

2019 - 2022 BAY OF PLENTY MAYORAL FORUM

Extraordinary Meeting

Tuesday 14 April 2020

10:00 am to 11:00 am

Zoom (Audio Visual Meeting)

Chairperson:
Chairman Doug Leeder



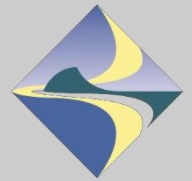
Bay of Plenty
REGIONAL COUNCIL



Taonga o te Whenua
KAWERAU
TREASURE OF THE LAND
DISTRICT COUNCIL



Ōpōtiki District Council
STRONG COMMUNITY STRONG FUTURE



Tauranga City

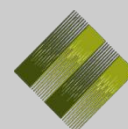


GREAT LAKE TAUPŌ
Taupō District Council

ROTORUA
LAKES COUNCIL



WHAKATĀNE
District Council
Kia Whakatāne au i ahau



Western Bay of Plenty
District Council

Bay of Plenty Mayoral Forum

Membership

Chairperson	On a rotational basis
Members	
Bay of Plenty Regional Council	Chairman Doug Leeder Chief Executive Fiona McTavish
Kawerau District Council	Mayor Malcolm Campbell Chief Executive Russell George
Ōpōtiki District Council	Mayor Lyn Riesterer Chief Executive Aileen Lawrie
Rotorua Lakes Council	Mayor Steve Chadwick Chief Executive Geoff Williams
Taupō District Council	Mayor David Trewavas Chief Executive Gareth Green
Tauranga City Council	Mayor Tenby Powell Chief Executive Marty Grenfell
Western Bay of Plenty District Council	Mayor Garry Webber Chief Executive Miriam Taris
Whakatāne District Council	Mayor Judy Turner Chief Executive Stephanie O'Sullivan
Quorum	N/A
Frequency	4-monthly

Triennial Agreement 2019 - 2022

The Bay of Plenty Mayoral Forum is guided by the Triennial Agreement, which is entered into after each local government election as a requirement under Section 15 of the Local Government Act 2002.

The Triennial Agreement 2019-2022 was agreed to by each partner council at the Bay of Plenty Mayoral Forum meeting on 14 February 2020.

Agenda

1 Apologies

2 Acceptance of Late Items

3 Reports

3.1 Assisting the Bay of Plenty Region to recover from COVID-19 and delivering lasting benefits for regional communities 9

3.2 Taupō District Council - Crown Infrastructure Projects to be submitted to the Crown Infrastructure Partnerships Group

Projects included in Report 3.1

3.3 Western Bay of Plenty District Council - Crown Infrastructure Projects to be submitted to the Crown Infrastructure Partnerships Group

Projects included in Report 3.1

3.4 Eastern Bay of Plenty - Crown Infrastructure Projects to be submitted to the Crown Infrastructure Partnerships Group 23

3.5 Rotorua Lakes Council - Crown Infrastructure Projects to be submitted to the Crown Infrastructure Partnerships Group 30

3.6 Tauranga City Council - Crown Infrastructure Projects to be submitted to the Crown Infrastructure Partnerships Group

To be circulated under separate cover

4 Consideration of Late Items

Reports



Report To: Bay of Plenty Mayoral Forum

Meeting Date: 14 April 2020

Report From: Fiona McTavish, Chief Executive Toi Moana BOPRC

Assisting the Bay of Plenty Region to recover from COVID-19 and delivering lasting benefits for regional communities

Purpose

This paper overviews a number of separate papers that outline the Crown Infrastructure Projects to be submitted to the Crown Infrastructure Partnerships Group.

It also provides information on the Regional Council response to recovering from COVID-19 and Crown Infrastructure Projects as well as other Local Government projects were able to be collated in these extraordinary times.

All papers to be considered by the Mayoral Forum today collectively support the Bay of Plenty region to recover well from COVID-19. The Mayoral Forum is asked to confirm their support for these projects by way of an open letter to Government.

Recommendations

That the Bay of Plenty Mayoral Forum:

- 1. Notes that Local Government is collectively working to ensure communities in the Bay of Plenty region recover quickly and well from COVID-19.**
- 2. Notes that there are a series of papers that will be presented to the Mayoral Forum on the Crown Infrastructure Projects that are to be submitted today to the Crown Infrastructure Partnerships Group.**
- 3. Notes that all councils are working with key partners, stakeholders and moving at pace to progress other recovery responses and updates on this progress will be presented to future Mayoral Forums**
- 4. Agrees to an overarching cover letter from the Bay of Plenty Mayoral Forum to the Crown Infrastructure Partnerships Group.**

Regional COVID-19 recovery context

The challenges of Covid-19, both today and in the time to come, are of an unprecedented scale.

There is the opportunity for the Bay of Plenty region to not only recover well from the COVID-19 shock, but to ensure our communities thrive by building in transformational change that delivers against critical challenges facing the region, in partnership with central government.

There is the need for full recovery to be focused on four well-beings and at short, medium, and long-term scales. This recovery could leverage off the investment that has already been made through the Provincial Growth Fund and initially focus on work ready projects that create employment where it has been lost.

