

## Upper North Island industrial land future requirements: Summary of regional work already undertaken

To support a high level summary of work undertaken to date across the four upper North Island regions, a simple template was developed to summarise information across consistent questions. These included:

1. **Has your organisation undertaken, or partnered to undertake work within your district/city/sub-region/region to support conversations around the quantum of business/industrial land required to support current and future growth?** Yes / No
2. **If yes, when was this work undertaken, for what geographical area, and through what process, i.e. SmartGrowth, FutureProof, Auckland Plan, Sustainable Futures, RPS, District Plan?**
  - Date/year:
  - Process:
  - Geographical area:
  - Partners (if appropriate):
3. **What was included in terms of the business land / industrial land conversation, i.e. was all business zones within the district plan(s) included or was the work specific to a particular type of business land, e.g. heavy industrial?**
4. **How was the calculation undertaken to determine the quantum of land required for the district/city/region/sub-region, i.e. what was the equation based on – population, growth, industry growth?**
5. **What did that equation total to, i.e. how much land was required and for what land mass (district/city/sub-regional/regional)?**
6. **What were the key assumptions used around industry, i.e. was there any work done to determine where the industry was coming from to utilise the future land?**
7. **What is the average uptake of industrial land per annum over the last 5–10 years in the area?**
8. **Any other comments:**

Following are the region's summary information pertaining to these questions.



## Industrial land future requirements template: Northland

Region: Northland

Date of information: October 2012

**1. Has your organisation undertaken, or partnered to undertake work within your district/city/ sub-region/region to support conversations around the quantum of business/industrial land required to support current and future growth?**

**a. Whangarei District**

Yes – see subsequent questions for further detail.

**b. Far North District**

No work undertaken to date – Far North District has a 2006-2009 Local Economic Development Strategy and is currently developing a Sustainable Future programme which is anticipated to include conversations around business / industrial land.

**c. Kaipara District**

No work specifically undertaken although the Kaipara District is finalising a new district plan which will include spatial zoning of business / industrial land. However this does not appear to have included any analysis of the quantum of land required.

A structure plan has been completed for Mangawhai which included a small proportion of business / industrial land but did not appear to include an analysis of the quantum required.

**2. If yes, when was this work undertaken, for what geographical area, and through what process, i.e. SmartGrowth, FutureProof, Auckland Plan, Sustainable Futures, RPS, District Plan?**

**Whangarei District**

- **Date/year:** 2010
- **Process:** Sustainable futures 30/50
- **Geographical area:** Whangarei District
- **Partners (if appropriate):** Internal programme to assess business land availability

In 2013, Whangarei District Council will commence a business land strategy document to provide more detailed information and work around this topic.

**3. What was included in terms of the business land / industrial land conversation, i.e. was all business zones within the district plan(s) included or was the work specific to a particular type of business land, e.g. heavy industrial?**

**Whangarei District**

- General business land (all types). Whangarei District contains substantial amounts of land zoned for heavy industry, so there was little value in specifically highlighting this type of business land. However, as part of the upcoming business land strategy in 2013, more



consideration/detail of different business types (office, commercial, retailing etc) will be undertaken.

**4. How was the calculation undertaken to determine the quantum of land required for the district/city/region/sub-region, i.e. what was the equation based on – population, growth, industry growth?**

**Whangarei District**

- Employee numbers and their footprints then matched against population projections. These projections included international and national economic drivers identified by Infometrics in previous work carried out for Whangarei district and Northland regional councils.

**5. What did that equation total to, i.e. how much land was required and for what land mass (district/city/sub-regional/regional)?**

**Whangarei District**

- Over the 50-year period, it has been estimated that Whangarei District will require a total of 1388.50ha of general business land. Only one scenario was used for this estimate. At present there is 1679 ha of land zoned for a number of business uses, the bulk of which is found around Marsden Point/Ruakaka.
- Whilst presently zoned land exceeds present and future requirements, there are occasional mismatches between the location of zoned land and future demand over the 50 years, mainly around the Otaika node within Whangarei. Whangarei District has a polycentric settlement pattern, with an accompanying polycentric business land spatial pattern. New projections are likely to be required as a stronger picture around Marsden Point/Ruakaka emerges.

**6. What were the key assumptions used around industry, i.e. was there any work done to determine where the industry was coming from to utilise the future land?**

**a. Whangarei District**

Not really. Projected needs are more based upon national and international drivers and population figures. The potential of Marsden Point/Ruakaka to drive industrial growth in the district is substantive, but difficult to ascertain.

**b. Far North and Kaipara**

Far North and Kaipara have not undertaken such work.

**7. What was the average uptake of industrial land per annum over the last 5–10 years in the area?**

- Whangarei District Council has not undertaken such work, and is yet to develop monitoring mechanism, but will look to do this in the future business land strategy.
- Far North and Kaipara have not undertaken such work.

**8. Any other comments: No**



## Industrial land future requirements template: Auckland

**Region:** Auckland

**Date of information:** October 2012

1. **Has your organisation undertaken, or partnered to undertake work within your district/city/sub-region/region to support conversations around the quantum of business/industrial land required to support current and future growth?** Yes

2. **If yes, when was this work undertaken, for what geographical area, and through what process, i.e. SmartGrowth, FutureProof, Auckland Plan, Sustainable Futures, RPS, District Plan?**

- **Date/year:** 2007
- **Process:** part of the Auckland Regional Growth strategy implementation coordinated by the Auckland Regional Council
- **Geographical area:** The entire Auckland region
- **Partners (if appropriate):** Rodney District Council, Waitakere City Council, North Shore City Council, Auckland City Council, Manukau City Council, Papakura District Council and Franklin District Council
- **Reference:** Market Economics (May 2007). Group 1 Additional Greenfield Land Requirements, 2001-2031. Auckland Regional Council

3. **What was included in terms of the business land / industrial land conversation, i.e. was all business zones within the district plan(s) included or was the work specific to a particular type of business land, e.g. heavy industrial?**

- 'Group 1 Business land' was included – this relates to industrial zoned land (no distinction is made between light and heavy industry). Group 2 includes Office and Retail zoned land and was not included.

4. **How was the calculation undertaken to determine the quantum of land required for the district/city/region/sub-region, i.e. what was the equation based on – population, growth, industry growth?**

- This study took a view on future land demand based on employment projections for the business sectors defined as industrial ('group 1'). These include the following business sectors:
  - Manufacturing
  - Construction
  - Wholesale trade
  - Transport and storage.
- The resulting land demand was compared to vacant land estimates and proposals for new business land coming forward through the planning system. The study assumed that at the time of writing there was between 1,189 and 1,063 hectares available for new industrial activity in the region<sup>4</sup>.

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<sup>4</sup> This is based on a decreasing range from theoretical supply to practical supply.



**5. What did that equation total to, i.e. how much land was required and for what land mass (district/city/sub-regional/regional)?**

- Based on estimates of future employment growth and land supply this study established a potential short fall in land supply and estimated that the Auckland region could require additional greenfield land of between 680 to 720 hectares by 2031 in order to sustain the growth of industrial activities in the region.
- This was based on an assumption of average development density at 38 FTEs/Ha, and an assumed split between industrial uses supporting ancillary uses. The 680 hectares is based on an assumption of 75% of land being used for industrial activities and 25% being used of ancillary activities. The 720 hectares is based on an assumption of 60% of land being used for industrial activities and 40% being used of ancillary activities.
- Following this study, the Auckland Region Greenfield Business Land Report of 2007 made recommendations that future greenfield areas for industrial activities should strive to contain 75% of the net area for industrial use and the remaining 25% be used of ancillary activities to make the best use of the land resource. Therefore based on the Market Economics estimates, the provision of 680 hectares to 2031 could be sufficient to meet future needs to 2031.
- For the purposes of the Auckland Plan development this work was extrapolated forward to meet the strategic planning horizon of the plan to 2041. The resulting industrial land demand target was 1,000 hectares to 2041.

**6. What were the key assumptions used around industry, i.e. was there any work done to determine where the industry was coming from to utilise the future land?**

- No, the estimates are largely related to employment projections. However regular market commentary is provided by CBRE who provide insights into emerging business demands and market demand for new industrial land (i.e. developers and owner/occupiers).

**7. What is the average uptake of industrial land per annum over the last 5–10 years in the area?**

- Based on stats from CBRE, in 2007/2008 uptake was around 110ha p.a. and 2009 to 2011 was down to around 30ha p.a. So on average about 62 ha p.a. over the last 5 years (period of GFC).
- Interestingly, based on our previous Capacity for Growth Study (2006) the average was 113ha p.a. from 1996 to 2006.

**8. Any other comments:**

Further work was undertaken to support the Auckland Plan that sought to update the regional employment projections and to derive floor space requirements for different sectors. This work was also undertaken by Market Economics and utilised the Auckland Council's *Employment Growth Model* and *Auckland Growth Model*. This work concluded that Auckland will require 6,067,000 sqm of additional industrial floor space to met future employment growth in the industrial sector – this is a close approximation of the earlier derived requirement of 1,000 hectares, and further supported this target.



## Industrial land future requirements template: Waikato

**Region:** Waikato

**Date of information:** October 2012

1. **Has your organisation undertaken, or partnered to undertake work within your district/city/sub-region/region to support conversations around the quantum of business/industrial land required to support current and future growth?**

WRC is a partner of the Future Proof project for growth management in the Waipa District, Waikato District and Hamilton City. The questionnaire provides information about this project. Information is also provided about other work that has occurred in the Waikato region (North Waikato, Thames/Kopu, Taupo and Matamata-Piako) which WRC was not directly involved in.

2. **If yes, when was this work undertaken, for what geographical area, and through what process, i.e. SmartGrowth, FutureProof, Auckland Plan, Sustainable Futures, RPS, District Plan?**

### A) Future Proof

- **Date/year:** 2010
- **Process:** Future proof business land review
- **Geographical area:** Waipa District, Hamilton City and Waikato District (boundaries prior to dissolution of Franklin District and incorporation of part of Franklin District into the Waikato District)
- **Partners (if appropriate):** Waikato Regional Council, Hamilton City Council, Waipa District Council, Waikato District Council and Iwi (NZ Transport Agency were not formal partners but were very involved in the process)

### B) North Waikato

- **Date/year:** 2010
- **Process:** North Waikato industrial land study
- **Geographical area:** Industrial land demand in north Waikato. Scope of the study included from Huntly North and examined both supply and potential demand using an economic model and population forecasts
- **Partners:** Project led by Waikato District Council. Stakeholder engagement with remaining Future Proof partners, including NZ Transport Agency. This work informed a Future Proof submission to the proposed RPS to enable Pokeno and Tuakau to be recognised as strategic industrial nodes

### C) Thames/Kopu

- **Date/year:** 2007
- **Process:** Thames and Kopu Industrial and Commercial Land Study (BECA for Thames Coromandel District Council - TCDC)
- **Geographical area:** Thames-Kopu area
- **Partners:** Unsure – appears to be a report specifically prepared for TCDC

### D) Coromandel

- **Date/year:** 2010
- **Process:** Coromandel Peninsula Local Area Blueprint Strategy
- **Geographical area:** Coromandel peninsula (including Thames)



- **Partners:** Thames-Coromandel District Council, Waikato Regional Council, Hauraki Whaanui, Department of Conservation

#### E) Taupo

- **Date/year :** 2012
- **Process:** Evidence for hearing for Taupo District Plan Changes 28-33
- **Geographical area:** Taupo District and Taupo township
- **Partners:** Taupo District Council – work carried out by Property Economics

#### F) Matamata-Piako

- **Date/year:** 2009
- **Process:** Matamata-Piako District Growth Strategy
- **Geographical area:** Matamata-Piako District
- **Partners:** This appears to be a project undertaken by MPDC in consultation with others

Note that Matamata-Piako is currently working on a series of town plans which will provide an update on anticipated industrial land demand. The information should be available by the end of October.

