

4 Basis for Taupo District 2050

4.1 What is the broader planning context?

Long-term planning must have regard to influences within the wider international, national, regional and district environment.

International

The world continues to urbanise rapidly. Approximately 50% of the world's 6.5 billion people live in urban areas. By 2050, 60% of the 8.3 billion people will live in urban areas.

Urban migration is occurring at rates three times faster than population growth. Economic growth, trends in household characteristics, education, vehicle ownership and employment are causing substantial pressure on urban areas to expand. Urban expansion has a range of impacts of its own including pollution, habitat loss, loss of open space, loss of high quality productive soils, reducing transport mode connectivity, and escalating infrastructure costs.

Sustainable development has been brought to international attention by Agenda 21 and the Rio Earth Summit, which focused on the issues that will need to be resolved if the environment, the economy and communities are to flourish in the 21st century.

Issues such as climate change, loss of forest cover, declining biodiversity, and burgeoning waste streams have created a growing awareness of the

cumulative global impacts of development and a desire to take action at local level.

Quality of life has become a primary factor in long term planning.

A basic premise of a more connected national and global economy is that talented people can locate anywhere, so they go where the living is good. This means regions, districts, cities, and towns in turn, must also be more creative as they strive to attract and retain talented people.

In short, the attraction of places can be put down to four critical amenities:

- ➔ A rich variety of services and local 'goods', including restaurants, bars, delis, cafes, cinema, theatre, libraries, museums, events, and access to outdoor recreational activities.
- ➔ Aesthetics and physical setting, including good design and architecture, physical environment, and climate.
- ➔ Good public services, including quality schools, childcare, medical facilities and low crime rates.
- ➔ The ease with which individuals can move around. As time becomes more valuable, individuals will tend to avoid areas where transport (time) costs are high.

In parts of the Western World, notably in the US, Canada, and Australia, initiatives have been taken to shift policy toward a greater concern for quality of life with initiatives such as Liveable Communities. These



initiatives seek a more comprehensive and integrated approach to growth-related policy development to ensure high quality of life for current and future generations, as well as the protection and enhancement of natural systems.

Key principles behind Liveable Communities and other sustainability approaches to managing growth include:

- Mixed land uses
- Compact building design
- Housing opportunity and choice
- Variety of transport choice
- Walkable neighbourhoods
- Distinctive attractive communities with a strong sense of place
- Strengthening existing communities
- Preserving open space, farmland and natural beauty
- Predictable, fair, and cost efficient decision-making
- Citizen and stakeholder participation in development decisions

In 2002, the World Summit on Sustainable Development reviewed implementation of these and other key sustainable development objectives and secured a renewed commitment to the broader aim of sustainable development.



National

New Zealand is a relatively urbanised country with more than 85% of its people living in cities and towns. The New Zealand population is projected to grow to 4.4 million by 2021, to 5 million by 2051, and then fall slightly to 4.2 million by 2101. Natural decrease is likely to become the norm and, increasingly, population growth will depend on gains from immigration.

Within the New Zealand, there are growing concerns about sustainable development in the urban setting, and similar issues are being raised as those internationally. New Zealand studies suggest that the economic value provided by ecosystem services could be equal to that of the country's GDP (Patterson and Cole, 1999). Ecosystem services by natural resources include the provision of primary products from the land, climate control, erosion control, water regulation, biodiversity protection, waste treatment, recreational opportunities and contribution to New Zealand's identity. Protection of these services is vital to the country's environmental, economic, social and cultural wellbeing.

The Resource Management Act 1991 (RMA 1991) emphasised sustainable management of natural and physical resources. However, its "environmental effects" focus has not always provided a sufficiently broad platform for development of vision to address the span of environmental, social, cultural and economic issues facing communities in an integrated manner.

In 1998, the Parliamentary Commissioner for the Environment commented, "...with few notable exceptions the concept of sustainable development is largely being ignored in New Zealand...". A challenge was issued to growth areas to address issues of liveability – traffic congestion,

loss of natural cultural and historic heritage resources, increasing infrastructure costs, and social dislocation and isolation.

In 2002 the government introduced the Sustainable Development for New Zealand programme. This focuses on four key areas, fresh water, energy, sustainable cities, and child and youth development.

Also in 2002, the Local Government Act 1974 was repealed by the Local Government Act 2002 (LGA 2002) that embodies the principles of sustainable development. This includes further recognition of the Treaty of Waitangi, and the need to provide opportunities for Maori to contribute to its decision-making processes.

Following the reforms heralded by the LGA 2002, the Land Transport Management Act 2003 (LTMA 2003) signalled a new era for the planning and operation of the country's transport infrastructure. That Act has close links with the consultation provisions of the LGA 2002, and also introduces "environmental sustainability" and "integration" (c.f. RMA 1991) as criteria by which transport programmes and projects must be considered against.

