Hamilton to Tauranga Corridor

Gap Analysis

Waikato Regional Council and Future Proof Partnership

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1 Introduction

The transport network in the Hamilton to Tauranga Corridor (H2T or Corridor) is being progressively improved which will allow more efficient movement of people and goods between these two large high growth urban environments. The H2T corridor is the southern link of the 'Golden Triangle' economic area which contains over half of New Zealand's GDP and population.

It is likely that the transportation-related investments in the H2T roading network and rail corridor, including the Cambridge-to-Piarere Road of National Significance, and planned further investments in SH29 at Tauriko (also part of the RoNS programme), will stimulate future residential, commercial and industrial development pressures along the Corridor.

Councils in high growth areas like the Waikato Region are required by Government to assess future housing and business needs and create a development strategy for the next 30 years. Future Proof Partners (FPP) and Waikato Regional Council (WRC) have commissioned research to establish the potential future states within the corridor and to provide recommendations for land use planning that supports positive development outcomes and avoids undesirable consequences.

1.1 Objective

The objective of this report is to review the technical stocktake completed by FPP and WRC, and to collate and review other research that is available, including social, economic, environmental, infrastructure, and cultural information, existing business cases, secondary data, and Formative/Enspire's proprietary information. From that information base, this gap analysis identifies any issues, gaps and opportunities that exist and need to be identified and tested with stakeholders.

This gap analysis is a preliminary part of the H2T Corridor Spatial Study, and will be utilised to inform a subsequent assessment and report that will develop a high-level spatial analysis of growth opportunities within the Future Proof subregion's part of the Corridor. That spatial analysis stage of the research will focus on the interplay between economic development, land use (considering natural, environmental, cultural and infrastructure factors), and enhancements in transport safety, connectivity, and travel times.

