chair of Arā Rau Tāngata, and is a board member of the Abundant Life Community Trust.

MARTY GRENFELL, Chief Executive



Marty joined Tauranga City Council in September 2018, after leading Whakatane District Council for seven years. He has nearly 40 years of public service experience. For Marty, local government is all about working alongside and serving the community. He thrives on the challenge of leading and developing teams of dedicated professionals who are committed to delivering improved outcomes for the organisation and the people it serves. In Tauranga, that means creating and facilitating opportunities for residents, businesses, and visitors to enjoy and benefit from the special qualities of our city.

Tauranga City Council: Chief Executive, 2018 *Whakatane District Council:* Chief Executive, 2011 *Hutt City Council:* General Manager, Community Services, Hutt City Council, 2008 - 2011 *Upper Hutt City Council:* Director: Community Services, Upper Hutt City Council, 2005 - 2008

New Zealand Police: 1985 - 2005

ANNEX 3: Commission Report to LG Minister – 31 March 2021



31 March 2021

Hon. Nanaia Mahuta Minister of Local Government

By email: n.mahuta@ministers.govt.nz

Tenä koe Minister

Report of the Tauranga City Council Commission for the Quarter ending 31 March 2021

Please find attached the Commission's inaugural quarterly report, which provides information about our activities, decisions, progress made to-date and next steps.

With your permission, it is our intention to make our quarterly reports publicly accessible (with redactions where necessary) via the Commission's page on the Council website. Please confirm whether you are comfortable with that course of action.

We look forward to discussing the matters highlighted in the report with you at our Zoom meeting on 19 April. In the meantime, if you would like any further information, please let me know.

Ngã nihi nui

Anne Tolley Commission Chair Tauranga City Council

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Report to:	Hon. Nanaia Mahuta Minister of Local Government
From:	Anne Tolley Commission Chair
Date:	31 March 2021
Subject:	Report for the Quarter ending 31 March 202

PURPOSE

This report summarises the activities of the Commission appointed to undertake Tauranga City Council's governance activities and records the progress made towards achieving the goals set out in the Commission's Terms of Reference.

BACKGROUND

Commissioners Anne Tolley, Stephen Selwood, Bill Wasley and Shadrach Rolleston formally took up the roles on 9 February.

The Commission has been appointed to make good decisions on behalf of the city and its residents and to ensure that a process is in place to restore full local democracy at the 2022 local government elections.

In summary, our key focuses are to:

- Deliver a robust 2021-31 Long-term Plan which addresses Tauranga's current infrastructure and funding challenges and sets a platform to create the liveable city of the future;
- Create a spirit of partnership between the council, tangata whenua and the community and work to restore trust and confidence;
- Actively engage with the community, with integrity and transparency;
- Collaborate effectively with our regional partners to implement solutions which address the Western Bay of Plenty's high-growth issues.

APPROACH AND ACTIVITIES UNDERTAKEN

Much of the Commission's early activities have been focused on 'learning about the business'. This has been facilitated through a series of intensive Executive briefings covering operations, infrastructure and financial status and challenges. That process has given us a comprehensive and realistic understanding of the Council's and the city's priorities and challenges and informed our approach to the issues that must be dealt with through the development and implementation of the 2021-31 Long-term Plan (LTP).

All of the significant detail of the draft LTP and its associated financial strategy and supporting documentation has now been finalised. The LTP has been summarised in a draft Consultation Document, which was approved to be submitted for Audit approval at our Council meeting of 29 March. Once the audit has been completed, the finalised consultation document will underpin the formal LTP consultation process, which will commence on 7 May.

Contemporaneously with the above activities, Commissioners have jointly or individually engaged with more than 200 community and commercial organisations and individual residents over the past seven weeks. This has deepened our understanding of community concerns and priorities, and again, has informed our approach to the LTP and other matters which have or will come before Council.

