



# Western Bay of Plenty Infrastructure Forum

## Submission to Productivity Commission

17<sup>th</sup> April 2023

We note the issues paper provided and have developed this submission with the Western Bay of Plenty / Tauranga focus. Also attached is a document from the infrastructure forum mapping the infrastructure landscape in the Western BOP which we hope will be helpful.

### 1 What supply chain disruptions and trends are you worried about?

- Delays in providing additional berth capacity at the Port of Tauranga
- Poor roading network connecting New Zealand with the Port of Tauranga, with congestion and risks of failure.
- The global shipping market and loss of attractiveness of NZ as a destination.
- Limited investment in nationally important infrastructure, leading to fragility of supply chain & poor global competitiveness.
- Low resilience to natural events in areas critical to our supply chain, specifically routes from Tauranga (NZ's main port) to the upper North Island.

### 2 What is your industry/community currently doing or planning to do to address supply chain concerns?

- See attached infrastructure action plan document.
- Local government plans (UFTI from SmartGrowth), but note that we do not believe that local government alone can solve the infrastructure issues identified.

### 3 How can the government help to enhance the resilience of your industry/community to supply chain disruptions?

- Develop plans around key parts of our supply chain, Tauranga should be one of these.
- Develop long term funding arrangements for infrastructure, employing different funding schemes (e.g. PPP's, involvement of NZ Super Fund)
- Legislate for a faster path to consenting that current – infrastructure is built very slowly in Aotearoa.

### 4 What should the Commission study to learn more about the economic resilience of industries and communities?

- Talk more with Infrastructure NZ and Infrastructure Commission
- Understand Aotearoa's supply chain, freight flows and points of low resilience
- The infrastructure action plan document provided.



# Tauranga Moana Infrastructure Action Plan

A vision to connect New Zealand's fastest growing city and gateway to trade, to the communities and businesses it serves

---



Western Bay of Plenty  
Infrastructure Forum



Tauranga is the fifth largest and the fastest-growing city in Aotearoa New Zealand. For the last decade, and notably during the pandemic, the city has experienced dramatically higher economic and population growth levels than the rest of the country.

Tauranga's importance to Aotearoa is not just limited to being a popular place to live; the city is the gateway to trade from NZ to the world, with our largest seaport, horticulture production and links to NZ's primary production heartland.

While the future is bright, Tauranga faces some very real constraints around its infrastructure, with historical under-investment and leadership relative to the high growth the city has experienced. This manifests in a lack of land available for development, low productivity, housing and rental unaffordability and restricted access to the country's largest Port.

Tauranga will continue a growth trajectory, and the demands on our infrastructure will intensify. We must ensure we have the capability to realise this growth and serve the country. Well planned infrastructure can also support economic resilience, unlock growth, and help deliver on climate change objectives.

**Western Bay of Plenty Infrastructure Forum consists of:**



*This document sets the path for a greater understanding of infrastructure critical to the best interests of Aotearoa New Zealand, and critical elements that need to be addressed. Providing infrastructure for a city and country to thrive will be a team effort between business, local authorities, the community, and central government.*

# Action Plan

**In 2022, the Western Bay of Plenty Infrastructure Forum was formed to assist in addressing the significant infrastructure deficit that our city has.**

**This document outlines:**

- A path to the future via a ten-point action plan
- Tauranga's current infrastructure constraints
- Our 2033 vision for Tauranga's infrastructure
- Key information and considerations.

**If left on the current trajectory, Aotearoa's growth will be negatively affected by Tauranga's infrastructure challenges:**

- Multi-billion dollar key export sectors such as dairy, meat, forestry and kiwifruit will be constrained, with projected growth unable to be realised
- New Zealand's imports of consumer goods, fertiliser, feed, and petroleum products will be constrained
- Industry productivity will remain low due to congestion and poor access to employment
- Housing and rental affordability will remain a critical issue for Tauranga, with limited ability to improve via additional land supply
- Industry and transport decarbonisation will be hindered.