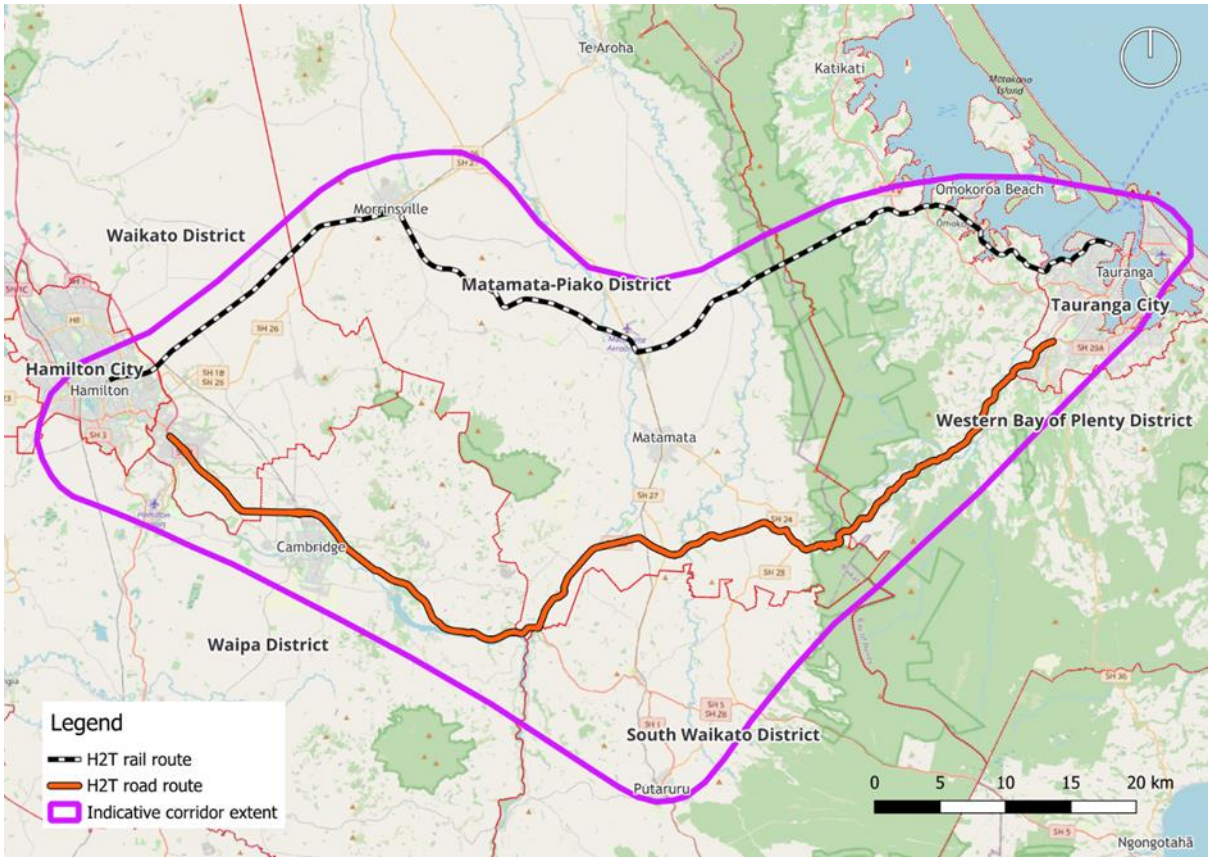
1.2 Study area

The study is focused on the Waikato Region's portion of the corridor (Figure 1.1), although the inter-relationship with Tauranga and Western Bay of Plenty is critical. The investment in transport network in the H2T corridor is mainly focused on State Highways 1 and 29 and potential future investments on the East Coast Main Trunk (ECMT) rail line, but is also cognisant of developments east of the Kaimai

Ranges where policies relating to the future distribution of growth (east vs west) and transport corridor updates remain unsettled.

Within the Waikato Region, the study area includes the area around and between State Highways 1 and 29 and the ECMT, and so includes parts of the Future Proof Partner councils (Hamilton City, Waipā District, Waikato District and Matamata-Piako District), and parts of neighbouring South Waikato District (the area around Tīrau and Putāruru), and parts of Western Bay of Plenty District and Tauranga City. Western Bay of Plenty and Tauranga are located at the eastern end of the Corridor and are part of the SmartGrowth partnership. The study area shown in Figure 1.1, and is subject to refinement as this research progresses.

Figure 1.1: Indicative H2T study area corridor



1.3 Structure

This report is structured into seven subsequent sections, as follows:

- Section 2 briefly discusses key aspects of the transport investments within the corridors that will influence this research.
- Section 3 summarises the nature and findings of the technical stocktake undertaken by FPP and WRC which was used in this gap analysis.

- Section 4 identifies environmental issues that will impact on spatial planning, and identifies the spatial data that is available and will inform the opportunities and constraints analysis in the next stage of the investigation, including in relation to land use, environmental, and cultural issues.
- Sections 5-7 describe the information identified, issues, gaps and opportunities for economic, social and cultural, and planning matters.
- Section 8 summarises key findings of this analysis that will be presented to stakeholders during the engagement.

