



# 10. Grow a Sustainable Economy

## 10.1 Desired Outcome

*“Our economy is thriving, growing, diverse and sustainable”.*

## 10.2 Background

The economy of the Western Bay of Plenty sub-region has experienced a sharp decline over the last few years as a result of the Global Financial Crisis. This has particularly impacted on the retail and residential construction sectors, with the latter declining 12% alone in the 2009/10 year. The sub-region’s real GDP per capita declined at a significantly faster rate than at the national level over the period from September 2007 to September 2010, declining 7% compared to the national decrease of 3.7%.

The Western Bay of Plenty District’s economy is underpinned by the agricultural and horticultural sectors and is strongly intertwined with Tauranga city’s economy, which provides most of the sub-region’s manufacturing and services. The Western Bay sub-region’s economy is almost three times more reliant on agriculture and horticulture for its economic output than New Zealand as a whole.

Significant industry sectors in the wider Bay of Plenty region have a primary production focus (horticulture, agriculture, and forestry). Secondary production industries include wood processing (in particular pulp and paper in the south and east of the Bay of Plenty), food processing and manufacturing.

Population-driven expansion of the construction sector has underpinned growth in the wholesale and retail trades and in business and professional services. The important drivers of growth within the sub-region are population growth, improvements in hard and soft infrastructure, and increases in the

productivity of exporting sectors through improved technologies and higher levels of mechanisation.

Sectors with a competitive advantage in the western Bay of Plenty include the marine sector (which incorporates the Port of Tauranga with its deep water access and current and planned marine precincts); food production and manufacturing; horticultural and value-add processing; and ICT businesses specialising in control systems and the development of industry-related technologies. The professional services, retail, health and human services, fisheries and construction sectors are all substantial employers. With the exception of the retail sector, the western Bay sub-region has experienced growth across all its main industries, much of which has been achieved through growth in existing businesses.

Of concern was the outbreak in late 2010 of the kiwifruit vine killing disease, Psa. As at August 2013, Psa has been confirmed on 2,243 orchards, largely in the Te Puke area. The outlook for the industry is uncertain at this stage, and the threat of the spread of Psa is of real concern to a region where nearly 20% of total GDP is generated by the kiwifruit sector. However, the release of new cultivars, particularly the new G3 variety, offers hope for the industry. If it proves to be more tolerant than other varieties to Psa, we will see production per hectare rise markedly compared to the Hort16A variety.

The sub-region’s environment, soils and climate are clearly not only attractive for agricultural production, but they also act as a magnet for people wishing to enjoy a relaxed, outdoor lifestyle, either in a city environment or through having an opportunity to retain a rural or small town atmosphere. Between 1998 and 2006, the sub-region’s population grew by nearly 30%, which was well above the national average.

At the inception of SmartGrowth in 2004, the following issues were identified as barriers to economic growth:

- Shortage of business land;
- Issues with transportation infrastructure;
- Insufficient cultural, artistic and recreational opportunities;
- Unstable power supply;
- Insufficient tourism infrastructure to grow this market (international hotel and convention centre);
- The need to attract skilled and unskilled people in most industry sectors.

Over the first decade of SmartGrowth significant progress has been made on these issues;

### **Business Land (industrial and commercial)**

Around 236.5ha of developable land has since been zoned at Tauriko in the Western Corridor and 410ha in the Eastern Corridor. At the time of updating the SmartGrowth Strategy there is approximately 600ha of industrial land which is zoned and undeveloped.

In terms of commercial land SmartGrowth supports a ‘centres-based’ approach to commercial areas, preferring to concentrate business activity closer to the CBD. While this approach has been reinforced in the Tauranga City Plan, it will take some time before the results are evident.

### **Cultural, Artistic and Recreational Opportunities**

Despite strong emphasis in the Smart Economy strategy on the importance of physical and cultural assets to economic development in the attraction of human capital, the sub-region still suffers from a lack of arts and cultural amenities compared to other cities in New Zealand. In the modern economy, businesses are attracted to places with high human capital, and human capital is attracted to

places that can offer a good quality of life, particularly in relation to arts, cultural and recreational opportunities.

