



economics

Report to:

Bay of Connections Governance Group

STATE OF READINESS REPORT APPENDIX: GROWTH PROJECTIONS AND POLICIES

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Appendix: Growth projections and policies

The appendix presents additional detail on the population growth projections used by the six councils for long-term and asset management planning. It notes both the magnitude and sources of the growth projections and any differences with the projections provided by Statistics New Zealand.

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1 Tauranga and Western Bay of Plenty: SmartGrowth

Growth management in the Tauranga and Western Bay of Plenty sub-region is addressed through the SmartGrowth Strategy (May 2007), which includes detailed population projections and also consideration of the infrastructure requirements needed to meet growth to 2051. The population projections for SmartGrowth were derived by the University of Waikato.

Whilst the sub-district is projected to grow significantly, Tauranga is expected to accommodate the majority of this growth. The City's population is projected to increase from 103,551 people in 2006 to 209,287 by 2051, an additional 105,721 people (or 102 per cent) coupled with an estimated 118 per cent increase in occupied dwellings.¹ Population growth in the Western Bay of Plenty District as projected by SmartGrowth, sees the 2006 census population of 42,078 growing to approximately 76,440 by 2051. Overall, the population of the sub-district is expected to increase by 140,692 between 2006 and 2051.

Table 1.1 Western Bay of Plenty Sub-Region Projected Population by Growth Type²

Type of Growth	Population				
	Tauranga CC		Western BoP DC		Total Sub-region
Intensification	20,823	19.7%	0		20,823 14.8%
Infill	9,120	8.6%	3,497	10.0%	12,617 9.0%
Greenfield	75,779	71.7%	31,473	90.0%	107,252 76.2%
Council Growth Allocation	105,722	75.1%	34,970	24.9%	140,692 100.0%

Source: Ascari Partners

As the table above show, it is anticipated that Tauranga City will provide for 75 per cent of sub-regional population growth to 2051, and all planned "intensification" growth.

SmartGrowth identifies **intensification³** as the most sustainable long-term option for the sub-region, compared to alternatives of the status quo and market-led approaches.

Nevertheless, only 20 per cent of growth in Tauranga is planned to be accommodated through intensification (20,823 people), whereas green field development is expected to accommodate 71% of the city's growth or 75,779 additional people. No intensification is planned for Western Bay of Plenty District.

¹ Projections produced by the University of Waikato for SmartGrowth.

² Source: SmartGrowth. Figures in Total Column corrected.

³ The density of this type of development is at least one unit per 325m² but typically around one unit per 100-250m².

Primary intensification areas fall generally within Te Papa and Mount Maunganui peninsulas. Intensification corridors have been assumed along portions of Maunganui Road and Cameron Road (between intensification areas), in recognition of the attractiveness of these corridors for intensification and public transport route.⁴

General intensification (Infill) provides a relatively small amount of capacity for growth, averaging 9 per cent across the sub-region. For this zoning a minimum permitted density of 1 dwelling unit per 325m² threshold will remain to 2051 in the Residential A zoned areas. It is anticipated that in high demand areas (e.g. Mount Maunganui North and Omanu) some smaller lot sizes will be consented. Outside specific intensification areas, Residential A zoning would not generally encourage higher density development.

Greenfield development is acknowledged to continue to provide for most (71 per cent) of residential growth within the sub-region. However, more efficient outcomes are sought through increasing development density from 10 dwellings per hectare to an average minimum of 15 dwellings per hectare.

In Western Bay of Plenty smaller scale development potential is identified in Katikati, Bethlehem, Pyes Pa, Papamoa, Omokoroa, Te Puke, Welcome Bay, Ohauiti and Waihi Beach. Areas not designated for future residential development are Matapihi, Maketu, Pukehina, Matakana Island, Tanners Point, Ongere Point, Kauri Point, Rangataua Bay, Te Puna and Paengaroa.

More detailed population growth projections for Western Bay of Plenty to 2026 indicate an increase of 18,190 people across the district, a 30 per cent rise. Omokoroa is notable, with a population of 2,800 in 2011 rising to 8,400 in 2026, an increase of 5,600 people. The next largest increase is in the Te Puke community, where the population from 7,550 in 2011 to 9,350 in 2026.

