

Mā tō tātou takiwā  
**For our District**

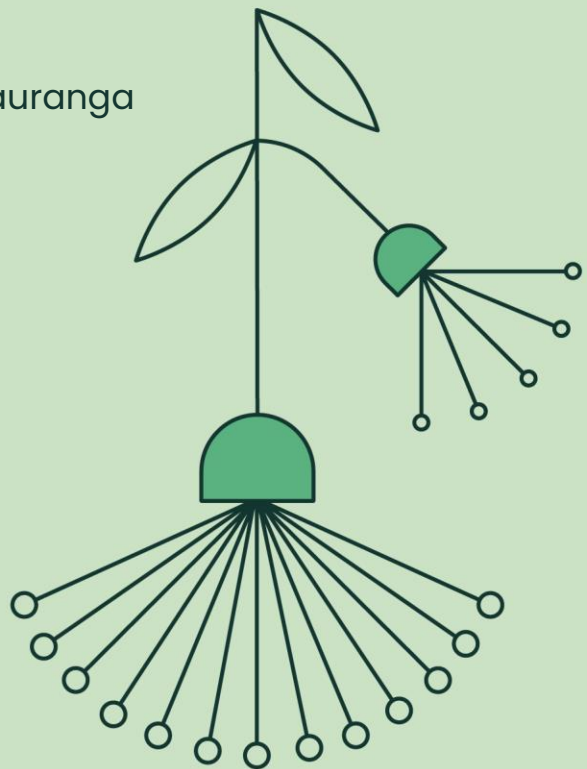
## Strategy and Policy Committee

Kōmiti Rautaki me Kaupapa Here

SPC23-3

Thursday, 25 May 2023, 9.30am

Council Chambers, 1484 Cameron Road, Tauranga



# Strategy and Policy Committee

## Membership:

<b>Chairperson</b>	Mayor James Denyer
<b>Deputy Chairperson</b>	Cr Richard Crawford
<b>Members</b>	Cr Tracey Coxhead Cr Grant Dally Cr Murray Grainger Cr Anne Henry Cr Rodney Joyce Cr Margaret Murray-Benge Deputy Mayor John Scrimgeour Cr Allan Sole Cr Don Thwaites Cr Andy Wichers
<b>Quorum</b>	Six (6)
<b>Frequency</b>	Six weekly

## Role:

- To develop and review strategies, policies, plans and bylaws to advance the strategic direction of Council and its communities.
- To ensure an integrated approach to land development (including land for housing), land use and transportation to enable, support and shape sustainable, vibrant and safe communities.
- To ensure there is sufficient and appropriate housing supply and choice in existing and new urban areas to meet current and future needs.

## Scope:

- Development and review of bylaws in accordance with legislation including determination of the nature and extent of community engagement approaches to be deployed.
- Development, review and approval of strategies and plans in accordance with legislation including determination of the nature and extent of community engagement approaches to be deployed.
- Subject to compliance with legislation and the Long Term Plan, to resolve all matters of strategic policy outside of the Long Term Plan process which does not require, under the Local Government Act 2002, a resolution of Council.
- Development of District Plan changes up to the point of public notification under the Resource Management Act 1991.

- Endorsement of the Future Development Strategy and sub-regional or regional spatial plans.
- Consider and approve changes to service delivery arrangements arising from service delivery reviews required under the Local Government Act 2002 (provided that where a service delivery proposal requires an amendment to the Long Term Plan, it shall thereafter be progressed by the Annual Plan and Long Term Plan Committee).
- Where un-budgeted financial implications arise from the development or review of policies, bylaws or plans, recommend to Council any changes or variations necessary to give effect to such policies, bylaws or plans.
- Listen to and receive the presentation of views by people and engage in spoken interaction in relation to any matters Council undertakes to consult on whether under the Local Government Act 2002 or any other Act.
- Oversee the development of strategies relating to sub-regional parks and sub-regional community facilities for the enhancement of community wellbeing of the Western Bay of Plenty District communities, for recommendation to Tauranga City Council and Western Bay of Plenty District Council.
- Consider and decide applications to the Community Matching Fund (including accumulated Ecological Financial Contributions).
- Consider and decide applications to the Facilities in the Community Grant Fund.
- Approve Council submissions to central government, councils and other organisations, including submissions on proposed legislation, plan changes or policy statements.
- Receive and make decisions and recommendations to Council and its Committees, as appropriate, on reports, recommendations and minutes of the following:
  - SmartGrowth Leadership Group
  - Regional Transport Committee
  - Any other Joint Committee, Forum or Working Group, as directed by Council.
- Receive and make decisions on, as appropriate, any matters of a policy or planning nature from the following:
  - Waihi Beach, Katikati, Ōmokoroa, Te Puke and Maketu Community Boards.
  - Community Committee.

### Power to Act:

- To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed.

### Power to Recommend:

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

### Power to sub-delegate:

- The Committee may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body subject

to the restrictions within its delegations and provided that any such sub-delegation includes a statement of purpose and specification of task.

- Should there be insufficient time for Strategy and Policy Committee to consider approval for a final submission to an external body, the Chair has delegated authority to sign the submission on behalf of Council, provided that the final submission is reported to the next scheduled meeting of the Strategy and Policy Committee.

Notice is hereby given that a Strategy and Policy Committee Meeting will be held in the Council Chambers, 1484 Cameron Road, Tauranga on: Thursday, 25 May 2023 at 9.30am

## Order Of Business

<b>1</b>	<b>Present .....</b>	<b>6</b>
<b>2</b>	<b>In Attendance.....</b>	<b>6</b>
<b>3</b>	<b>Apologies .....</b>	<b>6</b>
<b>4</b>	<b>Consideration of Late Items.....</b>	<b>6</b>
<b>5</b>	<b>Declarations of Interest .....</b>	<b>6</b>
<b>6</b>	<b>Public Excluded Items .....</b>	<b>6</b>
<b>7</b>	<b>Public Forum.....</b>	<b>6</b>
<b>8</b>	<b>Presentations .....</b>	<b>6</b>
<b>9</b>	<b>Reports .....</b>	<b>7</b>
9.1	Review of the Significance and Engagement Policy 2020 .....	7
9.2	Smartgrowth Quarterly Report – May 2023 .....	18
9.3	Submission to the Review of the Resource Management Act (Infringement Offences) Regulations 1991 .....	51
9.4	Submission on “Charging our Future: a draft long-term electric vehicle charging strategy for Aotearoa New Zealand.” .....	54
9.5	Western Bay of Plenty District Council submission to the Occupational Regulation reforms in the Building and Construction Sector.....	58
<b>10</b>	<b>Information for Receipt .....</b>	<b>69</b>

**1 PRESENT****2 IN ATTENDANCE****3 APOLOGIES****4 CONSIDERATION OF LATE ITEMS****5 DECLARATIONS OF INTEREST**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

**6 PUBLIC EXCLUDED ITEMS****7 PUBLIC FORUM**

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Board for up to five minutes on items that fall within the delegations of the Board provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

**8 PRESENTATIONS**

## 9 REPORTS

### 9.1 REVIEW OF THE SIGNIFICANCE AND ENGAGEMENT POLICY 2020

**File Number:** A5290899

**Author:** Charlotte McGirr, Policy Analyst

**Authoriser:** Rachael Davie, General Manager Strategy and Community

#### EXECUTIVE SUMMARY

1. Council's Significance and Engagement Policy is reviewed every three years.
2. The existing policy is considered fit for purpose, and this report recommends that the Significance and Engagement Policy be adopted in its current format.

#### RECOMMENDATION

1. That the Policy Analyst's report dated 25 May 2023 titled 'Review of the Significance and Engagement Policy 2020' be received.
2. That the report relates to an issue that is considered to be of **low** significance in terms of Council's Significance and Engagement Policy.
3. That the Significance and Engagement Policy, included as **Attachment 1** to this report, be adopted.

#### BACKGROUND

3. The Local Government Act 2002 sets out requirements for Council to consult with the community when planning or making decisions. Under Section 76AA of the Act, Council is required to have a Significance and Engagement Policy.
4. The Significance and Engagement Policy lets the public know what decisions the Council and community consider particularly important, how Council will assess the importance of these decisions, and how and when the community can expect to be engaged with.
5. The current Significance and Engagement Policy was developed in 2014 following extensive engagement with the community to identify how they prefer Council to engage with them. The policy has had two subsequent reviews in 2017 and 2020, which found the policy to be fit for purpose and only requiring editorial updates.
6. The current policy includes a range of criteria to identify the level of significance for a project. This includes:
  - (a) Legal requirements
  - (b) Financial consequences

- (c) Whether the proposal affects a significant activity
  - (d) Likely impact on future and present interests of the community
  - (e) Level of community interest and/or if there are divided community views
  - (f) Whether community views are known from previous engagement
  - (g) Whether the decision is reversible.
7. It is anticipated that some sections of the policy may need to be reviewed following changes from the Affordable Water Reform. This includes the relevance of the financial thresholds outlined in section 6.4 and the list of strategic assets in Schedule 2 of the policy. It is not an urgent matter to review these sections until there is complete clarity on the timing, process and implications of the reform.
8. The policy is currently deemed fit for purpose and there are no proposed changes to the Significance and Engagement Policy.

### **SIGNIFICANCE AND ENGAGEMENT**

9. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
10. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
11. In terms of the Significance and Engagement Policy this decision is considered to be of low significance because it does not impact levels of service, does not have a financial impact and the policy is reviewed regularly to ensure its relevance.

### **ENGAGEMENT, CONSULTATION AND COMMUNICATION**

12. Under Section 76AA of the Local Government Act 2002, there is no requirement to consult on the review of this policy if Council considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved.
13. Council has sufficient information about community interests and preferences to enable the purpose of this policy to be achieved. This considers the existing strategies and plans Council has including Te Ara Mua, Iwi and Hapū Management Plans and Community Plans as well as feedback received through community engagement, for example the Your Place To Wāhi engagement process.

### **ISSUES AND OPTIONS ASSESSMENT**

14. The below table sets out the consideration of options.



<b>Option A</b> <b>Adopt the Significance and Engagement Policy</b>	
<b>Assessment of advantages and disadvantages including impact on each of the four well-beings</b> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<u>Advantages</u> <ul style="list-style-type: none"> <li>• Having an operative Significance and Engagement Policy will continue to provide clear guidance on how Council assesses significance of a project.</li> <li>• It will also continue to provide direction on how and when Council will engage with the community.</li> </ul>
<b>Costs (including present and future costs, direct, indirect and contingent costs).</b>	There are no additional costs associated with this option.
<b>Other implications and any assumptions that relate to this option.</b>	There are no other implications associated with this option.
<b>Option B</b> <b>Do not adopt the Significance and Engagement Policy and seek further work to inform a review</b>	
<b>Assessment of advantages and disadvantages including impact on each of the four well-beings</b> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<u>Advantages</u> <ul style="list-style-type: none"> <li>• Further work can be undertaken to inform Council decision making.</li> </ul> <u>Disadvantages</u> <ul style="list-style-type: none"> <li>• There will be a cost to any additional work to inform a review.</li> <li>• If a comprehensive review is initiated now, the review may have to be repeated in a short space of time if the policy requires changes following the Affordable Water Reform.</li> </ul>
<b>Costs (including present and future costs, direct, indirect and contingent costs).</b>	Additional costs to complete a full review include staff time and resourcing to carry out the review, including community engagement.

<b>Other implications and any assumptions that relate to this option.</b>	There are no other implications associated with this option.
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### STATUTORY COMPLIANCE

15. The recommendation to adopt the Significance and Engagement Policy is consistent with Section 76AA (4) of the Local Government Act 2002.
16. This clause enables Council to adopt a Significance and Engagement Policy without undertaking a consultation process in accordance with Section 82 of the Act, if Council considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the Policy to be achieved.

### FUNDING/BUDGET IMPLICATIONS

17. There are no funding or budget implications associated with this report's recommendations.

### ATTACHMENTS

1. **Significance and Engagement Policy**  

## Council Policy

### Significance and Engagement Policy

#### 1. Relevant Legislation

Local Government Act (LGA) 2002.

#### 2. Purpose of Policy

The purpose of this Policy is to let both Council and the community identify the level of significance of particular proposals or decisions, and to understand when and how the community will be engaged in making decisions.

This Policy is one of the inputs into Council's approach to sustainable decision making. The approach to sustainable decision making is set out in Schedule 1 to this Policy.

#### 3. Policy Objectives

**3.1** To set out how the level of significance of a proposal or decision is determined.

**3.2** To set out how Council will engage with the public about particular proposals or decisions, depending on its level of significance.

#### 4. Policy

**4.1** Council will take into account the following matters when determining the level of significance of a proposal or decision:

- Whether there is a legal requirement to engage with the community and what that requirement is (see policy 4.4 and 4.5)
- Whether the proposal or decision affects the level of service of a significant activity
- The level of financial consequence of the proposal or decision
- Whether the proposal or decision affects a large part of the community, and the extent to which they are affected
- The likely impact on future and present interests of the community, recognising Maori cultural values and their relationship to land and water
- Whether community interest in the proposal or decision is high, and /or there are divided community views
- Whether community views are already known from previous engagement processes
- Whether the decision is reversible

**4.2** In general, if a proposal or decision is affected by a number of the above matters, the higher its level of significance, and greater the need for community engagement.

## Council Policy

### Significance and Engagement Policy

- 4.3** Council will decide early in each process the appropriate level of engagement to support decision making, and will apply the principles of engagement set out in Part 5.
- 4.4** In some instances legislation requires Council to follow either the Special Consultative Procedure (SCP) set out in Section 83 of the LGA 2002, or the principles of consultation set out in Section 82 of the LGA 2002, regardless of the level of significance of a proposal or decision.
- 4.5** In accordance with Section 97 of the LGA 2002, some decisions will only be taken if they have been consulted on and provided for in a Long Term Plan. This includes a decision to alter significantly the intended level of service of a significant activity, and a decision to transfer the ownership or control of a strategic asset to or from a local authority. Council's strategic assets are listed in Schedule 2 to this policy.
- 4.6** For all other proposals or decisions Council will determine the appropriate level of engagement on a case by case basis, applying the engagement principles set out in Part 5 of this policy.
- 4.7** Engagement will be informed by Council's Community Engagement Guidelines and Tangata Whenua Engagement Guidelines and Protocols. A summary of the engagement spectrum and tools is provided in Schedule 3 to this policy.
- 4.8** Council, through its Tangata Whenua Engagement Guidelines and Protocols, recognises the specific obligations set out in Section 81 of the LGA 2002 to establish and maintain processes to provide opportunities for Maori to contribute to Council decision-making processes.
- 4.9** If Council makes a decision that is inconsistent with this policy, the steps identified in Section 80 of the LGA 2002 will be followed.