### Power Supply

A strategy and implementation plan was developed to address issues around electricity security and capacity of supply and the region's short and long term growth needs. As a result, there has been a significant improvement in security of supply and capacity, particularly in rural communities. In addition, in 2011 a cross-region energy strategy was developed by representatives from the business community and regional economic development agencies, led by the Bay of Plenty Regional Council's Bay of Connections. The Bay of Plenty is potentially one of the most energy-rich regions in the country, particularly in the areas of geothermal, hydro-power, solar and biomass. The strategy estimates that over the next 15 years the region could attract up to \$4 billion in investment in sustainable energy development and generate more than 15% of the country's energy requirements and 10% of its liquid transport fuels. An action plan has been developed to implement the strategy through an industry-led forum.

### Tourism Infrastructure (International Hotel and Convention Centre)

The \$41 million TECT Arena at Baypark opened in August 2011, providing a state-of-the-art venue for sporting events, conferences, concerts and entertainment.

There have been several attempts to progress the development of an international hotel in the City Centre in recent years. At the time of updating this strategy negotiations are underway between council and a commercial consortium.

### Attraction of Skilled and Unskilled People

The Global Financial Crisis and resultant economic downturn from early 2008 has

seen skill shortages reduced in most sectors in the sub-region, with the exception of ICT and specialised manufacturing. The Bay of Plenty District Health Board has been proactive in addressing current and future shortages in the health sector. In 2010 the Bay of Plenty Clinical School was formally recognised as a division of the University of Auckland campus. As a result, University of Auckland medical students are increasingly choosing to undertake their year five and six programme of study in the Bay of Plenty.

#### 10.3

### New Research informing the Update

The following new research has been undertaken to inform the 2012/13 update of the SmartGrowth Strategy:

#### *i) Industrial Land Study*

A review of industrial land demand for the sub-region was undertaken in light of economic and industrial development since the first projections were made in the 2004 Strategy.

#### *ii) Commercial Land Study*

A review of commercial retail and office was also completed and confirms that the emphasis of a 'centres-based' approach remains appropriate for the foreseeable needs of the sub-region's commercial economy.

The research into industrial and commercial land and its implications on the Settlement Pattern is outlined in more detail in Part C of this Strategy.

#### *iii) 2012/13 Smart Economy Review*

The Update has been informed by the 2012/13 review of the Smart Economy Strategy. The Smart Economy review identified the following 2-5 year priority issues:

- Tertiary education and research
- Innovation and business parks
- Growth of the export sector
- City centre development

- Broadband uptake
- Maori economic development

#### *iv) The Implications and Opportunities of an Ageing Population in the western Bay of Plenty Sub-region.*

This research report analyses the significance of the ageing demographic for our sub-region and the implications and opportunities of population ageing on health, housing, employment and transportation in the western Bay of Plenty. It informs actions around how SmartGrowth can better plan for population ageing in the areas of:

- Collaboration, integration and governance
- Economy and employment
- Liveable communities.

#### 10.4

### Issues

#### A. The implications of changing demographics

The median age in New Zealand has now risen to 37 years and will rise rapidly over the next 20 years. The main working-age population (15-64 year old group) will probably contract after 2020. It is clear that a 'business as usual' approach over the next ten years will not be a mandate to continuing prosperity and community wellbeing. A shift is required to address the changing economic climate; to meet the ageing-in-place requirements of a maturing population, the challenge of workforce demands and providing for the diverse care needs of the burgeoning numbers of older-old. Potentially, the increasing number of retired people will place a growing demand on resources funded largely by the working population. There are also likely to be labour shortages (particularly in health and elder care sectors) and international competition within the labour force market. Changing demographics and population ageing also trigger a need to better understand the future housing requirements of the population.