1.1 Comparing SmartGrowth's and Statistics New Zealand's projections

An important step is to compare the population projections underpinning SmartGrowth with these provided by Statistics New Zealand. The table below compares the SmartGrowth projections to 2051 with Statistics New Zealand 'High' series projections, extended to 2041 using a linear forecast.

⁴ Nine primary intensification areas and eight secondary intensification areas, are identified in Tauranga by 2051.

Table 1.2 SmartGrowth Growth Rate Comparisons

	2006 (SNZ)	2006 (UoW)	2041 (SNZ High)	Growth SNZ (to 2041)	pa growth to 2041	2051 (UoW)	Growth (UoW to 2051)	pa growth rate to 2051
WBoP	43,000	42,078	59,800	16,800	480	76,440	34,362	764
TCC	106,900	103,551	161,500	54,600	1,560	209,287	105,736	2,350

Source: Ascari Partners

The information provided within Western Bay of Plenty's 2009-2019 Long-Term Plan indicates that the SmartGrowth population projections for Western Bay are essentially in line with the Statistics New Zealand 'High' series projections.⁵⁶ However, the latest 'High' series projections indicate a population of 51,500 in 2021 and 55,700 in 2031, significantly less than 55,000 residents in 2021 indicated by the graph in the LTP.

At this stage, it would appear that the population growth projections underpinning SmartGrowth are higher than those generated from Statistics New Zealand 'High' series projections. This requires more investigations, given the significant proportion of the region's growth planned to be accommodated within this area and also the infrastructure costs and requirements associated with different growth projections.

⁵ Produced by P Martelli, (revised 11 April, 2007).

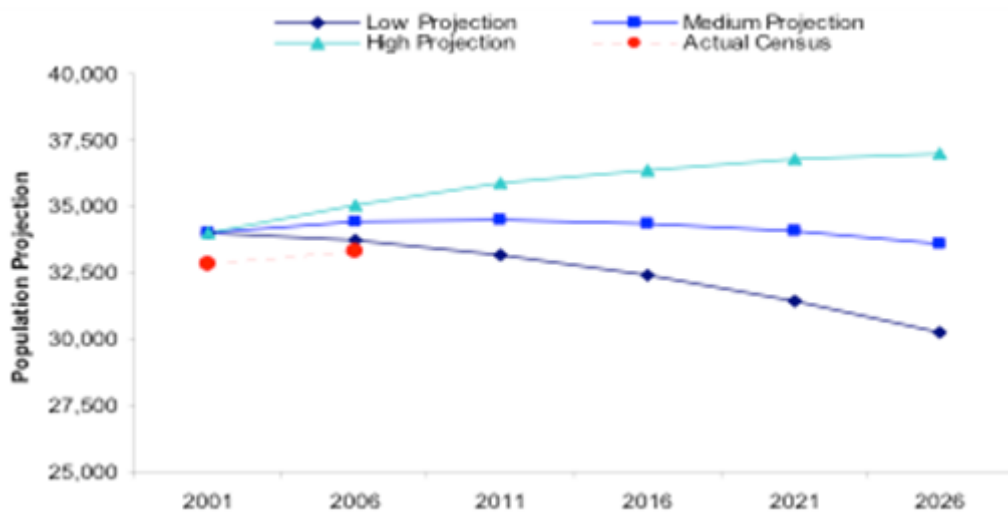
⁶ WBoPDC Long term Plan 2009-2019, p27.

2 Whakatane

2.1 Population and Growth

At the 2006 census, the District had a population of 33,300 (a gain of 435 from 2001) with the largest urban area being Whakatane (including Ohope). A total of 70% of the population live in the urban areas of Whakatane, Edgecumbe, Murupara, Te Teko, Taneatua and Matata. The graph below shows the council's low, medium and high population projections over the next 20-year period:

Figure 2.2 WDC Population projection



Source: WDC 2009-19 10 Year Plan

Based on current forecasts population is projected to decline past 2006 (low and medium projections) or rise very slowly (high projections). However, the council points out that any decline in population does not necessarily mean an overall decline in demand for Council services. This is due to the fact that the continuing trends of a rural to urban shift, the increasing number of properties housing fewer people and the attraction of visitors to Whakatane as a holiday destination are anticipated to result in increased demand on existing infrastructure in the District, and particularly in Ohope.