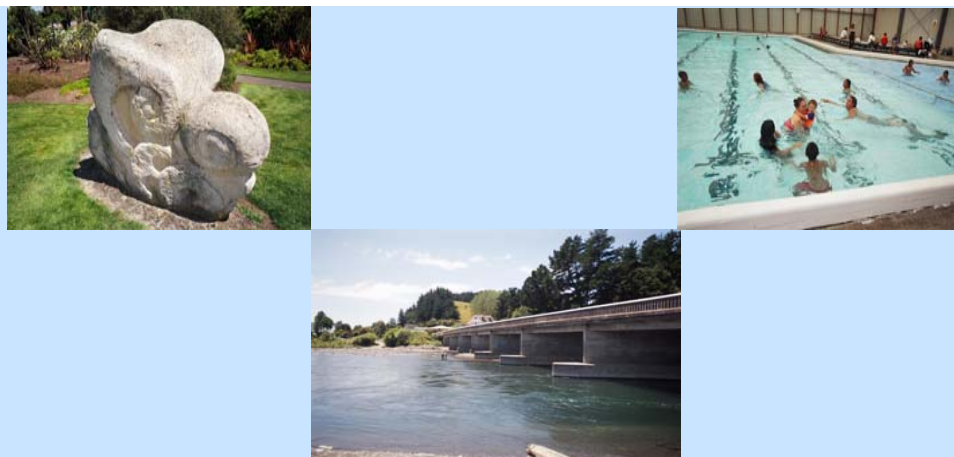
The LTMA 2003 aims to achieve greater consistency in long-term planning of transport networks, a more integrated transport infrastructure, a multi-modal approach, and provides for some new approaches to funding roads.

Under the LTMA 2003, Council must prepare a land transport programme for each financial year, unless it has already included those in its LTCCP or Annual Plan. Which ever option it chooses the manner in which it addresses these matters must be consistent with the Regional Land Transport Strategy (RLTS). The Draft RLTS prepared by Environment Waikato for the Waikato Region "feeds into" national considerations and

funding of land transport by Land Transport NZ in its National Land Transport Programme, and Transit NZ in its 10-Year State-Highway Forecast.

The interrelationship between these three key statutes is further explained in appendix 3.

There are also a range of other national issues which are being addressed by Central Government such as climate change and air quality. Council need to respond to this work through future reviews of Taupo District 2050 as government clarifies its policy position



Regional

The Taupo District falls within the jurisdiction of four different regional Councils. However the vast majority of the District sits within the area administered by Environment Waikato.

The Waikato region covers approximately 25,000km² and has an estimated 381,900 people (2004). From 1996 to 2001, its population grew by 2.2 percent per annum. This has since reduced to an average of 0.7 percent per annum making it the eighth fastest growing region. Approximately 75 percent of the population of the region live in urban areas.



There are defined growth pressures in some sub-regions such as Taupo District, Thames-Coromandel District, and Hamilton City. There are also internal migration issues of population leaving other districts, especially rural areas, and moving into larger urban centres.

Aside from these growth factors other major issues facing the region include transportation, biodiversity and the deterioration of lake and river water quality.

To address the issues facing the region Environment Waikato has developed a number of key policies and plans. Under the RMA 1991 they have prepared an Operative Regional Policy Statement and Plan which outline the major environmental issues facing the region. While under the LTMA 2003 the Environment Waikato has prepared a draft Regional Land Transport Strategy. All of these statutory documents are the subject of input by the districts that make up the region.

Of particular significance is the potential for a future regional growth strategy. With the amendments to section 30 of the RMA 1991 in 2005 strengthening the role of regional councils in managing growth there is likely to be a growing need for Environment Waikato to look further at a regional growth strategy to ensure efficient integration of land uses and infrastructure, particularly transport.

While Environment Waikato is certainly the main focus for much of what happens within Taupo District there are some strong links to Environment Bay of Plenty. Because of a range of factors the Taupo District tends to look to the Bay of Plenty for strategic links to the Port, a strong flow of domestic tourists, and for many commercial and central government services.

District

Taupo District has a land area of 6,354km² and had a population of 33,700 people in 2004. The majority (almost 22,000) live in the Taupo urban area and this is where most growth is expected to continue to occur.

Taupo District has an ageing population and a high proportion of Maori. Both of these factors will play an important role in the District's future.

It is also a lifestyle, holiday, and recreational destination. People are coming to the Taupo District more and more for the lifestyle, natural scenery, and proximity to outdoor recreation opportunities. There is a general desire amongst the community to preserve, protect and enjoy the unique, natural character of the District. In recent years this has made lakeside properties and those with lake views very popular and therefore very expensive.