Sustaining the economy in the face of changing demographics and population ageing will require increased recognition of the contribution of mature and older people in the paid workforce, and adaptation to their unique needs. The impact of an ageing population on the economy also presents a number of opportunities, including:

- Educating employers on challenges and opportunities around an ageing population;
- Key industries that will be able to leverage off a mature market (eg emergency solutions, housing efficiency / conveniences, financial services, tourism and leisure);
- The sub-region positioning itself in terms of innovation in urban design, housing, education, training, financial services, home renovation and maintenance, product and health care innovation, technology, leisure, tourism and social services;
- Proactively transferring knowledge and skill across generations;
- Understanding the impact of changing demographics with regard to future housing needs.

At odds with the general trend of an ageing population is the growing number of Maori youth. New Zealand's Maori population is relatively youthful compared with the total New Zealand population. In fact, 44% of the total population under 15 years in the Bay of Plenty and Taupo, are Maori. This demographic needs to be carefully considered in terms of the sub-regional economy and workforce.

### **B. The need to think bigger than the western Bay of Plenty**

The sub-regional economy is part of a wider regional, Upper North Island and national economy. These influences need to be taken into account in any forward thinking on the sub-regional economy. A deepening economy is likely as a result of: growing economies of scale and scope; a focus on the wealth generating capacity of specialist sectors; the growing influence of the Port of Tauranga; the growing

integration of the Bay of Plenty into a wider Upper North Island economy; the likelihood that investment in the sub-region will complement and build on investment elsewhere in the Upper North Island. It is important that these factors are viewed from the perspective of strengthening links in the eastern Bay of Plenty and Rotoura as well as the north and the west.

### **C. The need to move from a low skill/low wage economy to a high skill/high income environment**

While further research and analysis of employment and employment trends in particular around potential employment and growth opportunities would be useful, previous research has shown that the western Bay of Plenty economy is relatively low skill and low wage in its make-up. The sub-region needs to be able to attract and retain skilled workers. Lifting the skill and income levels within the sub-region will play an integral part in reducing social inequality. A high skill, high income western Bay of Plenty is likely to have a much higher proportion of professional and technical workers, be more reliant on trade in knowledge and information than on physical goods and have a heavy reliance on technology.

It is becoming increasingly recognised that if a region wants to attract people and custom for businesses and more broadly wants to grow the economy it needs to create an environment that is interesting, stimulating, diverse and unique to attract residents. A thriving economy requires a range of social and cultural features that will attract talented people to the region. These include arts and cultural infrastructure, high quality recreation and leisure facilities, and a vibrant city centre.

Tertiary education and associated research facilities are also a key catalyst for increasing the desirability of investment in higher skill and higher wage business activities in the sub-region.

### **D. The need to diversify and focus on our strengths**

Sustainable economic development may require moving up the value chain by adding significant value to primary products rather than supplying basic commodities. Diversification will reduce our dependence on a relatively narrow range of sectors, as well as reducing our reliance on natural resources and minimising our waste output to the environment. This may mean that future activities will have different locational requirements to present industries.

Focusing on our strengths also requires taking a wider regional perspective across the whole of the supply chain and being aware of the need to protect and enhance supply chain corridors both inside the subregion and beyond.

### **E. The need for integration and linkages between strategies**

There is a fundamental link between SmartGrowth and other statutory and non-statutory strategies, plans and policies, in assisting economic development such as Smart Economy (the sub-regional economic development strategy), Bay of Connections (the regional economic development strategy) and Smart Tourism (sub-regional tourism strategy). A distinction has been made between actions which sit in Smart Economy and those which belong in SmartGrowth. The actions housed in SmartGrowth are intended to be those which require collaboration in terms of funding or implementation, have land-use or infrastructure implications or require advocacy to central Government.

Tourism is a key element of business in the sub-region. There is a need, as noted in the Smart Tourism strategy, to provide for major tourism related and event infrastructure development, manage conflict between tourism growth and environmental, social and cultural values and to assist in sustaining a skilled workforce, together with identification of destination development opportunities.