#### G) Waipa district

- **Date/year:** 2009
- **Process:** Waipa 2050 economic development profile statement
- **Geographical area:** Waipa District
- **Partners:** Work carried out by Property Economics for Waipa District

### 3. What was included in terms of the business land / industrial land conversation, i.e. was all business zones within the district plan(s) included or was the work specific to a particular type of business land, eg heavy industrial?

#### A) Future Proof

- Future Proof BLR project projected demand for industrial, commercial and retail land.

#### B) North Waikato

- Waikato DC project examined demand for industrial land in North Waikato in light of the two settlements of Tuakau and Pokeno coming into the district, and their relationship with Auckland. The study drew heavily from demand analysis work undertaken by Auckland Regional Council in 2006, as outlined in the table below, as well as looking at employment self-sufficiency (commuting).

#### C) Thames/Kopu

- The Thames/Kopu land study identified demand for commercial (retail, office etc) and industrial.

#### D) Coromandel

- The Coromandel Blueprint project identified land demand for industry and office space.

#### E) Taupo

- Retail floor space and at broader level, industrial land.

#### F) Matamata-Piako



- The study sought to give an overview of future needs for residential, rural-residential, business and industrial land. Industrial land is broken down to manufacturing, transport and storage, construction, wholesale trade, utilities and other.

#### **G) Waipa**

- The study forecasted land requirements for retail, office and industrial land.
- 4. How was the calculation undertaken to determine the quantum of land required for the district/city/region/sub-region, i.e. what was the equation based on – population, growth, industry growth?**

Annual ave	Metre
Years to	Metre

(Note: Land area to be classified)

#### **A) Future Proof**

Employment projections were undertaken, fundamentally derived from population projects, but also taking into account a range of economic factors (such as current market demand, historic uptake rates, GDP projections, labour force projections etc). Land demand projections were made for industrial, commercial and retail for the periods 2010–2021, 2021–2041 and 2041–2061.

#### **B) North Waikato**

Population and employment projections done on the basis of CAU specifically focused on employment composition. This was matched with an economic model to forecast economic growth sectors and potential employment. Employment figures were used to calculate gross areas required to service the projected scale of employment demand in the industrial sector.

#### **C) Thames/Kopu**

Existing zoned industrial and commercial land, interviews with stakeholders to inform demand assessments, investigation of population characteristics and trends, economic profile, investigation of current development proposals, investigation of policy context and relevant studies (including BERL review of economic performance for 1996-2006), and GDP projections.

#### **D) Coromandel**





Land demand was based on existing employment and development patterns, review of opportunities in the district, review of three different development scenarios (note that the results are quite quantitative but the report itself does not describe how the land demand was actually assessed quantitatively).

#### **E) Taupo**

2006 Census data, Statistics NZ medium population projections, economic trends, aging trends, visitor projections, existing retail supply, Paymark electronic transaction data, emerging office trends, labour force participation rates, national GDP, industrial sector trend projections.

#### **F) Matamata-Piako**

The land budget was prepared by analysing the existing ratio of zoned land per household for the various land-uses in the three towns, the extent to which the current ratios meet demand, and the anticipated future role of each of the three towns.

#### **G) Waipa**

Primary information used was the 2006 census, Statistics NZ Household Economic Survey, Statistics NZ Retail Trade Survey, Real Estate interviews and estimates of current floor space. Employment growth trends were modelled based on modelling historic employment growth trends against the working age population, and forecast based on growth in the working age population.

### **5. What did that equation total to, i.e. how much land was required and for what land mass (district/city/sub-regional/regional)?**

#### **A) Future Proof**

The following table identifies land demand for the future proof area (Hamilton City, Waipa and Waikato district):

	<b>2010–2021</b>	<b>2021–2041</b>	<b>2041–2061</b>	<b>Total</b>
Industrial	186	344	275	805
Commercial	68	120	92	280 (at grade)
Retail	34	68	66	168 (at grade)

Note: This table excluded Pokeno and Tuakau as their market orientation is primary towards Auckland, not Waikato region. They were also not part of Waikato district at the time the work was undertaken.

#### **B) North Waikato**

The following table was prepared for the North Waikato work.

Forecasted industrial employees to 2041	8500
100m2 GFA per employee	850,000
+ 30% for infrastructure and green space	1,105,000
Divide by 10,000 for hectares	110ha

Forecast of Industrial jobs and land area (ha) to 2041.



### C) Thames/Kopu

The following table is from figure 16 of the BECA report.

Land type	5 years (2011)	10 years (2016)	15 years (2021)	20 years (2026)
Industrial 113ha in 2007	127–144ha (14-31ha above 2007 base year)	152–184ha (39-71ha above 2007 base year)	176–235ha (63-122ha above 2007 base year)	204–300ha (91–187ha above 2007 base year)
Commercial 21ha in 2007	24–27ha (3–6ha above 2007 base year)	28–34ha (7–3ha above 2007 base year)	BECA considered that beyond the 10 year horizon it is likely that commercial space will be made available through reconfiguration and redevelopment of existing commercial land.	

### D) Coromandel

The Coromandel blueprint project identified the following additional industrial and office land requirements to 2041.

	Thames	Whitianga	Coromandel	Whanga- mata	Tairua	Total
Industrial land requirements to 2041	57.2ha	14.5ha	7ha	5.1ha	4.4ha	88ha
Office land demand to 2041*	7,525sqm	6,450sqm	2,450sqm	4,300sqm	1,075 sqm	21,500 sqm

### E) Taupo

Sustainable gross retail floor area for Taupo district.

	2011	2016	2021	2026	2031
Sustainable GFA (sqm)	82,658	89,891	96,806	104,298	111,522

The work estimates that currently there is an oversupply of GFA by around 15,000sqm. Also the work estimates that by 2031 Taupo district will need an additional 40 gross hectares of industrial land. Note also that the Taupo District Growth Strategy adopted in 2006 (Taupo District 2050) gave an indication of industrial land demand based on the 2004 ratio of business land per person, and for different population projections.



The results were:

Population projection	Projected population 2026	Additional business land requirement (ha)
1	13,000	111
2	2400	20
3	5,200	44
3A	7,500	64

#### F) Matamata-Piako

Table 23: Matamata-Piako district: land budget TOWN/ ZONING	RATIO (ha/ household)	Zoned land required 2008 (ha)	Zoned land required 2026(ha)	Zoned land required 2038 (ha)
<b>Morrinsville</b>				
Residential	0.150	0ha	106ha	88ha
Rural-residential	0.077	0ha	54ha	45ha
Business	0.020	-5ha	9ha	12ha
Industrial	0.034	0ha	24ha	20ha
<b>Matamata</b>				
Residential	0.150	66ha	115ha	96ha
Rural-residential	0.077	0ha	58ha	50ha
Business	0.011	0ha	9ha	7ha
Industrial	0.034	58ha	26ha	22ha
<b>Te Aroha</b>				
Residential	0.150	-7ha	62ha	58ha
Rural-residential	0.077	-150ha	-115ha	-85ha
Business	0.011	-5ha	0ha	4ha
Industrial	0.001	0ha	1ha	0ha

#### G) Waipa

**Retail** – Cambridge can sustain retail floor space of 32,000sqm and this is forecast to increase to 54,000sqm by 2036. Te Awamutu can sustain 26,000sqm which is forecast to increase to 41,000sqm by 2036.

**Office land demand** forecast in hectares (Note: floor space demand is also detailed in the report)

Period	Communication	Property, business, services, finance	Health	Govt	Other	Total
2006–11	0.1	1.3	0.4	0.4	2.7	5.0
2011–16	0.1	1.6	0.4	0.5	3.1	5.7
2016–21	0	0.7	0.4	0/6	1.7	3.4
2021–26	0	0.7	0.4	0.7	1.8	3.7



2026–56	0	3.1	-0.7	0.6	7.7	10.7
<b>2006–56</b>	<b>0.3</b>	<b>7.5</b>	<b>1.0</b>	<b>2.8</b>	<b>17.0</b>	<b>28.5</b>

Note that in broad terms, 65% of growth is expected in Cambridge.

#### Industrial land demand forecast (ha)

Period	Manufacturing	Transport, storage	Construction	Wholesale trade	Utilities	Other	Total
2006–11	2.1	2.0	1.4	2.5	0.3	0.3	8.5
2011–16	2.2	2.0	1.6	2.7	0.3	0.3	9.2
2016–21	0.8	1.0	0.9	1.9	0.5	0.1	5.1
2021–26	0.8	1.0	0.9	1.9	0.6	0.1	5.3
2026–56	12.6	5.4	7.4	7.4	0.8	0.8	32.0
<b>2006–56</b>	<b>18.6</b>	<b>11.3</b>	<b>16.4</b>	<b>16.4</b>	<b>2.6</b>	<b>1.4</b>	<b>60.1</b>

Note that this table only is for Waipa's 'local' industrial land requirements. The study states that the industrial land zoned at the airport will operate outside these figures as the area is more influenced by Hamilton and as it is a regional transport hub.

#### 6. What were the key assumptions used around industry, i.e. was there any work done to determine where the industry was coming from to utilise the future land?

##### A) Future Proof

- The region primarily operates as a single economic market.
- Growth in industrial activity is expected to remain relatively uniform, with growth in all sectors.
- Some sub-sectors such as niche manufacturing and storage will grow faster than others.
- Additional demand for industrial land to 2061 was estimated at 535 net hectares. This figure was increased by 50% (to 805 gross hectares) to allow for market flexibility etc.

##### B) North Waikato

- Similar assumptions were drawn for the North Waikato industrial land study as for future proof, however WDC also looked at employment self-sufficiency to gauge the accuracy of employment based forecasts, and the historical land update to look at the interaction between capital / resource intensive activities v labour intensive activities. It concluded that:
  - The study area has a self-sufficiency of approximately 66%. This compares to the self-sufficiency of the Hamilton, Waikato and Waipa sub-region of over 95%. The implication for this study is that the forecast for industrial land based upon labour force is probably high, as 44% of employees travel out of the study area to their place of employment.



It is unlikely that population and labour force will drive industrial uptake in the study area, but rather the economics of access to the natural resources required enabling these industrial activities.

**C) Thames/Kopu**

- No specific work done on where new business may come from.
- There has been continuous growth in the number of businesses in the Thames-Coromandel district over the 10 years prior to study – generally assume this will continue.
- GDP growth in the order of 3%–5% per annum can be expected.
- Land is cheaper in Thames/Kopu than Tauranga, Hamilton and South Auckland – competitive advantage.
- Availability of labour and housing stock are issues for attracting industry in Thames/Kopu.

**D) Coromandel**

Assumptions not stated in report.

**E) Taupo**

- Statistics NZ medium population projections.
- Changing retail patterns due to internet etc.
- Ongoing effects of global financial crisis.
- A number of other assumptions given in evidence.