Structural initiatives to facilitate engagement include an expanded public forum opportunity at the beginning of Council meetings and a monthly Commissioners' Clinic. The latter has proved very popular, with two fully-booked clinics held to date. We have also instigated a media 'sit-down' opportunity for journalists covering Council meetings.

Notable engagement activities include:

- A powhiri involving all iwi and hapū, hosted by Hairini Marae
- Individual meetings with the former Mayor and councillors
- Meetings with city ratepayer associations
- Meetings with the Chamber of Commerce; economic development entity Priority 1; and city Mainstreet organisations
- Meetings with Bay of Plenty Regional Council and Western Bay of Plenty District Council elected members; and with sub-regional SmartGrowth members
- Meetings with local MPs
- Meetings with iwi and hapū representatives
- Social housing needs briefings with Accessible Properties and the Käinga Tupu subregional homelessness initiative
- Developers Forum
- Tangata Whenua Committee Meeting held and meeting calendar set for the balance of the year.

SIGNIFICANT DECISIONS

In addition to the various draft LTP decisions referred to above, the Commission has also made significant decisions on the following matters, some of which are subject to community consultation as part of, or alongside the draft LTP.

- A proposed increase in the commercial rates differential (from 1.2 to 1.6)
- Draft User Fees and Charges policy
- Community Housing and Papakainga Development Contributions policy changed to support affordable housing across the city
- Draft Revenue and Financing policy
- Confirmation of sale of Elder Housing and separate divestment of two high-value lots
- Approval to negotiate lease arrangements for consolidated civic administration premises
- Approval to consult on the demolition of Council's existing Willow Street civic building and commence civic precinct development with a community amenity and library building
- Increases in Development Contribution fees
- Procurement Policy adoption
- Adoption of a draft Community Funding Policy

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- Transfer of 50% of the title of (previously unassigned) reclamation land on Dive Crescent to the Otamataha Trust (representing the mana whenua interests of Ngãi Tamarawaho and Ngãti Tapu)
- Governance Structure changes to assist efficient operational delivery
- Benchmarking of operational delivery performance with equivalent local authorities
- Approval of additional resourcing to deliver a significantly increased capital works programme.

SUMMARY OF PROGRESS

The Commission has made a strong and decisive start to its governance tenure at Tauranga City Council. We have come to grips with the significant issues facing the city and have guided the development of a draft long-term plan we believe will initiate a long overdue 'catch-up' in investment in infrastructure and community facilities; and necessary investment to facilitate and manage future growth.

We have formed an effective working relationship with the Council Chief Executive, Marty Grenfell, and the Executive team. The organisation is appreciative of the stable governance which is already evident and has adapted well to the expectations of the Commission.

We have initiated an extensive engagement process, which has seen positive relationships developed with most key community and commercial organisations. Engagement will intensify through the draft LTP consultation period and we anticipate that the relationships formed to date will assist in promoting realistic discussion and consideration of the difficult issues the community faces.

The positive response received from the business sector has been a notable feature. A breakfast meeting with Chamber of Commerce members this week saw a strong endorsement of the infrastructure and community facility investments proposed through the draft LTP, with not a single question raised about a proposed increase in the commercial differential rate. The largest single concern was around the transition back to democratic representation and what measures could be implemented to avoid a return to the dysfunctional governance arrangements.

Media coverage of the commission's role has, to date, been fair, comprehensive and largely positive. That has contributed to positive community perceptions of our contribution to dealing with the city's immediate and longer-term priorities.

NEXT STEPS

During the next quarter, the Commission will undertake an intensive engagement process leading into and through the formal consultation period, which runs from 7 May to 7 June. A summary of that process and its outcomes will be included in the next quarterly report.

Other key activities include:

- Confirmation of Māori ward implementation for the 2022 election
- Hearings of submissions to the draft LTP 14-16 June
- Deliberations and final decision-making Week commencing 21 June
- Adoption of the LTP 26 July.

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ISSUES FOR DISCUSSION

The Commission would appreciate the Minister's guidance on how the Council can facilitate access to the funding support set out in recent Government announcements, including the \$3.6 billion Housing Acceleration Fund and the \$350 million Residential Development Response fund.