We also need to take a wider regional perspective in terms of the opportunities to grow tourism by taking a collaborative approach across sub-regional boundaries.

#### **F. The need to make housing more affordable**

While housing is more affordable in many towns across the sub-region such as Katikati, Te Puke and Paengaroa, Tauranga City was rated by Demographia in 2012 as one of the least affordable areas for buying property in New Zealand. Housing Affordability is defined as a situation which reflects accepted United Nations global benchmarks, where no more than 1/3 of total household income is used to pay either rental or ownership costs. The 2012 Demographia survey assessed the average house price at 5.9 times higher than the average annual income.

This has implications for peoples social and economic wellbeing and for the local economy in attracting new businesses and employment and housing the sub-regional workforce.

Historically SmartGrowth's role in housing affordability has centred on ensuring sufficient land supply and infrastructure is provided in an efficient and affordable manner. However during the update process there was a strong message from the community to increase focus on housing affordability by taking a strong advocacy, leadership and facilitation role and actively working with central Government agencies, third-sector groups, the development and construction sector and the financial sector to increase the supply of affordable housing in the sub-region.

#### **G. The emerging Maori economy**

The Maori asset base in the sub-region has been estimated at \$1.817 billion and Tauranga contributes 22% to the total Maori GDP in the wider Bay of Plenty and Taupo. There are currently a range of local iwi Treaty of Waitangi claims which have either been settled or are close to settlement. The net effect of

these settlements will be to transfer over \$200 million worth of assets to Maori ownership within the sub-regional economy through the transfer of Crown lands, income-generating leases over other Crown assets (ie schools) and cash assets. These settlements will empower local iwi to make a major contribution to the sub-regional economy.

The SmartGrowth Update needs to recognise and make provision for Treaty settlement outcomes and generally for Maori economic development. Given the nature of the settlements, these are unlikely to significantly influence the future SmartGrowth land use pattern, though they will make a very important contribution to Maori economic development. In addition to the sub-regional Treaty settlements there are significant Maori developments in the wider region relating to fisheries, agriculture, aquaculture, geothermal energy and forestry development.

#### **H. The need to encourage thriving community and city centres**

The Tauranga Central Business District remains the commercial, civic and cultural heart of the sub-region with an emphasis on specialty shopping, entertainment, cultural facilities, residential living, tertiary education and employment.

Town centres such as Katikati, Te Puke and Waihi Beach and Paengaroa continue in their service roles and provide social and cultural centres for their communities.

There is a need to encourage thriving city and community centres which include facilities, activities and events to turn the western Bay of Plenty's lifestyle advantages into a competitive advantage for the sub-region's economy. Significant economic spin-offs can result from investment in lifestyle – from building facilities to hosting major events, to manufacturing lifestyle products. Research highlights that competitive cities are cities that can attract skilled people and investment by offering the

lifestyle that that talented people seek. This means retaining the sub-region's high quality natural amenities and adding to them a diverse range of recreational, cultural and artistic attractions to enhance the lifestyle the sub-region can offer.

#### **I: The need to recognise the contribution of the rural sector to the economy**

The productive rural sector is a major contributor to the Bay of Plenty regional economy. The main sectors for the Bay of Plenty are horticulture, agriculture and forestry. The horticulture industry is substantial in the western Bay of Plenty, particularly kiwifruit and avocado. The rural production sector provides a large amount of employment in the sub-region and contributes significantly to regional GDP.

The productive rural sector underpins both our local and national economies and it is important that it continues to thrive and expand sustainably into the future. Particular emphasis is being given in the rural production sector to high value items, research and development. Key resources required for continued growth include access to clean freshwater for frost protection and irrigation purposes, avoiding fragmentation of rural land for purposes other than rural production, an efficient post-harvest system, provision for rural industry, and a high quality transport network linking the industry to the Port of Tauranga.

### 10.5 Principles

- I. SmartGrowth supports the implementation of Smart Economy – the sub-regional economic development Strategy, and Bay of Connections – the regional economic development strategy.
- II. Economic development within the sub-region focuses on increasing the annual average income levels and reducing social inequality.
- III. The provision of quality tertiary education services in the sub-region is increased.