Bay of Plenty Regional Council Response

As a regional council, we are currently focused on our role as caretakers for the environment and we are committed to our communities, recognising that we play a critical role in supporting and protecting the people and the environment in our rohe.

Our community outcomes include working with our partners and communities to achieve integrated planning, good decision-making and supporting economic development. We are responding to national direction so that the regional council can do its part to:

- Create jobs, leading to sustainable economic growth.
- Increase social inclusion and participation.
- Enable Māori to realise aspirations in all parts of the economy.
- Encourage environmental sustainability and help to respond to climate change.
- Support productive use of land, water and other resources.
Improve resilience and protect critical infrastructure.
- Facilitate diversification of our economy.
- Accelerate New Zealand's recovery from the effects of COVID19 response actions.

Table 1 (below) shows the initial thinking on how the Regional Council will work with others to recover from COVID-19 and delivering lasting benefits for regional communities.

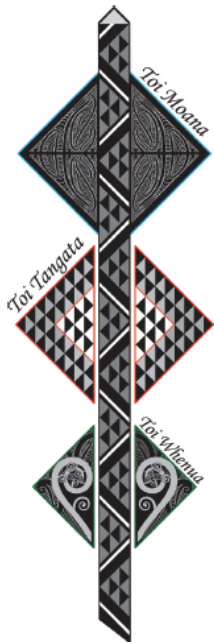
This thinking will be progressed at a special council meeting on 17 April 2020.

Furthermore, guided by an independent Leadership Group consisting of Maori and business leaders from across the rohe, the **Bay of Connections** is well placed to support this regional effort. It has existing networks across the region with EDAs, Councils, industry groups, Maori organisations and more, as well as critical networks in central Government agencies – both those representatives located in the Bay of Plenty, and those in Wellington.

Economic Recovery Plan *April 2020*



Outcome = A vibrant connected region that has recovered quickly and well.



Survive

Help businesses & communities

Drive

Economic Stimulus
Increased Employment

Thrive

Rebuild a
Vibrant Region

Focus areas for now

- Working together with key partners and stakeholders
- Regional Recovery Planning
- Coordinate development of economic stimulus project proposals:
 - Crown Infrastructure Partners - large 'shovel-ready' infrastructure
 - Regional joint projects, e.g.:
 - a) Pest Control
 - b) Conservation - Arboretums
 - c) Delivering Biodiversity - planting

Opportunities

Employment

- Flood management
- Pest control
- Wetland dvpt
- Wilding pine control
- Regional Parkstracks
- Stimulus package support - RLTP

Data & Information

- Sharing information
- Collation and analysis of data focus on economic and environmental

Domestic Markets

- Food basket focus - production pipeline
- Eventually domestic tourism

Māori Economic Development

- Working with Māori Development Agencies, iwi and EDAs to identify potential opportunities

Low Carbon Economy

- Investigate learnings opportunities
- Develop a plan to transition to low carbon economy

Key stakeholder & Community

- Working with key stakeholders to identify areas for support

Principles

- Partnerships are fundamental to success
- Decisive leadership
- Future focused
- Clear communications
- This is the new normal - the world has changed
- Good decisions take time and last longer

We work with:

TRUST
MANAAKITANGA

INTEGRITY
KOTAHITANGA

COURAGE
WHANAUNGATANGA

Table 1

Bay of Plenty Regional Council Projects

1. Crown Infrastructure Projects

The Regional Council is proposing at this stage, the following Crown Infrastructure Project (CIP):

- The **Rangitāiki Floodway**, which is a shovel ready flood infrastructure project in the Eastern Bay sub region. The project would deliver community resilience and protection from flood damage. Funding sought is \$13.7M from the CIPs process. Potential employment 50-60 FTEs.

- **Flood Protection Resilience Projects** across all four Bay of Plenty river schemes. Approx. \$12M across two years; Approx 60 jobs. Examples include:
 - New Ngongotahā flood protection works following the April 2018 flood event;
 - Floodbank development work on the Whakatāne River and Waioeka River. This includes supporting the Ōpōtiki and Whakatāne PGF projects;
 - River Scheme sustainability and climate change planning work and room for the river operational planning across all four schemes following the findings of the Cullen Review

2. 'Green Work' projects

Potential '**Green Work**' projects which could deliver employment in the region alongside substantial environmental co-benefits.

The type of project includes pest control, biodiversity enhancement and environmental infrastructure, such as wetland development. Approximately 30 of these projects are in the conceptual/development stage and could be up to a maximum value of \$5M per project. Further work will scope out potential partnerships with Iwi and community groups.

3. Regional Transport Projects

There will be a number of transport projects proposed through this CIP process and to ensure that they can be fully considered by government the Regional Transport Committee will meet on 6 May to consider an alteration to the Regional Land Transport Plan.

There is also a range of potential **Public Transport Projects**, at the conceptual/development stage working with key partners. These include: park and ride facilities, transport hubs, and progressing rail opportunities. These projects will be considered at the Public Transport Committee later this year.

Other Local Government Crown Infrastructure Projects

Table 2 lists other CIP projects that have been progressed to date from the Bay of Plenty Regional Council, Western Bay of Plenty District Council, Eastern Bay, and Taupō District Council.

Further information on other local government CIP projects will be presented at the meeting.