### 5. Principles of Engagement

Engagement will be:

- Meaningful - based on an open mind and willingness to listen.
- Respectful - with the aim of building council-community relationships.
- Supported by the provision of information which is balanced, sufficient and in plain language.
- Inclusive and endeavour to reach all those affected.
- Flexible and tailored to the needs of those who are being engaged.
- Coordinated across Council departments to minimise duplication and engagement fatigue.
- Pragmatic, efficient and value for money.

## Council Policy

### Significance and Engagement Policy

#### 6. Policy Procedures

- 6.1** Council will use an internal significance checklist, alongside each report to Council / Committee, to ensure the proposal or decision has been assessed against the matters set out in Policy 4.1.
- 6.2** Each Council report will include a section on Significance, detailing the level of significance of the particular proposal or decision and the rationale for why that level has been determined.
- 6.3** Each report seeking a decision will detail the level of engagement appropriate to the proposal or decision, and tools that will be used to engage. The Community Engagement Guidelines and Tangata Whenua Engagement Guidelines and Protocols will be used to inform engagement decisions.
- 6.4** The following financial thresholds will guide analysis of the level of financial consequence of a proposal or decision. Proposals or decisions above these thresholds will be considered to be of high significance:
- Decisions or proposals in excess of \$8 million or which would result in a 5% or more increase in the annual District rates.
  - Decisions or proposals which would result in a new or increased targeted rate of more than 10% of existing rates per property.
  - Decisions or proposals relating to capital expenditure in excess of \$6 million (total project cost) which has not been provided for in the 3-year term of the current long term plan.

#### 7. Definitions

<b>Community</b>	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
<b>Decisions</b>	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed as significant).
<b>Engagement</b>	A term used to describe the process of seeking public input to inform decision making. There is a continuum of community engagement (see Section 3 in Schedule 2 of this policy).

## Council Policy

### Significance and Engagement Policy

<b>Significance</b>	As defined in Section 5 of the LGA 2002 this means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,— (a) the district or region; (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
<b>Significant</b>	Significant means that the issue, proposal, decision or other matter is assessed as having a high degree of significance against the criteria of this policy.
<b>Strategic asset</b>	As defined in Section 5 of the LGA 2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes— (a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and (c) any equity securities held by the local authority in— (i) a port company within the meaning of the <a href="#">Port Companies Act 1988</a> ; (ii) an airport company within the meaning of the <a href="#">Airport Authorities Act 1966</a> ”.  Council's strategic assets are listed in Schedule 2.

## 8. Policy Review

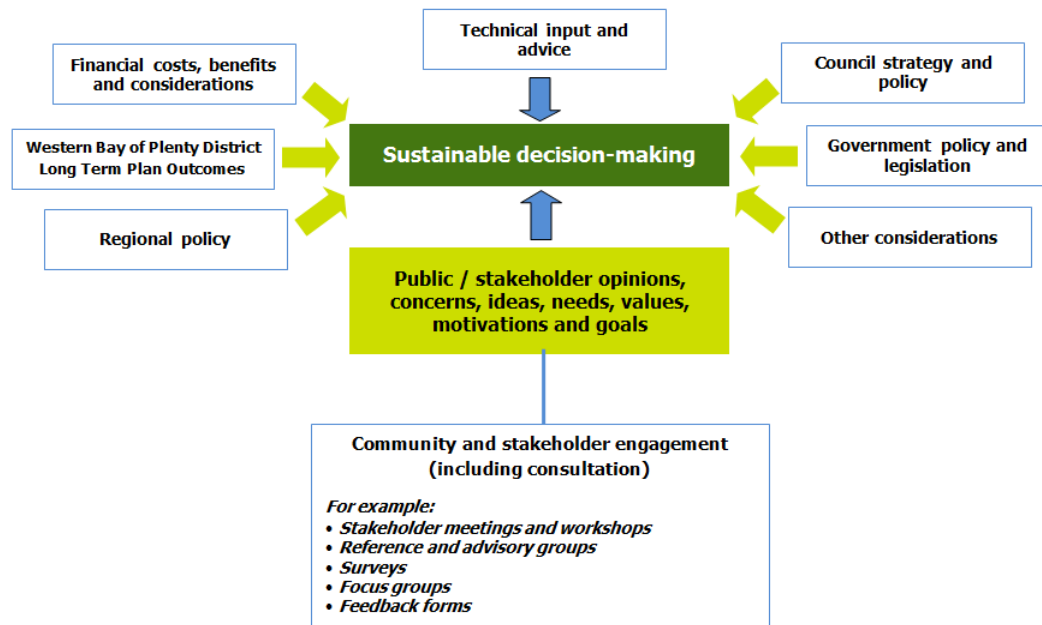
**8.1** This Policy will be reviewed every 3 years following the commencement of a new triennium.

<b>Group</b>	Strategy and Community Group	<b>Contact (3<sup>rd</sup> Tier Manager)</b>	Policy and Planning Manager
<b>Supersedes</b>	Significance and Engagement Policy 2020		
<b>Creation Date</b>	24 March 2020	<b>Resolution Reference</b>	TBC
<b>Last Review Date</b>	24 March 2020	<b>Resolution Reference</b>	TBC
<b>Review Cycle</b>	Within 3 years of coming into effect		<b>Date</b> 25 May 2023
<b>Authorised by</b>	Strategy and Policy Committee		<b>Date</b> 25 May 2023

## Council Policy

### Significance and Engagement Policy

#### Schedule 1 – Council’s approach to Sustainable Decision Making



## Council Policy

### Significance and Engagement Policy

#### Schedule 2 – List of Strategic Assets

For the purposes of sections 5 and 76AA(3) of the Local Government Act 2002, Council considers the following assets to be strategic assets:

- The roading network as a whole
- Reserves listed and managed under the Reserves Act 1997 excluding:
  - (a) Reserves identified for investigation for disposal in an adopted Reserve Management Plan
  - (b) Local Purpose Reserves
- Land held under other Acts or as fee simple but listed as reserves or considered as reserves.
- Water reticulation network as a whole
- Wastewater plant and network as a whole
- Stormwater reticulation network as a whole
- Library network
- Pensioner housing network.



## Council Policy

## Significance and Engagement Policy

### Schedule 3 – Community engagement levels and methods of engagement

SPECTRUM LEVEL	COMMUNITY PARTICIPATION GOAL	PROMISE TO THE COMMUNITY	EXAMPLE TECHNIQUES TO CONSIDER
<b>Inform Whakamōhio</b>  <i>Council led – this level is just as important as the other levels</i>	To provide balanced and objective information to assist the community in understanding the problem, alternatives, opportunities and/or solutions	We will keep you informed	Have Your Say Western Bay/Social media  Open days/drop-in sessions/Māori initiated events  Media (Māori and mainstream)
<b>Consult Whakauia</b>  <i>Council led – this is the standard Council role</i>	To obtain feedback on analysis, alternatives and/or decisions	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how your input influenced the decision	Feedback forms/surveys  Focus groups  Public meetings/Marae/community hui
<b>Involve Whakaura</b>  <i>Council led – this is where we invest in our stakeholder relationships</i>	To work directly with the community throughout the process to ensure concerns and aspirations are consistently understood and considered	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how your input influenced the decision	Community workshops  Partnership Forums  Hapu/Iwi Management Plans
<b>Collaborate Mahi ngātahi</b>  <i>Co-led – make sure you mean it. This is our partnerships, working together in collaboration</i>	To partner with the community in each aspect of the decision including the development of alternatives and the identification of the preferred solution	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible	Citizen Advisory Committees  Partnership Forums
<b>Empower Whakamanahia</b>  <i>Community led – most under used role. This is where Council can take a step back and our communities can step up and take responsibility</i>	To place final decision making in the hands of the community	You will decide and we will implement what you decide	Citizen juries  Ballots  Treaty settlement legislation

## 9.2 SMARTGROWTH QUARTERLY REPORT – MAY 2023

**File Number:** A5385466

**Author:** Tracey Miller, Strategic Advisor Resource Management

**Authoriser:** Rachael Davie, General Manager Strategy and Community

### EXECUTIVE SUMMARY

1. This report has been prepared to provide an update on the SmartGrowth work programme over the last quarter. This includes the draft SmartGrowth Strategy 2023, the Housing and Business Development Capacity Assessment and the Priority Development Areas.

### RECOMMENDATION

1. That the Strategic Advisor Resource Management's report dated 25 May 2023, titled 'SmartGrowth Quarterly Report – May 2023', be received.
2. That the report relates to an issue that is considered to be of **low** significance in terms of Council's Significance and Engagement Policy.

### BACKGROUND – SMARTGROWTH STRATEGY

2. SmartGrowth is developing a sub-regional spatial plan, known as the SmartGrowth Strategy 2023 (SGS 2023). The Strategy will consider how urban form, tangata whenua values and aspirations, infrastructure, transport, community development and the environment need to be looked at together to achieve effective growth.
3. The SGS will set the vision and objectives for our sub-region's future development. It will be utilised by all of the SmartGrowth partners (Western Bay of Plenty District Council, Bay of Plenty Regional Council, Tauranga City Council, tangata whenua and central government), enabling a unified approach to growth. The Strategy will build on the principles in the Urban Form and Transport Initiative (2020) and the SmartGrowth Draft Joint Spatial Plan (2021).
4. The draft strategy reflects the previously agreed UFTI settlement pattern (Connected Centres) and outlines an indicative staging of growth in priority development areas (PDAs) and other existing urban areas over the 2022-2052 period.
5. The Strategy will incorporate the National Policy Statement on Urban Development requirements for a Future Development Strategy (FDS). The FDS component of the SmartGrowth Strategy is required to provide at least sufficient development capacity over the next 30 years to meet expected demand. The FDS also must spatially identify the development infrastructure and additional infrastructure required to support or service the development capacity.

6. The Strategy will inform councils' Long Term Plans for 2024-34, which will need to make provision for required infrastructure funding and delivery in all the growth areas planned to be 'development-ready' within the 2024-34 period. The LTPs will also need to make provision for infrastructure in their 30-year Infrastructure Strategies for land required in the long term (10-30 years).
7. The draft strategy is due to be completed and adopted for consultation purposes in mid 2023. The SGS will follow a Local Government Act 2002 special consultative procedure (SCP) between September and November 2023, with finalisation of the plan between December 2023 and March 2024. A SCP is required to meet the consultation needs of the Future Development Strategy component of the SmartGrowth Strategy.
8. An Industrial Land Study has been undertaken to identify suitable land for industrial activities to meet future demand in the subregion over the next 30+ years to ensure there is sufficient industrial land supply over the long term. The findings of this report will help inform the SmartGrowth Strategy.
9. As a result of the resource management system reform, a Regional Spatial Strategy will be developed over the next several years for the entire Bay of Plenty region. The new SmartGrowth strategy will form the basis of the western Bay of Plenty sub-region's input into the Regional Spatial Strategy.
10. Council staff are proposing to provide a complete overview of the draft SGS at the next Strategy and Policy Council workshop on 6 July 2023.

#### **BACKGROUND – HOUSING AND BUSINESS DEVELOPMENT CAPACITY ASSESSMENT (HBA)**

11. Western Bay of Plenty District Council and Tauranga City Council are required to undertake a Housing and Business Development Capacity Assessment (HBA) as part of their response to the National Policy Statement on Urban Development 2020 (NPS-UD). This assessment sets out the housing component required for the Tauranga Tier 1 urban environment, which covers the urban areas of Tauranga City and Western Bay of Plenty District. The Housing and Business Capacity Assessment 2022 summary is provided in **Attachment 1**.
12. HBAs must be prepared every three years to ensure planning decisions are well-informed and in time to inform Long Term Plans.
13. Two technical assessments have been undertaken to meet the NPS-UD requirements. The SmartGrowth Housing Capacity Assessment (December 2022) (updating the 2021 assessment). The second technical report that informs the HBA is the Business Capacity Assessment prepared by Market Economics (December 2022).
14. Tauranga City and the Western Bay of Plenty District have seen a rapid and sustained increase in population, with the sub-region's population expected to increase to 282,900 people in the next 30 years.

15. A housing insufficiency has been determined for the sub-region in the short, medium, and long-term (next 30 years), which reflects the delay in being able to bring to market new development areas due to infrastructure and national policy hurdles.
16. It is estimated that an additional 42,990 new homes will need to be built over the next 30 years within the western Bay of Plenty sub-region to meet housing demand. Tauranga City will require another 33,890 new houses and Western Bay of Plenty District another 9,100 new houses for its future population.
17. In response to the housing shortfall, both councils are focusing on intensification as required by the Medium Density Residential Standards (MDRS) Plan Changes. In addition, there are two new options to address the shortfall, being the Eastern Corridor and Western Corridor. These areas could meet the identified shortfall in the long-term (10–30 year period) as identified in the HBA. The SGS will need to resolve how these areas are incorporated, in particular, the extent to which additional dwellings capacity from both areas is indicated within the 2032–52 period.
18. In addition, the Housing System Plan currently underway is focussed on identifying actions to respond to current acute housing pressures, which could potentially help to alleviate the HBA's short to medium term housing shortfall.
19. The SmartGrowth Strategy will need to signal that these areas may need to be brought forward to address the shortfall.

#### **BUSINESS SUFFICIENCY**

20. There is sufficient business land capacity to exceed the requirements at the territorial authority-wide level over the short and medium-terms across the sub-region. However, there are pressures in the industrial land market, with the market readiness of some options being limited by transport investment that is yet to occur. For Tauranga City, the long term is likely to see further pressures and constraints emerge for the industrial market. At least 320ha of new greenfield industrial land is required to meet projected demand in Tauranga City. In the Western Bay of Plenty District, the capacity assessment suggests that there is sufficient vacant capacity to accommodate growth.
21. The industrial land shortfall cannot be resolved within the current Tauranga City boundaries as no suitable sites exist. Therefore, the focus is on sites close to Tauranga but located in the Western Bay of Plenty District. As identified in this report the Industrial Land Study identifies the areas that could meet the identified shortfall.
22. For Tauranga City, business land capacity is reliant on the planned extension to the Tauriko Business Estate (Stage 4), which needs to be rezoned and requires significant infrastructure investment, primarily transport investment by Waka Kotahi. While the HBA has assumed this capacity will come on-stream in the medium-term there are significant risks around the timing and delivery of the required transport infrastructure.