**F) Matamata-Piako**

- Te Aroha will largely stay a tourist base town with little demand for additional industrial land.
- Growth would focus around the three towns Morrinsville, Matamata and Te Aroha.
- All three towns will grow at the average growth rate of Morrinsville and Matamata (jointly) for 1996–2006 (0.91%).
- A range of other trends (such as energy prices and the GFC) were discussed in the strategy.

**G) Waipa**

- It was assumed that the supply of land at the time of the study was in approximate equilibrium with the demand.
- It assumes economic trends at the time of the study will generally remain into the future.

**7. What is the average uptake of industrial land per annum over the last 5–10 years in the area?**

Work has not been undertaken in this area to date. Assumption is flat demand from 2008 onwards, following a peak around 2007.

**8. Any other comments**

**A) Future Proof**

Since the above work was completed (Property Economics report: *Future Proof business land data assessment* and *Latitude planning report: Future Proof land review*), the industrial land allocation of 805 hectares, which was in the proposed RPS, has been further debated through the RPS hearing.

Future Proof supported Tainui Group Holdings economic analysis for additional industrial land allocation, primarily to provide for the development of Tainui Group Holding's Ruakura



development proposal, which has progressed significantly since the original industrial land demand work. Decisions on the RPS have not yet been released, but Future Proof argued for an additional industrial land allocation so that the total would be 1151 hectares. The reason for the increase is primarily that the Ruakura development would increase demand above historic levels by attracting business from outside the Future Proof area, mainly from Auckland, and also that the inland port nature of the development requires a large land area.

Also at the RPS hearing, Future Proof made representations for the inclusion of Hautapu as a strategic industrial node, based on the benefits of greater employment self sufficiency for Cambridge which include reducing the AM peak pressures on the Hamilton South Expressway Interchange.

**B) North Waikato**

The staff recommendations also identified Pokeno and Tuakau as strategic industrial nodes in the proposed RPS. These matters are still subject to regional policy statement (RPS) decisions.

**G) Waipa**

Note that the Waipa figures to some degree would have been superseded by the Future Proof and regional policy statement (RPS) work.



## Industrial land future requirements template: Bay of Plenty

**Region:** Western Bay of Plenty sub-region      **Date of information:** October 2012

1. **Has your organisation undertaken, or partnered to undertake work within your district/city/ sub-region/region to support conversations around the quantum of business/industrial land required to support current and future growth?**      Yes
  
2. **If yes, when was this work undertaken, for what geographical area, and through what process, i.e. SmartGrowth, Future Proof, Auckland Plan, Sustainable Futures, RPS, District Plan?**
  - **Date/year:** 2012
  - **Process:** SmartGrowth strategy update
  - **Geographical area:** Western BOP sub-region (TCC and WBOPDC)
  - **Partners (if appropriate):** Work undertaken by McDermott Consultants for SmartGrowth (TCC, WBOPDC, BOPRC, NZTA, Tangata Whenua)
  
3. **What was included in terms of the business land / industrial land conversation i.e. was all business zones within the district plan(s) included or was the work specific to a particular type of business land e.g. heavy industrial?**
  - Solely industrial land, i.e. excluding office/retail.
  - Research based on forecasting long-term needs and then comparing to current/planned vacant industrial land to determine if further land to 2051 (or 275,000 sub-regional population) was required.
  
4. **How was the calculation undertaken to determine the quantum of land required for the district/city/region/sub-region, i.e. what was the equation based on – population, growth, industry growth?**
  - A range of factors were built into a quantitative model that was used to determine different industrial employment outcomes and associated industrial land requirements.
  - Key factors driving the model included global and national economic prospects and local population growth.
  - Full methodology is set out on pages 8–10 of attached report.
  
5. **What did that equation total to i.e. how much land was required and for what land mass (district/city/sub-regional/regional)?**
  - The amount of land required for the WBOP sub-region to 2051 was estimated to be between 170ha (low scenario) and 520ha (high scenario).
  - The low scenario is based on on-going low population growth well below historical average and SmartGrowth population projections, and diminishing rates of import growth.
  - The high scenario is based on the SmartGrowth population projections being achieved (275,000 people at 2051 compared with approx. 160,000 today) and that imports continue to grow at the current rate.
  - It should be noted that the high scenario is substantially lower than long-term trends for industrial land uptake in the WBOP sub-region and the historical ratio of industrial land per person which has been pretty much constant over a 20+ year period. Conceivably, industrial land needs may therefore be greater than the high growth scenario.



**6. What were the key assumptions used around industry, i.e. was there any work done to determine where the industry was coming from to utilise the future land?**

- Not really, as mentioned before national and international economic prospects and population growth were the drivers of the model. Obviously growth of the Port of Tauranga will drive industrial growth but it is somewhat of an unknown as to what role the sub-region will play in the distribution/logistics of imports/exports through the port given the potential for inland ports and the like outside the sub-region to play a role in this activity.
- SmartGrowth is undertaking some separate work on potential future drivers of economic growth which may provide a broad outline of future changes/trends in industrial land use demand.

**7. What is the average uptake of industrial land per annum over the last 5–10 years in the area?**

- Monitored bi-annually through Tauranga City Council industrial land survey.
- For Tauranga City Council annual uptake for last 30 years is 11.1ha per annum. Over the last 6 years the average is 9.8ha p.a. but over last 4 years it has only been 4.4ha p.a. This excludes WBOPDC industrial land take up which there are currently no robust records for (although they have started to monitor it).
- There has also been a constant relationship of m<sup>2</sup> of occupied industrial land per person of between 44 and 46m<sup>2</sup> over the last 20 years in the TCC District.

**8. Any other comments**

- While there is sufficient zoned industrial land in the sub-region to cater for the high growth scenario currently this is a far too simplistic way to look at the issue.
- Firstly, much of this land is located in less desirable locations away from the key Waikato/Auckland freight routes. It is recommended that further land in the medium/long-term is zoned on these freight routes because the vacant land available in this area is likely to become fully developed well within the 2051 SmartGrowth time horizon. This matter is being addressed through the SmartGrowth Strategy Update which is underway.
- Secondly, examples of large scale industrial users have emerged that cannot be satisfactorily catered for within existing industrial zoned land for various reasons have emerged (even though more than 500ha of zoned industrial land exists). Reasons for this include geotechnical constraints associated with high load bearing buildings, large site requirements in specific locations and low value / large footprint businesses with limited servicing requirements that cannot afford urban land prices in developed industrial estates but are critical to supporting rural industry as suppliers or processors. This may require a more flexible approach to a small number of development proposals to locate 'out of zone' through robust plan change / resource consent processes. This matter is being addressed through the SmartGrowth Strategy Update which is underway.
- Thirdly, much of the current zoned industrial land in the sub-region has very high development cost structures and cannot (especially at the moment) be viably developed. Reasons for this include poor ground conditions which necessitate significant earthworks costs and which limit potential industrial uses, large up-front infrastructure costs and high development/financial contributions. As such development of some zoned areas may be a long way away or may even never happen. In the future this may necessitate zoning of additional industrial land especially due to limited alternate funding options Council's have for growth infrastructure and pressure from the general community and central government to keep rate increases to a minimum (which more or less rules out rate funding for this infrastructure as a realistic option). This matter is being addressed through the SmartGrowth Strategy Update which is underway.





- Overall I would say that just looking at total industrial land needs vs. total current and planned supply is a far too simplistic approach given the specific needs of each individual industrial business. Certain locations are likely to be far more desirable in general than other locations and this is certainly the situation in the WBOP. In addition, some businesses (especially large scale operations that require large sites) have specific requirements that may not necessarily be accommodated in existing/planned industrial areas.



## Evidence sources reference table

Evidence sources and other information or processes (used in the absence of empirical evidence)	Format and held by	Use/application within the Upper North Island Freight Story
<b>Critical issues: Utilisation of industrial land</b>		
<b>Northland</b>		
<b>Whangarei District Council. 2010. <i>Sustainable futures 30/50</i>. <a href="#">weblink</a></b>	<ul style="list-style-type: none"> <li>• Plan – Web, electronic, hard copy</li> <li>• Whangarei District Council</li> </ul>	The report identifies the industrial growth nodes and the need to address reverse sensitivity issues and align transport systems with land use.
<b>Auckland</b>		
<b>Auckland Council. 2011. <i>The Auckland Plan</i>. <a href="#">weblink</a></b>	<ul style="list-style-type: none"> <li>• Plan – Web, electronic, hard copy</li> <li>• Auckland Council</li> </ul>	Refer map D.1 & 2 – Development strategy map & map 10.1 Auckland’s network of urban centres and business areas
<b>Auckland Regional Council. 2007. <i>Group 1 additional greenfield land requirements, 2001-2031</i>. Market Economics.</b>		
<b>Other information/processes</b>		
<b>Auckland Regional Council. 2006. <i>The Auckland region business land strategy</i>. <a href="#">weblink</a></b>	<ul style="list-style-type: none"> <li>• Strategy – Web, electronic</li> <li>• Auckland Regional Council</li> </ul>	Provides a 2006 view of the strategic framework for future business growth in the Auckland region to 2031
<b>Auckland Regional Council. 1999. <i>Auckland Regional Growth Strategy</i>. <a href="#">weblink</a></b>	<ul style="list-style-type: none"> <li>• Strategy – Web, electronic</li> <li>• Auckland Regional Council</li> </ul>	Historic information, now replaced by the Auckland Plan.
<b>Waikato</b>		
<b>Future Proof. 2010. <i>Future proof business land review</i>.</b>	•	•
<b>Waikato District Council. 2010. <i>North Waikato industrial land study</i>.</b>	•	•
<b>Thames Coromandel District Council. 2007. <i>Thames and Kōpu industrial and commercial</i></b>	•	•



Evidence sources and other information or processes (used in the absence of empirical evidence)	Format and held by	Use/application within the Upper North Island Freight Story
<i>land study. Beca</i>		
Thames-Coromandel District Council et al. 2010. <i>Coromandel Peninsula Local Area Blueprint Strategy</i> .	•	•
Taupo District Council. 2012. <i>Evidence for hearing for Taupo District Council plan changes 28-33</i> .	•	•
Matamata-Piako District Council. 2009. <i>Matamata-Piako District Growth Strategy</i> .	•	•
Waikato Regional Council. 2012. Decisions version of proposed Regional Policy Statement. November.	• Policy Statement – web, electronic	• Refer Section 6, pp38-39, including Tables 6-2 and 6-2A
Waipa District Council. 2009. <i>Waipa 2050 economic development profile statement</i> . Property Economics	•	•
<b>Bay of Plenty</b>		
SmartGrowth. 2012. <i>Industrial land research</i> . McDermott Consultants. September.	• Report – electronic, hard copy	Provides background information for the western BOP sub-region on land long industrial land requirements and the suitability of existing industrial zoned land
Whakatane and Kawerau District Councils. 2007. <i>Whakatane and Kawerau districts industrial land strategy: Discussion document</i> . Property Economics. <a href="#">weblink</a> . March.	• Report – online • Whakatane District Council	Quantifies existing industrial land in Whakatane and Kawerau districts, and forecasts future demand.
Kawerau District Council. 2012. <i>Putauaki Structure Plan</i> .	• Report – electronic • Bay of Plenty Regional Council	Identifies proposed industrial land in Kawerau District.
Rotorua District Council. 2012. <i>Rotorua district industrial areas</i> .	• Excel spreadsheet and map (jpeg) • Bay of Plenty Regional Council	Identifies current and proposed areas of industrial land >50ha.