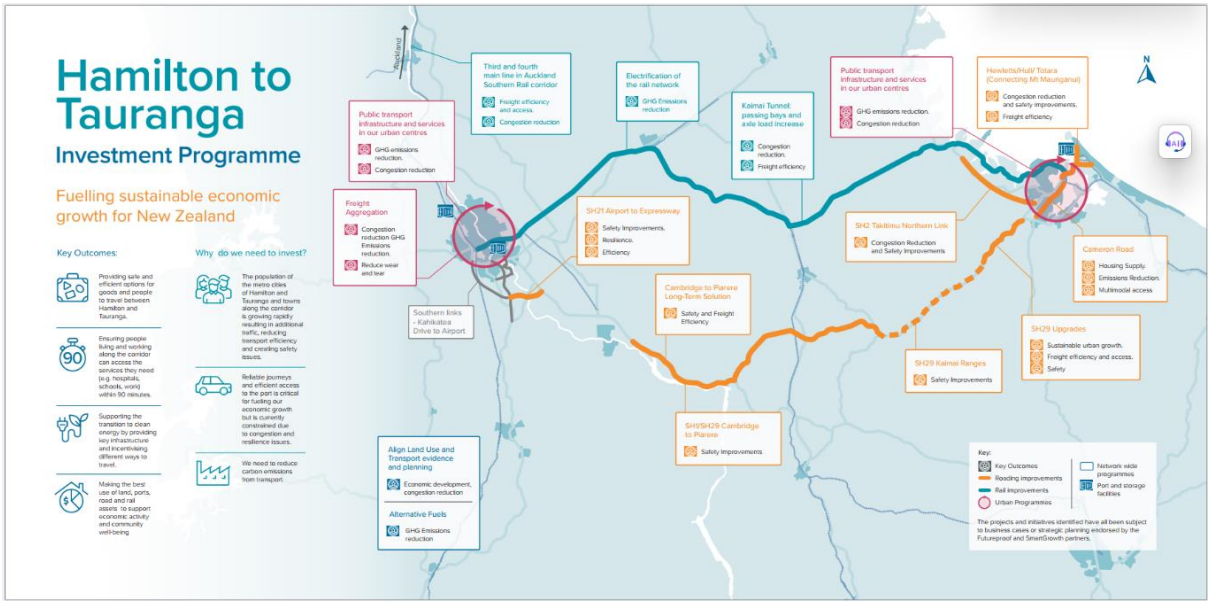
2 H2T Corridor transport investments

The H2T corridor transport investments are focused on the main state highways, and to a lesser extent the ECMT rail line, between Hamilton and Tauranga. We have reviewed the available business cases and transport strategies to establish the timing, scale, and transport outcomes for each part of the H2T corridor to establish the issues and gaps in the existing baseline research.

2.1 Information review

Road and rail investments in the H2T Corridor are well summarised in the Future Proof Strategy (Future Development Strategy), shown as Figure 2.1.[1]

Figure 2.1: H2T investment programme



2.1.1 Road investments

The investments in roading, mostly on SH1 and SH29, within the H2T corridor are planned to significantly reduce travel times and improve freight movement and road user safety. The Corridor is critical for strategic inter-regional freight, particularly to and from the Port of Tauranga. Investments along the Corridor are comprised of discrete projects, as summarised below.

Hamilton Southern Links improvements

Hamilton Southern Links has been identified in the Government Policy Statement on Land Transport (GPS 2024) as a Road of National Significance. This corridor extends from SH1/Kahikatea Drive at the

[1] Figure 7 of Future Proof Strategy Future Development Strategy Update 2024-2054

northern end, passing in an east-west direction through a central interchange north of Hamilton Airport, before crossing the Waikato river and connecting to the Waikato Expressway south of Tamahere. A central connection extends from SH3/SH21 in the south through the central interchange to connect to the Peacocke arterial network in the North. The Project is listed in Schedule 2 of the Fast Track Approvals Act. The project is subject to NZTA developing an investment case in the first half of 2025 which will determine the recommended forward delivery path for the project, covering design, consenting, funding and construction. There are information gaps on the potential travel time savings, improvements in reliability within the network, and project completion timeframes, and the Investment Case is due for completion by later this year.

Cambridge to Piarere improvements

The SH1 Cambridge to Piarere (C2P) project will extend the Waikato Expressway by 16km, creating a four-lane expressway from the southern end of the Waikato expressway to the recently completed Piarere roundabout, providing a 2.2 minute travel time saving and a 90% reduction in unplanned disruptions. The C2P project has been identified in the Government Policy Statement on land transport (GPS 2024) as a Road of National Significance, with funding prioritised in the 2024-2027 National Land Transport Plan.

NZTA has lodged notices of requirement and resource consent applications with the Environmental Protection Authority (December 2024), and the process is expected to be completed within the coming year.[2] The Project is listed in Schedule 2 of the Fast Track Approvals Act. The 2021 business case suggested that this project would be consented by 2026 and constructed between 2030-2035, which included an allowance for appeals and property purchases.[3]

The prioritisation of the project could mean that this project is completed earlier than previously planned. For the purposes of this this gap analysis and the following research, we consider that it would be conservative to assume that the original completion of 2035 be adopted.

Kaimai Ranges improvements

SH29 Piarere to Tauriko improvements will enhance connections between Tauranga and Waikato. The recommended programme from the 2016 business case had construction of passing lanes, intersections, and corner easing between Piarere and Te Poi, and intersection upgrades and Kaimai Loop between Te Poi and Kaimai summit as first priorities.[4] The second priority was to undertake intersection safety improvements and bridge widening works between Kaimai summit to Tauriko.