# 2033 Vision – Future and desired outcomes

## Housing

- Projected future population growth accommodated via SmartGrowth priority development areas
- Housing and rental unaffordability improved via greater supply and choice.

## Transport, Congestion and Emissions

- Productivity improved by reduced congestion and reliable journey times
- Transport emissions reduced from 74% of Tauranga city total via mode shift and alternative fuels for heavy industry
- Port of Tauranga as lowest carbon path to market for exporters is unconstrained.

## Port capacity

- Current berth capacity constraints are eased through berth extension and automation
- Lowest emission path to market for Kiwi exporters is realised.

## Population and Industry Growth

- Infrastructure barriers to housing supply are removed
- Industrial area optimised for access to market and co-existence with community
- Availability of skills and talent to deliver infrastructure needs.

## Ten-point Action Plan

- 1 Port of Tauranga berth extension complete
- 2 State Highway 29 Tauriko: short term improvements completed (2025)
- 3 State Highway 29 Tauriko: bypass completed (2030)
- 4 Connecting Mount Maunganui improvements complete: access to Port of Tauranga
- 5 Eastern town land zoned and infrastructure under development
- 6 Four lane roading: from Hamilton to Tauranga, enabling freight access between Auckland - Hamilton - Tauranga, underway
- 7 Golden triangle infrastructure plan complete covering resilience, funding, decarbonisation, and future growth
- 8 Low emissions / transport decarbonisation infrastructure in place: EV, hydrogen, mode-shift
- 9 Feasibility to move Tauranga airport completed
- 10 Talent market plan for infrastructure in place and with support of funders, contractors, and consultants.












## Needed to Enable

- Government agencies to have dedicated Western BOP strategies
- Long term agreements for funding of Western BOP roading initiatives
- Legislative change to provide a regionally specific, efficient pathway for consenting.



# Tauranga Moana Infrastructure Map 2023



-  Road
-  Congestion
-  Main freight corridor
-  Takitimu North Link  
(under construction)
-  Baypark to Bayfair Link  
(under construction)
-  Papamoa East Interchange  
(under construction)
-  Rail
-  Port - Sea import/export
-  Main industrial areas
-  Airport
-  Existing urban areas

# Tauranga Moana Infrastructure - Current State

- 1

## Rail

  - Port to Auckland market
  - Port/Ruakura link
  - Containers, logs, dairy, meat & wood products
  - 37 trains per day.
  -  **Kaimai Tunnel critical infrastructure risk**
  
- 2

## Port of Tauranga

  - The country's largest container terminal, handling around 42% of all shipping containers. Port of Tauranga handles 32% of all New Zealand cargo and 36% of all New Zealand exports
  - Key exports - meat, dairy, forestry, kiwifruit = approx \$25B of NZ export income
  - Container berth extension delayed despite requests to fast-track, planned for 2019.
  -  **Berth capacity constraints**
  
- 3

## Mount Maunganui Industrial Area

  - 800+ businesses, 12,000 employees
  - Main access point to Port, cross city.
  -  **Congestion, access, road safety issues**
  
- 4

## Bayfair to Baypark

  - Two grade separations
  - Construction delayed, due for completion late 2023.
  -  **Congestion, access to work**
  
- 5

## SH29 | Tauriko Industrial Area

  - Main access point to Waikato/Auckland
  - Access for Tauriko Business Estate, residential development.
  -  **Congestion, road safety issues, housing issues**
  
- 6

## SH29

  - Main access point to Waikato/Auckland
  - Transport of goods into the Port (logs, kiwifruit, avocados)
  - Transport of goods into the city (building products, consumer goods)
  - Transport of goods to NZ industry base (oil, stock feed, fertiliser, building products)
  - 1750 per day heavy vehicle crossings in 2020.
  -  **Road safety issues, critical infrastructure risk**
  
- 7

## SH2 East

  - Main access to Rotorua & Eastern Bay of Plenty
  - Corridor for regional horticulture and aquaculture exports
  - Papamoa East Interchange under construction
  - Rangiorua Interchange under construction.

