

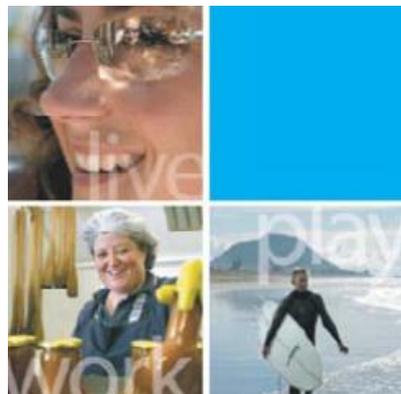
Project Brief

Land and Infrastructure Drivers Research

1. Background

The SmartGrowth Strategy is being updated to reflect the following:

- The time that has passed since the Strategy was adopted in 2004 and the actions reviewed in 2007
- Changes in government policy and legislation
- The Global Financial Crisis (“GFC”) which has impacted our national economy since 2008,
- A general slowing of development in the western Bay of Plenty in recent times
- The economics of development becoming increasingly difficult
- The importance of the Upper North Island growth area, which the Bay of Plenty is part



This Update is being undertaken at a time when development rates are at an historic low largely as a result of the ongoing GFC. Land and infrastructure drivers research is an important component for informing the Strategy Update. This project will also link to other SmartGrowth Update research briefs given the overlap between this work and other SmartGrowth Strategy areas.

This research will also be informed by a concurrent update of the SmartEconomy strategy which will identify the key economic drivers for the western Bay of Plenty within a wider regional and upper North Island context.

Part of the issue is the viability of land development, and the need to match land supply with industry needs – for industrial and residential. An example is the Rangiruru site. So this research project needs to be linked to the *Industrial Land Use Research Project*.

Since the end of 2008 the region has had an economic development strategy and action plan in place – *Bay of Connections*. Bay of Connections identifies 13 key sectors¹ that are important for the future development of the region (the region being the wider Bay of Plenty, including Taupō). Bay of Connections includes industries that have not yet been fully investigated through SmartGrowth – such as Aquaculture. For emerging industries like this, we will need to identify the infrastructure requirements, transport, water discharge, energy requirements, scale, and also other factors such as the supply of skilled labour, capital, regulatory environment etc. We need a catalogue of business needs, which will help determine the best business locations.

¹ The 13 key sectors are: energy, freight logistics, marine, sport and recreation, ICT, tourism, other food cultivation and processing, emerging technologies, kiwifruit, dairy, meat, aquaculture, forestry

The Bay of Connections area accounts for \$11.5 billion, or just over 6% of New Zealand's GDP, and has over 7% of the country's population – at 300,000. We are a significant component of the national economy, and therefore need to ensure that as a region we utilise our resources effectively, and build and use infrastructure in the most efficient manner.

Treaty settlements will also have a significant impact on the region. There is currently a SmartGrowth project brief to undertake research and assess the impact of a number of impending Treaty of Waitangi Settlements and how SmartGrowth should accommodate, recognise and reference these settlements. Many of these settlements are to be completed within the next 2-3 years. The net effect of this will be to inject approximately \$200 million into the sub-regional economy through the transfer of Crown lands and income-generating leases over other Crown assets eg schools, and cash assets. There are at least thirteen Iwi Treaty Settlements that are in varying stages of completion in the Western Bay of Plenty. The impact of these settlements will need to be carefully considered as part of this project.

Each of the four sub-regions in the Bay of Connections region have their own sub-regional strategy – for the Eastern Bay of Plenty, Rotorua, Western Bay of Plenty and Taupō. In terms of this research brief it is important to consider the regional economic drivers and then translate these into a sub-regional approach for the Western Bay of Plenty.

2. Research context

This research brief is one of a number which SmartGrowth has commissioned to provide information for a well-informed update of the current strategy. The research programme is available on the SmartGrowth website: www.smartgrowth.org.nz

The strategy update is proceeding on the basis of social, economic, environmental and cultural inputs. All of the research briefs are expected to contribute to this broad spectrum of considerations.