It is proposed that the Mayoral Forum agree to Bay of Plenty covering letter to the Crown Infrastructure Partnerships Group.

Each local government entity will submit their only CIP completed forms though and reference the cover letter in their applications.

Table Two: Summary of Crown Infrastructure Partner Projects for the Mayoral Forum endorsement

Bay of Plenty Regional Council

Benefit Impact Area	Project	Start time	Estimated Cost	Job Creation	Number of people that benefit	Wellbeing Focus
Bay of Plenty Region	Rangitāiki Floodway – completion of capital works improvements for the Rangitāiki Tarawera Flood Protection Scheme managed by Bay of Plenty Regional Council.	Works underway already – 5 stages of 8 are already complete	\$13.7M to complete	Approximately 54 FTEs	The Eastern Bay of Plenty as a whole will benefit, with indirect benefits to the entire region and New Zealand. Direct benefit to Edgecumbe and the lower Rangitāiki plains communities and landowners. This project includes the management of climate change impacts decades into the future.	This will complete an infrastructure resilience project that has been the result of successive flood events in the Eastern Bay of Plenty in 2004, 2012 and 2017. The Cullen Review in 2017 focussed strongly on the completion of this project to safeguard the local and regional community from the devastating impact of large flood events resulting from Ex Tropical cyclones which the region is susceptible to.
	Flood Protection Resilience Projects across all four Bay of Plenty river schemes such as New Ngongotahā flood protection works following the April 2018 flood event; Floodbank development work on the Whakatāne River and Waioeka River. This includes supporting the Ōpōtiki and Whakatāne PGF projects; River Scheme sustainability and climate	To commence as soon as possible	Approx. \$12M across two years	Approx 60 FTEs	The Eastern Bay of Plenty as a whole will benefit, with indirect benefits to the entire region and New Zealand. Direct benefit to Ōpōtiki and Whakatāne communities and landowners. The Ngongotahā community would also benefit from this proposal. This project includes the management of climate change impacts decades into the future.	This will complete an infrastructure resilience for many communities. It would also support fast-tracking PGF projects in Ōpōtiki and Whakatāne. It would also enable Rotorua Lakes Council and BOPRC to respond to complete the response the Ngongotahā April 2018 flood event.

	change planning work and room for the river operational planning across all four schemes following the findings of the Cullen Review					

Western Bay of Plenty District Council

Priority	Project	Value	Jobs – person years for the project duration
1.	Rangiuru Business Park Public Infrastructure – Joint Quayside, WBOPDC, BOPRC, NZTA Proposal for government under writing of \$128 m? to install the majority of infrastructure (interchange, local roads, water supply, waste water, storm water, recreational) that will be vested in Council or NZTA. The Government investment will be paid back through the finco contributions administered by WBOPDC. The government holds the debt. Potential joint procurement process for the RBP interchange with the Papamoa East Interchange. This package includes the WBOPDC water and wastewater upgrades to facilitate RBP and accordingly there isn't a separate CIP application for those. Possible inclusion of cycleway and environmental planting around the storm water pond linking to the Kaituna wetlands – under discussion BOPRC/Quayside.	\$128m	1500
2.	District cycleway projects including - Tauranga Omokoroa Improvements, second side on Wairoa Bridge, additional roadside trails on the existing route, completion of golf course bund, bridge to Pahoia, Te Puke to RBP/Maketu Rd, Pukehina wetlands, No 1 Rd to pack house, approx. 50% shovel ready, balance can be in 6 months – Package value \$10-11m .	\$14.72m	45
3.	Seal extension of low volume local roads that are not currently funded, focus on shape and seals which require no land purchase or consenting, emphasis on servicing marae and Maori land to facilitate development, provide an improved LOS and enable papakainga housing. All are shovel ready and can be delivered over 18 months via the WestLink contract. 40km package value \$11m.	\$11.0m	100
4.	Water Supply upgrades including pipe replacements and capacity upgrades, treatment plan upgrades, new reservoirs		
5.	Regional Healthy Housing Programme – This is an extension of A Healthy Whare Project. It is a multi-agency programme that works in high needs communities to improve their housing. This includes insulation and heating, but also major home repairs	\$12.0m	