## Critical issue: **Challenging local government and central government funding structures**

### **Problem definition**

The current range of central and local government funding structures and requirements (i.e. legislation, policy and application) are hindering 'smart investment' decisions due to their multitude and complexity.

### **Approach undertaken**

- Document the current framework(s) for planning and investing in transport outcomes in New Zealand.
- Raise awareness of the opportunity to develop a 'one land transport investment framework (road and rail)' to enable planning and investment across regional boundaries to maximise benefits.
- Upper North Island Strategic Alliance (UNISA) to keep a watching brief on national initiatives currently underway in this area.

### **Benefit to collective partner focus**

Supports future work to identify the best ways to deliver transport outcomes including where efficiencies and improvements could be found in the current framework(s).

## **Current National Initiatives**

Initiatives currently underway at a national level focusing on roading infrastructure and investment include:

### **1. Long-term investment in New Zealand's transport system**

Working together to describe funding arrangements to support both the Government Policy Statement (GPS) for transport expenditure targets and the funding tools available to support the future investment levels for the transport system over the long term.

- Lead: Ministry of Transport; Support: Treasury, NZ Transport Agency.
- Timing: by July 2013.

### **2. Financial assistance rate (FAR) review**

Undertaking a comprehensive review of the general approach used to set funding assistance rates (FARs). FAR's are used to determine the proportion of costs approved organisations (primarily local government) will receive from the National Land Transport Fund for approved activities.

This review is currently underway with the aim that the review outcomes, whether they include changes to FARs or not, can be reflected in the National Land Transport Programme 2015–18.

- Lead: NZ Transport Agency; Support: Ministry of Transport, Local Government NZ.
- Timing: September 2012 - August 2013.



### 3. Road Efficiency Group (REG)

The NZ Transport Agency is working with local government and industry groups to identify ways to get better value for money from road maintenance, operations and renewals.

A Road Efficiency Group has been formed to implement the recommendations of the Road Maintenance Task Force and findings from the NZ Transport Agency Highways and Network Operation's Maintenance and Operations Review. The role of the group is to create policies, procedures, guidelines and tools that can help road controlling authorities achieve efficiencies and value for money.

- Lead: NZ Transport Agency.
- Timing: 2013.

### 4. Private public partnerships (PPP)

Explain the value that PPPs could bring to the transport sector in New Zealand. The overall principles are aimed at delivering greater innovation and better outcomes for the public sector in partnership with the private sector, using appropriate private sector disciplines.

- Lead: NZ Transport Agency; Support: National Infrastructure Unit, Ministry of Transport.
- Timing: to be determined

### 5. Local Government Development Contributions review

A review of the Local Government Development Contributions system is underway. The purpose of this review is to ensure that the way infrastructure is financed is appropriate to meet future demands and does not have undue impact on growth or housing affordability.

Feedback is currently being sought and will inform the development of government policy on the future of the development contributions system.

- Lead: Department of Internal Affairs
- Timing: commenced February 2013

## Completed Actions

No.	What	Who	When
1	Document the current planning and investment structure in New Zealand for land transport.	NZ Transport Agency on behalf of the Technical Working Group	Complete (included in Shared Evidence Base)
2	Document in summary current initiatives underway at a national level looking at this issue.	Technical Working Group	Complete (included above)



## Future Actions

No.	What	Who	When
3	Identify opportunities across the sector to discuss and raise awareness of the opportunity to develop a 'one land transport investment framework (road and rail)'.	Upper North Island Strategic Alliance Councils Auckland Transport NZ Transport Agency KiwiRail	ongoing
4	Keep a proactive watching brief on the initiatives underway at a national level.	Upper North Island Strategic Alliance Councils	ongoing
5	Keep the Upper North Island Strategic Alliance updated on initiatives currently underway at a national level.	NZ Transport Agency	ongoing

## Evidence and analysis set

The Central and Local Government Funding Structures for Land Transport Paper.



# Central and Local Government Funding Structures for Land Transport Paper

## Purpose

The Central and Local Government Funding Structures for Land Transport (this paper) records, simply, the current planning and investment structure for transport planning, investment and delivery in New Zealand.

## Overview

How revenue is gathered, and investment is allocated to transport activities in New Zealand is influenced by the government through legislation and policy. From a central government perspective this ensures the transport activities implemented contribute to the overall objectives and direction of land transport in New Zealand while taking into consideration the impact of such activities on the wider environment.

The Land Transport Management Act 2003, (soon to be replaced with Land Transport Management Act 2013), recently updated Local Government Act 2012, Local Government (Auckland Council) Act 2009, State Owned Enterprise Act 1986 and the Resource Management Act 1991 are significant pieces of legislation that guide land transport decision-making in New Zealand.

Beneath these, the Government Policy Statement on Land Transport Funding, the National Land Transport Programme, Regional Land Transport Strategies, Regional Land Transport Programmes and territorial authority transport strategies and Long Term Plans are documents that influence transport investment decisions.

Alongside these:

- the Auckland Plan is relevant to Auckland on a wider level and takes the place of a Regional Land Transport Strategy
- NZ Transport Agency's Investment and Revenue Strategy sets out the allocation of national funds through a number of funding categories.
- KiwiRail's Turnaround Plan directly affects transport investment decisions for KiwiRail.

The relationship between these is as described in Figure One and Figure Two below. Further descriptions on each of these Acts and Statutory Documents are also included.

The government's current long-term outcomes for the transport sector include:

- An efficient transport system that supports government's high levels of economic productivity, provides strong international connections for freight, business and tourism, and meets international obligations.
- A sustainable funding basis for transport infrastructure investments and use.
- A high-quality transport system for Auckland, the nation's economic hub.
- An accessible and safe transport system that contributes positively to the nation's economic, social and environmental welfare.



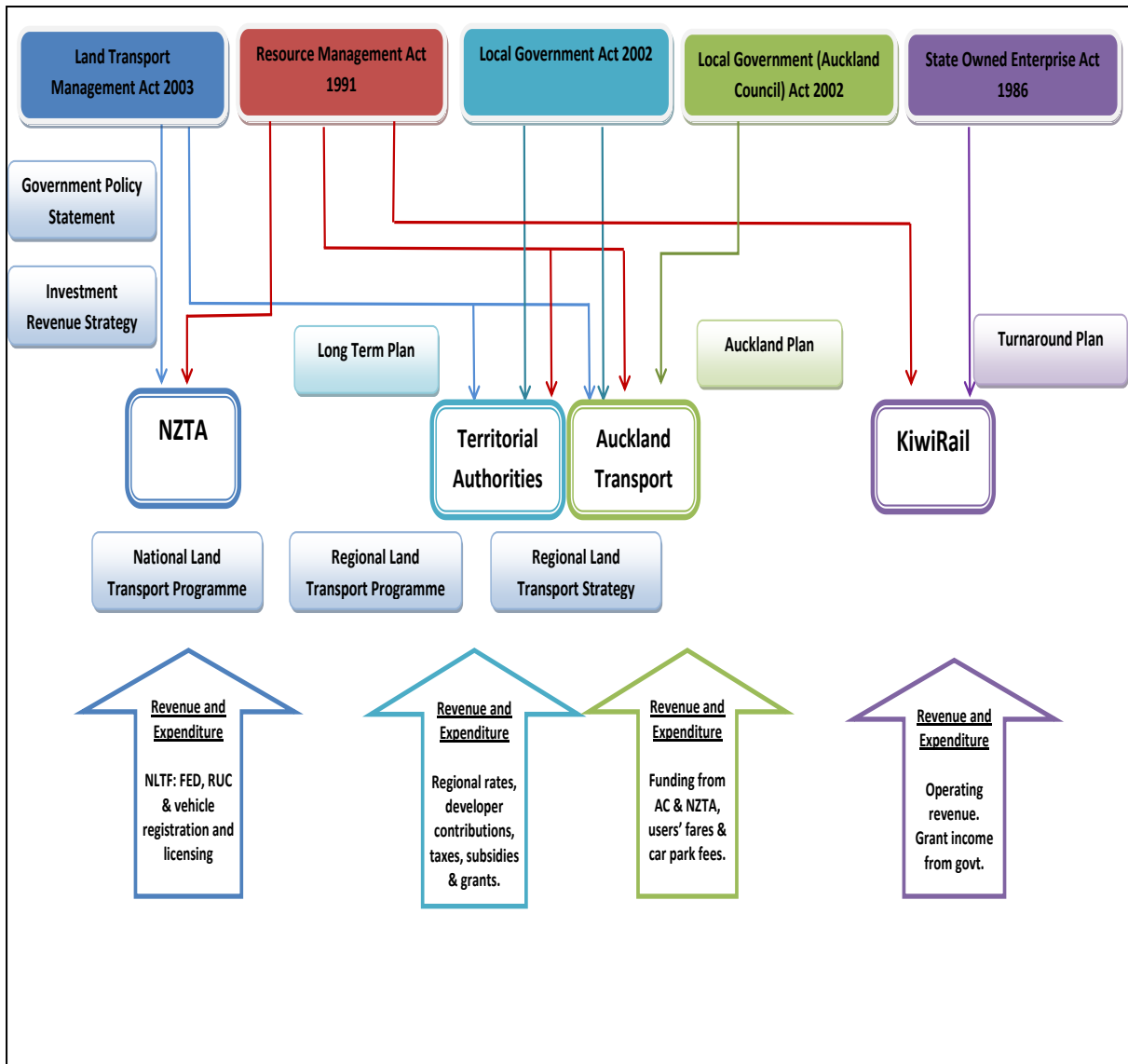
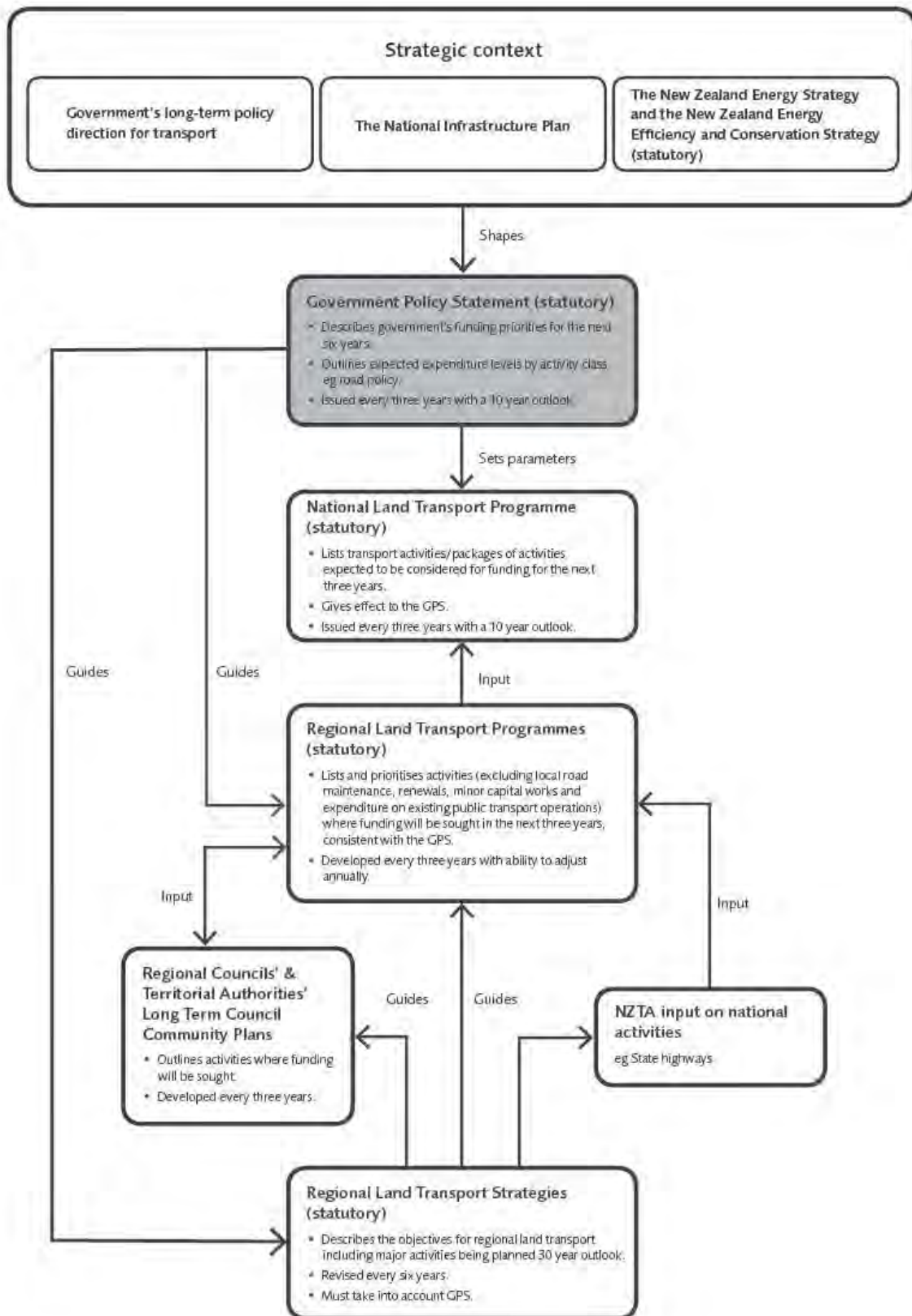