3 Kawerau District

According to Census results, between 2001 and 2006 there was virtually no change in the Kawerau District's population. Official Statistics New Zealand projections to 2031 are for a slow decline in District's population.

In 2005 Environment Bay of Plenty commissioned the University of Waikato to undertake population and demographic forecasting for the eastern Bay of Plenty. A preliminary report in respect of the Kawerau District, made the following projections.⁷

Table 3.1 Kawerau Population Projections

Year	SNZ	DFP	Difference
2001	7,290	7,290	0
2011	6,320	6,320	0
2021	5,710	5,710	0
2031	4,910	5,410	500
2041	3,810	5,600	1,790
2051	2,480	5,970	3,490

SNZ = Statistics NZ UoW DFP = Demographic Forecast Projection

Statistics New Zealand's high, medium and Low growth projections for Kawerau are set out below.

Table 3.2 Statistics New Zealand Kawerau population projections

Kawerau District Variant	Population (as at 30 June)					Change 2001-2026		
	2001	2006	2011	2016	2021	2026	Number	Percent
High	6,975	6,900	6,600	6,500	6,300	6,100	-1,200	-17
Medium		6,700	6,300	6,000	5,700	5,300	-1,900	-27
Low		6,600	6,000	5,600	5.2	4,600	-2,600	-36

Source: Statistics New Zealand and Wasley Knell Consultants and Ken Tremain Consulting Ltd, 2005, Regional Growth Advantage Strategy, Part One, Kawerau District Council.

Significant population decreases are indicated. However, in 2006 Kawerau District Council was of the view that a resurgence in people wishing to live in Kawerau, may result due to changing trends and the increasing desirability of Kawerau as a place to live, work and play.

⁷ Wasley Knell Consultants and Ken Tremain Consulting Ltd, 2005, Regional Growth Advantage Strategy, Part One, Kawerau District Council.

4 Opotiki

Opotiki District is one of the smallest local authorities in terms of population. However, over the past five years there has been a steady increase in both the number of consents issued by the council and the value of the building consents. The average number of consents issued per year has increased by 8% and the average value has increased by 42%.

5 Rotorua District

In 2005 Rotorua District Council developed a Growth Model (GM05) to assist with infrastructure and land use planning. This generated projections for population, households, employment land, retail land and visitor nights. In 2008 an assessment of actual growth and update of growth predicted by the GM05 was undertaken as part of the Growth Assessment 08 (GA08).

5.1 Population

This table compares RDC's GA08 assessment with Statistics New Zealand's 'High' series projections for 2021 and 2051.

Table 5.1 Rotorua Population Growth Estimates

Model	2006	2021 Total/Growth	2051 Total/Growth*
RDC GA08	68,100	71,986 (+3,886)	75,359 (+3,373)
SNZ High	68,100	75,236 (+7,136)	83,318 (+8082)

*Growth from 2021 to 2051

The two main sources of difference between the Council's projections and the Statistics New Zealand High Series projections are the growth estimates for the Eastern Suburbs and City Centre.

Table 5.2 Rotorua Population Growth by Key Zones

Model	2021 Eastern Suburbs	2021 City Centre	Total Growth
RDC GA08	4,043	-1,325	3,373
SNZ High	5,761	-577	83,318 (+8082)

5.2 Employment

Reconciling employment growth estimates is a little more challenging than population as the RDC growth assessments forecast land uptake rather than employment gains. The GA08 predicts that the areas of employment land and retail land in the land Eastern Suburbs will increase by 64 ha between 2006 and 2021, and by a further 56 ha between 2021-2051. The RDC transport model predicts that total employment will increase by 5,620 by 2051. This is broken down into an 18.9% increase to 2021 and a 7.5% increase from 2021 to 2051. The model predicts that 2,459 of the additional jobs will be created in the Eastern Suburbs.

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