23. Western Bay of Plenty District Council (and Tauranga City Council) have notified the housing insufficiency to the Minister. Tauranga City Council will also need to notify the Minister regarding the identified business capacity insufficiency for industrial land.

### **PRIORITY DEVELOPMENT AREAS**

24. Priority Development Areas (PDAs) provide a focus on connecting key areas of the sub-region while supporting the core elements of transport and planning intensification. PDAs have been selected on the basis that they provide a focus on unlocking key development areas.
25. There are six PDA areas, these are: Ōmokoroa, Tauriko West, Te Papa, Wairakei-Te Tumu, Rangiora and the Eastern Centre.
26. As reported to CEAG (Chief Executives Advisory Group) in March 2023, three out of the five PDAs are expected to be best placed to deliver housing in the next five years: Ōmokoroa, Wairakei and Te Papa. The projects are largely market driven, with few price points below \$1 million. It is unlikely that these PDAs will deliver affordable housing.
27. The overall adequacy of supply to meet demand over the next 10 years is highly dependent on PDAs becoming development ready i.e., subject to rezoning and infrastructure delivery.
28. While the PDAs are expected to provide sufficient capacity for housing demand in the long-term (subject to rezoning and infrastructure provision), demand over the next 5 years relies on areas that are currently 'development ready' (don't need a change in zoning or major infrastructure provision), and intensification in existing areas subject to the NPS-UD and MDRS zoning changes (Plan change 92 WBOPDC and Plan Change 33 TCC).

### **SIGNIFICANCE AND ENGAGEMENT**

29. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
30. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
31. In terms of the Significance and Engagement Policy this decision is considered to be of low significance because the recommendations of the report seek information for receipt only. Future consultation is planned on the SmartGrowth Strategy later this year.

## ENGAGEMENT, CONSULTATION AND COMMUNICATION

32. A special consultative procedure (SCP) is required under the Local Government Act for the SmartGrowth Strategy. SmartGrowth is responsible for the programme and delivery of the Strategy, with technical support from partner Council staff.

## ISSUES AND OPTIONS ASSESSMENT

33. SmartGrowth is required to undertake a Housing and Business Development Capacity Assessment in accordance with the National Policy Statement on Urban Development.
34. The National Policy Statement on Urban Development (NPS-UD) also requires Council to prepare a Future Development Strategy (FDS). The requirements of the FDS will be captured in the SmartGrowth Strategy.

## STATUTORY COMPLIANCE

35. The work being undertaken through SmartGrowth will meet Western Bay of Plenty District Council's obligations under the National Policy Statement on Urban Development. In particular the requirement to undertake a Housing and Business Capacity Assessment and a Future Development Strategy.

## FUNDING/BUDGET IMPLICATIONS

36. There are no additional known budget implications other than the existing contribution that is made to SmartGrowth including staff time.

## ATTACHMENTS

1. **SmartGrowth HBA summary 2022 Final v1 web** 





# Housing and Business Capacity Assessment 2022 Summary



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## Introduction

Tauranga City Council, Western Bay of Plenty District Council and Bay of Plenty Regional Council **Toi Moana** are required to undertake a Housing and Business Capacity Assessment (HBA) in response to the National Policy Statement on Urban Development 2020 (NPS-UD). The HBA has been prepared for the Tauranga Tier 1 urban environment, which covers the urban areas of Tauranga City and the Western Bay of Plenty District.

HBAs must be prepared every three years to ensure planning decisions are well-informed and in time to inform long-term plans.

This report summarises the two technical assessments undertaken to meet the NPS-UD requirements:

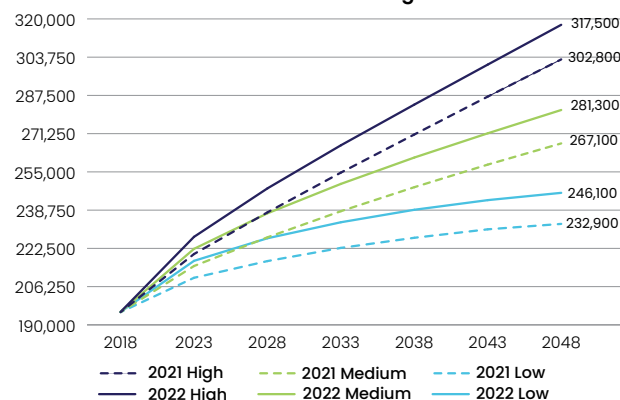
- SmartGrowth HBA Housing Capacity Assessment December 2022, which updates the 2021 assessment for housing demand, development capacity (supply) and sufficiency.
- Business Capacity Assessment prepared by Market Economics, December 2022.

## The growth challenge

Tauranga City and the Western Bay of Plenty have seen a rapid and sustained increase in population, with the sub-region's population expected to increase to 282,900 people in the next 30 years.

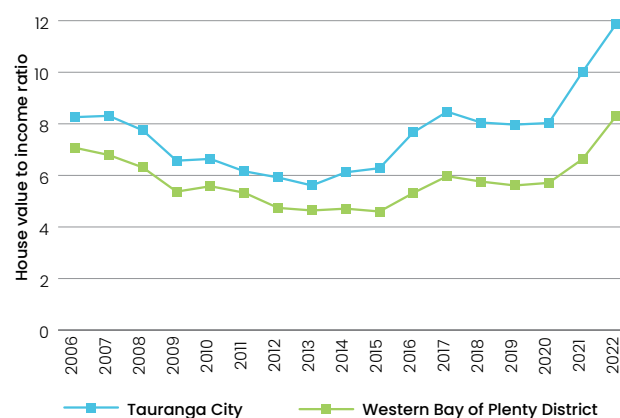
Statistics NZ 2022 projections estimate the population will increase at a faster rate than in 2021. This means more land is needed for housing and employment.

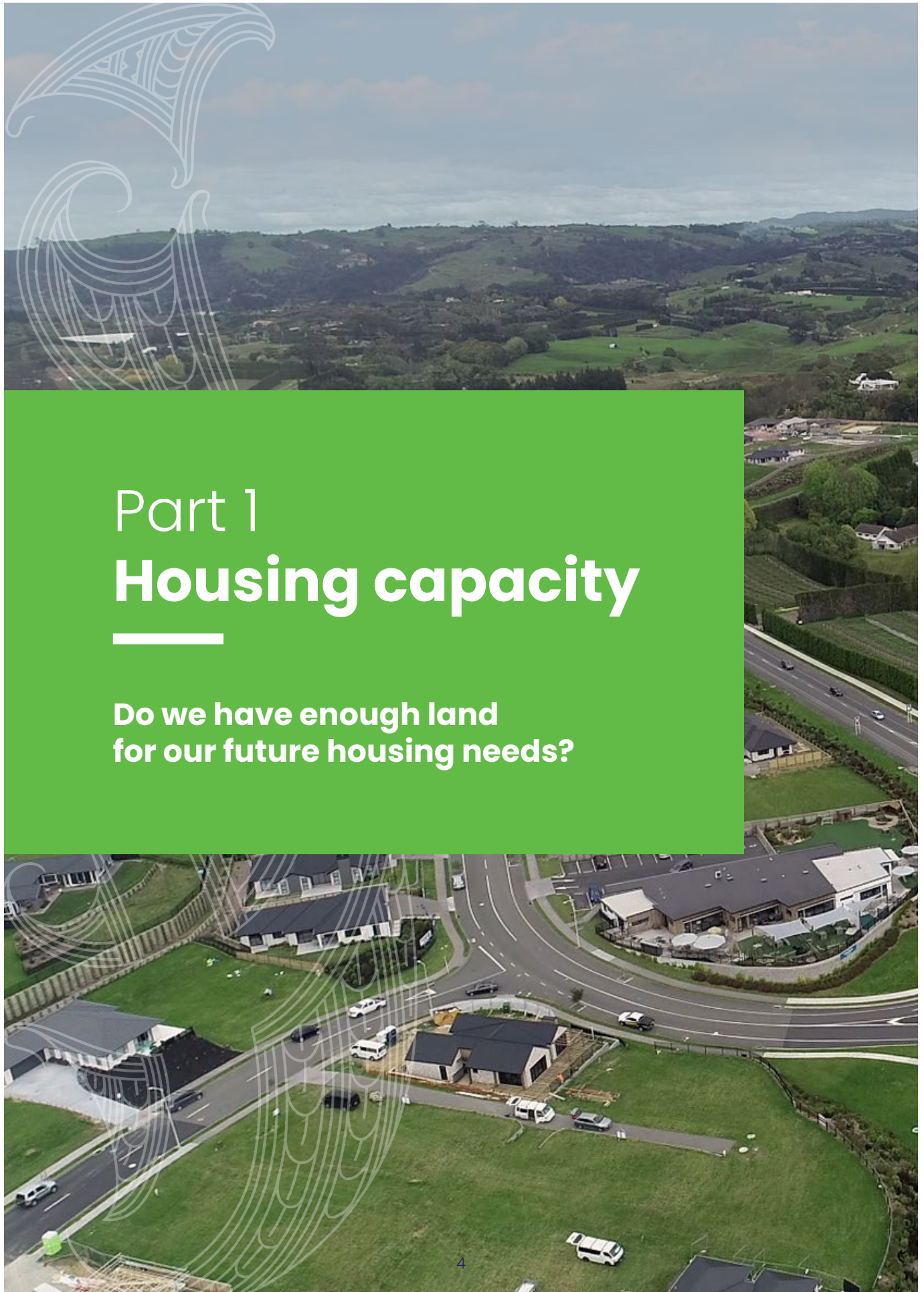
Comparison of Stats NZ 2021 and 2022 Population Projections for Western BOP Subregion



## Housing affordability

The ratio of the average current house value to average household income indicates housing affordability. For Tauranga City and Western Bay of Plenty District this ratio has risen significantly since 2020 – **housing has become increasingly unaffordable for many.**





# Part 1

## Housing capacity

**Do we have enough land  
for our future housing needs?**

## Housing capacity – key Insights

It is estimated that between 37,000 and 43,000 new homes will need to be built over the next 30 years within the western Bay of Plenty subregion to meet housing demand, comprising a mix of detached and attached dwellings. Tauranga City will require another 30,000 to 34,000 new houses and Western Bay of Plenty District another 7,000 to 9,000 new houses for its future population.

Housing demand, supply and sufficiency for the western Bay of Plenty subregion (Tauranga City and the Western Bay of Plenty District) is summarised in the table below, for the short (2022-2025), medium (2025-2032) and longer-term (2032-2052)<sup>1</sup>.

	SHORT TERM	MEDIUM TERM	LONG TERM	TOTAL
<b>Housing Demand</b>	4,630	11,490	20,570	<b>36,690</b>
Housing Demand incl margin	5,550	13,780	23,660	<b>42,990</b>
<b>Housing Supply</b>	<b>SHORT TERM</b>	<b>MEDIUM TERM</b>	<b>LONG TERM</b>	<b>TOTAL</b>
Infill/ Intensification	700	3,000	8,760	<b>12,460</b>
Rural, Lifestyle, Small Settlement	240	230	30	<b>500</b>
Greenfield Urban Growth Area	3,210	7,780	11,860	<b>22,850</b>
<b>TOTAL</b>	<b>4,150</b>	<b>11,010</b>	<b>20,650</b>	<b>35,810</b>
	<b>SHORT TERM</b>	<b>MEDIUM TERM</b>	<b>LONG TERM</b>	<b>TOTAL</b>
Supply-Demand	-480	-480	90	<b>-870</b>
Supply-Demand incl. Margin	-1,400	-2,780	-3,000	<b>-7,180</b>

**A housing insufficiency has been determined for the sub-region** in the short, medium and long term (next 30 years), which reflects the delay in being able to bring to market crucial new development areas due to infrastructure and national policy hurdles.

In order to unlock greenfield opportunities and support the redevelopment and intensification of existing urban areas, significant investment is required in infrastructure.

Housing affordability remains a key issue in the housing market and providing additional land capacity does not remedy this situation.

The provision of housing in the subregion has not kept pace with demand. NZIER have estimated the number of additional houses needed to be built as at 30 June 2022.

### Existing housing shortfalls:

- Tauranga City 4,300–5,300 additional houses needed
- Western Bay of Plenty District 2,500 additional houses needed

An additional 3,400 houses (Tauranga City) and 1,750 houses (Western Bay of Plenty District) have been allocated within the medium and long term projection periods from the estimated existing shortfall in housing in the subregion.

Requirements for Māori housing are included in the overall housing demand numbers for the subregion, however the development of Māori land is not included in the capacity numbers. Development of Mangatawa, Ranginui 12 and other land blocks is expected within the short to medium terms to provide additional housing capacity for tangata whenua and others.

<sup>1</sup> These numbers are based on the likely expected population (Stats NZ medium-high projections October, 2022) which generates overall housing demand. The housing demand numbers include the existing housing shortfalls identified as at July 2022, and the additional 15% and 20% required as the competitiveness margins in the NPS-UD.



## Housing demand

**The housing crisis in New Zealand continues despite increased focus and investment across the housing system.**

Tauranga and the Western Bay of Plenty have been particularly affected, with Tauranga City having the worst housing affordability in the country relative to incomes. As a result, home ownership rates are declining and are projected to drop further in the future. The waiting list for public housing has grown 307% since 2017. There are significant financial pressures on those who are currently priced out of the housing market and are under served by the wider housing system.

The sub-region does not have enough housing to support current and future demand. This is largely due to natural constraints, infrastructure servicing and funding challenges. There are no easy areas in the wider Tauranga area that can be developed. This results in trade-offs that have to be made as well as significant investment required if we are to deliver good housing outcomes. This means that the UFTI Connected Centres strategy, which underpins the SmartGrowth Strategy, has to be delivered in a way that focuses effort in the areas we can develop and making the most efficient use of land in those areas (e.g. through higher densities). A concerted and coordinated effort across the SmartGrowth partnership will be required to deliver on this.

The housing system in the sub-region has, for decades, supplied a limited range of housing options, in terms of affordability, typology and tenure.

There are risks that come with relying on housing intensification to meet future housing needs and challenges in being able to deliver housing intensification, which is reliant on the market to take up plan enabled and infrastructure ready opportunities. Intensification of existing urban areas to provide for housing demand is unlikely to be able to meet affordable housing needs. Consideration needs to be had for those on low incomes.

This lack of choice is forcing increasing numbers of whānau with acute housing needs into short term accommodation, such as emergency housing.