Priority	Project	Value	Jobs – person years for the project duration
	where those are needed – for example, at Te Rereatukahia the programme has seen new roofs, plumbing, electrical work and recladding completed, as well as upgrades to pipes for water supply to eliminate leaks. Also, insulation and heating, as well as curtains and floor coverings. The project has significant health and community outcomes, job creation and skills programmes. WBOPDC is fronting the application on behalf of the partners BayTrust, TECT, EBET (eastern bay energy trust), WBOPDC, TPK, and the BOP DHB. \$12m over 3 years, with a \$2.55m partner funding contribution. There is a similar application from RLDC and if both are successful they will operate as a single Bay wide project.		
6.	Public Infrastructure to support development of marae and papakainga housing mainly installation of water and waste water services – Otawhiwhi, Te Reretekawahia, Tapuika, Waitangi, Maketu wwtp upgrade for Te Arawa housing etc. All projects are turnkey with services to the boundary including the full finco cost. This reduces the development costs for the marae and papakainga housing and facilitates development. Most are ready to proceed as they are an extension of council’s network. Specific hapu consultation has not occurred for this bid. The information has been sourced from previous discussion, Project Waiora and the development of the Papakainga tool kit. Package over \$10m.		
7.	Omokoroa Roding Package of projects to facilitate housing development as per the approved Smart Growth plan, includes current urbanisation project on Omokoroa Rd \$7.6m, new projects including Western Ave urbanisation \$1m Omokoroa Rd Railway to Prole Rd urbanisation \$2m, Prole Rd urbanisation \$12m, – package valued at \$30m, with \$8m already funded. \$12m ready to tender, balance will be ready in to tender and construct within 6 months	\$30.0m	
8.	Omokoroa – Katikati - Waihi Beach – Waihi cycleway – a pipeline of work over 5 years. Indicative \$70.4m value. The project would be implemented in stages, all on public land, constraints relate to site specific consenting and design. Parts are shovel ready now. Focused on use of local SME contractors using local labour.	\$70.8	475

Priority	Project	Value	Jobs – person years for the project duration
9.	Waste water improvements including infiltration survey's and pipe remediation, Te Puke waste water treatment plant capacity and quality upgrade package \$.		
10.	Katikati Bypass –application for a State Highway bypass as currently designed to NZTA standards, \$100m over 5 years. Ready to start final design, and enabling works, land purchase under PWA. May require an Alliance Contract.	\$96.6m	255
11.	Omokoroa Housing Development – in partnership with Classic Builders and the Smart Growth Housing Affordability Forum. Kainga Ora a potential purchaser of some units. Planned 26-30 affordable and sustainable 1,2,3 bedroom units. Council owned land, site ready for construction. Design to consent 3 months, construction commence in 6 months. Request for CIP to under write the development. Repayable from sales. Package \$12m all inclusive.	\$12.0m	100
12.	Storm water upgrades, capacity and environmental improvements across the district including 2 Mile Creek Waihi Beach, storm water treatment devices.	\$19.95m	100
13.	Te Puke swimming pool - replacement of the 1950's era pool that is located at the Te Puke High School. Site owned by Council. New pool \$15m, 3 year project Design year 1, construction years 2-3.	\$15.0m	
14.	Katikati Swimming Pool – additional pool adjacent to the existing 1960's outdoor pool. Site owned by Council. New pool \$15m, 3 year project Design year 1, construction years 2-3.	\$15.0m	
15.	Seal widening 23km of rural roads across the district focusing on key under width collectors and arterials in order to improve safety and reduce maintenance costs. The programme can be undertaken over 2 years, winter work can occur on specific sites enabling a pipeline of construction.	\$12.0m	200

Eastern Bay of Plenty

Category	Programme Description	Cost \$	Employ #*	Benefits	Shovel readiness
Three Waters	<p>Opotiki: Hikutaia expansion / infrastructure upgrades / surface flooding mitigation</p> <p>Whakatane: Infrastructure upgrades & expansion / stormwater improvements</p> <p>Kawerau: Infrastructure upgrades / stormwater improvements</p>	\$97M	1194 FTE	<p>Social: Improved health outcomes for communities – drinking water improvements.</p> <p>Environmental: WWTP & pipe renewals will result in improved freshwater water quality</p> <p>Economic: Infrastructure will support additional housing needs, supporting PGF (7,000 jobs in EBOP)</p>	<p>Some of these projects are already underway, but can be fast tracked. Majority can be started within the next 6 months, as covid19 restrictions are lifted.</p> <p>Risk: Low</p>
Transport	<p>Whakatane: Safety improvements / road sealing / new route Minginui to SH5</p> <p>Kawerau: Culvert replacements / Town centre parking & stormwater improvements</p> <p>Opotiki: Seal extensions / new road / bridge replacement</p>	\$60M	741 FTE	<p>Social: Improved road safety</p> <p>Environmental: Culvert replacements, supporting flood management</p> <p>Economic: Road sealing, reduced transport times, supporting increase in domestic tourism.</p>	<p>All projects can proceed within next 6 - 12 months.</p> <p>Risk: Low</p>
Buildings and Structures	<p>Opotiki: CDB development and earthquake strengthening.</p> <p>Whakatane: Cultural hikoi project & CDB development</p>	\$38M	474 FTE	<p>Social: Improved road safety</p> <p>Environmental: Culvert replacements, supporting flood management</p> <p>Economic: Road sealing, reduced transport times, supporting increase in domestic tourism.</p>	<p>All projects can proceed within next 6 - 12 months.</p> <p>Risk: Low</p>
Other Infra	<p>Opotiki: Parks & reserves improvements</p> <p>Regional: Flood management improvements for Rangitaiki / Otara / Waioeka / Whakatane</p>	\$20M	248 FTE	<p>Social: improved community spaces and wellbeing</p> <p>Environmental: increased resilience in the face of climate change; improved public land use options</p> <p>Economic: improved risk profiles for businesses operating in flood prone areas; creating a desirable place to live to attract talent; improved land use options; lessening the insurance burden to society</p>	<p>Many projects are underway and all projects can proceed within the next 6-12 months</p> <p>Risk: Low</p>
Cycle Ways	Cycle trails – Linking up existing trails in the EBOP to create 1 connected trail through the EBOP	\$23M	286 FTE	<p>Social: road safety improvements and improved social / health outcomes</p> <p>Environmental: reduced carbon emissions and encouraging alternative transport means</p> <p>Economic: increased tourism spend in remote locations across the EBOP; supporting the PGF Tourism strategy to create more local products</p>	<p>Many projects are underway and can be accelerated.</p> <p>Risk: Low</p>
TOTAL		\$239M	2942 FTE		