# Tauranga Moana Infrastructure Map - 2033 Vision



To the world ▲

✓ Port of Tauranga berth extension complete

✓ Bayfair to Baypark interchange road complete

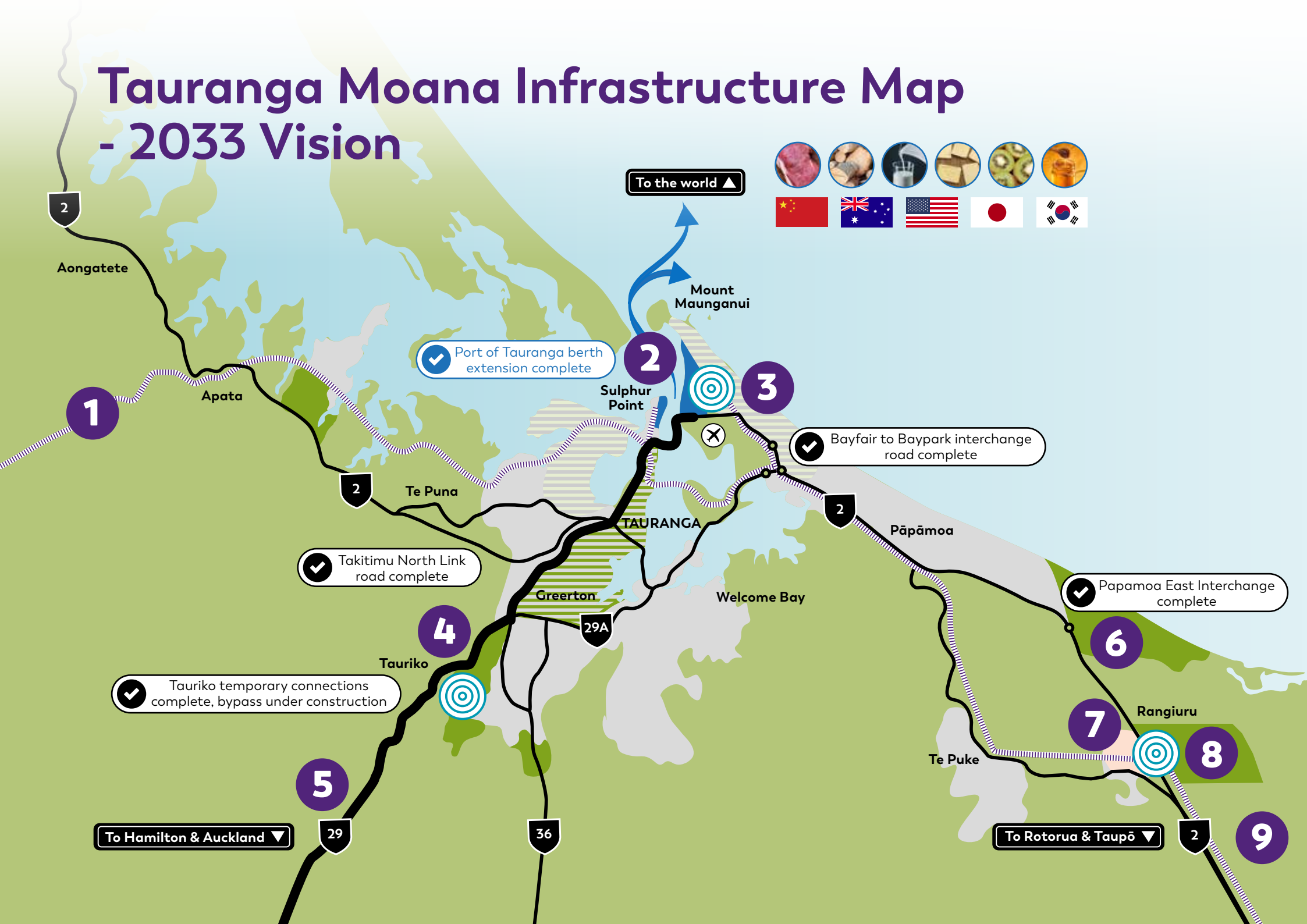
✓ Takitimu North Link road complete

✓ Papamoa East Interchange complete

✓ Tauriko temporary connections complete, bypass under construction

To Hamilton & Auckland ▼

To Rotorua & Taupō ▼



-  Road
-  Main freight corridor
-  Rail
-  Port - Sea import/export
-  Main industrial areas
-  Airport
-  Existing urban areas
-  Priority development areas
-  Priority intensification areas
-  Future spatial plan areas

# Tauranga Moana Future Infrastructure – Vision

- 1 Rail**

  - 74-94% increase in rail traffic forecast
  - Links to Ruakura Superhub, and Metroport Auckland strengthened
  - Rail expected to enable most future container growth.
- 2 Port of Tauranga**

  - Port berth completed
  - Container traffic expected to increase 49-61%
  - Kiwifruit volume expected to double.
- 3 Mount Maunganui Industrial Area**

  - Grade separation and improvements to enable future export and population growth
  - Capacity, safety and PT improvements.
- 4 Tauriko**

  - Tauriko West residential housing underway
  - Tauriko Business Estate expansion – Stage 4
  - Enables urban growth through location of jobs near housing areas
  - Industrial estate: moves from 6,000 to 16,000 jobs.
- 5 SH29**

  - Tauriko for tomorrow realignment/bypass completed to enable future population, industry and freight growth and reduce congestion
  - Enables continued freight transport within the golden triangle.
- 6 Eastern Corridor**

  - Te Tumu residential housing development underway
  - Represents near to medium term housing capacity improvement
  - Enables urban growth through location of jobs near housing areas.
- 7 Rangioru business park**

  - Land available late 2024
  - Interchange completed
  - Rail link to Port of Tauranga
  - Enables 2-3,000 jobs.
- 8 Eastern Town**

  - Potential capacity for 15,000 houses