On top of this, public housing supply is currently unable to keep up with demand and limited alternative tenure options exist in the sub-region. Future housing for the sub-region should result in a wider variety of housing options becoming available, including 1-2 bedroom apartments, units and duplexes.



In response to housing needs of the subregion, the SmartGrowth Housing Action Plan (July 2021) brought together the key housing information for Tauranga and the Western Bay of Plenty. The Action Plan identifies gaps, and lays out a clear set of actions to improve the housing system in the sub-region, now and into the future. During the past 18 months further work has been done to implement these actions, including progressing the identified priority development areas. The SmartGrowth Strategy 2023 will set the pathway for future growth planning for the western Bay of Plenty subregion.

Greater demand for housing is making houses cost more to own and rent, placing greater strain on social housing or meaning some people can't afford to live in Tauranga. Housing affordability is key to ensuring we have diverse and connected communities made up of people from all age groups. As at 1 October 2022, the median house price in Tauranga City was \$1,068,000 and for the Western Bay of Plenty District \$990,000. This has seen a drop from the January 2022 peak as the housing market has cooled.

A range of housing demand scenarios have been considered. In accordance with the NPS-UD this report adopts one set of numbers as our current assessment of the most likely demand outcome. However, there is significant uncertainty around demand, especially in the longer term.

As at July 2022, there were 61,550 dwellings in Tauranga City and 24,260 dwellings in the Western Bay of Plenty District. For the chosen scenario, the numbers of dwellings are expected to grow over the next thirty years on average at 1.6% each year, across Tauranga City and 0.8% in Western Bay of Plenty District (2022 to 2052, compounded). While the growth rate is projected to average 1.6% and 0.8% respectively it is forecast to start at a higher rate and fall through the projection periods particularly influenced by an aging population.

Period	Tauranga City	Western Bay of Plenty District	Subregion Total
Short term to 2025	64,990 (+3,400)	25,450 (+1,200)	90,440 (+4,600)
Medium term to 2032	73,050 (+8,100)	28,870 (+3,400)	101,920 (+11,500)
Long term to 2052	90,520 (+17,500)	31,970 (+3,100)	122,490 (+20,600)
Additional dwellings 2022-2052	+29,000	+6,000	+36,700

By 2052, under the current growth scenario the number of dwellings in Tauranga City is expected to be around 47% above current levels and in the Western Bay of Plenty could be up by 25%. Should the assumptions underlying growth change then a greater or lesser housing demand will eventuate, given the significant uncertainties with predicting demand into the future, particularly in the longer-term.

The household outlook for Tauranga City and the Western Bay of Plenty District is summarised in the table below:

Theme/s	Tauranga	Western Bay of Plenty
<b>Household numbers</b>	Household numbers expected to increase with a shift towards smaller households as the population ageing takes place.	Total household numbers expected to continue to increase but slightly lower than Tauranga's figures. Ageing will play an important role in the growth with single and couple households in the aged cohorts growing considerably.
<b>Affordability</b>	The smaller households tend to earn less (and are retired) meaning that there will be implications for affordability. This will be especially acute for households that do not own their accommodation.	Households with income below \$50,000 will increase as a share of all households (to 41%) with clear implications for affordability. A large share of these households will be smaller households. The shift in age structures and affordability will have wider social implications.
<b>Growth</b>	Most of the growth is in lower income households	Growth in the households with the reference person under 65 years will be diverse – with some cohorts expanding and others contracting. The net change is +655 households. The 30–39 years households will drive growth in the under 65 cohort. 71% of this increase is from families with children.
<b>Demographic relative to household typology</b>	Over half of household growth will be in +75 year age cohorts. Households with children will still be a key part of the demand landscape over the medium to long term. This segment will continue to grow in absolute terms but will be less important in percentage terms.	Households with children are an important component of the growth outlook in the Western Bay of Plenty context and the demand generated by these households should not be overlooked due to the pressures associated with other structural shifts.
<b>Typology</b>	More attached houses that are rental properties, reflecting demand from lower income households	More attached houses that are rental properties, reflecting demand from lower income households

## Existing housing shortfall

**Both Tauranga City and the Western Bay of Plenty District have an existing housing shortfall, which has continued to grow since the 2021 HBA assessment (June 2020).**

The 2021 HBA housing sufficiency tables have been rebased from June 2020 to June 2022 meaning that a portion of supply has been taken up by two years of housing development, and development timeframes for new greenfield areas have been pushed further out to align with ongoing challenges facing these projects. Most notably the Te Tumu urban growth area is now expected to commence development from around 2030 as opposed to the previous assumption of 2025.

A base scenario has been applied to the 2022 HBA for Tauranga City. The base scenario assumes that projected growth is accommodated across the balance of existing Greenfield areas (Bethlehem, Pyes Pa West, Pyes Pa, Ohauti, Welcome Bay, Pāpāmoa, and Wairakei), within new Greenfield Urban Growth areas in the medium to longer term (Tauriko West, Te Tumu, Keenan Road and Ohauti South), and within the older established parts of the Tauranga City via infill and intensification development. For infill intensification the proportion of total projected growth is assumed to increase from 25% in the short term (Years 1-3), to 36% in the medium term (Years 4-10), and to 46% in the long term (Years 11-30).

In addition to this forward-looking assessment of the housing shortage, the New Zealand Institute of Economic Research (NZIER)<sup>2</sup> were engaged to assess whether the housing market is currently in equilibrium regarding supply and demand for housing, and if not quantify an existing shortage (or surplus) of housing.

NZIER estimated the current housing shortage in Tauranga City at 2021 to be from 4,267 to 5,295 houses. NZIER estimated the range based on different assumptions applied to various parameters underpinning its estimates.

For the Western Bay of Plenty District, the current housing shortage is estimated by NZIER<sup>3</sup> to be 2,482 houses.

In response to these findings the two local authorities adjusted their dwelling demand projections to include the existing shortfall where and when it could be reasonably expected to be accommodated, with 3,400 and 1,750 additional dwellings allocated respectively within the medium and long term HBA 30-year projection period. The balance has been added to longer term projections post 2052. These adjustments are included in the summary table above and the sufficiency tables for Tauranga City and the Western Bay of Plenty District below.

NZIER estimate the impact of the projected housing shortfall for Tauranga City in terms of increased housing costs, with Tauranga median house prices rising to \$1.612 million and weekly rent rising to \$998 by 2032 over the next ten years.



<sup>2</sup> NZIER - Impact of a housing shortage, an update of the effects on Tauranga City, August 2022

<sup>3</sup> NZIER - Estimating the housing shortfall. A report for Western Bay of Plenty District Council, November 2022



## Development capacity

**The capacity assessment for housing indicates that the short and medium-term development capacity will be insufficient for Tauranga City without including the competitive margins required by the NPS-UD.**

To meet demand in the long term without the NPS-UD competitiveness margins added on, additional greenfield capacity such as Te Tumu and Tauriko West need to be brought online (as per the current SmartGrowth settlement pattern), along with increasing levels of residential intensification in established parts of the City. Similarly, for the Western Bay of Plenty District the current settlement pattern will provide sufficient development capacity in the short and medium terms provided that the Generation 4 growth areas for Ōmokoroa are brought online.

In the long term, the Western Bay of Plenty District will have sufficient capacity, with the continued growth of Ōmokoroa accounting for around 70% of available development capacity. Opening up the Generation 4 areas in Te Puke and Waihi Beach, as already signalled in the Regional Policy Statement, will also ensure that there is sufficient capacity in all four townships to meet demand.

Tauranga City faces a more fluid set of challenges in the long term. In terms of balancing the location of future greenfield urban growth areas, a strategic alignment between the location of housing and employment is desirable. This would suggest that growth in the eastern and western corridors is preferable to the southern corridor – although further growth in the southern corridor may facilitate better provision of business activity and community facilities serving that catchment.

Tauranga also faces a significant challenge in terms of balancing growth in greenfield areas with intensification of the existing urban area. Both UFTI and the SmartGrowth Housing Action Plan sets a strategic direction that seeks to increase the proportion of growth that is accommodated within the existing urban area. The demand profile for housing into the long term paints a challenging picture in terms of providing more smaller homes and improving housing affordability. Different urban form outcomes, including the balance between greenfield growth and intensification, will deliver different benefits in terms of typology, location and price point of housing to serve a rapidly changing demographic profile.

There is a concerted effort underway by the SmartGrowth partnership to enable residential intensification in the subregion through rezoning in response to the Resource Management (Housing Supply and Other Matters) Amendment Act 2021, spatial planning and infrastructure investment. Multi-million dollar programmes of work are underway by councils, Waka Kotahi and others to enable apartment, townhouses, duplexes and other form of intensification within existing urban areas.





## Housing sufficiency

### Tauranga City

For Tauranga City the calculated housing sufficiency has determined a shortfall between demand and capacity in the short to medium term, with projected demand met in the longer term only where the 15% competitiveness margin is not applied. This is based on the realisation of development and timing within development areas, release of additional Greenfield UGA capacity in the medium to longer term, and likely uptake of intensification opportunities. It relies on Proposed Plan Change 33 (Enabling Housing Supply)<sup>4</sup> becoming operative largely in its current form.

	SHORT TERM Year 1-3	MEDIUM TERM Year 4-7	Year 7-10	LONGER TERM Year 11-30	TOTAL
<b>Housing Demand</b>	3,440	4,580	3,490	17,470	<b>28,980</b>
Housing Demand incl margin	4,120	5,500	4,180	20,090	<b>33,890</b>

	SHORT TERM Year 1-3	MEDIUM TERM Year 4-7	Year 7-10	LONGER TERM <sup>5</sup> Year 11-30	TOTAL
<b>Housing Supply</b>					
Infill/ Intensification	680	1,490	1,370	8,430	<b>11,970</b>
Operative Greenfield UGA's	2,030	2,280	1,300	1,330	<b>6,940</b>
Future Greenfield UGA's	0	370	1,130	8,570	<b>10,070</b>
<b>TOTAL</b>	<b>2,710</b>	<b>4,140</b>	<b>3,800</b>	<b>18,330</b>	<b>28,980</b>

	SHORT TERM	MEDIUM TERM		LONG TERM	TOTAL
Supply-Demand	-720	-450	310	870	0
Supply-Demand incl. Margin	-1,410	-1,370	-390	-1,760	-4,920

A slowdown in housing uptake is anticipated out to 2025/26 as a number of operative Greenfield UGA's near capacity. From 2025/26 to 2037/38 higher than projected growth is expected as further Greenfield UGA's are assumed to be released (Te Tumu, Tauriko West, Keenan Road and Ohauiti South areas) and higher levels of residential intensification increasingly realised, enabled and encouraged by Proposed Plan Change 33: Enabling Housing Supply to the Tauranga City Plan and Te Papa, Ōtūmoetai, and Mount Maunganui spatial planning, to provide for pent-up demand. Changes have been made to the Tauranga City 2024-2034 LTP growth projections to account for this assumed housing slow down followed by a period of recovery out to 2038.

<sup>4</sup> Proposed Plan Change 33 supersedes Proposed Plan Change 26 (Housing Choice) which has been withdrawn.

<sup>5</sup> The long term "Housing Supply" for "Future Greenfield Uptake" assumes Ohauiti South, is at capacity and Te Tumu, Keenan Rd, Tauriko West have remaining yield of +1,800, +500 and +300 dwellings respectively at 2052.

## Western Bay of Plenty District

For the Western Bay of Plenty District there is sufficient capacity for the short term. When the competitive margins are taken into account there is a shortfall in the medium and long-terms, starting from 2025 onwards, meaning new areas and their servicing infrastructure need to be brought forward. Some of the Generation 4 areas in Te Puke, Katikati and Waihi Beach are identified but not yet plan-enabled. Proposed Plan Change 92 provides for plan enabled capacity within existing urban and greenfield areas of Te Puke. The additional growth enabled in Te Puke is intended to assist in addressing the projected housing shortfall. A Te Puke Spatial plan will be developed in 2023.

	SHORT TERM	MEDIUM TERM	LONGER TERM	TOTAL
<b>Housing Demand</b>	1,190	3,420	3,100	<b>7,710</b>
Housing Demand incl margin	1,430*	4,100	3,570	<b>9,100</b>

<b>Housing Supply</b>	SHORT TERM	MEDIUM TERM	LONGER TERM	TOTAL
Rural/ Lifestyle/ Small Settlements	240	230	30	<b>500</b>
Greenfield UGA's	1,180	2,710	1,960	<b>5,840</b>
Additional capacity	20	150	330	<b>500</b>
<b>TOTAL</b>	<b>1,440</b>	<b>3,080</b>	<b>2,320</b>	<b>6,840</b>

	SHORT TERM	MEDIUM TERM	LONG TERM	TOTAL
<b>Supply-Demand</b>	250	-340	-780	<b>-870</b>
Supply-Demand incl. Margin	10	-1,020	-1,250	<b>-2,260</b>

Western Bay is strongly influenced by what happens in Tauranga City and planning has been done jointly to identify the urban form and transport network that will be delivered in the sub-region. Both Councils are progressing work that will see an increase in plan enabled, infrastructure ready and feasible land available in the market.

SmartGrowth proposed the development of a new town (referred to as 'the Eastern Centre') in the east of the western Bay of Plenty as part of the long-term plan to respond to growth challenges in the subregion. The Eastern Centre is envisaged as a new, greenfield development of approximately 800 ha that could be home to a future population of up to 40,000 people when fully developed. A business case is to be completed which will include an assessment against the relevant national policy statements and have a focus on affordable housing.

## Housing bottom lines

Housing bottom lines represent the development that Tauranga City Council and Western Bay of Plenty District Council are required to enable through their city/district plans, structure plans, growth and infrastructure strategies. The short-medium and longer-term housing bottom lines reflect the development capacity that is sufficient to meet expected housing demand plus the appropriate competitiveness margin.

The NPS-UD requires that short-medium term housing bottom lines must be the amount of feasible, reasonably expected to be realised development capacity that must be enabled to meet demand, along with the competitiveness margin for the short and medium terms.

Long-term housing bottom lines must be the amount of feasible, reasonably expected to be realised development capacity that must be enabled to meet demand, along with the competitiveness margin.

Geographical Area	Housing bottom lines (additional number of new houses needed)		
	Short-medium term 2022-2032	Long-term 2032-2052	30 Year Total 2022 – 2052
Tauranga City	13,800	21,090	33,890
Western Bay of Plenty District	5,530	3,570	9,100
<b>Total for sub-region</b>	<b>19,330</b>	<b>23,660</b>	<b>42,990</b>

Overall, the housing bottom lines are 4,400 dwellings higher at sub-regional level than the 2021 HBA assessment. Principally, this reflects the higher 2022 rebased population projections and associated housing projection adjustments, together with additional dwellings allocated in the medium to longer term to address existing housing supply shortfalls.