Figure One: Legislation and Relationship Alignment







**Figure Two: Policy Alignment**



## Revenue sourcing and funding allocation

Central government, local government, Auckland Transport and KiwiRail all source revenue for transport activities in different ways and allocate that funding using a range of processes.

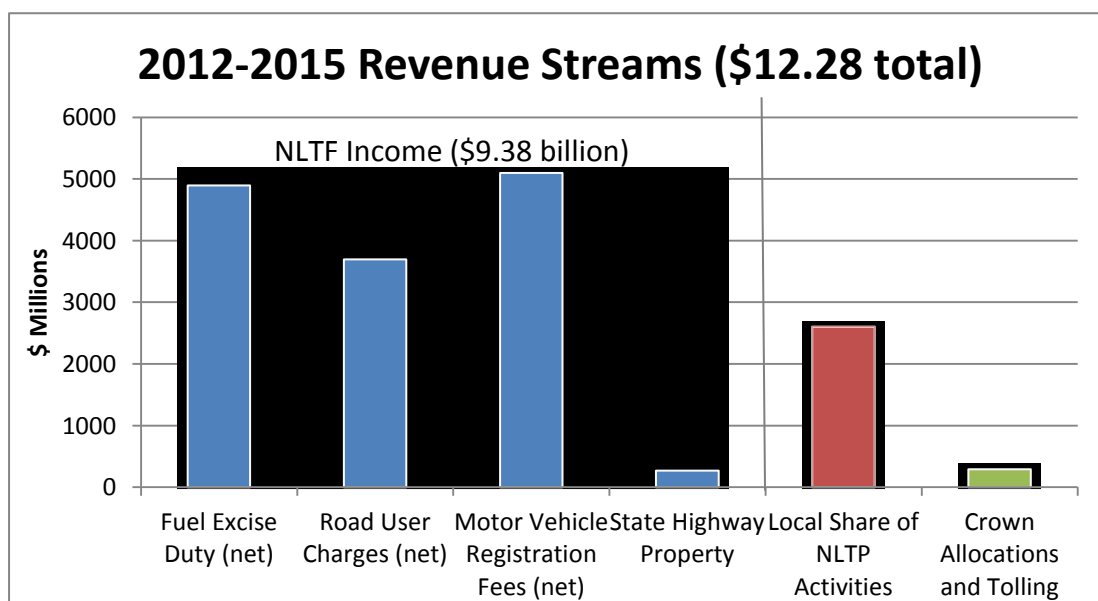
### KiwiRail

The delivery of the KiwiRail Strategic Plan is funded directly by the Ministry of Transport. In 2010 the government agreed, in principle, to support the objectives of the KiwiRail Strategic Plan that forecast a Crown investment of \$750 million over three years. In each of the years 2010 and 2011, \$250 million was provided by way of a Crown appropriation. Budget 2012 provides the third tranche of \$250 million in government funding. Final approval of each year's funding for the KiwiRail Strategic Plan depends on joint Ministerial consideration of specific KiwiRail business cases first approved by the KiwiRail board.

The lion's share of the funding for the \$3.1 billion (excluding Metro upgrades and renewals) Strategic Plan over 10 years will come from operating revenue from within the KiwiRail business itself. This provides a clear signal that significant investment is needed over a long period of time to ensure that KiwiRail can become a sustainable freight-focused business able to provide this transport option within New Zealand.

### Other Transport Activities

The funding picture for other transport activities (excluding KiwiRail) for the 2012-2015 period is as described in Figure Three below.



**Figure Three: National Land Transport Programme 2012–15 revenue streams<sup>5</sup>**

Central government nationally sets the level of tax revenue from fuel excise duty, road user charges, motor vehicle licensing and registration charges. This revenue forms a hypothecated (ring-fenced) national contribution to the National Land Transport Fund. This contribution will total some \$9.38 billion for the 2012-2015 period.

<sup>5</sup> (National Land Transport Programme 2012-15, 2012)



Alongside this, local authorities fund a significant portion towards transport outcomes from local general and targeted rates, borrowing, developer contributions, user charges and local taxes such as Local Authority Petroleum Tax. These total a contribution of some \$2.6 billion for the 2012-2015 period. This locally funded share is matched with a contribution from the national fund at a range of funding assistance rates with the majority of projects receiving between 43% - 60%.

Finally, there are small contributions from borrowing, the disposal of State Highway land and crown allocations and tolling.

Overall, the 2012-2015 National Land Transport Fund totals \$12.28 billion.

### **National Land Transport Fund**

Funds from the National Land Transport Fund are allocated through the NZ Transport Agency to approved organisations to support the proposed transport activities identified in legislation and regulatory documents and prioritised in the Government Policy Statement.

Approved organisations include NZ Police, the portion of NZ Transport Agency that is responsible for operating and improving State Highways, regional councils and district/city councils. There are fourteen National Land Transport Fund activity classes covering maintenance to public transport to safety to network improvements.

The NZ Transport Agency's process of determining how funding is allocated to the approved organisations is done so using the Agency's assessment framework which applies the assessment criteria (strategic fit, effectiveness and efficiency) to rank projects, as outlined in the NZ Transport Agency's Investment and Revenue Strategy.

Proposed activities are given a rating of high, medium or low for each of the three assessment criteria. This forms the assessment profile of each project meaning they can then be prioritised in order of national importance. Funds in the National Land Transport Fund are allocated to projects that are highest on the national prioritisation list with national programmes and plans, supported strategies and endorsed packages having priority over stand alone activities<sup>6</sup>.

The NZ Transport Agency funds projects according to their funding assistance rate with the majority of projects having a funding assistance rate of between 43%–60%. The Minister of Transport has statutory power of setting criteria for the funding assistance rate for each activity class which the NZ Transport Agency must take into account.

Being a Crown entity, the NZ Transport Agency's investment decisions are broadly influenced by the government's priorities at the time, on a national level. The Government Policy Statement (GPS), regional land transport strategies and regional land transport programmes, along with the prioritisation of activities and the criteria for investment all contribute to the decision making process of the NZ Transport Agency and the investment priorities that shape the National Land Transport Programme. Appendix A highlights the government's strong focus on investment in new State highway infrastructure and improvements to existing State highway assets. Given the State highways carry a large proportion of New Zealand's inter-regional freight and also link major ports, airports and urban areas, the increased funding allocation for State highway construction over the 2012–2022 period is therefore intended for the benefit of national economic growth to support the nation's important freight task<sup>7</sup>.

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<sup>6</sup> (Planning & investment knowledge base, 2011).

<sup>7</sup> (Government Policy Statement on Land Transport Funding 2012/13–2021/22. 2011).



## **The NZ Transport Agency**

The NZ Transport Agency was established on 1 August 2008; it is a Crown entity governed by a statutorily independent board. The NZ Transport Agency's objective is to contribute to an affordable, integrated, safe, responsive and sustainable land transport system. A key function of the organisation is to invest in the land transport system with funds from the National Land Transport Fund. The National Land Transport Fund operates on a 'pay as you go' system where transport activities are funded as revenue is collected and made available. This system restricts the quantity of land transport activities that can be funded at any given time to the value of the income into the National Land Transport Fund.

The National Land Transport Fund receives income from fuel excise duty, road user charges, motor vehicle licensing and registration charges and a small amount from State highway property purchase. Fuel excise duty is a charge on every litre of petrol purchased by the consumer. Road user charges are applied to diesel-powered vehicles and are determined by the quantity of kilometres driven and the carrying capacity of the vehicle type. As of 1 August 2012 fuel excise duty increased from 48.524 cents per litre to 50.524 cents per litre and road user charges increased by 4.1 percent<sup>8</sup>. Appendix B provides the road user charges rates that are now applied to the different vehicle types (GST inclusive). The increases in the fuel excise duty and road user charges will generate an increase in funding into the National Land Transport Fund of approximately \$90 million in the first year and \$100 million thereafter.

In addition to increases in fuel excise duty and road user charges, alternative methods to the present way annual vehicle registration is collected are currently being discussed. The changes made, if any, will have no effect on the income into the National Land Transport Fund as they will be changes on how vehicle registration is collected, not changes to the value of money which is collected. External factors that affect vehicle usage, particularly commercial vehicle mileage, and petrol consumption do have a direct impact on the National Land Transport Fund. These factors can create fluctuations in revenue which contribute to growing uncertainty in National Land Transport Fund revenue forecasts. To help mitigate this, the NZ Transport Agency is able to borrow a small amount of money for cash-flow purposes.

## **Regional, district and city councils**

Regional councils are councils that govern a large geographical area usually but not always containing a number of local district and city councils. City councils are councils in control of major urban areas, usually with a population exceeding 50,000 people. Smaller towns with populations fewer than 50,000 people are typically run by district councils. City and district councils can also be referred to as territorial authorities.

Regional councils and Auckland Council raise the majority of their funding through general rates which are a charge on property owners. Other funding mechanisms used include developer contributions, user charges, taxes such as local authority petroleum tax, subsidies, grants, and fees and charges<sup>9</sup>. Each of the district councils in the Northland region also receives income from the NZ Transport Agency at the relevant funding assistant rate or the approved activities in the region.

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<sup>8</sup> (Ministry of Transport - Land, 2012).

<sup>9</sup> (Local councils, n.d.).



## Auckland Council

Auckland Council has slightly different arrangements to other local authorities. It is a unitary authority and takes the place of a regional and city council for the Auckland area. In Auckland's case, Auckland Transport was formed in 2010 and takes the place of Auckland Council's role in managing and controlling the Auckland region's transport system.