Specifically, TCC has a pressing need to accelerate greenfield housing development opportunities in Tauriko (on the western edge of the city) and Te Turnu (Papamoa East). Projects which would benefit from Government support include:

- Eastern Papamoa investment (support for Golden Sands lown centre and Te Tumu)
- Papamoa Eastern Link Interchange (including an Order in Council to incorporate the interchange in the current toll scheme)
- Financial support to enable the development of multiple-owned Maori land (Tumu Kaituna 14 Trust land within the Te Tumu Urban Growth area
- SH29 improvements
- Takitimu Northern Link future-proofing (additional funding for SH29/TNL connections, to avoid capacity constraints).

Other matters we would like an opportunity to discuss with Government Ministers include:

- The impact of RMA reform on TCC's City Plan Review.
- Inclusionary zoning to enable social housing developments
- A review of the NPS Freshwater definition of 'Natural Inland Wetlands'
- National guidance on natural hazard risk assessment, to align with the Building Act and Urban Growth Agenda objectives
- Legislation to speed-up zoning decisions
- Waka Kotahi investment assessment misalignment with the urban growth strategy
- Waka Kotahi funding for the Transport System Plan (greater certainty of investment beyond the three-year period)
- Improved infrastructure levies legislation
- Legislation to allow building consents to be withheld if development contributions have not been paid
- KiwiRall's approach to freight pricing and opportunities to reduce the pressure on the road transport network
- Enhanced SmartGrowth collaboration to support sub-regional development opportunities
- Collaboration with Kainga Ora to support investment in papakainga and social housing stock.

Anhe Tolley Commission Chair

Shadrach Rolleston Commissioner

Bill Wasley Commissioner

Stephen Selwood Commissioner

ANNEX 4: Letter from Commission Chair regards to the meeting on 6 May



5 May 2021

Hon Dr Megan Woods Housing Minister Parliament Buildings Wellington

By email: m.woods@ministers.govt.nz

Dear Minister

Thank you for making time available to meet with myself and Commissioner Bill Wasley on Thursday 6th May. The purpose of the meeting is to talk about Tauranga's housing situation and also to brief you on what we will be discussing with Minister Parker.

For your information please find attached a briefing paper that we will be discussing with Minister Parker - "National Policy Statement for Freshwater Management - Topics: Natural Inland Wetlands, Streams, Te Tumu & Tauriko West Urban Urban Growth Areas".

We look forward to meeting with you tomorrow.

Yours sincerely

Anne Tolley Commission Chair Tauranga City Council

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Tauranga City Council Ministerial Briefing Paper

National Policy Statement for Freshwater Management

Topics: Natural Inland Wetlands, Streams, Te Tumu & Tauriko West Urban Urban Growth Areas

Background

1. Tauranga is a tier 1 urban environment under the National Policy Statement on Urban Development 2020 (NPS-UD); and Tauranga City Council (TCC) currently fails to provide sufficient development capacity under the NPS-UD without new growth areas and intensification opportunities. Alongside a focus on intensification through our current Housing Choice plan change and the completed Te Papa Spatial Plan, the proposed rezoning of Tauriko West and Te Tumu Urban Growth Areas for urbanisation is critical to delivery of the Urban Form & Transport Initiative (UFTI). It has been prioritised by SmartGrowth and TCC with the support of Waka Kotahi, Ministry of Education and our other government partners in response to concerns about maintaining sufficient development capacity to cater for growth. The development of the structure plans for these growth areas has focused on delivery of communities to live, work, play and learn, to meet walkable community outcomes, modal shift to greater use of public transport, walking and cycling, carbon emission reduction, housing accommodation, and addressing resilience and climate change. Without Te Tumu and Tauriko West the current supply shortage of over 1,000 homes in the city is projected to grow to over 5,000 within the next 10 years.