[2] NZTA (2025) SH1 Cambridge to Piarere Project Update – February 2025.
[3] NZTA (2021) SH1: Cambridge to Piarere (C2P) Long Term Improvements Detailed Business Case (DBC).
[4] NZTA (2016) SH29 Piarere to Tauriko Business Case.

The 2016 business case suggested that the first priority works would be completed by 2025 and second priority by 2035. The total project would result in a 3.6 minute time saving and a reduction in the number of road closures. The 2018 re-evaluation report concluded that the programme of works should focus on safety improvements and recommended that a Detailed Business Case be developed.[5] The Tauriko West and Omanawa bridge upgrades are underway and expected to be completed in 2026.[6]

For the purposes of this gap analysis and the following research, it would be conservative to assume that the original completion of 2035 may not be achieved, although some parts of the upgrades (Tauriko and Omanawa bridge) will be completed before 2030. Many of the potential improvements for the programme have not yet been confirmed.

Tauranga strategic corridors

Transport planning in Tauranga and Western Bay of Plenty includes a focus on several strategic corridors which are planned to support urban growth, and further growth at Port of Tauranga.

Relevant to the H2T Corridor study, significant works ($1.5b from the RLTP, but $2.8-3.3b from recent government information) are planned for the SH29/29A Western Growth Corridor spread across four stages. The works will include replacing a section of SH29 near the entrance to Tauriko (Redwood Interchange to Takitimu North Link Interchange), widening existing SH29A from Takitimu Drive Toll Road to Barkes Corner, and new interchanges, intersection upgrades and overbridges (Figure 2.2). This work is part of the Tauriko West RONS, and is intended to enable the potential development of 30,000 new houses in the Western Corridor by 2063, improve travel time reliability, and decrease travel times and accidents.[7] Not all funding has yet been confirmed, with decisions to unlock funding made by the NZTA Board as each phase of the project progresses.

[5] NZTA (2018) SH29 Piarere to Tauriko independent re-evaluation.
[6] NZTA (2023) Tauriko Network Connections Detailed Business Case.
[7] https://www.beehive.govt.nz/release/tauriko-west-road-national-significance-gets-green-light-move-forward

Figure 2.2: Tauranga strategic corridors[8]

Work on the Northern Corridor includes the Takitimu North Link, a vital transport link supporting economic growth and providing an efficient, reliable and safe route between Tauranga and Ōmokoroa. Takitimu North Link will provide an alternative route to SH2, moving trucks away from local roads and supporting economic growth. It is a key part of the Bay of Plenty region's Connected Centres programme developed by the Urban Form and Transport Initiative. The project will address long-standing and worsening safety, resilience, reliability and congestion problems facing the existing SH2 corridor, and support well-established strategic urban growth objectives. Regional consents as well as alterations to existing designations are required.

Stage 1 is a new 6.8km four-lane road connecting SH29 Takitimu Drive through to SH2 west of Te Puna and is due for completion in 2028. Stage 2 involves construction of a four-lane, median-divided highway to replace the existing SH2 corridor between Te Puna and Ōmokoroa, as an extension of Stage 1, and has been listed in Schedule 2 of the Fast Track Approvals Act.

Tauranga improvements

There are various proposed roading improvements within Tauranga that will improve connection to the City and ports, including Cameron Road to the city, and roads out to Mount Maunganui (Hewletts/Hull/Totara).

[8] Bay of Plenty Regional Land Transport Plan 2024 – 2034, page 4

The Cameron Road improvements are separated into two stages, with stage 1 completed in 2024 which was focused on the northern end of the road between Harington Street and 17th Avenue.[9] Stage 2 covers the southern end of the road from 17th Avenue to Cheyne Road, although was rejected for funding by NZTA and is not part of the National Land Transport Programme for 2024-2027 because it did not align with the new Government Policy Statement on Transport. Council was planning for this project to occur before 2031.[10]

The Mount Maunganui improvements will enable the separation of inter-regional freight traffic from local traffic along Hewletts Road/Hull Road/Totara Street. These improvements will accommodate and speed-up traffic flows across the city and to the Port and are planned to be constructed by 2031.[11] There are also other transport upgrades planned to improve access to the Port of Tauranga, including SH29A links from the Western Corridor and SH2,[12] and rail upgrades from Wiri (additional lines and passing areas) which will ease congestion on SH29 and SH2.