Taupō District Council

Application Package	Projects within Application Package	Activity
CAB	Civic Administration Building (CAB)	Facilities
DWSZN Upgrades	DWSZN Upgrades	3Waters
Water and WW Electrical	Water and WW Electrical	3Waters
Water and WW Reticulation	Water and WW Reticulation	3Waters
Pavement Works	Te Toki Road Seal Extension	Transport
Pavement Works	Rural Road Seal Widening	Transport
Pavement Works	Tirohanga Rd Rehab	Transport
Pavement Works	Road Safety Rehab Program	Transport
Pavement Works	Transport Urban Pavement Rehab	Transport
Pavement Works	Arrowsmith Ave Safe Intersection	Transport
Shared Path & Kerb and Channel	Turangi Kerb and Channel	Transport
Shared Path & Kerb and Channel	Mapara Rd footpath	Transport
Shared Path & Kerb and Channel	Share Path along Eastern Taupo Arterial Route	Transport
Shared Path & Kerb and Channel	Great Lake Walkway	Transport
Shared Path & Kerb and Channel	Kerb and Channel and Accessibility Paths	Transport
Parks and Rec	Te Kapua Park Playground	Sports and Recreation
Parks and Rec	Hipapatua	Sports and Recreation
Parks and Rec	Spa Park	Sports and Recreation
Parks and Rec	Tongariro Destination Playground	Sports and Recreation
Parks and Rec	Turangitukua Sports Facility	Sports and Recreation
Parks and Rec	Northcroft Reserve	Sports and Recreation
Parks and Rec	Taupo Bowling Club	Sports and Recreation
Parks and Rec	Mangakino Sports Change Facility	Sports and Recreation
Parks and Rec	Owen Delany Park	Sports and Recreation
Building Upgrades	Turangi Depot	Facilities
Building Upgrades	Building Upgrades	Facilities

Application Package	Projects within Application Package	Activity
Building Upgrades	Capex Program	Facilities
Building Upgrades	Housing for the Elderly	Facilities
Building Upgrades	Taupo Event Centre Commercial Kitchen	Facilities
Building Upgrades	Taupo Event Centre Gym Deck	Facilities
Building Upgrades	Dog Pound Refurbishment	Facilities
New Taupo Museum	New Taupo Museum	Facilities
Great Lake Centre Refurbishment	Great Lake Centre Refurbishment	Facilities
Turangi Indoor Recreation Centre	Turangi Indoor Recreation Centre	Facilities
Community and Youth Hub	Community and Youth Hub	Facilities
Taupo Bike Trails	Craters of the Moon Tracks	Taupo Mountain Bike
Taupo Bike Trails	Rotary Ride	Taupo Mountain Bike
Taupo Bike Trails	Puketapu Extension	Taupo Mountain Bike

Fiona McTavish
Chief Executive, Bay of Plenty Regional Council Toi Moana

9 April 2020

Report To: Bay of Plenty Mayoral Forum

Meeting Date: 14 April 2020

Report From: Eastern Bay of Plenty

Eastern Bay of Plenty CIP Summary

9 April 2020

Kia ora,

The Eastern Bay of Plenty is well positioned to take up the Crown Infrastructure Partners Fund offering. Identified as a “Surge Region’ by the Provincial Development Unit, with some of the worst economic and social deprivation in Aotearoa New Zealand, the sub-region has completed significant work over the last two years to identify, prioritise and advance key developments.

The Eastern Bay contributes to the regional and national economies through a significant primary production sector, a manufacturing sector ranging from boutique to large industry, and offers some of the country’s most loved domestic tourism destinations.

The suite of projects identified by the three TLA’s; Kawerau District Council, Ōpōtiki District Council and Whakatāne District Council clearly indicate where they can accelerate and augment the underpinning infrastructure required to capitalise on the Crown PGF Co-investment to date, and to help buffer the worst effects of Covid-19 on our communities as a result.

The Eastern Bay of Plenty has a proven track record of collaboration between Local Government, Iwi and key sectors, and this will continue to underpin our delivery. Our projects will provide stimulus and job creation, guided by the Eastern Bay spatial plan, Long Term Plans and some innovative sub-regional projects.

Accelerating the right infrastructure projects will enable our productive sectors, the Māori economy and our communities to be positioned to recover and build resilience from both Whakaari eruption and Covid-19 in a timely, sustainable manner.

Thank you in advance for funding these projects and we look forward to working with your teams to ensure immediate roll out of these initiatives.