## Part 2

# **Business capacity**

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**Do we have enough land for  
our future business needs?**



## Business capacity – key insights

The subregional demand for business land over the next 30 years (2021–2051) based on current employment densities and assuming business as usual is:

Business Land Demand	Tauranga City	Western Bay of Plenty District	WBOP subregion
Retail and Commercial	140 ha	30 ha	170 ha
Industrial	390 ha	130 ha	520 ha
Total	530 ha	160 ha	690 ha

The demand requirements reflect nett developable areas. An additional 20% needs to be added to reflect the land needed for roads, reserves and infrastructure corridors, in addition to the lot areas to be built upon.

At least **320ha** of new greenfield industrial land is required to meet the demand requirements of employment for Tauranga City, allowing for nett developable area and the required competitive margins.

There is sufficient planned business land in the Western Bay of Plenty District to meet demand. This includes additional land at Rangiuru, Waihi Beach (including Athenree and Bowentown), Te Puke, Te Puna and Katikati. If the envisaged greenfield developments do not manifest within a reasonable timeframe then sufficiency will be under pressure.

The industrial business land demand requirements are not able to be met within Tauranga City, which does not have suitable greenfield or brownfield land available. Sites within the Western Bay of Plenty District will need to be considered and confirmed through the SmartGrowth Strategy Update 2023 to meet the demand from Year 10 onwards for the wider subregion.

The subregion has a latent demand for industrial land. There is no currently available industrial zoned sites in Tauranga. Tauriko Business Estate Stage 3 was sold out in 2020. A lead-in time of 7–10 years is needed to rezone suitable industrial land, provide the necessary infrastructure and make the land available to build and use.

The business land demand requirements are driven by the economic model prepared by Market Economics for SmartGrowth based on employment. The SmartGrowth partnership recognises the need to scale-up these demand requirements to provide sufficient land over the 30 year period and recognise current industrial land availability constraints.

The business land requirements assume no existing industrial land resource is lost as a result of important matters such as reverse sensitivity, climate change or urban regeneration etc. New business land may be required for existing areas that may possibly need to relocate due to sea level rise etc. over the next 50–100 – this is outside the 30 year window of the HBA.

Critically, where business land is located is important for the subregion. Industrial land need is within or close to Tauranga as the subregional hub, and can't easily be found with new business land areas further afield in the wider Western Bay of Plenty subregion. The Rangiuru Business Park and Tauriko Business Estate serve both local and subregional needs, however demand is dependent on location, with coolstores an example of needing to locate in close proximity to horticultural areas and businesses servicing the Auckland and Waikato markets needing to locate in proximity to the key transport corridors to those regions.

## Introduction

**The SmartGrowth area is part of New Zealand's golden triangle, generating a large share of national economic activity. Tauranga City and the Western Bay of Plenty have close economic linkages, but the two areas have their own distinct economic features, opportunities, and growth paths.**

As part of complying with the NPS-UD, the councils are required to assess business land capacity and to ensure that there is sufficient capacity to support and enable economic growth and functioning.

The proximity of the Western Bay of Plenty subregion to upper North Island markets and to the Port of Tauranga for importing and exporting goods makes it attractive to national companies, evidenced by the Winstone Wallboards manufacturing plant being established at Tauriko.

The Business Capacity Assessment (BCA) estimates the quantum of business land that is required to enable and support business activity over the next three decades in the short-term (2021-2014), medium term (2024 to 2031) and Longer-term (2031-2051), and to compare the outlook against available capacity.

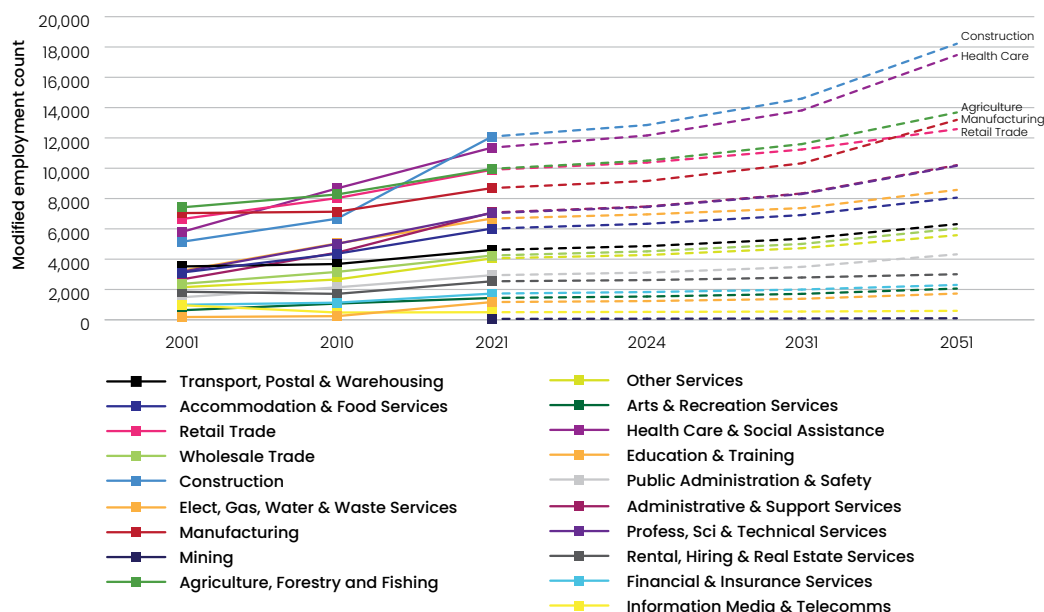
The BCA reflects a 'business as usual' growth outlook and is supported by a sensitivity analysis to illustrate the effects of alternative growth assumptions. Economic growth is reported in terms of Value Added (similar to GDP) and employment and the change in employment is translated into business land requirements. The future land requirements are compared against available land (including vacant) to form a view about sufficiency.



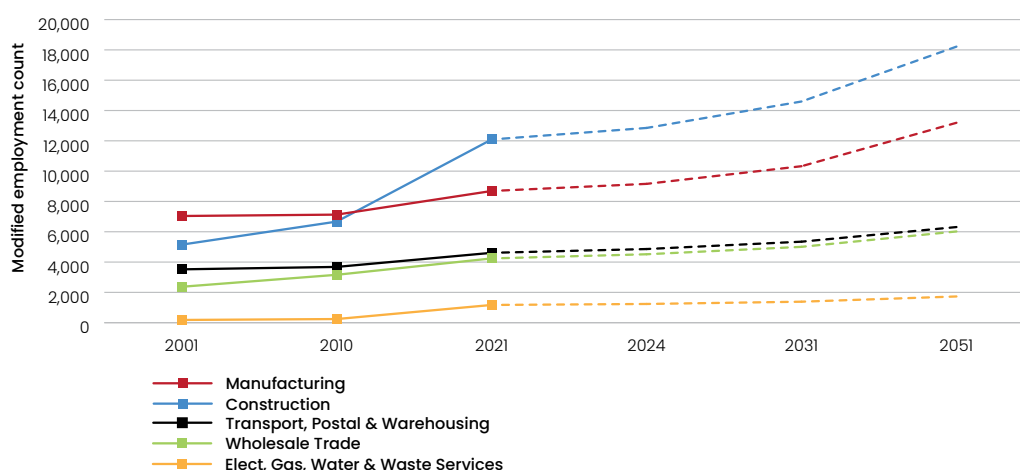
## Economic situation and outlook

Over the medium and longer-term, the Tauranga and Western Bay of Plenty (WBoP) economies are projected to remain on an upward, expansionary growth path with broad-based employment growth. In turn this will support land demand. The economic outlook for the two areas differs, and reflect their respective growth drivers.

Sub-region employment count by industry



Specifically looking at the industry sectors that typically comprise industrial land uses, the Construction sector is linked with development growth, especially housing. A slowdown in development will see a drop-off in the Construction sector employment.



Tauranga City

Under the Business as Usual (BAU) outlook, Tauranga City’s Value Added will grow from \$8.3bn to \$12.3bn by 2051. The growth rate is marginally below that observed in the past few years, reflecting the constraints identified during the engagement process (e.g. infrastructure limitations and labour issues), as well as the exceptionally strong growth over the recent past. Nevertheless, the economic structure is expected to remain broadly constant with a slow, but continued, concentration around existing strengths:

- Manufacturing will capture a larger share of total employment – up from 8.6% to 9.5% of total employment.
- Health care and social assistance will account for an increasing share of employment, moving from 13.2% to 14.0%. This pattern is consistent with a larger population and the underlying ageing dynamics. The city will capture and host a large(r) share of specialist health services required across the sub-region.
- Professional services, and office support services, will continue to grow. Professional services’ share of employment is expected to increase from 12.8% to 13.0%.

Tauranga’s employment will change as follows:

Short-term (3 years)	4,500 MECs <sup>6</sup>
Medium-term (next 7 years)	9,100 MECs
Long-term (next 20 years)	19,700 MECs
<b>Total shift (over 30 years)</b>	<b>33,300 MECs</b>

This underscores the importance of ensuring that there is sufficient land to accommodate future activity and growth.

6 MEC or modified employee count is a measure of employment, and it includes a headcount of employees, as well as working proprietors.

Western Bay of Plenty

The Western Bay of Plenty (WBoP) economy is linked to the Tauranga economy, but the district is also reliant on the key rural sectors. The rural sector has long economic linkages to support services like the packing warehouses, worker accommodation and support services. The district’s economy is estimated at \$2.6bn of Value Added (VA), an increase of 2.6% compounded growth since 2001. The VA is projected to reach \$3.4bn by 2051.

The largest sectors (by employment) are:

- The primary sector (which includes agriculture) with a third (31%) of the district’s employment in this sector. Within agriculture, the two main sub-sectors are horticulture and fruit growing, and services to agriculture.
- Professional services account for 17% of total employment. This share is expected to increase to 19% over the long-term. Twenty seven percent (20%) of employment growth is expected in professional services.
- Construction is the third largest employer, accounting for 11% of local jobs and is expected to increase to 12% over the long-term. Construction is projected to account for 14% of employment change.

These three sectors (agriculture, professional services, and construction) account for 59% of total employment. These three sectors also account for 64% of the total, long-term change. The economic outlook for WBoP suggests that the employment will change as follows:

Short-term (3 years)	1,230 MECs
Medium-term (next 7 years)	2,550 MECs
Long-term (next 20 years)	4,900 MECs
<b>Total shift (over 30 years)</b>	<b>8,680 MECs</b>

The economic outlooks and shifts in the two economies have a direct influence on future demand for labour and land. Industry shifts toward using more technology (e.g. robotics and automation) means that the effective area per employee also changes. This is for the existing industrial and business locations as well as new and growth industries. The outlook portrays a positive economic and employment outlook. Business activity has a spatial dimension, and the growth will need to be accommodated in suitable and appropriate locations.



## Business land demand

In terms of approach, business land demand has been estimated from the expected employment change (by sector) and translated into land area requirements. Two approaches were used to translate these shifts into land area requirements:

<b>Approach 1</b>	Reflects the <b>general land/employment ratios</b> observed around NZ in similar economies.
<b>Approach 2</b>	Reflects the <b>local land/employment ratios</b> estimated for Tauranga and WBoP.

The first approach gives the demand by land-use (e.g. retail, industrial, commercial) and the second approach is used to estimate the requirements on a per-zone basis. The second approach also informed the sufficiency assessment. The two approaches show the potential range of outcomes.

Adjustments were made to the business demand approaches to reflect local nuances, like out of zone activities, local employment densities, redevelopment/intensification opportunities, and allocating employment to appropriate land uses/zones. While the NPS-UD has an urban focus, the rural sectors and smaller towns are included in the assessment to capture the economic linkages and the dispersed nature of WBoP. The demand is aggregated into commercial and retail, as well as industrial. It is summarised in terms of the short, medium, and long-terms periods to highlight the temporal distribution of growth. The table below reports the cumulative totals (demand, over time) for the two approaches.

Area (ha)		Approach 1: General ratios			Approach 2: Local ratios		
	Type	Short-term 2021-2024	Medium-term 2024-2031	Long-term 2031-2051	Short-term 2021-2024	Medium-term 2024-2031	Long-term 2031-2051
Tauranga City	<b>Demand within period</b>						
	Commercial and Retail	20	40	90	20	40	80
	Industrial	60	130	270	50	120	220
	<b>Running total/Cumulative demand</b>						
	Commercial and Retail	20	60	150	20	60	140
Western Bay of Plenty District	Industrial	60	190	460	50	170	390
	<b>Demand within period</b>						
	Commercial and Retail	10	10	10	10	10	20
	Industrial	20	40	70	20	40	70
	<b>Running total/Cumulative demand</b>						
	Commercial and Retail	10	10	30	10	10	30
	Industrial	20	60	130	20	60	130

## Capacity and sufficiency

**Accommodating growth requires sufficient business land, in the right location and of the appropriate configuration.**

Section 3.29 of the NPS-UD requires that the development capacity should be:

- plan enabled,
- infrastructure ready, and
- suitable for each sector.

The assessment considered vacant and redevelopment capacity.

**Redevelopment capacity** is based on the plan enabled capacity and observed/actual development levels in different locations. Redevelopment capacity is assumed to be useable for commercial developments because it reflects greater intensification in locations like the CBDs. However, considering the already high densities in industrial locations suggests that using redevelopment capacity to accommodate industrial growth is unrealistic. It is important therefore that the market has readily available greenfield industrial land to utilise.

**Vacant capacity** is based on the 2021 Development Trends report of the two councils which includes current and future vacant capacity (greenfield/future capacity estimates).

The sufficiency outlooks for Tauranga and the Western Bay of Plenty District are summarised in the tables below that reports the nett position (demand less capacity) and include the competitiveness margins required by the NPS-UD. A negative value suggests a shortfall/deficit in capacity.

### Tauranga City – sufficiency assessment

While a surplus of industrial land is indicated in the short-term for Tauranga City, this is not the case. The sufficiency numbers reflect the land available to build on of which there is still a reasonable amount in Tauriko and some in other locations, however there is no available zoned and infrastructure ready industrial land to purchase for industrial use. In other words, existing demand is not able to be met currently.