As with other local authorities, funds for the Auckland local transport share contribution come from local general and targeted rates, borrowing, developer contributions, user charges and local taxes such as Local Authority Petroleum Tax.

For the year ended June 30 2012, Auckland Council received an income of \$1.4 billion from rates, an amount which is forecast to steadily increase over the next 10 years. In addition to rates Auckland Council receives income from services and a small amount from finance.

Unlike the NZ Transport Agency, Auckland Council also finances its activities through borrowing. Borrowing enables the cost of new and improved infrastructure to be spread across generations. Auckland Council's borrowing is forecast to increase substantially over the next 10 years. However, this is somewhat relative to the council's increases in revenue.

Auckland Council's current funding mechanisms are not enough to fund the transport infrastructure proposed to meet future population growth in the region. Alternative funding mechanisms are therefore being addressed and are currently under consideration<sup>10</sup>. Figure 4 provides a list of the alternative funding mechanisms considered by Auckland Council and included in the Auckland Plan.

Potential funding mechanism (in order of preference)	Points raised in favour	Points raised in opposition
<b>Road tolling</b>	Charges applied directly to those receiving the benefit. Incentivises public transport usage/behaviour change.	High overheads and administrative costs. Manual toll payment systems can slow traffic.
<b>Regional fuel tax</b>	Proportional user pays system – those who drive more pay more. Incentivises public transport usage/behaviour change. Low overheads/simple.	Potentially expensive and inefficient to collect. Petrol and diesel already expensive. Tax would 'spread' to other regions.
<b>Congestion charges</b>	Incentivises behaviour change & motivates people to use active and shared transport modes rather than cars in congested areas.	Would need a good alternative before implementing. Unfair/ inequitable for CBD residents and businesses.
<b>Development contributions</b>	Equitable charge on those developments that add further pressure to the transport system.	May disincentivise 'good' development such as buildings close to transport nodes.

<sup>10</sup> (The Auckland Plan, n.d.)



<b>Car parking charges</b>	Incentivises behaviour change and motivates people to use active and shared transport modes rather than cars.	Would make people and businesses less likely to come into the central city.
<b>Airport departure and visitor taxes</b>	Used overseas. Easy to collect.	Negative impact on tourism numbers, tourism related businesses and Auckland's international reputation.  Little relationship between those paying and those receiving the benefit.
<b>Network charges</b>	Charges road users and therefore provides an incentive for private car users to switch modes.	A blunt instrument that does not sufficiently target congestion or incentivise behaviour change.
<b>General and targeted rates</b>	Rates will always have some role in infrastructure.	Seen as already too high.  Little relationship between those paying and those receiving the benefit.  Creates hardship for property owners on fixed incomes.
<b>Tax increment financing</b>	Possible for medium to large urban renewal projects with allied infrastructure projects.  Revenue tied to demonstrated increases in property value in affected area.	Complicated. Rates already incremental on property value.

**Figure 4: Funding mechanisms under consideration by Auckland Council**

### **Auckland Transport**

Auckland Transport is as one of Auckland Council's six substantive council controlled organisations and the approved organisation in charge of delivering the transport activities within the Auckland region. Auckland Transport is responsible for the "roads and footpaths, traffic signals, rail [services], buses [services], providing parking facilities and enforcement, establishing and promoting road safety and school travel initiatives"<sup>11</sup>.

Auckland Transport is funded through Auckland Council, and receives direct income from users' fares from public transport and car parking fees. Auckland Transport also receives investment from the NZ Transport Agency at the assigned funding assistance rate for approved activities as detailed in section 3.1. The revenue Auckland Transport receives from Auckland Council is guaranteed on a one year basis while revenue from the NZ Transport Agency is guaranteed on a three year basis, subject

<sup>11</sup> (Auckland Council Annual Report, 2011, p.11).



to the National Land Transport Programme processes. Having guaranteed funding from different sources set for different time frames creates some uncertainty for Auckland Transport in terms of what it can start work on and whether it will have enough funding to cover the cost of projects.

Of the \$9.38 billion from the 2012–15 National Land Transport Fund, the Auckland region is to receive \$3.4 billion. This is intended to be split between State highways (\$1.6 billion), local roads (\$968 million) and public transport infrastructure and services (\$890 million).

### **KiwiRail**

The KiwiRail Group is a state owned enterprise and operates on a commercial basis. KiwiRail's commercial business components include freight, interisland ferry services, inter-regional passenger services, providing network infrastructure and the national rail network. The metro rail networks in Auckland and Wellington are KiwiRail's non-commercial business components.

KiwiRail's Turnaround Plan is a \$4.6 billion plan which focuses on growing freight volumes to create a viable and efficient rail business in New Zealand. The majority of the \$4.6 billion will come from KiwiRail's operating revenue over the next 10 years<sup>12</sup> however, the government has also committed \$750 million split evenly over the first three years of the Turnaround Plan; \$250 million in each of the years 2010, 2011 and 2012<sup>13</sup>.

The \$750 million is to further contribute to achieving commercial viability as set out in the Turnaround Plan. The recent restructure of KiwiRail's balance sheet will also better position the organisation for future economic sustainability. The restructure includes devaluing land and network net assets from \$13.4 billion to approximately \$6.7 billion and the conversion of \$322.5 million of KiwiRail's debt to equity<sup>14</sup>. It is intended that these investments and changes to the structure of KiwiRail will boost freight carrying capacity, speed and efficiency to reposition KiwiRail as a successful freight-focused business. To date, KiwiRail has invested the Crown investment on new locomotives and refurbishing the current fleet, increasing and improving the wagon fleet to boost freight carrying capacity, the Aratere Cook Strait ferry extension and, renewal and upgrades of the rail network.

KiwiRail does not receive any investment from the NZ Transport Agency for freight focused activities outlined in the Turnaround Plan; it does however receive some funding from the NZ Transport Agency, Auckland Transport and the greater Wellington Regional Council for the track access charges of the metropolitan rail network.

## **Relevant legislation and statutory documents**

### **Land Transport Management Act 2003**

The purpose of the Land Transport Management Act is to contribute to achieving an 'affordable, integrated, safe, responsive, and sustainable land transport system'<sup>15</sup>. The Ministry of Transport has recently completed a review of the Land Transport Management Act and amending legislation has been proposed. The Land Transport Management Act ensures investment is allocated in an efficient and effective manner by providing the legal framework for the administration of the National Land

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<sup>12</sup> Note: KiwiRail's operating revenue and expenses for 2011 were \$667.4 million and \$567.1 respectively, leaving \$100.3 million in operating surplus before depreciation, amortisation and grant income. Grant income in 2011 was at \$344.6 million; just over half of the organisations operating revenue.

<sup>13</sup> (Ministry of Transport – Rail, 2012.)

<sup>14</sup> (Hon Bill English MP, 2012.)

<sup>15</sup> (New Zealand Legislation – Land Transport Management Act 2003, 2012).



Transport Fund<sup>16</sup> and allocation of investment from it to land transport activities. The Land Transport Management Act established the NZ Transport Agency and therefore defines the function of this Crown entity<sup>17</sup> and also defines the roles of the approved organisations in land transport planning, programming and funding<sup>18</sup>. The Land Transport Management Act largely affects the NZ Transport Agency by providing the agency with a broad land transport focus and the responsibility for managing investment of the land transport system. The Land Transport Management Act also allows for road tolling which was enabled to better integrate transport planning by enabling approved organisations to bring forward the construction of new roading.

### **Government Policy Statement (GPS)**

The GPS is a document issued by the Minister of Transport under part 3 of the Land Transport Management Act every three years, with a transport investment outlook of 10 years. The current GPS is for the 2012–15 period. The NZ Transport Agency must give effect to the GPS.

The GPS communicates central government's funding priorities, objectives and impacts to the transport sector. It is of particular importance as it directly influences what activities are delivered throughout the country by determining how the National Land Transport Fund is divided between each activity class in the National Land Transport Programme<sup>19</sup>. Through the allocation of funding to activity classes, the GPS provides a broad direction to the NZ Transport Agency on the types of activities that should be prioritised in the National Land Transport Programme. Local government should also take the GPS into account when preparing regional land transport strategies and regional land transport programmes. The GPS allows for investment in the activities outlined in Figure 5 meaning any activity that does not fall into a category is not currently invested in from the National Land Transport Fund<sup>20</sup>.

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<sup>16</sup> **Note:** The National Land Transport Fund's composition is detailed in section 3.1.

<sup>17</sup> **Note:** Description of the function of the NZTA can be found at [http://www.legislation.govt.nz/act/public/2003/0118/latest/DLM228046.html?search=sw\\_096be8ed8070d1dc\\_New+Zealand+Transport+Agency\\_25&p=1](http://www.legislation.govt.nz/act/public/2003/0118/latest/DLM228046.html?search=sw_096be8ed8070d1dc_New+Zealand+Transport+Agency_25&p=1)

<sup>18</sup> (NZTA, 2012).

<sup>19</sup> **Note:** All transport activities funded by the NZTA are classified into specific work categories which are then organised into one of 14 activity classes. Organising transport activities this way ensures conformity of the National Land Transport Programme, easy identification and a basis to compare transport costs over time (*Planning & investment knowledge base, 2011*).

<sup>20</sup> **Note:** Activities invested in from the National Land Transport Fund can vary with the GPS. Future changes to the GPS could include activities not currently invested in, such as funding for rail and sea freight, or exclude activities which are currently invested in.





Activity class	Description of activity
<b>New and improved infrastructure for State highways</b>	Activities related to managing and delivering a State highway capital improvement programme.
<b>Renewal of State highways</b>	Activities related to managing and delivering a renewal programme for existing State highway assets. Renewal activities are capital expenditure items arising from the deterioration of existing infrastructure assets.
<b>Maintenance and operation of State highways</b>	<p>Activities related to managing and delivering State highway maintenance and operations. Maintenance activities are for managing the physical condition of assets that is appropriate to the level of use.</p> <p>Operation activities are for managing demand and running services to optimise utilisation across networks. Emergency reinstatement for immediate responses to loss of service is included in this activity class.</p>
<b>New and improved infrastructure for local roads</b>	Activities related to managing and delivering capital improvement programmes for local roads.
<b>Renewal of local roads</b>	Activities related to managing and delivering renewal programmes for existing local road infrastructure. Renewal activities are capital expenditure items arising from the deterioration of existing infrastructure assets.
<b>Maintenance and operation of local roads</b>	Activities related to managing and delivering local road maintenance and operations. Maintenance activities are for managing the physical condition of assets that is appropriate to the level of use. Operation activities are for managing demand and running services to optimise utilisation across networks. Emergency reinstatement for immediate responses to loss of service is included in this activity class.
<b>Road policing</b>	Road policing activities delivered by the NZ Police.
<b>Public transport services</b>	Activities related to managing and delivering contracted public transport services and total mobility transport services.
<b>Public transport infrastructure</b>	Activities related to managing and delivering the renewal and improvement of infrastructure to support public transport services.
<b>Road safety promotion</b>	Activities that promote, educate, advertise or raise awareness of the safe use of transport networks. This includes road user activities that are required to implement the Safer Journey's Action Plan(s). It also includes reimbursement to towage and storage operators for uncollected impounded vehicles.