Because of these trends recent years have seen a boom in the property market. Lakeshore areas with good views and places close to Taupo Town have been subdivided and sold off for housing. This trend has alarmed much of the community as there is increasing pressure on rural and natural areas to be developed.

As so much of the population lives in this District for the unique lifestyle offered these developments are perceived as a threat to their present way of life and the attractiveness of their homes.

Previous strategic planning within the District has tended to focus inwards on specific parts of the District and particularly those



which are under the most development pressure. Taupo District 2050 is different in that it looks at the entire District as a whole and goes further to look outward at where we fit within the regional and national context.

Increasingly New Zealanders are becoming more mobile seeking to move around the country. This domestic migration has a major impact on Taupo District as it is a significant proportion of our population growth. The influences and drivers behind this movement of people need to be taken into consideration when planning for the District's growth.

Under changes to legislation regional councils around the country will play an increasingly important role in planning and managing growth at a district level. To enable Taupo District to input effectively into that future planning there needs to be a clear picture of where the District is heading.

Many of the country's and region's most important transport links pass through the District. State Highway One is the main transport link throughout the Country, while state highways to the Bay of Plenty, Hawkes Bay and Taranaki all traverse the District. The District's central position in this regional and national network is an important one from both a social and an economic perspective. Taupo Town itself has the potential to increase its significance as a national, regional, and district transportation and distribution hub.

Economically Taupo District has an important place in the national and regional economies with its focus on tourism. This sector is one of the most important in the national economy and has shown



significant sustained growth. Growth in this sector is likely to continue and indeed is seen as an important way of utilising, in an economic sense, the outstanding natural environment within which the District is located. The importance of Lake Taupo as a tourist destination has been evidenced by the significant regional and national investment in the protection of the Lake's water quality.

The District is also recognised as a major exporter of energy on a national scale. The Waikato has historically been well utilised for the generation of hydroelectricity, however the geothermal resource is increasing in importance particularly given the national commitment to renewable energy resources.

For all of these reasons it is important that this strategy looks beyond the District and acknowledges its place within the region and the nation.



Taupo District Council's Planning Documents and Taupo District 2050

At a district level there are two key planning instruments which provide the context for Taupo District 2050, the Long Term Council Community Plan (LTCCP) and the Proposed District Plan.

Long Term Council Community Plan and Asset Management Plans

The LTCCP is the Council's ten year planning document which establishes the activities that Council will undertake to deliver on the broad responsibilities it has under the LGA 2002. It also sets out the associated funding. Although it is a 10 year planning document it is completely reviewed every three years.

One of the central purposes of the LGA 2002 is for local authorities to play a broad role in promoting social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach (section 3(d)).

Asset management plans sit below the LTCCP and are specifically developed to show how the key assets like network infrastructure, community infrastructure, and reserves are to be managed over time in terms of both maintenance and capital works.

Schedule 10 of the LGA 2002 places legislative requirements on Councils to clearly identify in the LTCCP, all significant forecasting assumptions. This is to ensure that the reasoning behind financial estimates, asset management plans and other key plans is robust and well founded.

Central to the forecasting assumptions are growth assumptions including population, households and the rating base. The assumptions behind growth models must be clearly set out. Council is also required to describe in the LTCCP how it is addressing changes in demand for services, due to growth or to changes to levels of service. It also involves levels of service and the affordability of infrastructure and ensuring growth pays for growth.

The implications are that in Councils experiencing high growth, such as Taupo District, the sections describing the impact of growth will be a major feature of the LTCCP.

As a result of these requirements Taupo District 2050 is contained as a key element of the LTCCP and will be reviewed on a three yearly cycle in conjunction with the LTCCP. This will ensure that the Council's long term financial planning is based on a sound long term picture of growth and the methods which will be used to manage it.

Community Outcomes

Under the LGA 2002 the Taupo District Council is required to identify the aspirations of the community with regard to present and future social, economic, environmental and cultural well-being. These Community Outcomes are used to prioritise the activities of the Council and other organisations.

Community Outcomes are determined every six years. The full list of Community Outcomes is contained in Appendix 6. In summary the themes of the Community Outcomes are as follows:

- ➔ Lakes, rivers, landscapes – places we are proud of

- ➔ Healthy people, healthy communities
- ➔ Safe and secure
- ➔ Thriving and prosperous
- ➔ Vibrant and diverse

Taupo District 2050 has reflected these outcomes in the vision and the strategic directions which will achieve the vision.

Proposed Taupo District Plan

In meeting its statutory responsibility under the Resource Management Act 1991 (RMA 1991) the Council has prepared its Proposed District Plan. The purpose of the RMA 1991 is sustainable management of natural and physical resources. This statutory purpose is a variant of the universal term 'sustainability', closely comparable to 'sustainable development' of the LGA 2002, and 'environmental sustainability' of the LTMA 2003.