Tauranga Sufficiency based on vacant land <i>Including competitiveness margin</i>		Surplus/deficit Range (ha)	
		Local Densities	General Densities
<b>Short-term</b>	Commercial and retail	10	10
	Industrial	70	70
<b>Medium-term</b>	Commercial and retail	-20	-20
	Industrial	10	-10
<b>Long-term</b>	Commercial and retail	-60	-60
	Industrial	-220	-270

Tauranga will face land capacity constraints on business land over the medium-term and longer-term with the competitiveness margin included and if higher densities are applied. Industrial land markets are likely to experience greater pressures over the next ten years, becoming more acute over the longer-term period (2031-2051). This is consistent with anecdotal evidence and messaging during the BCA engagement process that highlighted the stretched industrial land situation, and that it is expected to come under more pressure over the short-term.

**Industrial land shortfalls:**

- Including the competitiveness margin:
  - 220ha and 270ha with the range reflecting local employment densities (low value) and applying the densities seen in other locations (high value). The values include the surplus/deficit position over the medium and long-terms.
- Excluding the competitiveness margin:
  - 160ha and 200ha with the range reflecting local employment densities (low value) and applying the densities seen in other locations (high value).

For commercial and retail, intensification options are available, and growth can be accommodated by using plan enabled capacity and redevelopment options. The existing centres hierarchy is expected to see growth in retail across the different centres. Importantly, a portion of the growth is expected to be at the edge of existing centres as they grow beyond their current zones. Some vertical development to accommodate non-retail activities is also expected.

Adopting the general employment densities and including a further 20% to the nett industrial land capacity requirements (53.4 ha), identifies that at least **320ha of new greenfield industrial land is required** to meet the demand requirements of employment for Tauranga City. This assumes redevelopment and use of vacant land that may not be available to the market and does not allow for the relocation of current industrial zoned areas, which may be at risk from the effects of climate change or incompatible land uses activities.

**Western Bay of Plenty District – sufficiency assessment**

The availability of large greenfield development areas, specifically the Rangioru Business Park in the Western Bay of Plenty District, supports sufficiency over all periods. The table below shows the nett position (sufficiency) over time, using both local and general employment densities.

WBoP Sufficiency based on vacant land		Surplus/deficit Range (ha)	
		Local Densities	General Densities
<i>Including competitiveness margin</i>			
<b>Short-term</b>	Commercial and retail	10	10
	Industrial	90	90
<b>Medium-term</b>	Commercial and retail	150	150
	Industrial	110	120
<b>Long-term</b>	Commercial and retail	140	140
	Industrial	240	250

There is enough capacity to cater for industrial and commercial/retail growth and the existing redevelopment capacity is not required to accommodate growth. The anticipated future capacity (greenfields) is the core driver of sufficiency. This includes additional land at Rangioru, Waihi Beach (including Athenree and Bowentown), Te Puke, Te Puna and Katikati. If the envisaged greenfield developments do not manifest within a reasonable timeframe then sufficiency will be under pressure. The spatial distribution of industrial capacity is towards the east, around Rangioru with this area making up the largest portion of the future capacity. This long-signalled development is approaching delivery and will provide significant development capacity for industrial activities, including agricultural and horticultural servicing industries.

## Sensitivity analysis

A sensitivity analysis was completed to reflect different economic growth scenarios e.g. an economic slowdown as well as a higher growth pathway. Under an economic slowdown lasting 2-3 years, the overall demand levels will drop away. However, in Tauranga, a deficit will still be felt for industrial land over the medium to longer-term. A slowdown will also act as a relief valve in the medium-term. The scenarios (sensitivity) that reflect higher growth, or better performance by some sectors will however lift the identified deficit.

Importantly, if the deficit is not addressed, then the pressure on industrial land will undermine local growth effects, and the economy will not achieve its potential. The WBoP was included in the sensitivity analysis, but the overall sufficiency levels were not affected by the different scenarios.

## Business sufficiency

### Tauranga City

The main observations about the Tauranga business land sufficiency situation are:

- For the commercial zones, the overall availability of commercial and retail land is insufficient over the short, medium and longer-terms to cater for the growth if only vacant capacity is considered. However, if the plan enabled capacity and the ability to intensify commercial areas are factored in, then sufficient capacity is available. Importantly, the redevelopment capacity is considerable, and in the commercial areas, the ability to accommodate growth through redevelopment (in commercial zones) is seen as an appropriate way to develop because these activities (office-types) generally benefit from being located together.
- For industrial zones, Tauranga City has on paper sufficient capacity to accommodate employment growth over the short-term. Pressures are likely to emerge for medium-term developments with constrained capacity and this will become more acute as industrial growth consumes available land. Established industrial areas at Mount Maunganui, Judea and Oropi, are already at (or near) capacity with limited vacant capacity.
- The analysis highlights the overall demand for industrial land, and the current role of the Tauriko Business Estate in supporting growth. However, the anticipated growth suggests that even if city-wide growth is accommodated through Tauriko, a deficit arises over the long-term.

### Western Bay of Plenty District

The main observations about the business land capacity in the WBoP are:

- The capacity is sufficient to support the growth over the short and medium-term, and the additional capacity will assist in accommodating future growth. While there is redevelopment capacity this will not be needed to accommodate growth.
- The development of Rangiuru is key to supporting the sufficiency.
- The future capacity that will be added is the core determinant of sufficiency. This includes the land at Rangiuru, Waihi Beach, Te Puke, Te Puna and Katikati. If the envisaged capacity does not manifest within a reasonable timeframe (relative to the growth profile), then sufficiency will be under pressure. Excluding the four commercial areas mentioned above will reduce the surplus capacity (long-term) to 2ha. This is low enough to fall into a deficit (-7ha) if the competitiveness margins are included.

- The spatial distribution of industrial capacity is towards the east, around Rangiuru. This long-signalled development is approaching the delivery timeframes. Notwithstanding its location and potential issues around distance from key production locations and access to labour, the area will provide development capacity for industrial and agri-processing activities. At a finer spatial scale, future demand for, and development trends around the western parts of the district (e.g. Katikati) will need to be monitored to ensure that there is sufficient development capacity at the local level.

## Business capacity conclusion

- There is sufficient business land capacity to exceed the requirements at the territorial authority-wide level over the short and medium-terms across the subregion. However, there are pressures in the industrial land market with the market readiness of some options being limited by transport investment that are yet to occur. For Tauranga City, the long-term is likely to see further pressures and constraints emerge for the industrial market. In the Western Bay of Plenty District, the capacity assessment suggests that there is sufficient vacant capacity to accommodate growth. The role of Rangiuru in accommodating growth is important, but the locational considerations are highlighted, and the distance of this area could undermine its relative competitiveness compared to other sub-regional locations.
- The role of supporting infrastructure (especially transport) in facilitating the timely release of industrial land to the market is critical. Stakeholder engagement identified this as a key binding constraint that is slowing down the market at present with available greenfield industrial land being either very limited or non-existent.
- For Tauranga City business land capacity is reliant on the planned extension to the Tauriko Business Estate (Stage 4), which needs to be rezoned and requires significant infrastructure investment, primarily transport investment by Waka Kotahi. While the HBA has assumed this capacity will come on-stream in the medium-term there are significant risks around the timing and delivery of the required transport infrastructure.
- The sufficiency analysis highlights future capacity issues in Tauranga, but sufficient capacity in WBoP. While the two economies are related and linked, they have unique drivers and components. It is unrealistic to expect the deficit identified in Tauranga to be accommodated in existing zoned WBoP industrial areas (specifically Rangiuru). The Rangiuru Business Park is being set-up and established to accommodate agri-tech and associated logistics businesses that focus on servicing the local rural sector, this includes allowing for wet industries related to processing agricultural goods. This focus limits the type of businesses that can be accommodated and precludes large parts of the Tauranga City industrial growth requirements.
- Location is important because it reflects the relative overall costs of doing business. Costs include all inputs, the cost of transporting inputs to the business, the cost of accessing labour and the cost of transporting final goods to clients and customers. In addition to these direct costs, locations have other costs (and benefits) such as agglomeration effects (e.g. congestion and productivity gains from proximity).
- The industrial sector in Tauranga is considerably larger than that in WBoP, reflecting historic investment decisions. The local industrial users interact with other industries within Tauranga, WBoP and the rest of NZ. These transactions include both purchasing inputs and selling outputs, enabling a range of goods to be manufactured. In both Tauranga and WBoP, large shares of inputs and outputs are sourced from other, local businesses.





## Our planning response – key insights

Growth in western Bay of Plenty subregion will continue – we need to plan for the housing and employment needs of our future population

To ensure we build enough houses and provide enough business land for future growth over the next 30 years, the SmartGrowth partners are proactively responding to rezone land in the right locations, provide the necessary infrastructure to support growth and enabling development within existing urban areas.

The allocation of growth through the HBA 2022 and SmartGrowth Strategy Update 2023 will support the UFTI Connected Centres Programme agreed with Government in 2020.

The uncertainty of the market to be able to deliver affordable housing will continue to be a challenge with the rising cost and availability of land, increased cost of construction materials and being able to bring different and cheaper housing typologies within the sub-region.

Within Tauranga City there is an urgent need to bring on-line Te Tumu and Tauriko West growth areas and enable intensification opportunities. The short to medium term housing deficit will be remedied after 2028 but only if current barriers and constraints to enabling development are overcome now.

Within the Western Bay of Plenty District there is an urgent need to investigate future growth areas in Te Puke and the Eastern Corridor to assist in addressing the identified medium and longer-term shortfall that will arise from 2025 onwards. This will also assist to address local affordable housing needs and a shortage of horticultural/seasonal worker accommodation.

The plan changes notified in August 2022 by Tauranga City Council (Plan Change 33) and Western Bay of Plenty District Council (Plan Change 92) will enable more housing in existing urban areas.

Spatial planning at the subregional level through the SmartGrowth Strategy Update 2023, and local spatial plans being implemented – Te Papa Spatial Plan (2020), Ōtūmoetai Spatial Plan (2021), as well as other spatial planning projects being progressed for the Mount Maunganui to Arataki and Te Puke areas in 2023 and beyond, will help confirm our future urban form and meet the needs of our communities.

Kāinga Ora and local agencies such as Accessible Properties and Māori housing trusts are providing more new housing stock across the western Bay of Plenty subregion to meet social housing and Māori housing needs.

The identification of suitable future industrial land is being considered through the SmartGrowth Industrial Land Study, which will be a key input to the future urban form of the subregion through the SmartGrowth Strategy Update 2023.

## Summary

### The NPS-UD outlines specific requirements and wider assessment of the causes of insufficient capacity.

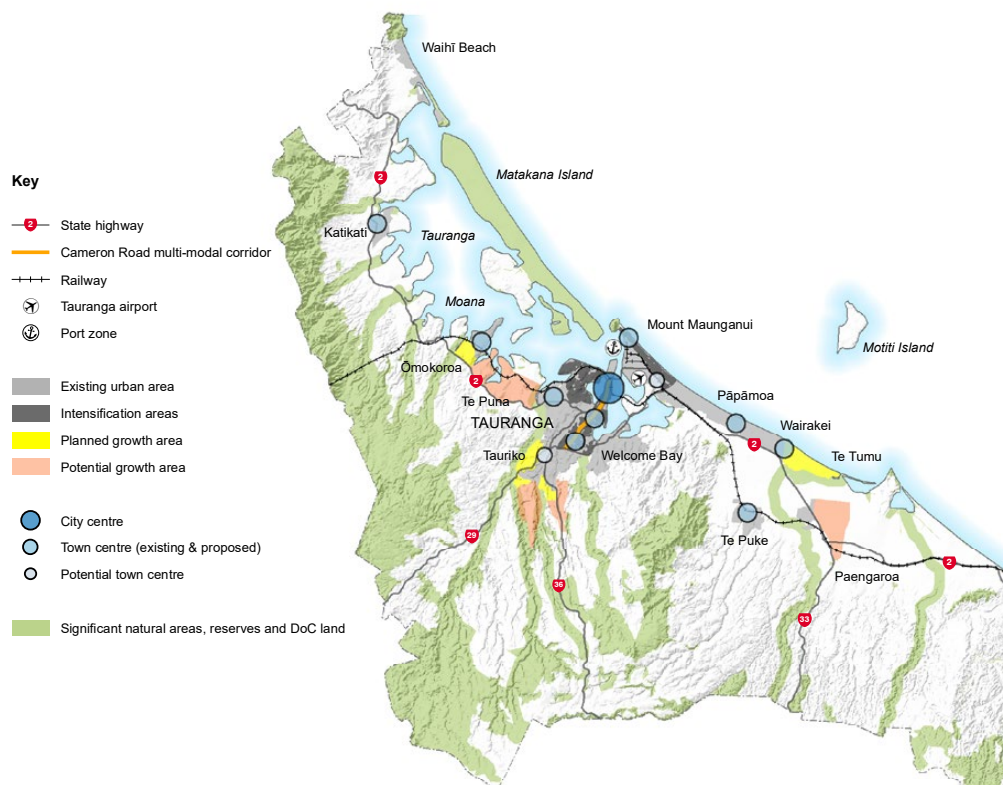
Clause 3.27 (3) for housing capacity and clause 3.30 (3) for business capacity state that if there is any insufficiency, the HBA must identify where and when this will occur and analyse the extent to which RMA planning documents, a lack of development infrastructure, or both, cause or contribute to the insufficiency.

For the identified housing insufficiency, the lack of development infrastructure is the principal reason why there is an insufficiency in the short and medium terms (Years 0-6) for the subregion. Put simply, key growth areas such as Te Tumu and Tauriko West cannot be made available to the market to build new homes until the necessary infrastructure is available.