  - Utilise existing infrastructure
  - Supports adaption to climate change and key tool to housing affordability.
- 9 SH2 East**

  - Enables growth of exports from the Eastern BOP (food, manufacturing)
  - Enables connections to Whakatane/Rotorua.



# Infrastructure Constraints - Tauriko

## SH 29 Tauriko

- Tauriko is a major growth area for Tauranga city, with developed residential land, and the Tauriko business estate
- Transport connectivity has been the only barrier to developing desperately needed housing supply in the city, negatively impacting affordability. Short term improvements are underway and need to be completed with urgency
- Longer term a bypass is needed. A business case is currently underway, funding needs to be sourced
- The Western Corridor is the main growth area with plans for 24,000 dwellings in a 20-year period; the Tauriko business estate has a further 100ha of developable, zoned land. Will achieve urban planning and sustainability objectives by enabling live, work and play in close proximity
- SH29 Tauriko connects the Port to the Golden Triangle, severe congestion limits productivity, future growth and social license.





# Infrastructure Constraints - Hewletts / Hull / Totara

## Mount Maunganui Industrial Area

- Hewletts/Hull/Totara is a key access point in Mount Maunganui, linking the port, airport, and Tauranga suburbs, as well as being a highly valuable and productive industrial area
- Hewletts Rd is at capacity, severely affecting access to work, future growth, productivity and export trade
- Serves various modes of transportation: air, rail, public transport, cycling, commuters, freight, and trade vehicles
- Improvement plans progressing slowly but with several options. Needs confirmed funding and fast-tracking
- Key area for critical imports to NZ's economy: fertiliser, fuel and feed
- Transport congestion a major factor in continued social right to keep operating for the Mt Maunganui Industrial Area
- Significant opportunity for decarbonisation in the future.