- IV. Adequate business land is provided in the right locations and brought to market in a timely manner within each growth corridor to suit changing needs in order to support the economy.
- V. The opportunities presented by an ageing population are maximised.
- VI. The Tauranga CBD remains the commercial, civic and cultural heart of the sub-region and is considered as the priority location choice for key sub-regional community infrastructure and anchor projects. Other town centres such as Katikati and Te Puke continue in their service roles and provide social and cultural centres for the community.
- VII. A network of other commercial centres meets the needs of people and communities.
- VIII. Treaty Settlements add value to the sub-regional economy and existing assets of Maori
- IX. The contribution of the rural sector to the western Bay economy is valued.
- X. SmartGrowth encourages and supports the rural economy to expand sustainably.
- XI. Actively maintain the existing productive land in order to maximise the potential of the rural sector
- XII. Employment training opportunities will be encouraged and supported
- XIII. Support the establishment of business and innovation parks that align to the sub-regions competitive advantages including;
- Titanium Industry Development Association
  - Bay of Plenty District Health Board Clinical School
  - Coastal Marine Field Station
  - Newnham Park Innovation Centre
  - Planned Harbour Central Marine Precinct
  - Planned Comvita Campus
- XIV. SmartGrowth Implementation Partners will support the building of capability and capacity within the community by encouraging economic development initiatives identified by the community



# Actions: **Grow a Sustainable Economy**

## Funding Key

	Action identified as a priority
	Able to be resourced using partner staff resources or within existing work programmes
	Not able to be resourced within existing SmartGrowth budget commitment. Requires additional resources
	Priority action which requires additional resources
	Potential for partner funding/resources outside SmartGrowth partnership
***	Investigation may result in consequential cost to implement recommendations
###	Implications for partner councils strategic policy work programmes

## Timeframes

<i>Urgent</i>	Completed 1 year after adoption
<i>Short</i>	Completed 3 years after adoption
<i>Medium</i>	Completed 5 years after adoption
<i>Long</i>	Completed 5+ years after adoption

10A. Create an Enabling Business Environment	Lead Agency Support agencies	Resourcing			Measure of success
		Time	Staff	\$\$\$	
<b>1. Business Friendly Processes</b> <ul style="list-style-type: none"> <li>In conjunction with the private sector and economic development agencies, undertake a stocktake of potential barriers to economic development, relating to Council processes from the perspective of both new and existing businesses.</li> <li>Adopt the common set of metrics for the assessment of business friendly Councils originating from the Core Cities initiative</li> <li>Recognise and support the Core Cities China Engagement Strategy to leverage mayoral relationships and better coordinate activity across New Zealand</li> </ul>	<b>P1 TCC</b>  CoC WBOPDC BOPLASS	<i>Urgent</i>			Project complete, recommendations result in change to Council processes. Measures adopted by SmartGrowth partnership.
<b>2. Business and Innovation Parks</b> <ul style="list-style-type: none"> <li>Support the establishment of business and innovation parks that align to the sub-region's competitive advantages including support for the establishment of the harbour central marine precinct initiative to develop state of the art marine business park on Council owned land beside the harbour bridge.</li> </ul>	<b>SGP</b>  P1 BoC	<i>Ongoing</i>		***	Innovation park established
<b>3. Marine Centre of Excellence</b> Support and advocate for the continued development of the Coastal Marine Field Station, including the Intercoast programme into a marine centre of excellence, including: <ul style="list-style-type: none"> <li>Investigate opportunities to provide on-going support for a PHD and Post Doctorate scholarship programme</li> <li>Advocate for and support the establishment of a high tech molecular containment facility (aquarium) to enable opportunities for the commercialisation of marine species</li> </ul>	<b>TEP</b>  SGP P1 BoC	<i>Ongoing</i>		***	Internationally recognised Marine Centre of Excellence established including a containment facility and PHD programme
<b>4. Planning Environment</b> Investigate amendments to the regulatory planning framework required to facilitate aquaculture opportunities including farming of experimental species to proof of concept stage and land-based aquaculture.	<b>BOPRC TCC WBOPDC</b>	<i>Medium</i>	###		Assessment completed and recommendations made
<b>5. Events</b> <ul style="list-style-type: none"> <li>Provide an enabling environment for events</li> <li>Investigate a more user friendly regulatory framework for events including a partnership approach to reducing compliance costs</li> </ul>	<b>TCC WBOPDC</b>  SAAG CCAG CoC	<i>Short</i>	###		Investigation of regulatory framework for events completed and recommendations made to provide enabling environment