3. Project goal

To enhance our understanding of strategic economic drivers, current and emerging sector needs and how they fit into future land requirements – at a regional level.

4. Project Manager

Programme Manager assisted by Strategic Advisor

5. Project Scope

This project will focus on the following areas:

- Identifying sector drivers
- Interpreting economic aspirations
- Focussing on supply chain network inputs
- Translating these into land, infrastructure and funding requirements in order to achieve integrated planning

A key component of the project will be on land requirements, the infrastructure needed by the different sectors and how this fits in with planned land developments. Also what the influence may be on the SmartGrowth Update settlement pattern.

The project will include the areas and influences covered by the SmartGrowth, Bay of Connections and SmartEconomy strategies. These cover the Western Bay, Rotorua, the Eastern Bay, and Taupō. The project will also have links with the upper North Island. It will be carried out in stages, starting with the Western Bay of Plenty sub-region and the Smart Economy Strategy.

For the western Bay of Plenty sub-region it will be necessary to:

- Determine forward land requirements from an economic development perspective so that there is a sound evidence base underpinning the settlement pattern. This will also assist with implementing our integrated planning approach.
- Take account of future aspirational opportunities from the Bay of Connections 13 key sector areas.
- Anticipate as yet unresolved supply chain decisions, eg Opotiki mussel farm processing at Greerton, which won't have land use impacts but will impact the transport network.
- Identify a range of network issues and pinch points which could influence the future western Bay of Plenty land use pattern, for example:
 - improving the inter-regional roading network to enhance logging access to the Port of Tauranga from both the Coromandel and the central North Island
 - improving upper North Island access to and from the Port of Tauranga by ensuring the planned SH1/29 improvements are funded/implemented in a timely manner
 - upgrading the rail link between Tauranga and the Waikato since this section of line carries the highest volume of freight per km in New Zealand
 - ensuring that the western Bay of Plenty power distribution network can distribute energy from the east to the west
- Document the strategic capacity of the Port of Tauranga to contribute to ongoing sub-regional, regional and upper North Island economic development.
- Investigate the potential of a marine corridor (eg for shipping, aquaculture and recreation).

In order to cover these areas efficiently and draw on existing knowledge, it is proposed that a workshop will be held for the western Bay of Plenty which will look at the regional economic drivers and translate these for the sub-region. Consideration will also be given to the government policy context. The workshop will cover the following:

- Regional economic drivers – the 13 sectors contained in the Bay of Connections Strategy

- Which of these 13 sectors are most relevant to the western Bay of Plenty sub-region
- What is happening within each of the relevant sectors
- What are the likely influences of other drivers such as population aging, health and education?.
- Are there any other economic drivers?
- What are the current and future supply chain impacts for the sub-region?
- What do these inputs mean for land demand in the sub-region?
- What are the infrastructure and funding implications?

This is not just a local government project. It needs to include ongoing input and direction from industry-oriented groups and business leaders, such as the various sector advisory groups who inform the Bay of Connections Strategy. The workshops will include a wide range of stakeholders and business groups in order to obtain their perspective.

The project will identify gaps in the requirements for existing and emerging industries across the Bay of Connections region, with a particular emphasis on the western Bay of Plenty sub-region. It will also identify any constraints, and how industry perceives these being minimised.

This project will feed into the *Industrial Land* research project. It will inform the demand side of the industrial land project by providing information on land use requirements of various industries. This will then be used to develop a value proposition for each of the possible business land areas identified for consideration in the SmartGrowth Strategy update.