# Infrastructure Constraints - Port of Tauranga

## Port of Tauranga Berth Extension

- Sulphur Point container berth at Port of Tauranga requires extension for increased vessel and container volume
- Steady growth in container volume with over 1.24m TEU handled at the port
- Freight volumes through the port forecast to grow 49-61% over the next 10 years
- Increased demand predicted, due to limitations and pressure on Ports of Auckland
- Fast tracking requested in 2019 but denied. Consent currently in environment court with an uncertain, but long time frame expected posing a major risk to New Zealand's imports and exports
- Construction funded by the Port of Tauranga (circa \$100m) and able to commence immediately following consent
- Berth capacity matched by investment in land-side auto stacking equipment and technology.



# Key Information

## Tauranga's Growth

- Tauranga is NZ's 5th largest and fastest-growing city
- Population grew 72% since 2000, outpacing national increase of 32%
- Strong business growth, particularly near the Port of Tauranga (e.g. Winstone Wallboards)
- Tauranga's GDP increased 142% since 2000, outpacing national increase of 82% (source: infometrics)
- Housing shortage with Tauranga being least affordable of main centres (11.8 vs 8.7 national average)
- 8000 dwellings short of 10-year housing projections
- Projections and restrictions in place to prevent enough being built.

## Golden Triangle

- Comprises 50% of NZ's population and economy
- Currently home to 2.5M people, expected to grow by 31% by 2043 (source: MBIE)
- Primarily linked by road, with air link (Tauranga to Auckland) and passenger rail link (Hamilton to Auckland)
- Economies vary, with Auckland dominated by services and goods production, Waikato and Bay of Plenty by primary industry, distribution, logistics, and manufacturing.

## Freight & Logistics Pressures

- 42% of NZ's freight within the Golden Triangle
- Dominated by road (SH1 & SH29) with strong rail links
- Freight expected to grow 47-65% faster than population in next 10 years
- Congestion, safety and resilience concerns, particularly via SH29 and Kaimai Tunnel
- Port location in the middle of Tauranga City, straddling both sides of the harbour, roads serve freight and commuter needs.

## Role of Rail

- Rail network serves only freight needs, well utilised for this purpose
- Port of Tauranga's growth largely attributed to rail transport
- Rail crucial to Tauranga-Auckland supply chain, especially to enable the growth of container imports
- Connects to Auckland through Ruakura and Auckland container hubs, and to South Waikato and Eastern BOP via East Coast Main Trunk.

## Port of Tauranga

- Largest port in Aotearoa
- Handles 42% of shipping containers, 32% of cargo, and 36% of exports
- Container volumes up 67% in last 10 years
- Exports: primary sector goods (Food & Fibre)
- Imports: container goods, fertilizers, bulk goods, feedstock, and petroleum
- Success due to location, deep water capability, and efficiency. Only port to accommodate largest container vessels
- Connects to major container hubs (Ruakura and Auckland) and other NZ ports via coastal shipping
- Key piece of infrastructure for New Zealand's resilience.

## Environmental Sustainability

- Urban growth plans minimise transport emissions by co-locating residential and industrial areas
- Port of Tauranga offers low-emission route to market through large vessels and rail connectivity
- Provides scale for growth of low-emission technologies like hydrogen and EVs.

## Congestion & Safety

- SH2 from Tauranga to Waihi has recorded 25 fatalities and 66 serious injuries from 2009 to 2018. \$164m safety upgrades are underway
- Congestion affects all parts of the roading network, hindering productivity, access to work, and future growth
- Major congestion points include SH29 at Tauriko, 15th Ave/Turret Rd, and Hewlett's Road.

## Land Development

- Tauranga faces a deficit of 8,000 houses over the next decade, causing housing and rental unaffordability
- Limited options to address this issue as access to land is hindered by inadequate transport infrastructure
- UFTI plans future development, but the region's challenging geography (peninsulas and low-lying land) makes it difficult to develop quickly
- Intensification of housing and a move towards the east are considered as long-term solutions.



**Western Bay of Plenty  
Infrastructure Forum**