Actions: **Grow a Sustainable Economy** (Continued)

10B. Strengthen connections	Lead Agency Support agencies	Resourcing			Measure of success
		Time	Staff	\$\$\$	
<b>1. Bay of Connections</b> Strengthen links between SmartGrowth and Bay of Connections including all sector strategies to identify sub-regional sector issues and opportunities and promote information sharing and the use of consistent information.	<b>SGP</b>  BoC	Ongoing			Formal links established between Bay of Connections and SmartGrowth
<b>2. SmartGrowth Partner Forums</b> Establish formal links to the SmartGrowth Partner Forums for the purposes of identifying and recognising the contribution of the social/community sector, rural sector, property development sector, as well as youth, housing affordability, population ageing and the environment to the regional and sub-regional economy.	<b>SGPF</b>  P1 BoC SGP	Urgent			Social Sector Forum set up as formal SmartGrowth partner forum
<b>3. Tourism</b> <ul style="list-style-type: none"> <li>Establish formal links between SmartGrowth and Tourism Bay of Plenty including monitoring and reporting against tourism strategy implementation to SmartGrowth governance group</li> <li>Support the improvement of tourism related infrastructure including visitor accommodation and attractions</li> <li>Complete a review of the Smart Tourism strategy.</li> </ul>	<b>SGP</b>  TBOP CoC P1	Urgent			Formal links established between Bay of Connections and Tourism Bay of Plenty
<b>4. Economic Development Forum</b> Host an economic development forum every three years with central Government to discuss priorities and identify issues which align to governments economic growth agenda.	<b>SGP</b>  P1 BoC CoC	Ongoing			Economic development forum with central Government occurs
<b>5. Maori Economic Development</b> <ul style="list-style-type: none"> <li>Review actions from the Bay of Connections Maori Economic Development Strategy and enable relevant and appropriate outcomes to be progressed through SmartGrowth.</li> <li>In conjunction with the private sector and economic development agencies, undertake a stocktake of potential barriers to Maori economic development, relating to Council processes .</li> </ul>	<b>P1</b>  SGP BoC CTWF CoC	Urgent		***	Outcomes from Bay of Connections strategy supported by SmartGrowth
<b>6. Treaty Settlement Forum</b> Establish a Treaty Settlements Forum upon the completion of all sub-regional Treaty of Watiangi Settlements	<b>CTWF</b>  SGP	Medium			Treaty Settlements Forum established
10C. Encourage a thriving city centre					
<b>1. Key Anchor Projects</b> Identify and support the implementation of key anchor projects within the city centre strategy (including waterfront upgrade, international hotel, tertiary facility, conference centre museum and marine precinct) central city housing, and recognise that these projects are some of the key anchor projects which require forward investment to stimulate other investment and growth and vitality of the sub-region.	<b>TCC,</b>  SGP P1 CCAG SGPF	Urgent and ongoing		***	Each key anchor project is supported by SmartGrowth partnership

Actions: **Grow a Sustainable Economy** (Continued)