Ngā mihi,

Four Mayors Signatures



Eastern Bay of Plenty CIP Summary

Background & Context – Eastern Bay of Plenty

As one of the poorest regions in New Zealand, with a GDP of only \$1.9 billion and a population of approximately 48,000, the Eastern Bay of Plenty (EBOP) has been identified as a “surge region” by the Provincial Development Unit. The EBOP has recently secured over \$180 million in Provincial Growth Fund (PGF) funding, which will – in time – result in an additional 7,000 jobs for our region. While this is a significant step-change in the region’s social and economic trajectory, additional infrastructure is needed to support the forecast growth.

There is currently a material infrastructure deficit in the Eastern Bay. This is a result of aging infrastructure, changes in demographics and industry over the decades, and a very limited scope for reinvestment due to the chronic deprivation levels in the region. Significant investment is needed to provide a platform for future growth and improved wellbeing.

In 2018 a single strategic plan for the Eastern Bay of Plenty was created. This prioritised the catalytic clusters of aquaculture, high-value horticulture, Kawerau/Putauaki industrial development, and tourism sectors for targeted investment and growth. These were chosen due to the existing competitive advantages of the region and their ability to provide the maximum uplift in jobs. The growth clusters are creating jobs in some of the most remote parts of our already isolated region, but are now putting significant burden on councils already stretched balance sheets to improve local services and infrastructure.

The strategic plan has been endorsed by the leaders of all 8 local iwi, the district and regional councils (Kawerau District Council, Opotiki District Council, Whakatane District Council and the BOP Regional Council), within the Regional Growth Leadership Group (RGLG) forum. There is widespread consensus and support for the strategic direction of the region, and there is strong and effective collaboration between Councils, Iwi, the business sector and the community.

However, the challenges of the region are significant. Within a short period of time, our communities have been hit hard by both the Edgecumbe floods and Whakaari tragedy. The local tourism sector has experienced a near-total collapse in international visitors since December 2019’s Whakaari eruption – and the impact of Covid19 is compounding an already dire situation for the tourism, retail, hospitality and associated services sectors.

The Eastern Bay is a major forestry region, and many of our remote communities are totally dependent on this sector. The disruption to the international commodity trade due to Covid-19 has created significant layoffs in the sector, impacting the already high levels of regional unemployment, which is currently running at 12.6%. No alternative employment options exist in these communities. It is possible that without significant intervention steps some remote communities will fall to zero employment as a result of this pandemic, placing a heavy burden on an already stretched social fabric.

Some 44% of our regional population is Māori, many of whom are already suffering from long-standing social and economic deprivation. Most economic modelling shows that the pandemic will have a disproportionate impact on Māori, so there is a very significant risk that the economic and



social burdens of the pandemic are about to fall on the members of our community who have the least resilience.

Between the region's reliance on a small pool of industries, our exposure to international commodity markets and the low average incomes currently found in the region, the EBOP is expected to be much more impacted by the pandemic than other parts of Aotearoa New Zealand. We believe this justifies a significant national response, which is beyond the resources of our Councils and our communities to deliver.

Capital Infrastructure Projects

To ensure there is a collective and coherent view of the investments in our communities, the three local Councils have collaborated to form a single sub-regional view. This is intended to maximise job retention and creation, and cost effectively minimise the impact on our small and poor ratepayer base, while future-proofing the region's growth opportunities.

The key programmes of work are summarised on the following page for EBOP. These projects have already been identified in the Annual Plans, Long Term Plans, or have been assessed to ensure the growth foreseen with the PGF investments that have been announced in the past 3 months.



Category	Programme Description	Cost \$	Employ #*	Benefits	Shovel readiness
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Transport	Whakatane: Safety improvements / road sealing / new route Minginui to SH5 Kawerau: Culvert replacements / Town centre parking & stormwater improvements Opotiki: Seal extensions / new road / bridge replacement	\$60M	741 FTE	Social: Improved road safety Environmental: Culvert replacements, supporting flood management Economic: Road sealing, reduced transport times, supporting increase in domestic tourism.	All projects can proceed within next 6 - 12 months. Risk: Low
Buildings and Structures	Opotiki: CDB development and earthquake strengthening. Whakatane: Cultural hikoi project & CDB development	\$38M	474 FTE	Social: Improved road safety Environmental: Culvert replacements, supporting flood management Economic: Road sealing, reduced transport times, supporting increase in domestic tourism.	All projects can proceed within next 6 - 12 months. Risk: Low
Other Infra	Opotiki: Parks & reserves improvements Regional: Flood management improvements for Rangitaiki / Otarā / Waioeka / Whakatane	\$20M	248 FTE	Social: improved community spaces and wellbeing Environmental: increased resilience in the face of climate change; improved public land use options Economic: improved risk profiles for businesses operating in flood prone areas; creating a desirable place to live to attract talent; improved land use options; lessening the insurance burden to society	Many projects are underway and all projects can proceed within the next 6-12 months Risk: Low
Cycle Ways	Cycle trails – Linking up existing trails in the EBOP to create 1 connected trail through the EBOP	\$23M	286 FTE	Social: road safety improvements and improved social / health outcomes Environmental: reduced carbon emissions and encouraging alternative transport means Economic: increased tourism spend in remote locations across the EBOP; supporting the PGF Tourism strategy to create more local products	Many projects are underway and can be accelerated. Risk: Low
TOTAL		\$239M	2942 FTE		



Economic benefits

The employment impacts in the table above have been estimated using the PwC methodology contained in their “Valuing the role of construction in the New Zealand economy” report, published in 2016 by the Construction Strategy Group. While both costs and benefits from construction projects have evolved since the report was developed, the underlying methodology is regarded as both robust and relevant to the proposed investments.