Key Facts -Development Delivery and Timing

Tauriko West

2. Tauriko West Urban Growth Areas will provide for approx. 3,500 – 4,000 new dwellings to support TCC in meeting the requirements to provide for growth. It is also planned to include a new primary school, proposed secondary school and sports fields, as well as active reserves, open space and neighbourhood shops. There will be a strong connection to the Wairoa River, linked with a network of walkways and cycleways using the 'blue-green corridors' of stormwater reserves and passive open space, as well as public transport priority measures being provided. Tauriko West is located directly adjacent to the Tauriko Business Estate where up to 10,000 jobs will be located in the future, and to the sub-regional Tauranga Crossing commercial and retail centre. Frequent and reliable public transport is planned from Tauriko West to the CBD – the first stage of this on Cameron Road is under construction with thanks to government shovel-ready infrastructure funding.

Te Tumu

- 3. Te Tumu Urban Growth Area will provide for approx. 6,000 7,000 new dwellings to support TCC in meeting the requirements to provide for growth. It is also planned to include approximately 55 ha of additional employment land, 20 ha of sports fields and opportunity for 2 primary schools and 1 high school. The growth area is also supported by the provision of a network of local and neighbourhood commercial centres and connected through multi modal corridors and on and offroad walking and cycling facilities. Te Tumu also includes potential for significant Māori land development opportunities with a large land block being in Māori ownership.
- 4. Te Tumu is located directly adjacent to the planned and consented Wairakei Town Centre which will deliver a large range of commercial and retail offerings as well as community facilities and approximately 3,000 dwellings. Rapid transit in the form of a median running bus way is planned the length of Te Tumu to the heart of the new Wairakei Town Centre and express services running to the city via the Tauranga Eastern Link and frequent and reliable connections through Papamoa and beyond as agreed through UFTI.
- 5. The planning for future urban development within this growth area has been undertaken in collaboration with principal landowners within the growth area. This collaborative approach has resulted in a range of detailed technical investigations being completed and the preparation of a series of relevant plans to help guide this process. These plans form the basis for development of draft concept landforms and the structure plan preparations see <u>Attachment One</u>. It should

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be noted that there are significant Maori land holdings in Te Tumu. We have aligned our plans with their aspirations to provide significant opportunity for Maori to retain land ownership and still develop their land to create economic, employment and housing opportunities for their people.

6. The planning of both Te Tumu and Tauriko West has been underway since 2017. Until the introduction of the NPS for Freshwater Management 2020 (NPS-FM) we were working towards a plan change to be notified for public submission in late 2021 or early 2022, preferably using the streamline plan change process.

Wetland Investigations

- 7. Previous ecological survey work had identified a comprehensive suite of wetland areas in both growth areas that would be managed through a framework of protection, management and enhancement as part of future development. In Te Tumu for example an area of approximately 213 ha was identified as being appropriate for wetland protection and enhancement. This previous work had regard to, and was considered compliant with, the requirements of the Bay of Plenty Regional Natural Resources Plan and as a result with the Resource Management Act 1991.
- 8. Earlier this year, desktop wetland assessments were completed for both growth areas. These assessments identified a number of additional areas where the definition of 'natural inland wetlands' specified under the NPS-FM would apply.
- 9. For the purpose of this assessment, and based on the definition of a natural inland wetland, an area would only be excluded from being a natural inland wetland if (having being excluded under parts (a) and (b) of the definition) it was able to satisfy <u>all</u> of the exclusion listed under (c) in the definition. This would mean the area would need to be deemed an area of improved pasture, be more than 50% exotic pasture species and subject to temporary rain derived water pooling.
- 10. A subsequent high-level planning assessment has also been carried out against the provisions of the NPS-FM and the associated regulations (rules) set out in the NES-F. The planning assessment considered the provisions of these documents against the various critical elements of the draft Te Tumu Structure Plan and the outcomes of the desktop wetland assessment. Consideration was given to consenting status and the likelihood of gaining consent for each of these critical elements (i.e. roading, stormwater management areas, reserves or urban development). The outcome is that there is a low likelihood of gaining consent under the NES-F for all activities and in many cases the consenting status is prohibited (i.e. no application can be made). Although this assessment has not yet been completed for the Tauriko West growth area, it is clear that the same outcomes are likely.
- 11. Taking the outcomes of the desktop wetland assessment and the potential consenting outcomes from the NES-F as assessed, these were considered in terms of the potential effect on both growth areas. These outcomes are set out in the table 1:

Growth Area (Total land area)		Wetland & Proposed Off- set and Mitigation Areas (pre NPS-FM)	Developable Area (pre NPS- FM)	Additional wetland Area (NPS-FM)	Wetland Area with 10m buffer	Wetland Area with 100m buffer	Developable Area (post NPS-FM)
Tauriko West	329.5 ha	40.6 ha	201.5 ha (3500 – 4000 dwellings)	11.4 ha	20.2 ha	85.1 ha*	116 ha (potential reduction of 1,600 – 1,700 dwellings)
Te Tumu	744 ha	213 ha	400 ha (6000 – 7000 dwellings)	9.7 ha	16.5 ha	170 ha	230 ha (potential reduction of 3,500 – 4,000 dwellings)

Table 1: Outcomes of Desktop Wetland Investigations – Tauriko West & Te Tumu

*Note: It is likely following further assessment that an additional 11.7ha (plus 10m and 100m buffers) will be removed from the Tauriko West Growth area, reducing the development area further.

- 12. The opportunity to provide developable land in Tauriko West and Te Tumu for much needed housing is now significantly reduced due to the increased area of additional 'natural inland wetlands' and associated setback areas. Further, given the restrictive rule framework under the NES-F for activities such as vegetation clearance and urban development within the setback areas that require resource consent as a non-complying or in some case list the activity as prohibited, this creates future consent uncertainty and risk.
- 13. Given the above, the actual outcome for these projects is now far more complicated and uncertain, with a potential fatal flaw to the delivery of housing, and the wider growth areas given that the identification of these potential wetlands. Unless the NPS-FM and NES-F are changed, these growth areas may no longer be practically and economically viable to develop, and there are no substantial alternatives available for TCC to provide critical housing supply at scale and pace. There are significant implications if the growth areas do not progress as planned:
 - Infrastructure related funding for both growth areas is proposed in 2021-31 Long Term Plan;
 - Continued non-compliance with NPS-UD development capacity requirements;
 - At best significant loss in planned housing supply equating to approximately 3,500 4,000 dwellings in Te Tumu and 1,600 1,700 dwellings in Tauriko West, at worst these projects will be abandoned due to uncertainty, risk and low development potential;
 - Further pressure on house prices, affordability, social housing and homelessness in Tauranga;
 - Reputation risk for TCC, the SmartGrowth Partnership and the Government for failing to deliver on our critical housing challenges.

Suggestions to consider to address issues raised:

- A change in the NPS-FM from <u>'no further loss'</u> and replace it with <u>'no net loss'</u> of wetlands. This
 would create opportunities across all aspect of urban development that currently do not exist for
 substantial offsetting, and better environmental outcomes where significant wetland enhancement
 works and large-scale riparian bank improvements can be provided to address the impact of housing
 provision on land presently used for improved pasture (surrounded by constructed drainage ditches
 and farm drains);
- Develop clear wetland definition guidance, including implementation of wetland delineation (identification) protocols;
- The 'non-complying and prohibited activity status' and the requirement to demonstrate functional need are extremely rigid and an improved framework that for wetlands allows consideration of amended policy outcomes (off setting and no net loss as outlined above) would perhaps achieve better outcomes for wetlands and still enable land development for housing.
- Review the approach to 'rivers, streams and modified watercourses' to provide for 'no nettloss' and avoid the legal test of demonstrating 'functional need' for land development and housing – which involves filling in modified watercourses (artificial drains/ditches) and recreating streams.