<b>Walking and cycling</b>	Activities related to managing and delivering new and improved infrastructure and promotional activities for increasing the use of walking and cycling for transport purposes.
<b>Sector research</b>	Activities related to managing and delivering research into land transport issues. This activity class also includes residual training activities that were agreed as part of the 2009–2012 National Land Transport Programme and previously funded under the sector training and research activity class.
<b>Transport planning</b>	Activities related to managing and delivering transport planning to improve network, service or asset management plans in response to significant changes in transport demand.
<b>Management of the funding allocation system, including performance monitoring</b>	<p>Activities related to managing the National Land Transport Fund through allocation and expenditure through the National Land Transport Programme. This includes developing, managing and/or monitoring:</p> <ul style="list-style-type: none"> <li>• associated funding and procurement procedures, policies and guidelines</li> <li>• funding agreements with approved organisations</li> <li>• assistance and advice to approved organisations and regional land transport committees</li> </ul> <p>Land transport inputs, activities and impacts.</p>

**Figure 5: Activities funded by the National Land Transport Fund<sup>21</sup>**

### National Land Transport Programme

The National Land Transport Programme is a statutory document prepared every three years by the NZ Transport Agency under section 19 of the Land Transport Management Act. The National Land transport Programme must give effect to the GPS. The activities included in the National Land Transport Programme address the transport priorities set out in the GPS and must be made up of activities proposed in an adopted Regional Land Transport Programme (including State highways). As well as those activities proposed regionally, the National Land Transport Programme also includes activities which will be delivered nationally, such as road safety promotion activities and the Road Policing Programme<sup>22</sup>.

### Regional Land Transport Strategy

The Regional Land Transport Strategy is a statutory document prepared by the Regional Council, or, in Auckland's case, by Auckland Transport<sup>23</sup>. It covers a 30 year period and sets out the strategic land transport objectives of the region. The Regional Land Transport Strategy covers all aspects of land transport in the region and forms the basis for "identification, selection, and prioritisation of projects

<sup>21</sup> (Government Policy Statement on Land Transport Funding 2012/13–2021/22, 2011).

<sup>22</sup> (NZTA, 2012).

<sup>23</sup> **Note:** A description of Auckland Transport's function is provided in section 2.3.



and activities and sets targets against which the region's transport networks can be monitored"<sup>24</sup>. Local government and the NZ Transport Agency, through the development of Regional Land Transport Strategies have a long term, 30 year outlook on investment in the transport sector.

### **Regional Land Transport Programme**

The Regional Land Transport Programme is a statutory document developed under part two of the Land Transport Management Act. It is prepared every three years for the Regional Council by the Regional Transport Committee, or, in Auckland's case, by Auckland Transport. The Regional Land Transport Programme consists of a 10-year plan that works towards the delivery of the Regional Land Transport Strategy. It outlines the transport activities expected to be invested in over the next three years, and the priorities for the region for the subsequent six years from the start of the Regional Land Transport Programme<sup>25</sup>.

### **Local Government Act 2012<sup>26</sup>**

The purpose of the recently updated 2012 Local Government Act<sup>27</sup> is to "provide for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses."<sup>28</sup> Phase one of amendments to the Local Government Act, passed in December 2012, includes a new purpose statement, new financial prudence requirements, changes to the way councils are governed, and changes to the processes for reorganising local government. A second phase of the reform programme is underway, which includes matters linked to transport funding such as the establishment an expert advisory group on local government infrastructure efficiency, and a review of development contributions.

The Local Government Act sets out how local authorities develop their Long Term Plans and states that regional, city and district councils must take into account the Government Policy Statement.

### **Long Term Plan**

The Long Term Plan is a statutory document for a 10-year period set under the Local Government Act and is reviewed every three years by all local government councils in New Zealand. The Long Term Plan covers all areas of infrastructure and development that councils' wish to undertake to improve the wellbeing of their communities; transport being only one of them.

### **Local Government (Auckland Council) Act 2009**

The Local Government (Auckland Council) Act disestablished the six Auckland territorial authorities and the Auckland Regional Council and established Auckland Council as a unitary authority for

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<sup>24</sup> (Planning & investment knowledge base, 2011).

<sup>25</sup> (Planning & investment knowledge base, 2011).

<sup>26</sup> Note: The Local Government Act is currently undergoing a review.

<sup>27</sup> (New Zealand Legislation – Local Government Act 2002, 2012).

<sup>28</sup> *In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—*

*“(a) efficient; and*

*“(b) effective; and*

*“(c) appropriate to present and anticipated future circumstances*



Auckland. Auckland Council has the responsibilities, functions and powers of both a city council and a regional council under the Local Government Act, and is required to adopt a spatial plan for Auckland that includes Auckland's transport intentions for the next 30 years.

Auckland Transport was established as a wholly owned council controlled organisation of Auckland Council under the Local Government (Auckland Council) Act 2009. Auckland Transport has the functions of managing and controlling Auckland's transport system (other than motorways and State highways), including performing the statutory functions of a requiring authority and of preparing the Regional Land Transport Programme for Auckland. For the purpose of the Local Government Act, Auckland Council is treated as if it is the sole shareholder for Auckland Transport.

### **State Owned Enterprise Act 1986**

The State Owned Enterprise Act is in place to enforce the objective that every state owned enterprise operates as a successful business and, be as profitable and efficient as comparable businesses that are not owned by the Crown, be a good employer, and, be an organisation that exhibits a sense of social responsibility<sup>29</sup>.

KiwiRail is a statutory corporation established by its own legislation; the New Zealand Railways Corporation Act 1981. Being a state owned enterprise however, KiwiRail is also subject to the State Owned Enterprise Act<sup>30</sup>.

### **Resource Management Act 1991**

The Resource Management Act is the statutory framework that governs the use, development and protection of natural and physical resources in New Zealand<sup>31</sup>. The statutory purpose of the Resource Management Act is therefore to promote the sustainable management of natural and physical resources. The regulatory functions, powers and duties of local government in respect to such resources are also set out in the Resource Management Act.

The Resource Management Act affects all transport providers (the NZ Transport Agency, local government, ports, airports and KiwiRail), by requiring that all infrastructure activities avoid, remedy or mitigate adverse effects on the environment<sup>32</sup>. Although the Resource Management Act does not directly relate to investment in land transport activities, it requires that all proposed infrastructure undergo thorough planning, and consideration of its environmental, social, cultural and economic effects. This includes requiring an application for the necessary consent, designation or permits being completed before the proposed use of the land is granted via land use consents or confirmed via designation. Due to these requirements, the Resource Management Act can affect land transport infrastructure costs.

There is a two-stage RMA reform process underway. In Phase I, the reforms resulted in the passing of the Resource Management (Simplifying and Streamlining) Amendment Act 2009, which set in train changes to the way aquaculture will be managed, and established the Environmental Protection Authority.

Phase II is looking at some of the more complex issues related to planning and decision-making in the wider resource management system. This phase also includes on-going reform of New Zealand's freshwater management and an independent review of the sections 6 and 7 of the RMA 1991.

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<sup>29</sup> (New Zealand Legislation – State Owned Enterprise Act 1986, 2012).

<sup>30</sup> (Crown Ownership Monitoring Unit, 2012).

<sup>31</sup> (Resource Management Act 1991, 2012).

<sup>32</sup> (*Planning & investment knowledge base, 2011*).



The Resource Management Reform Bill 2012 has been introduced to Parliament and includes a streamlined process for Auckland's first unitary plan, a six-month time limit for processing consents for medium-sized projects, easier direct referral to the Environment Court for major regional projects and stronger requirements for councils to base their planning decisions on robust and thorough cost-benefit analysis. Once passed these changes may have subsequent indirect impacts on land transport planning, investment and infrastructure costs (MfE, 2012).

### **NZ Transport Agency's Investment and Revenue Strategy**

The Investment and Revenue Strategy is one of the NZ Transport Agency's four functional strategies and is the investment prioritisation tool used to ensure the agency's investment decisions give effect to the GPS and the land transport investment requirements of the Land Transport Management Act.

The Investment and Revenue Strategy is used to determine what investments provide value for money and also ensures that longer-term activities align with the strategic direction of the organisation and the government's longer-term outcomes for New Zealand<sup>33</sup>. Prioritisation is determined through the NZ Transport Agency assessment criteria that consider the strategic fit, effectiveness and efficiency of projects<sup>34</sup>.

### **Auckland Council's Auckland Plan**

In addition to the Regional Land Transport Strategy, Regional Land Transport Programme and Long Term Plan, Auckland Council's transport intentions for the next 30 years are addressed in the regions long-term spatial plan, 'The Auckland Plan'. As with the Long Term Plan, the Auckland Plan details Auckland Council's intentions for the development of the region as a whole, covering all aspects of infrastructure (both physical and social), community and culture, the environment and economic development. The Auckland Plan is a means of communicating the council's intentions to the public and was adopted in 2012.

### **KiwiRail's Turnaround Plan**

KiwiRail is a state owned enterprise and is not subject to the Land Transport Management Act and the Local Government Act.

KiwiRail's 'Turnaround Plan', sets out to reposition KiwiRail as a financially sustainable freight rail business for New Zealand by 2020<sup>35</sup> and reverse previously declining levels of rail freight. The Turnaround Plan is intended to achieve financial sustainability for KiwiRail viability in the immediate term (10 years) by increasing rail traffic volumes and revenue, productivity, modernising assets and separating out the commercial elements of the business<sup>36</sup>. The government has set aside \$750 million for the Turnaround Plan, and as a result has a strong focus on achieving return on that investment in the ten-year timeframe.

## **Freight movement and the transport sector**

Freight movement in New Zealand plays a vital role in sustaining and supporting the economic development and prosperity of the country. In turn, how accessible, reliable and efficient the land transport system is in transporting freight to and from areas of production and consumption to and

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<sup>33</sup> (How the NZ Transport Agency's Investment and Revenue Strategy guides our investment in the land transport system, n.d.).

<sup>34</sup> **Note:** The NZTA's assessment criteria are explained in detail in section 3.1.

<sup>35</sup> (*Ministry of Transport – Rail, 2012*).

<sup>36</sup> (*The KiwiRail Turnaround Plan, n.d.*).



from the sea and air ports, and on to foreign markets, is essential in fostering New Zealand's economic growth.

It is forecast that the majority of New Zealand's population growth will occur within the upper North Island. As these regions contain three of New Zealand's major ports (Ports of Auckland, Ports of Tauranga and NorthPort), the majority of freight movement in New Zealand will also occur in these regions. The current freight task in New Zealand is dominated by road; when taking into consideration the weight of the freight and kilometres travelled, 70% of all freight is carried by road and the remaining 30% is split evenly between rail and coastal shipping<sup>37</sup>. Appendix A illustrates the strong emphasis the government and therefore the NZ Transport Agency has on developing new and improved infrastructure for State highways (36% of the National Land Transport Fund) suggesting that freight movement patterns in New Zealand will continue to remain predominantly on the road. The \$750 million the government has provided KiwiRail over the three years, 2010 to 2012, also illustrates the government's push towards establishing rail as a sustainable alternative to road based freight transportation.

## Summary

This paper has summarised the relevant legislation and documentation which govern and guide the NZ Transport Agency, regional, district and city councils, Auckland Council, Auckland Transport, and KiwiRail. It has also highlighted differing ways these entities generate income and invest in transport activities.

The 'pay as you go' system the NZ Transport Agency operates on restricts the level of investment to the income received into the National Land Transport Fund. In addition to investment from the National Land Transport Fund which the regional councils and Auckland Transport receive, regional, city and district councils and Auckland Council also receive a significant proportion of their revenue through general and targeted rates, development contributions and borrowing.