Employment impacts include:

- Direct employment as a result of the project proceeding
- Indirect employment throughout the supply chain as a result of the project proceeding.

Induced employment is not included in the numbers stated above. The impacts are also confined to the construction phase only; ongoing operational roles once the various projects have been completed have not been calculated, but will be additional to the numbers above.

Employment can take two forms: it can be the creation of new roles as a result of the project proceeding, which is the case if the investment would not have been made at all. It can also be the retention of existing roles if the project is underway but would have been cancelled due to the impacts of Covid-19.

The FTE figures include both regional and national impacts, so not all roles will be created or retained in the Eastern Bay of Plenty. While the detailed economic analysis to assess the regional employment benefits could be done, it was felt to be out of scope for the application given the timelines for Ministerial consideration.

Social benefits

This infrastructure investment plan creates significant impact across the entire sub-region by not only creating jobs in the construction industry and supporting services sectors, but also providing a lifeline to communities that would otherwise have no other options for employment.

The generations of deprivation in these communities, which have been profoundly impacted by unemployment, crime, poor education options, and some of the country’s worst healthcare statistics, will be further compounded by the impacts of Covid-19 without this intervention and investment.

The precise social impacts of the pandemic are hard to estimate, but there is an expectation that there will be negative wellbeing implications for individuals and whanau across the region, due to the economic uncertainty, job losses and business failures that are certain to eventuate. And data shows that steeply reduced wellbeing results in increased substance abuse, domestic violence and crime, with negative social consequences that extend well beyond the confines of the people affected and their families.

These investments, coupled with the already committed PGF projects, will create an enduring impact on the region’s social fabric. The construction sector will be the immediate beneficiary and there will be significant opportunity to upskill displaced workers into this sector, resulting in improved wellbeing across a range of deprived communities.



Environmental benefits

The region's aging infrastructure carries significant environmental risk and exposure to global warming challenges (as evidenced by the Edgecumbe floods). These investments have been prioritized to maximize the environmental impacts in the regions.

As guardians of the district the Councils are aware of their responsibilities to the environment and are directly responsible for a number of the UN Sustainable Development Goals including: Clean Water & Sanitation, Life Below Water, Life on Land; Responsible Consumption & Production and Sustainable Cities & Communities. In order for Councils to show leadership and kaitiakitanga in these areas and other environmental initiatives the projects will be physical demonstrations of the collective commitment to the environment.

The procurement approach for most projects has been "local first", for reasons of both regional economic support and environmental stewardship. Sourcing materials, expertise and labour locally will decrease the embedded carbon within structures, reduce the carbon content inherent in materials and people travelling to site during construction phases, and provide some possible efficiencies in the generation and management of waste from the construction process.

In addition, some projects are designed to reduce the community's carbon footprint from the outset. This includes the cycleway package, which will provide a low-carbon active transport alternative for communities and visitors alike.

Readiness

Successful workforce development plans are already in place by Toi EDA and their partners for various sectors, and this model will be able to quickly pivot to ensure rangatāhi and newly displaced workers are able to be trained across the region. Partnership models with various iwi and training organizations have already proven successful in developing the skills required at the local level, and will be scaled up and rolled out accordingly.

Next Steps

The Eastern BOP is poised ready to progress these capital infrastructure projects, as soon as funding is confirmed.

In addition to progressing this immediate capital infrastructure programme of work, we will regroup the RGLG Partnership, together with local iwi partners, to identify any other potential capital projects that will support wider recovery.

The region has some very distinct competitive advantages that may be able to be leveraged to support future job growth, including:

- Further expansion of sustainable and environmentally-friendly land use developments (such as kiwifruit/organic farming) and the supporting infrastructure needed to support their growth (packhouses and coolstores)
- Expansion of the Kawerau industrial site, leveraging the available geothermal resources
- Supporting the rapid restart of local forestry operations as global trade recommences
- Accelerate the penetration of internet connectivity into our remote regions



- Accelerate the circular economy development and green energy (hydrogen) based on abundant geothermal resources
- Invest in local tourism packages to support the development of the domestic market in the medium term, to buffer the immediate impacts of both Covid-19 and Whakaari eruption
- Capital projects to address affordable housing
- Accelerate the deployment of Predator Free NZ programs into our unique native forests

These and other projects will be assessed and pursued by the RGLG Partnership, with the aim of bringing further opportunities to the attention of government as requested.