10C. Encourage a thriving city centre (Continued)	Lead Agency Support agencies	Resourcing			Measure of success
		Time	Staff	\$\$\$	
<b>2. Earthquake Strengthening</b> Consider incentives to ensure that earthquake strengthening work is completed to support the city centre as the commercial and cultural hub.	<b>TCC</b>  P1	Short		***	Incentives have been investigated and recommendations made
<b>10D. Consider the implications and opportunities of changing demographics on the economy</b>					
<b>1. Research sub-regional workforce implications of population ageing</b> <ul style="list-style-type: none"> <li>Invest in research to identify business opportunities and analyse workforce implications arising from population ageing in the sub-region</li> <li>Implications arising from research are picked up where relevant by economic development agencies and strategies</li> <li>Consider establishing an ageing innovation cluster if appropriate</li> <li>Consider what would make the western Bay an attractive place for youth to study and stay.</li> </ul>	<b>PATAG</b>  SGP P1 BoC SSF BOPDHB	Short		***	Research undertaken and recommendations made
<b>2. The value of migrants to the economy</b> Assess the value of migrants to the western Bay economy and recommend actions to facilitate filling the gaps in the workforce resulting from an ageing population with migrants	<b>SGP</b> <b>P1</b> <b>COC</b> <b>TRMC</b> <b>NN</b> <b>SS</b>  SSF SPF	Short			Assessment complete, recommendations made to governance
<b>3. Business Succession Planning</b> Initiate a project to encourage succession planning of businesses contributing to the sub-regional economy to transfer of skills to the younger generation, and teach business owners about their responsibility to share the knowledge across the generations.	CoC  SGPF P1 SGP	Short			Toolkit developed, engagement with businesses and industry underway
<b>10E. Improve housing affordability</b>					
<b>1. Availability of Land</b> Investigate the role of Council and other agencies in facilitating the availability of property and land for housing affordability projects including: <ul style="list-style-type: none"> <li>Regularly assess partner Council's property portfolios for properties that could be made available for housing affordability projects.</li> <li>Provide specific opportunities for the development community or third sector housing groups to advocate/ initiate suitable housing projects using this land.</li> <li>Work with Housing NZ, Ministry of Innovation and Employment and other agencies to identify suitable blocks of land which could be made available for affordable housing projects.</li> </ul>	<b>WBOPDC</b> <b>TCC</b>  BOPRC HAF CTWF HNZ BOPDBH JAG Maori Trustees	Short		***	Investigation and annual assessment of property portfolio completed. Identification and release of suitable land for housing affordability projects when feasible.

Actions: **Grow a Sustainable Economy** (Continued)