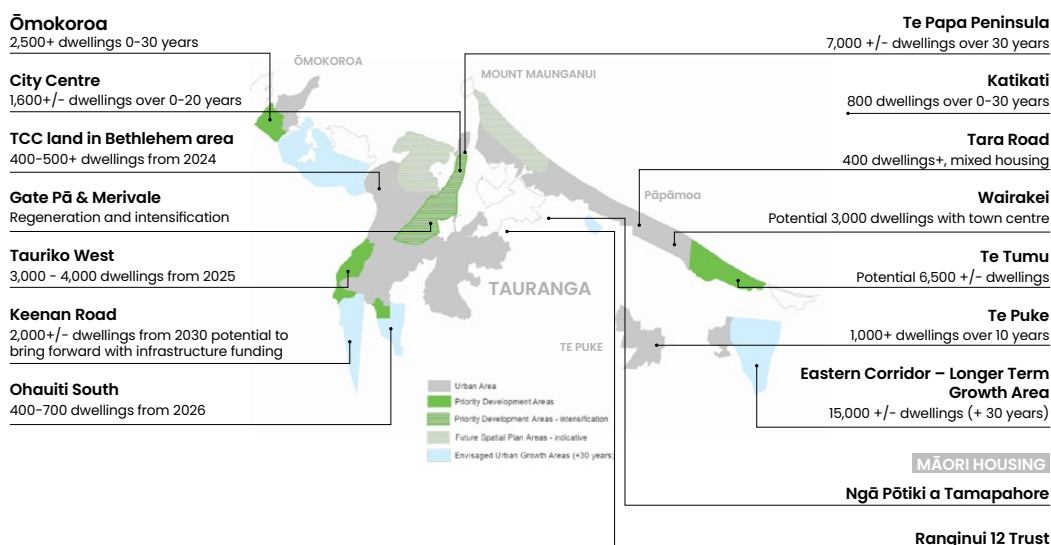
An existing housing shortfall in both the Tauranga City and Western Bay of Plenty Districts exacerbates this insufficiency. Proposed Plan Changes 33 and 92 respectively provide an immediate opportunity for the market to provide for residential intensification in existing residential zoned area of the Tauranga urban environment.

Challenges around the delivery of infrastructure were highlighted during the engagement process with stakeholders, as core constraints and causing delays. It is unrealistic to consider that changing the planning provisions would enable an intensified use of industrial land because industrial activities tend to have reasonably fixed land requirements. For the industrial land situation in Tauranga, the analysis suggests that the future deficit is due to the unavailability of zoned land. Infrastructure capacity will need to be provided as part of zoning additional land for development.

The area of planned and potential growth to meet demand for housing and business land is shown in the map below (Map 1, [Draft SmartGrowth Joint Spatial Plan, December 2021](#))



The map below shows where development is underway or planned to realise the required development capacity for the western Bay of Plenty sub-region.

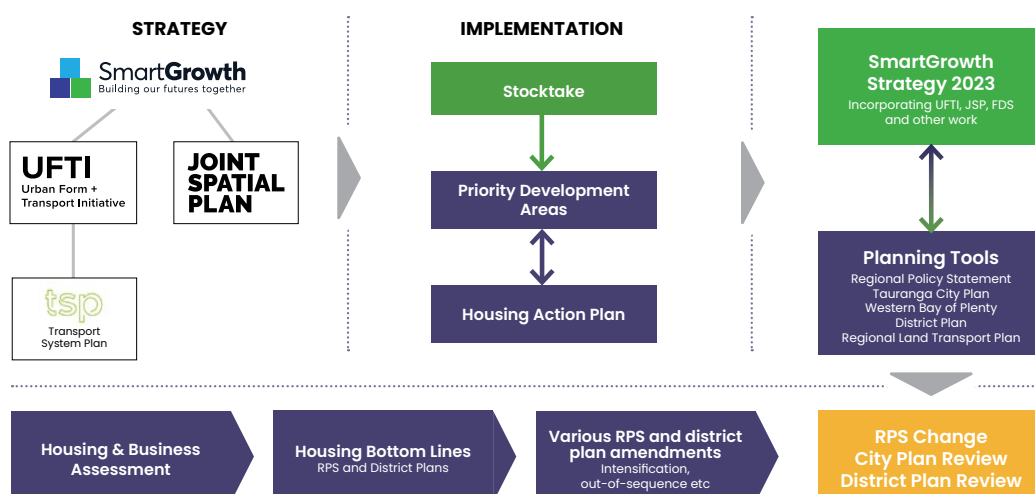


In July 2021, the SmartGrowth Housing Action Plan for the subregion was adopted by the SmartGrowth partnership of local government, tangata whenua and central government. The Housing Action Plan records that there will be a shortfall should new planned growth areas, such as Tauriko and Te Tumu not proceed, or uptake of intensification with existing areas of Tauranga City, including Te Papa, is delayed.

The provision of Māori housing will be important to address the existing housing shortage and provide housing capacity on tangata whenua land.

A Future Development Strategy in the form of a spatial plan (to be known as the SmartGrowth Strategy 2023) for the western Bay of Plenty subregion is being prepared. The strategy will ensure that growth is provided for in appropriate locations to meet existing and future community needs, including Māori. A Tangata Whenua Spatial Plan will consider Te Ao Māori and is being prepared with iwi and hapū input as a key document for the updated SmartGrowth Strategy 2023.

### HBA Strategic Relationship Diagram





306 Cameron Road  
Tauranga

[www.smartgrowthbop.org.nz](http://www.smartgrowthbop.org.nz)

### 9.3 SUBMISSION TO THE REVIEW OF THE RESOURCE MANAGEMENT ACT (INFRINGEMENT OFFENCES) REGULATIONS 1991

File Number: A5288980

Author: Charlotte McGirr, Policy Analyst

Authoriser: Rachael Davie, General Manager Strategy and Community

#### EXECUTIVE SUMMARY

1. For the information of the Strategy and Policy Committee, this report presents the submission made by the Western Bay of Plenty District Council on the following matter:
  - (a) Review of the Resource Management Act (Infringement Offences) Regulations 1991.

#### RECOMMENDATION

1. That the Policy Analyst's report dated 25 May 2023 titled 'Submission to the Review of the Resource Management Act (Infringement Offences) Regulations 1991' be received.
2. That the following submission, shown as **Attachment 1** to this report, be received and the information noted.
  - a. Submission on the Review of the Resource Management Act (Infringement Offences) Regulations, dated 31 March 2023.

#### ATTACHMENTS

1. **Western Bay of Plenty District Council Submission - Review of the Resource Management (Infringement Offences) Regulations**  



Western Bay of Plenty District Council  
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E [info@westernbay.govt.nz](mailto:info@westernbay.govt.nz)  
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31 March 2023

Review of the Resource Management Infringement Offences Regulations  
Policy Implementation and Delivery Division  
Ministry for the Environment  
PO Box 10362  
Wellington 6143  
Email: [rmior.consultation@mfe.govt.nz](mailto:rmior.consultation@mfe.govt.nz)

Name: James Denyer  
Organisation: Western Bay of Plenty District Council  
Postal Address: Private Bag 12803, TAURANGA 3143  
Daytime telephone: 0800 926 732  
Email address: [charlotte.mcgirr@westernbay.govt.nz](mailto:charlotte.mcgirr@westernbay.govt.nz)

**Western Bay of Plenty District Council Submission on the Resource Management (Infringement Offences) Regulations Review**

Western Bay of Plenty District Council appreciates the opportunity to provide feedback on the review of the Resource Management (Infringement Offences) Regulations.

Council has typically only issued infringement notices for either non-compliance of an abatement notice or contravention of an excessive noise direction. Our experience of repeated offending under both categories indicates that the current cost of the infringement notice is not having the desired effect.

We support option two of the proposed options as we believe that the benefits of proportionally increasing fines will aid in promoting higher compliance.

This would increase the infringement notice cost for contravention of an abatement notice from \$750 to \$2000 for an individual and \$4000 for a business, and increase the cost for contravention of an excessive noise direction under section 327 from \$500 to \$1000 for an individual and \$2000 for a business.

There is some perception from businesses and individuals that the current fines are merely the cost of conducting a non-complying activity, rather than a



deterrent from doing so. We agree that the fines need to be large enough to be meaningful to the individual or business receiving them to encourage a reconsideration in their practice.

Further to this, we agree with the rationale that increasing the fines ensures the cost of delivering compliance services is covered more by those committing an offence rather than ratepayers.

We are more than happy to discuss any matters for clarification or to expand further.

Yours sincerely,



James Denyer

**Mayor**

Western Bay of Plenty District Council

#### 9.4 SUBMISSION ON “CHARGING OUR FUTURE: A DRAFT LONG-TERM ELECTRIC VEHICLE CHARGING STRATEGY FOR AOTEAROA NEW ZEALAND.”

File Number: A5358494

Author: Ariell King, Strategic Advisor: Legislative Reform and Special Projects

Authoriser: Rachael Davie, General Manager Strategy and Community

##### EXECUTIVE SUMMARY

1. For the information of the Strategy and Policy Committee, this report presents a submission made by the Western Bay of Plenty District Council on the following matter:
  - (a) Submission on the Ministry of Transport/Ministry of Business, Innovation and Employment strategy – “Charging our Future: a draft long-term electric vehicle charging strategy for Aotearoa New Zealand.”

##### RECOMMENDATION

1. That the Strategic Advisor: Legislative Reform and Special Projects report dated 25 May 2023 titled ‘Submission on “Charging our Future: a draft long-term electric vehicle charging strategy for Aotearoa New Zealand” be received.
2. That the submission, shown as **Attachment 1** to this report, be received and the information is noted.

##### ATTACHMENTS

1. **Submission on Ministry of Transport and Ministry of Business, Innovation and Employment Electric Vehicle Charging Strategy**  



Western Bay of Plenty District Council  
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10/05/2023

Feedback provided via <https://consult.transport.govt.nz/policy/charging-our-future/consultation>

Dear Sir/Madam

**Feedback on “Charging our Future: a draft long-term electric vehicle charging strategy for Aotearoa New Zealand.”**

Thank you for the opportunity to provide feedback on “Charging our Future: a draft long-term electric vehicle charging strategy for Aotearoa New Zealand.”

Western Bay of Plenty District Council (WBOPDC) generally supports the draft strategy, including the draft vision, the five proposed outcomes and the key focus areas.

Our district has a number of communities e.g., Katikati and Paengaroa, and destinations e.g., Waihi Beach, that will benefit from a strategic and coordinated approach to electric vehicle charging. We also recognise the benefits from removing barriers to support an increase in private and public residential charging stations.

We note that Focus Area 4a looks to ‘*maximise the opportunity for a market-led rollout to support our vision for our national charging network*’. We support this approach and support the continued co-investment by EECA in the public charging network. We also support funding and subsidies to provide for public charging stations and onsite home-based solutions.

We are happy to work with EECA to identify suitable locations across our district. This may include community facilities on public land where the required infrastructure is, or can be, provided. We note that there may be some challenges with infrastructure provision, including the requirements for new transmission lines and substations. We support the development of this infrastructure assuming that it meets the required planning standards and the requirements set out in the WBOPDC District Plan.

We generally support the proposed targets. We seek clarification as to whether 'public charging facilities' mean commercial. Our support for the proposed target for communities of 2000 or more to have a public charging station at a municipal or community facility by 2025 is subject to funding support for installation.

We note that Te Manatu Waka is developing a Freight and Supply Chain Strategy. This strategy can be informed by the [SmartGrowth](#) work to date in terms of transport links and connected centres. The SmartGrowth partners (Bay of Plenty Regional Council, Tauranga City Council, Western Bay of Plenty District Council, tāngata whenua and central government) engage with groups, businesses, and organisations to help build a framework for future planning and growth.

WBOPDC are also in the early stages of developing a Transport Strategy. It would be useful if Te Manatu Waka could collaborate with councils when developing this strategy to create aligned and integrated outcomes and actions.

We would like to provide specific support for the following actions and encourage further engagement and discussion with local government. Focus areas 2b and 3a require funding and support for Council as there is currently no funding set aside to fund public charging stations. We would also encourage the provision of guidance on leases on roads (in Focus area 3c) to be progressed as soon as possible.

*Focus area 1a*

- *Publish detailed electricity network capacity data so public and private infrastructure planners can see where constraints are to encourage efficient investment.*

*Focus area 2a*

- *Partner with iwi and hapu to identify needs and possible solutions for EV charging on marae.*
- *Ensure policies and interventions target an equitable transition to meet the specific needs of communities. This may mean targeted government investment or intervention where gaps are identified in market provision.*

*Focus area 2b*

- *Implement a consistent, practical planning and approval process for new EV chargers across Councils.*

- *Provide additional government support (financial or otherwise) to assist the planning and installation of public charging infrastructure that specifically meets the needs of rural communities.*
- *Investigate the role of stationary battery storage and other charging innovations for rural locations.*

*Focus area 3a*

- *Support local authorities to implement the required public charging infrastructure.*
- *Develop systems and support networks to share best-practice between local authorities, industry, and central government to ensure guidance and regulations are feasible and proportionate.*

*Focus area 3c*

- *Explore the costs and benefits of introducing charging infrastructure requirements for new developments.*
- *Investigate potential changes to planning strategies (for local and regional councils e.g., minimum numbers of EV parking bays in certain locations).*
- *Provide guidance material for local councils, landowners, and developers (e.g., in regard to 'licences to occupy' granted to charging providers to place charging on council land).*

*Focus area 4a*

- *Work with investors, charge point network operators and providers, and other key parties to support investment in public chargepoints.*
- *Enable data access and sharing where appropriate and needed to accelerate commercial investment.*
- *Ensure public funds are targeted at areas where commercial investment is unable to fully deliver.*

Yours faithfully



James Denyer

**Mayor**

Western Bay of Plenty District Council

## 9.5 WESTERN BAY OF PLENTY DISTRICT COUNCIL SUBMISSION TO THE OCCUPATIONAL REGULATION REFORMS IN THE BUILDING AND CONSTRUCTION SECTOR

**File Number:** A5324953

**Author:** Monique Va'ai Matatia, Senior Environmental Planner

**Authoriser:** Rachael Davie, General Manager Strategy and Community

### EXECUTIVE SUMMARY

1. In February 2023, the Ministry for Business, Innovation and Employment released a Consultation Document regarding occupational regulation reforms in the building and construction sector.

### RECOMMENDATION

1. That the Senior Environmental Planner's report dated 25 May 2023, titled 'Western Bay of Plenty District Council Submission to the Occupational Regulation Reforms in the Building and Construction Sector' be received.
2. That the attached submission (**Attachment 1**) be received and the information noted.

### BACKGROUND

2. MBIE is progressing a series of changes to the wider building control system called the Building Systems Reforms. Occupational regulation aims to protect the public from harm by ensuring services are performed with reasonable care and skill. Occupational regulation is the primary tool used to manage practitioners in the building sector and make sure they are capable and operating safely.
3. Our submission as Council relates primarily to the role of Council as a Building Consent Authority. We took this opportunity to highlight concerns and significant issues that our staff work through daily.
4. The Consultation Document sought feedback on some proposed reforms and covered primarily three main topics/issues:
  - (a) *Licensed Building Practitioners Regime (LBP)*: Proposals for change: key issues raised here related to the competency of some LBPs to undertake supervision work; as well as the creation of additional license class(es) to factor in other specialist trades such as stonemasonry, waterproofing and specialist installers.
  - (b) *Electrical Workers, Plumbers, Gasfitters and Drainlayers*: Scope for potential Code of Ethics; this point raised whether there should be a Code of Ethics for these trades to lift the standard of conduct for these trades and increase public protection.