Council also has a specific duty and function under section 31 of the Act to control any actual or potential effects of the use, development or protection of land.

This plan was first notified in July 2000 and is nearing the end of the statutory process. At present the majority of the plan is notionally operative, thereby superseding the previous planning schemes.

The Proposed District Plan is essentially the set of objectives, policies, and rules which control the scale, nature and location of land use activities (i.e. development). As such it plays an important role in managing the effects of development.



The Proposed District Plan does not strategically zone land for future urban development, instead preferring to address applications in the Rural Environment on a case by case basis. This philosophy has created some concern that the broader cumulative effects of growth were not being dealt with as well as they could.

The consultation on Taupo 2050 is intended to be utilised as part of the consultation requirements under clause 3C of the first schedule of the Resource Management Act for any district plan variations that are progressed to implement aspects of this Strategy. Detailed assessments under section 32 of the Act are considered to be more appropriately left to the specifics of structure plans and accompanying variations.



4.2 Base Case Summary

Volume Three of Taupo District 2050, the Base Case report, was developed in order to bring together existing data and information relevant to the objectives and development of the growth options for Taupo District 2050.

The Base Case report identifies the following key trends with regard to Taupo's demographic characteristics:

- ➔ An ageing population
- ➔ The unknown dimension of inward and outward migration
- ➔ A large and rapidly growing Maori population (relative to the remainder of the District's population)
- ➔ Declining household size

The Base Case also contains growth projections for Taupo District:

- ➔ Growth is a combination of several things, including growth in visitors and permanent residents, and land and building development.
- ➔ Land subdivision outstrips building construction outstrips population growth. Growth in land and building development will therefore be much more significant.

Migration has a strong impact on population and households. Taupo District may well experience higher levels of migration due to the following factors:

- ➔ Sea Change: People seeking a lifestyle close to the water, in the rural countryside, close to recreational opportunities.

- ➔ Cyclical nature of demographics
- ➔ The labour market: Increasing employment opportunities.
- ➔ People attract people: The reinforcing nature of growth in population and households.

One of the key challenges in growth management is achieving integration between future forecast land and building demand, the timely provision of infrastructure to support this growth and the equitable funding of future growth between both developers and the general community. Forecasting future growth is far from an exact science.

Land uptake rates and building activity will vary over time given the many factors which influence supply and demand. Many of these are discussed in the Base Case Report. The report analyses various demand forecasting models.

The actual population of the District is expected to increase by between 5200 and 7500 people by 2026. The growth projections also anticipate that by that date between 6150 and 7470 new Lots will be required. This would meet not only the population increase over time but also takes into account the large proportion of vacant or holiday homes within the District.

This range also has an additional 15% added to reflect the need for a surplus of Lots within the market place. This is to ensure diversity of choice and to prevent prices being artificially escalated.

Given the current spread of the District's population most future growth will be focused in the northern growth area around Taupo Town.

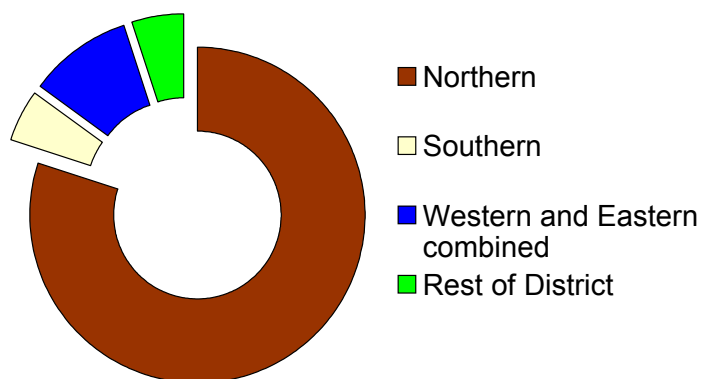


Approximately 5% of the growth is expected to be located in and around Turangi reflecting the town’s role as a service centre for the southern part of the District. This also reflects the increasing focus on tourism and holiday accommodation rather than substantial population growth.

The south eastern and south western growth areas are expected to accommodate a further 10% of growth over the 20 year period. The majority of this is likely to be focused on the western side of the Lake due to land tenure and flood hazard issues respectively limiting the pace and location of development to the south east.

It is anticipated that the rest of the District will meet the demands of the remaining 5% of growth through incremental development on riverside settlements and some limited rural development.

Figure 7 Distribution of future growth



Council is required under Schedule 10 of the LGA 2002 to identify the effects of ongoing growth on its assets and how under Schedule 13 of the same Act Council will fund the increased demand for community facilities.

The key challenge is to estimate the rate of growth and identify the key infrastructure to support it. The next step is to estimate the costs of growth and then to decide the portion to be funded by the development community.