10E. Improve housing affordability (Continued)	Lead Agency Support agencies	Resourcing			Measure of success
		Time	Staff	\$\$\$	
<p><b>2. Development of Treaty Settlement Land</b> Support the development of business cases, operational plans and their implementation to develop post Treaty of Waitangi Settlement land or undeveloped land for the purpose of quality affordable residential development.</p>	<p><b>JAG</b> HAF CTWF SGP Maori Trustees</p>	Medium			Input from HAF and SmartGrowth partners into business cases, plans and implementation of land for housing and use of HNZN properties.
<p><b>3. Auckland Housing Action Plan</b> Closely monitor the progress of initiatives in the Auckland Housing Action Plan including inclusionary zoning, betterment levy, initiatives to improve the quality of rental stock and assess the relevance of these initiatives.</p>	<p><b>HAF</b> TCC WBOPDC</p>	Ongoing			6 monthly report of progress of Auckland Housing Action Plan in relation to SmartGrowth. Promotion of successful initiatives from the Auckland Housing Action Plan in the following year i.e. 2014.
<p><b>4. Planning Frameworks</b> Investigate opportunities to provide a planning framework that enables more housing affordability projects that meet specific criteria for density, bulk and scale i.e. permitted controlled activity</p>	<p><b>WBOPDC</b> <b>TCC</b> HAF PDF</p>	Medium	###		Planning frameworks reviewed and recommendations made
<p><b>5. Housing Affordability Pilot Project</b> Facilitate the delivery of pilot project to provide a practical, best practice example of sustainable, affordable, quality housing to raise awareness amongst the housing sector and the public. The pilot project will;</p> <ul style="list-style-type: none"> <li>Establish and agree with partner Councils, a framework for the delivery of affordable housing projects (including potential incentives/benefits to developers)</li> <li>Provide an opportunity to have a conversation about the levels of intervention councils are prepared to promote housing affordability including the use of Council land.</li> <li>Include a literature review of interventions that have occurred elsewhere in NZ and internationally</li> <li>Include a definition of housing affordability for the western Bay.</li> </ul>	<p><b>HAF</b> SGP PDF SSF CoC Maori Trustees JAG</p>	Urgent			Project plan complete, framework agreed and expressions of interest received.
<p><b>6. Advocate for housing affordability</b> Work with the local government sector to jointly lobbying central Government to:</p> <ul style="list-style-type: none"> <li>Provide financial levers such as tax incentives and/or subsidies to encourage a greater flow of capital investment into affordable housing projects</li> <li>Continue seeking regional and national funding opportunities for affordable housing</li> <li>Facilitate/advocate central Government intervention into housing affordability</li> <li>Consider alternate options, technologies and delivery mechanisms for the funding and delivery of infrastructure.</li> </ul>	<p><b>SGP</b> WBOPDC HAF JAG Local government sector e.g. FP Maori Trustees</p>	Urgent			Submissions/meeting with central Government in relation to financial levers, funding opportunities and interventions to increase housing affordability.  Central Government investment into affordable housing. Funding for affordable housing obtained.
<p><b>7. Research - Covenants</b> Undertake a research project to assess the effect of private covenants on housing affordability and the delivery of affordable housing within subdivisions, and what methods may be applied to address any adverse effect of such covenants.</p>	<p><b>TCC</b> HAF</p>	Short			Report on the effect of private covenants on housing affordability completed.

Actions: **Grow a Sustainable Economy** (Continued)

10E. Improve housing affordability (Continued)	Lead Agency Support agencies	Resourcing			Measure of success
		Time	Staff	\$\$\$	
<p><b>8. Share information</b></p> <p>Provide and facilitate the sharing of innovation and good practice in design and construction to increase supply, quality, choice and affordability, in particular:</p> <ul style="list-style-type: none"> <li>• Collaborative designs<sup>1</sup>, reuse designs<sup>2</sup>, smaller dwelling designs<sup>3</sup> and lifetime design<sup>4</sup></li> <li>• Encourage and promote innovation in good design and construction</li> <li>• Promoting economies of scale in design and construction</li> <li>• Promoting advocacy for the affordable provision of telecommunications and utilities.</li> </ul>	<p><b>WBOPDC</b></p> <p>HAF PDF CTWF PDF Maori Trustees</p>	Short			<p>Good design guidelines and market developed and published.</p> <p>Good design and market demand research promoted.</p>
<p><b>9. Monitoring income levels</b></p> <p>Investigate the costs and benefits of establishing a programme to measure and monitor average income levels and the availability of full time permanent work in the sub-region.</p>	<p><b>SGP</b></p> <p>P1 CoC SGPF WINZ</p>	Urgent			<p>Investigation complete.</p> <p>Recommendation made to governance</p>

<sup>1</sup> Design collaboration is a group activity in which design professionals or design teams work collaboratively with different disciplines and areas of study by sharing their expertise and responsibilities through the design process to reach a goal of obtaining a successful design solution together. Shin, D. Design Collaboration – University-Industry Partnerships in New Product Development. USA

<sup>2</sup> Reuse designs allows previously developed housing designs to be shared to reduce the costs of building affordable housing in the design phase.

<sup>3</sup> Smaller dwelling designs that make effective use of smaller spaces which increase their acceptability of smaller dwellings to the market.

<sup>4</sup> Lifetime design supports the changing needs of individuals and families at different stages of life by incorporating 16 design criteria to ordinary homes that can be universally applied to new homes at minimal cost. Life time Homes [www.lifetimehomes.org.uk](http://www.lifetimehomes.org.uk).



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