Auckland Council has undertaken work to show that current income levels are not sufficient to fund the many required transport initiatives for the Auckland region so are considering a number of additional mechanisms. KiwiRail has had financing issues in the past but with the support of the government is working towards operating off its revenue by 2020. Efficient movement of freight in New Zealand is greatly dependant on an accessible and reliable transport system which highlights the importance of investment in land transport activities specific to the upper North Island.

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<sup>37</sup> (Ministry of Transport – Rail, 2012.)



## Evidence sources reference table

Evidence sources and other information or processes (used in the absence of empirical evidence)	Format and Held by	Use / application within the Upper North Island Freight Story
<b>Critical Issues: Challenging Local and Central Government Funding Structures</b>		
<b>National</b>		
<ul style="list-style-type: none"> <li>• Crown Ownership Monitoring Unit. 2012. <i>State-Owned Enterprises</i>. <a href="#">weblink</a></li> <li>• Hon Bill English MP. 2012. Next steps in KiwiRail's Turnaround Plan. <a href="http://www.billenglish.co.nz/archives/828-Next-steps-in-KiwiRails-Turnaround-Plan.html">http://www.billenglish.co.nz/archives/828-Next-steps-in-KiwiRails-Turnaround-Plan.html</a></li> <li>• KiwiRail. 2011. Half year report</li> <li>• KiwiRail. <i>The KiwiRail Turnaround Plan</i>. <a href="#">weblink</a></li> <li>• Local Councils. <i>Council Funding</i>. <a href="#">weblink</a></li> <li>• Local Government New Zealand. 2008. <i>Guide on transport planning and funding in New Zealand – the land transport management act 2003</i>. Local Government Know-how</li> <li>• Ministry of Transport. 2012. <i>Our Work - Land</i>. <a href="#">weblink</a></li> <li>• Ministry of Transport. 2012. <i>Our Work - Rail</i>. <a href="#">weblink</a></li> <li>• Ministry of Transport. 2011. <i>Government Policy Statement on Land Transport Funding 2012/13-2021/22</i>. <a href="#">weblink</a>. July.</li> <li>• New Zealand Legislation. 2012. <i>Local Government Act 2002</i>. <a href="#">weblink</a></li> <li>• New Zealand Legislation. 2012. <i>Resource Management Act 1991</i>. <a href="#">weblink</a></li> <li>• New Zealand Legislation. 2012. <i>State Owned Enterprise Act 1986</i>. <a href="#">weblink</a></li> <li>• New Zealand Legislation. 2011. <i>Land Transport Management Act 2003</i>. Parliamentary Council Office. <a href="#">weblink</a></li> <li>• NZTA. 2012. <i>About</i>. <a href="http://www.NewZealandTransportAgency.govt.nz/about/who-and-what/where-we-fit.html">http://www.NewZealandTransportAgency.govt.nz/about/who-and-what/where-we-fit.html</a></li> <li>• NZTA. 2012. <i>2012 – 2015 National Land Transport Programme (NLTP)</i>. <a href="#">weblink</a></li> <li>• NZTA. 2011. Planning &amp; Investment Knowledge Base. <a href="#">weblink</a></li> <li>• NZTA. <i>How the New Zealand Transport Agency's Investment and Revenue Strategy guides our investment in the land transport system</i>. <a href="http://www.NewZealandTransportAgency.govt.nz/planning/programming/docs/nltp-2012-15-irs.pdf">http://www.NewZealandTransportAgency.govt.nz/planning/programming/docs/nltp-2012-15-irs.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>• Documents held by the 'authors'</li> </ul>	<p>All documents used as reference sources to populate this critical issue</p>



Evidence sources and other information or processes (used in the absence of empirical evidence)	Format and Held by	Use / application within the Upper North Island Freight Story
<ul style="list-style-type: none"> <li>• The Treasury. 2012. <i>Budget Economic and Fiscal Update</i>. <a href="#">weblink</a></li> <li>• The Treasury. <i>KiwiRail Group Turnaround Plan</i>. <a href="#">weblink</a></li> </ul>		
<b>Other Information/processes</b>		
<ul style="list-style-type: none"> <li>• Calculation of cost of infrastructure in the upper North Island required for freight movement (including timing and funding available) to determine extent of any funding gap.</li> <li>• Current funding frameworks for planning and investment for transport outcomes in NZ. Sources: LTMA, - RLTP/NLTP, LGA, Treasury – KiwiRail and National Infrastructure Plan</li> <li>• Learnings from the (dis)benefits of specific mechanisms including practical implementation. Sources: Northern Busway, Northern Gateway tolling, Tauranga Harbour Bridge tolling</li> <li>• Process and information from Australia Department of Infrastructure and Transport's Nation Building Programme.</li> </ul>		
<b>Auckland</b>		
<p><b>Auckland Council. 2012. <i>Getting Auckland Moving</i>. Strategy and Finance Committee Open Agenda. <a href="#">weblink</a>. 15 February 2012. &amp; Governing Body Open Addendum Agenda. <a href="#">weblink</a>. 16 July 2012</b></p>	<ul style="list-style-type: none"> <li>• Report – Web, electronic</li> <li>• Auckland Council</li> </ul>	<p>Provides discussion on alternative funding options, item 16 page 69 &amp; Attachment A &amp; item 3 page 5</p>
<p><b>Auckland Council. 2012. <i>Development and financial contributions policy</i>. <a href="#">weblink</a></b></p>	<ul style="list-style-type: none"> <li>• Policy – Web, electronic, hard copy</li> <li>• Auckland Council</li> </ul>	<p>Reference source to populate this critical issue</p>
<ul style="list-style-type: none"> <li>• <b>Auckland Council. 2012. <i>Long term plan 2012 – 2022</i>. <a href="#">weblink</a></b></li> <li>• <b>Auckland Council. 2011. <i>Auckland Council Annual Report 2010-2011</i>. <a href="#">weblink</a></b></li> <li>• <b>Auckland Council. 2011. <i>The Auckland Plan</i>. <a href="#">weblink</a></b></li> </ul>	<ul style="list-style-type: none"> <li>• Reports – web, electronic, hard copy</li> <li>• Auckland Council</li> </ul>	<p>Reference sources to populate this critical issue</p>





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## Upper North Island Maps

### Upper North Island wide

Layer: State Highway Centreline

Owner: NZTA

Year: 2012

Layer: Railway Centreline

Owner: KiwiRail

Year: 2012

Layer: Railway Stations

Owner: KiwiRail

Year: 2012



### **Primary Industry and Transport Network map**

Layer: Shipping Imports and Exports  
Owner: Ministry of Transport  
Year: 2011

Layer: Inland Ports  
Owner: NZTA  
Year: 2012

Layer: Airports  
Owner: Land Information NZ  
Year: 2011

Layer: Fuel Storage Locations  
Owner: NZTA  
Year: 2012

Layer: Major Wood Processing Plants  
Owner: Ministry of Primary Industries  
Year: 2011, 2010

Layer: Major Dairy Processing Plants  
Owner: Ministry of Primary Industries  
Year: 2010

Layer: Major Meat Processing Plants  
Owner: Ministry of Primary Industries (Beef & Lamb NZ)  
Year: 2010, 2011

Layer: Large Aggregate and Quarry areas  
Owner: GNS Science (Mines layer)  
Year: 2009

### **Industrial Land maps**

Layer: Auckland Business Land  
Owner: Auckland Council  
Year: 2012

Layer: Bay of Plenty Business Land



Owners: Tauranga City Council  
Environment Bay of Plenty  
Year: 2012

Layer: Northland Business Land  
Owners: Whangarei District Council  
Far North District Council  
Year: 2012

Layer: Waikato Business Land  
Owners: Waikato Regional Council  
Hamilton City Council  
South Waikato District Council  
Taupo District Council  
Year: 2012

Layer: Business Land Development Timing  
Owner: Hamilton City Council  
Year: 2012  
Author: NZTA Geospatial Team



# Appendix A: Activity class funding ranges<sup>38</sup>

Activity Class	Funding ranges (\$m)										Forecast funding ranges (\$m)		
	11/12 Allocation	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	20/21	21/22
New and improved infrastructure for State highways	1036	875	900	950	1000	1050	1100	1150	1200	1250	1300	1250	1300
Renewal of State highways	202	180	180	180	190	190	150	200	200	200	200	200	200
Maintenance and operation of State highways	300	255	255	255	255	255	255	255	255	255	255	255	255
New and improved infrastructure for local roads	432	120	130	130	140	140	140	160	160	160	160	150	160
Renewal of local roads	236	190	190	190	200	200	200	210	210	210	210	210	210
Maintenance and operation of local roads	251	205	205	205	205	205	205	205	205	205	205	205	205
Road policing	302	260	280	280	280	280	280	280	280	280	280	280	280
Public transport services	220	220	230	210	255	270	260	295	295	295	295	295	295
Public transport infrastructure	57	20	20	20	20	20	20	20	20	20	20	20	20
Road safety promotion	38	29	29	29	29	29	29	31	31	31	31	31	31
Walking and cycling	16	12	12	12	14	14	14	15	15	15	15	15	15
Sector research	6	3	3	3	3	3	3	3	3	3	3	3	3
Transport Planning	32	14	14	14	15	15	15	15	15	15	15	15	15
Management of the funding allocation system	32	26	26	26	26	26	26	26	26	26	26	26	26

<sup>38</sup> (Government Policy Statement on Land Transport Funding 2012/13-2021/22, 2011).



## Appendix B: Road user charge rates for diesel powered vehicles<sup>39</sup>

Excludes 'H' vehicle types

Road user charge vehicle type number	Description	Weight bands	Rate from 1 August 2012 (\$ per 1000km)
1	Powered vehicles with 2 axles (except type two cars)	Not more than 3.5 tonnes	48
		Not more than 3.5 tonnes and not more than 6 tonnes	55
		Any road user charge weight of more than 6 tonnes	150
2	Powered vehicles with 1 single-tyred spaced axle and 1 twin-tyred spaced axle	Not more than 6 tonnes	52
		More than 6 tonnes and not more than 9 tonnes	79
		More than 9 tonnes and not more than 12 tonnes	118
		Any road user charge weight of more than 12 tonnes	251
311 (Bus)	Powered passenger service vehicles with 3 axles	Not more than 18 tonnes	209
		Any weight more than 18 tonnes	337
6	Powered vehicles with 3 axles, (except type 311 vehicles)	Not more than 12 tonnes	68
		More than 12 tonnes and not more than 18	220

<sup>39</sup> (Ministry of Transport, 2012).





Road user charge vehicle type number	Description	Weight bands	Rate from 1 August 2012 (\$ per 1000km)
		tonnes	
		Any road user charge weight more than 18 tonnes	353
14	Powered vehicles with 4 axles	All road user charge weights	328
19	Powered vehicles with 5 or more axles	All road user charge weights	288
308	Towing vehicles with 3 axles that are part of a combination vehicle with a total of 8 axles	All road user charge weights	318
408	Towing vehicles with 4 axles that are part of a combination vehicle with a total of 8 axles	All road user charge weights	295
309	Towing vehicles with 3 axles that are part of a combination vehicle with a total of 9 axles	All road user charge weights	242
409	Towing vehicles with 4 axles that are part of a combination vehicle with a total of 9 axles	All road user charge weights	295