It is expected that a draft report will be completed by mid August 2012

6. Project Inputs

The key references for this report include:

- Bay of Connections Strategy (2011)
- Bay of Plenty Aquaculture Strategy (2009)
- Bay of Plenty Forestry and Wood Processing Strategy (2011)
- Bay of Plenty Energy Strategy (2011)
- Bay of Plenty Regional Land Transport Strategy (2012) and background documents including the Bay of Plenty Economic Development and Transport Study (May 2011)
- Bay of Plenty Regional Land Transport Programme
- Bay of Plenty Freight logistics Strategy (2011)
- National Freight Demands Study (2008)
- NZTA Upper North Island Story on behalf of UNISA (TBC – 2012)
- Post Treaty Settlement Aspirations report
- Industrial Land Use report
- Sub-regional strategies for Taupō, Rotorua, Western Bay, Eastern Bay.
- Bay of Plenty Tertiary Education & Research Action Plan 2010
- Tertiary Education Strategy

This project will also rely on the findings of the NZTA Upper North Island workshops, in particular the Bay of Plenty workshop held on 14 May 2012, to provide the high level regional scope and identify the transport infrastructure challenges and pinch points.

7. Project Outputs

- A full written report in electronic format which documents the outcomes of the workshop and has a focus on how these will assist the SmartGrowth Strategy Update.
- Have the report peer reviewed??
- Present draft report to the SmartGrowth Implementation Management Group, and present final report to the SmartGrowth Implementation Committee.

8. Methodology

The project will ultimately be carried out in four stages, with Western Bay first – followed by Rotorua, Eastern, and Taupō (no particular order).

This brief focuses on the western Bay of Plenty. The aim will be to undertake a sector analysis, identify economic aspirations, consider supply chain impacts and then translate this into future land requirements by location eg the eastern, southern, western, northern and marine corridors.

This work will involve surveying existing industry and its requirements (or alternatively using existing data where this is available), as well as taking account of emerging industries. Then matching their requirements to what's available, and what needs to be available into the future. This should be done by:

- Desktop research. Collate all relevant existing research, in particular the findings from the studies referenced in section 5.
- A facilitated workshop with key stakeholders, industry-oriented groups and business leaders from across the sub-region – to determine economic drivers for the relevant sectors, sector requirements, what they perceive is needed over the long term horizon, and what they are thinking about regarding future economic growth opportunities.
- The groups to be invited to the workshop, as appropriate to the western Bay of Plenty, are:
 - Energy Action Group
 - Freight Logistics Action Group
 - Forestry and Wood Processing Action Group
 - The Regional Aquaculture Organisation
 - The economic development agencies – Priority One, Toi-EDA, Kawerau Economic Development, Rotorua Economic Development, Taupō Economic Development.
 - The chambers of commerce from across the region.
 - The Bay of Connections Governance Group.
 - Key players involved in the *Industrial Land* research project.
 - Key SmartGrowth partners, including the NZTA.
 - Port of Tauranga
 - Federated Farmers

- New Zealand Kiwifruit Growers Inc.
 - Avocado Industry Council
 - Upper North Island cities and regions
 - Waikato Regional Council and relevant territorial local authorities
 - Smart Economy Action Group
 - Tangata Whenua
- While this project is regional, it will be important to also gain an Upper North Island and a wider New Zealand perspective. Therefore the relevant people to achieve this perspective will also need to be included in the workshops.
 - For the key people unable to attend workshop/s, carry out phone or face-to-face meetings with them to ensure all key existing and emerging industries perspectives are included or alternatively have them review the workshop record.
 - Provide a draft report on key findings from the desk research and workshop.
 - Provide a final electronic report.

9. Timeframes

Identify the milestones that are necessary in order to achieve the output in the timeframe agreed by the Research Working Group including work-shopping, peer review and signoff with SGIC.

Milestone	Timeframe
Agreement on scope of project and people to be invited to the workshop	May
Collate key outcomes from existing economic drivers reports as background for workshop	Mid June
Workshop held	End June
Peer review	End July
Present draft report to the SmartGrowth Implementation Management Group	Mid-August
Present final report to the SmartGrowth Implementation Committee	End August
Final report provided in electronic, web-friendly form	End August