- (c) *Review of Registered Architects Act 2005*: what MBIE sought feedback on here is whether this Act is still fit for purpose by asking questions around competency, including whether there is a difference between work done by a registered architect and other design professionals.
- 5. A key part of our submission as a Building Consent Authority was to highlight design defects that occur due to a lack of understanding of the Building Code by some architects and design professionals. This results in designs being more high risk/noncompliant for the public, and more Requests for Information (RFIs).
- 6. There may be opportunity for our Council to be heard by MBIE on our submission.

## ATTACHMENTS

1. **Occupational Reforms in Building Sector – Western Bay of Plenty District Council Submissions**  



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5<sup>th</sup> April 2023

Occupational Regulations Reforms  
Building System Performance  
Ministry of Business, Innovation and Employment  
By email: [building@mbie.govt.nz](mailto:building@mbie.govt.nz)

Name: Mayor Denyer  
Organisation: Western Bay of Plenty District Council  
Postal Address: Private Bag 12803, TAURANGA 3143  
Daytime telephone: 0800 926 732  
Email address: [monique.matatia@westernbay.govt.nz](mailto:monique.matatia@westernbay.govt.nz)

### **Western Bay of Plenty District Council submission to the Occupational Regulation reforms in the Building and Construction Sector**

We appreciate the opportunity to provide feedback to the Occupational regulation reforms in the Building and Construction Sector ('Reforms').

The Western Bay of Plenty District Council is a territorial authority covering approximately 195,000 hectares of coastal, rural and urban areas with a population of about 57,400. The Western Bay of Plenty District is a fast growing district and is classified as a Tier 1 Council in terms of the National Policy Statement on Urban Development. Through the imminent changes driven by the Medium Density Residential Standards we expect an increase in building consent numbers with varying complexities.

In the year to May 2022, we processed 498 building consents, making us the 16<sup>th</sup> highest territorial authority to process building consents out of the 67 building consent authorities. As a local government agency, we play a key role in implementing the building regulatory system and thus welcome the opportunity to give feedback on the said Reforms.

The proposed Reforms covered three main topics/issues which we summarily discuss below an overview of our feedback. Our submission also includes responses to the questions raised in the Consultation Document for Occupational regulation reforms in the building and construction sector February 2023.

### **Licensed Building Practitioner's Regime (LBP): Proposals for change**

We agree with the proposal that a supervision endorsement is needed for LBPs and that this can be obtained through competency assessments, and that an LBP need not hold a recognised qualification to try and obtain endorsement. We agree that a

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supervision endorsement ensures that LBPs who do the relevant supervision work are skilled and competent in the relevant area, and adds a layer of public confidence in the supervision works.

We welcome the proposed changes regarding stonemasonry, internal waterproofing, and specialist installers. The proposal for the creation of a new licence class for internal waterproofing recognises the high-risk nature of internal waterproofing particularly its potential to cause building defects and high costs to fix internal waterproofing issues. Given the changing nature of building and the number of trades (such as tilers, vinyl layers and window installers) that are now specialist in their role to a building project, we support the creation of a 'Specialist Installer' licence. We believe that having a recognised qualification is an important future consideration, but should not delay the implementation of the regime. Furthermore, that the changes to the licencing regime does not affect our work as a Building Consent Authority.

#### **Electrical Workers and Plumbers, Gasfitters and Drainlayers: Scope for potential Code of Ethics**

We strongly support the proposal for the introduction of Codes of Ethics for plumbers, gasfitters and drainlayers. We believe that such a Code of Ethics would help in raising the standard of professional conduct for these trades and all trades across the building and construction sector.

As the implementing arm of the Building Regulatory regime, our staff are frontline in dealing with tradespeople and have often been the subject of abusive language and behaviour. Through site visits or in dealing with tradespeople and/or customers, there can often be abusive and derogatory language used frequently towards our staff and sometimes at other tradespeople. A Code of Ethics for these trades is timely, and we agree that professional standards should be consistent across the building and construction sector. A Code of Ethics should lift the standards of professional standards and conduct, and provide a reference point for complaints against poor and unprofessional behaviour.

#### **Review of Registered Architects Act 2005**

The key areas for feedback regarding this topic related to the difference between architects and other design professionals in terms of design work. In our building consent work, we are coming across more and more design work by architects that do not comply with the Building Code. This is a key concern for us as there may be design errors, or designs generally that are non-compliant with the Building Code which are being completely overlooked when submitted to Council for building consents. This brings about risks of financial harm, buildings with design defects and

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decreased public confidence. We believe that registered architects do not necessarily add confidence within the building industry through their work. We also believe that the complaints process against architects needs improvement and that current occupation regulations do not hold architects to account. As such, continuing occupational regulation we believe is justified, and that through these reforms and opportunities to give feedback encourages positive change, and solutions that can better the sector.

We offer as a suggestion that training and/or studying for design work, whether in architecture or across all design professionals must have a compulsory component which teaches the Building Code and its role in design work. The importance of compliance with the Building Code is a key part of obtaining building consents and design professionals and architects must be competent in this area to minimise risk and increase confidence in their work. We agree with identified gaps in the design class and registered architects regime and support the notion that both should fall under one system. Furthermore, that within this system a rigorous assessment for all design professionals/architects for designing high end residential construction.

As a final point, an issue not considered in these Reforms is that across building consent authorities, there is opportunity to draw on common issues that arise in Requests for Information, as well as causes for building inspection failures. We believe that issues that are common should form the basis of targeted training for LBPs.

### Conclusion

The proposed reforms accurately reflect some much-needed changes within the building and construction sector in line with some of the many issues that Council's Building Consents staff wrangle with daily. We are grateful for the opportunity to provide this submission and would be happy to provide further information and/or clarification.

Yours sincerely,

A handwritten signature in black ink that reads "James Denyer". The script is fluid and cursive.

James Denyer

**Mayor**

Western Bay of Plenty District Council

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SUMMARY OF QUESTIONS	
Licensed Building Practitioner's Regime: Proposals for Change	
1. MBIE has outlined a range of problems that are affecting the LBP regime, from the two overarching problems to the more specific problems detailed in each section. Are there any issues which have not been included?	<p>Yes, the issue of relevant and targeted LBP training.</p> <p>MBIE should consider collating data from the different Building Consent Authorities on what the common Request For Information (RFI) are, as well as what may be common issues in building inspection failures. Then using this data as a basis for targeted LBP training.</p>
2. Do you agree with the proposal for a supervision endorsement?	<p>Yes, and we think that competency needs to be tested to gain endorsement.</p> <p>This option ensures that LBPs have the necessary skill and know how to do and supervise required work. It ensures that LBP is accountable to the Building Practitioners Board and reinforces the power of the Board to act to remove/revoke licenses if needed.</p>
3. To be eligible to apply for a supervision endorsement, should an LBP be required to hold a recognised supervision qualification?	<p>No. LBPs should be eligible to have their competence tested if they do not have a supervision qualification.</p> <p>We think that if an LBP does not hold a recognised qualification but can complete the competency assessment for an endorsement to the required than that is sufficient. This ensures that the supervising LBP are competent in the relevant area or at least can train or upskill towards the competency required for supervision endorsement.</p>
4. Do you agree with the proposed 24-month timeframe for transition before the change comes into effect?	<p>Yes, we agree with the proposed timeframe as it appears reasonable in our view.</p>

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<p>5. Do you agree with the proposals for stonemasonry, internal waterproofing, and specialist installers?</p>	<p>We agree with the preferred proposal for stonemasonry and its inclusion to brick and block laying licensing class, and to be renamed 'Construction Masonry.'</p> <p>We agree with the preferred proposal for Internal Waterproofing to create a new 'Internal Waterproofing' license class and to expand the definition of restricted building work to include the 'application of internal waterproofing.' We think that internal waterproofing is high risk and support its inclusion as restricted building work.</p> <p>We agree with the preferred proposal to create a 'Specialist Installer' Licence class with the initial practice areas of plasterboard and tanking (and with opportunity to add to this class). We also think window installers ought to be included in this licence class.</p>
<p>6. Internal waterproofing could cover many different trades in the sector. Do you agree that our proposed expanded definition of restricted building work would sufficiently cover all the trades in the sector?</p>	<p>Yes. We agree that the creation of a new licence class where the criteria within this class is "any work that involves the application of internal waterproofing" reaches a broad range of trades within the sector, and will hopefully lead to less building defects and remedial works.</p>
<p>7. Please tell us what types of trades you think are likely to be impacted by the introduction of this new internal waterproofing class, and what trades should be included as areas of practice?</p>	<p>Trades that would potentially be impacted, or could be included in this new internal waterproofing class include: tilers, vinyl layers, shower installers, laminate installers, interior gib installers and window installers.</p>
<p>8. There are currently no recognised qualifications for tanking or internal waterproofing. Do you think these need to be in place before</p>	<p>No.          We do not think that having a recognised qualification as a requirement is needed before implementing the regime. However, we believe that having a recognised qualification should be a</p>

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these areas are introduced to the regime?	priority area for the future. But to be clear, this should not delay the implementation of the regime.
9. What impacts would you expect on you or your business from the proposed changes? These impacts may be economic/financial, environmental, health and wellbeing, or other areas.	There are no foreseeable impacts on our business as a Building Consent Authority.
10. Do you agree with our estimation that at least 75% of eligible LBPs may apply for a supervision endorsement?	Yes. 75% or higher. We agree that 75% or more of LBPs will be eligible to apply for supervision endorsement. Having such an endorsement adds credibility to an LBP and can translate into their ability to charge for a supervision service.
<b>Electrical Workers and Plumbers, Gasfitters and Drainlayers: Codes of Ethics</b>	
11. (A) Do you think that the introduction of codes of ethics for plumbers, gasfitters and drainlayers will help to ensure that professionals are held accountable and improve the public's confidence in the respective regimes?	Yes. A Code of Ethics to these trades will help promote/ensure professional conduct and provide a reference point for accountability for any misconduct. This will improve public confidence in the respective regimes.
11 (B) Do you think that the introduction of codes of ethics for electrical workers will help to ensure that professionals are held accountable and improve the public's confidence in the respective regimes?	Yes. Because it will help lift professional conduct and hold electrical workers accountable for their actions, which will improve public confidence in this regime.
12. Do you agree that the professional expectations should be consistent across the building and construction sector?	Yes. Having consistency across the building and construction sector holds everyone within the sector to the same or similar standards, with the same aspiration of raising the level of professional conduct and work quality.
13. Do you agree with the proposed one – year timeframe for the	No, it should be shorter. We believe a shorter timeframe is workable and suggest six months. This is

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introduction of the codes of ethics?	because there does not seem to be any impact on the ability for the respective trades to go about their usual work.
<b>Registered Architects</b>	
14. Is there a difference in the quality of a registered architect's design work compared to other design professionals such as design LBP's?	Yes. There is difference in the quality of some architect's work compared to other design LBPs. Architects should be able to deliver on design and compliance (with the Building Code) in their work. We are finding in our work that the ability of some architects to deliver on the 'compliance' aspect of design work is falling short, i.e. there are some architects who are producing work that are not compliant with the Building Code.
15. How have registered architect's increased credibility in the building industry? Please choose one of the four options, providing feedback on whether architects have increased credibility in the building industry.	No. Our preferred option is Option 3: Registered architects do not provide any confidence within the building industry through their work. As mentioned above, some architects are not producing work that is compliant with the Building Code.
16. What are the potential risks of harm that could arise from an architect's role in the building process? Do you have any evidence of public harm that has been caused by architects?	Any risks of harm caused by an architect are the same as any design professional and it is essentially harm caused by design errors. There is also significant financial risk to consumers when design errors are missed by the audit process carried out by Council and therefore may not or cannot be quickly rectified.
17. How well do you think the current occupation regulation is at holding architects to account?	Not good, needs significant improvement. The issue of complaints processes is not widely discussed within these proposed reforms however we make brief comments herein. In terms of the complaints process, we understand that when a complaint is laid against a registered architect they are investigated by their own peers/colleagues. We note that there appears to be no independence in these investigations

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	making the impartiality of this process questionable. We also agree that there is a lack of insight into the full nature of complaints; and with the point that if an architect has been sanctioned this information is not readily available to the public.
18. Is continuing occupational regulation justified for the architectural profession in New Zealand?	<p>Yes.</p> <p>The MBIE Building System Regulatory Strategy draws on the range of education providers who are also players in the building system as they train and educate the workforce for the sector. While there appears to be no material difference between the work of a registered architect and a design professional. We have raised concerns around the ability of registered architects to produce design work that is compliant with the Building Code. There is opportunity for such shortcomings to be discussed and rectified at degree/training level. Or through competence testing in understanding the Building Code.</p>
<b>LBP Competencies</b>	
19. How can the current competencies be improved to set them at a higher level? What specifically can you point to that needs to be improved?	<p>We believe that improving the way in which tertiary level qualifications/training is being taught and delivered could be improved to have a greater emphasis on understanding and compliance with the Building Code.</p> <p>Building Consent Authorities can also take note of what the 'key issues' in Requests for Further Information (RFIs) and where there are deficiencies; these can be highlighted and recommended as area for more training/assessment;</p> <ul style="list-style-type: none"> <li>• Where there are 'common themes' of deficiencies or errors, these areas can be collected and can form a training that forms</li> </ul>

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	<p>part of the assessment to obtain a licence for practice.</p> <ul style="list-style-type: none"> <li>Assessments for design 1 and 2 licenses must be vigorous and with the competency level being effectively set beforehand by the LBP themselves.</li> </ul>
20. Are there any new areas that should be added to the competencies? These may be general across all classes or may be specific to a certain class.	<p>Yes.</p> <p>Competence in understanding and designing work that is compliant with the Building Code.</p> <p>Assessments for design 1 and 2 licenses must be vigorous and with the competency level being effectively set beforehand by the LBP themselves.</p>
21. Do you agree with our assessment of the interaction between the Design class and the Registered Architects regime?	<p>Yes.</p> <p>We believe that there the design class and registered architects regime should fall under one system or a more closely aligned system (as MBIE suggested). We believe that recognition of all design qualifications is consistent within a proposed one system. Lastly, we suggest a more rigorous assessment for all design professionals/ architects for the design of high-end residential construction.</p>
22. Would you like to be involved in further targeted consultation on the design and implementation of proposals in Part 1 before they are implemented?	<p>Yes.</p>

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**10      INFORMATION FOR RECEIPT**