Rotorua economic kick-start projects for Crown Infrastructure Partnerships Group

To:	Bay of Plenty Mayoral Forum
From:	Rotorua Lakes Council
Date:	14 April
Purpose:	<p>1. To endorse the Rotorua economic kick-start projects for Crown Infrastructure Partnerships Group. These projects are:</p> <p style="padding-left: 40px;">Infrastructure to support housing and the development of new businesses /sectors:</p> <ol style="list-style-type: none"> 1. Infrastructure to enable urban land development - State Highway 30 (Te Ngae Rd) roading upgrades, stormwater infrastructure development and Ngāti Whakaue Tribal Lands capability investment. (This project is being put forward by MHUD/PDU on behalf of Rotorua). 2. Rotorua waste water treatment plant upgrades and Rotoehu/Ngamotu reticulation – significant upgrades and growth capacity for Rotorua city and lake water quality at Rotoehu. 3. Airport business park development - Land development investment to support airport / aeronautical business development. <p style="padding-left: 40px;">Leveraging existing tourism investment to create greater value and strengthen domestic visitation:</p> <ol style="list-style-type: none"> 4. Rotorua aquatic centre redevelopment - geothermally heated regional quality facility 5. Rotorua Lakefront - Development of new jetties for commercial operators and new building. 6. Whakarewarewa forest & trail development – Hub development on Tarawera Road including core buildings, tree planting and track developments.
Attached:	The summary report detailing the projects being proposed for Rotorua by the Rotorua Lakes Council.
Next steps:	The Mayoral Forum, meeting on 14 April, will endorse all local projects for the Crown Infrastructure Projects being submitted to central government.

Purpose

This paper details the 'shovel ready' projects that will support Rotorua's economic recovery post covid-19. These projects will be provided to the Crown Infrastructure Partnerships Group who will evaluate them for Government. Projects below \$10m will be referred to the Provincial Development Unit (PDU) for consideration.

All projects represent significant partnerships between Council and Te Arawa Iwi and provide the opportunity to support transformational change in the local economy.

Rotorua's strategy for recovery

Aligned to the Government's response strategy, Council adopted a number of high-level strategies to guide recovery planning. Agreed strategies for the Rotorua Economic Recovery Plan are:

- Build on Rotorua's unique strengths;
- Create a confident business environment that encourages investment and the emergence of new sectors
- Work with business leaders to craft innovative strategies for impacted sectors
- Position Rotorua as leading the resurgence of tourism and wood processing
- Leverage Central and Local Government investment to drive employment in both the short and longer-term
- Implement locality plans to connect our communities and transform our City.

Council is clear that any recovery plan must enable this community to build back better – with a wider economic base and new employment options, sufficient housing to meet our community's needs and available land on which to see new businesses established.

Significant and pervasive socio-economic challenges was why Rotorua was identified as a Provincial Growth Fund (PGF) 'surge region' and subsequently attracted significant funding. These PGF projects remain central to Rotorua's recovery.

Rotorua has been working closely with the Ministry of Housing and Urban Development on actions to address a critical deficit of housing in the city and any Covid-19 stimulus must recognize the need to help address this crisis point as well.

Impacts of Covid- 19 on the economy

With close to 23% of Rotorua's workforce employed in the Tourism sector (compared to 9% nationally), the Covid-19 pandemic is having an immediate and disproportionate impact on local unemployment levels. Adding to the tourism numbers are the 20% of Rotorua's workforce employed in the accommodation and retail sectors.

Forestry is being severely hit, with China taking more than 50% of New Zealand forestry exports. A lack of Chinese wharf and economic activity has curtailed log demand. Wood prices were recovering after a sharp dip in 2019, but the outbreak now looks set to force prices even lower. Agriculture, transport and

manufacturing employ a further 20% of our workforce – a high proportion supporting the forestry sector.

The impact in our community is still needs to be determined, but it is likely to have significant implications on people’s welfare due to high pre-existing levels of deprivation.

Stimulus project focus

Rotorua has significant strengths and existing infrastructure in tourism and the forestry and wood processing sectors. With 59% of our visitors being domestic (percentage of visitor-night accommodation) there are opportunities to refocus and build positively on existing sectors.

The ‘shovel ready’ projects are not new, but reflect the long-terms plans and partnerships to transform the district and its economy. Projects are grouped across two themes:

- Infrastructure to support housing and the development of new businesses /sectors
- Leveraging existing tourism investment to create greater value and strengthen domestic visitation.

Some of these projects have been fortunate to have received funding from the Provincial Growth Fund. Unfortunately, the anticipated private sector investment is now almost certain to be delayed putting at risk the achievement of the predicted benefits. For these projects, opportunities to maintain the momentum and bridge the immediate gap until the private sector is in a position to invest have been identified.

Infrastructure to support housing and the development of new businesses /sectors:

1. **Infrastructure to enable urban land development** - State Highway 30 (Te Ngae Rd) roading upgrades, stormwater infrastructure development and Ngāti Whakaue Tribal Lands capability investment.
2. **Rotorua waste water treatment plant upgrades and Rotoehu/Ngamotu reticulation** – significant upgrades and growth capacity for Rotorua city and lake water quality at Rotoehu.
3. **Airport business park development** - Land development investment to support airport / aeronautical business development.

Leveraging existing tourism investment to create greater value and strengthen domestic visitation:

4. **Rotorua aquatic centre redevelopment** - geothermally heated regional quality facility
5. **Rotorua Lakefront** - Development of new jetties for commercial operators and new building.
6. **Whakarewarewa forest & trail development** – Hub development on Tarawera Road including core buildings, tree planting and track developments.