2.1.2 Rail investments

The Future Proof Strategy plans for there to be investment in the ECMT rail line.[13] The investment programme suggests electrification of the line, Kaimai passing bays, freight aggregation in Hamilton, and public transport provision within Hamilton and Tauranga.

The Rail Network Investment Program 2024-2027 does not include budget for improvements to this part of the rail network.[14] There was funding for an indicative business case to assess electrification of the line, but no publicly available information on the outcome of this report. In 2020 FPP and Smart Growth commissioned an exploratory examination of the potential for metropolitan services both in Hamilton and Tauranga, but this report did not assess the service viability.[15] There is no inter-city passenger service between Hamilton and Tauranga, and none is funded to start before 2030. Regional plans note this as a possibility[16], however for now the corridor's rail upgrades are designed with freight in mind, although many improvements (e.g. better signalling, additional track) would also benefit any future passenger trains.

There is limited information on the potential rail investments that could occur in the H2T corridor and how this may impact transport outcomes.

[9] Tauranga City Council (2025) What's changed - Cameron Road Stage 1.
[10] Tauranga City Council (2025) Moving around our city easily.
[11] Tauranga City Council (2025) Moving around our city easily.
[12] https://nzta.govt.nz/projects/tauriko-west/tauriko-enabling-works/
[13] Future Proof Partnership (2024) Future Proof Strategy – Future Development Strategy Update 2024-2054.
[14] KiwiRail (2024) Rail Network Investment Program 2024-2027
[15] KiwiRail (2020) Hamilton and Tauranga Metro Passenger service opportunities report.
[16] Waikato Regional Council (2021) Waikato Regional Land Transport Plan 2021-2051.

2.1.3 Port investments

Port of Tauranga has begun the Stella Passage development, a significant infrastructure project aimed at increasing capacity of the Port without expanding its terrestrial footprint.[17] The project includes extending the size of the container berth, allowing more and larger vessels to be accommodated, wharf extensions to alleviate congestion and provide new infrastructure, and dredging to allow access for larger vessels. The Port has only recently lodged an application under the Fast-track Approvals Act 2024 for the Stella Passage, and it will be some time before the outcome of that application is known.

Ruakura Inland Port (a joint venture between Tainui Group Holdings and Port of Tauranga) commenced operations in late 2023, and future development is proposed to occur over three more major stages that will be developed progressively until the early 2040s. The proposed developments at Ruakura and Port of Tauranga will have a bearing on land use scenarios in the H2T Corridor, given their locations at each end of the Corridor and the large volumes of freight projected to be handled in each location.

2.2 Issues

A key issue for this study is that for most of the rail projects and some of the road projects there is limited information on the expected timeframe or the nature of the potential travel implications. Importantly, the outcomes associated with the H2T corridor are directly related to when investment occurs, and the travel outcomes associated with each investment.

2.3 Gaps

This gap in the information will need to be filled to ensure that the assessment in the second stage of the research can be completed, even if through assumptions relating to indicative timings that are agreed as an appropriate input to this research. We acknowledge that the Corridor investment programme identified in the Future Proof Strategy is aspirational, however for the purposes of this research that there needs to be agreement on which aspects of the programme are achievable in the next 30 years, and whether influential projects such as the Stella Passage should be assumed to become operational within the time horizon of the assessment.

2.4 Opportunities

We acknowledge that there are other railway lines and highways within the corridor which could also receive future investment, however, for the purposes of this research we have not reviewed these other transport links.

[17] https://www.port-tauranga.co.nz/community/our-environment/stella-passage-development/

There may be opportunities to provide for additional activities along these other transport links which in combination with the corridor improvements could result in further growth in the towns along the Corridor. As an example, rail spurs and improvements to the rail linkage to Cambridge North/Hautapu industrial area could be an opportunity for future investment in the wider transport network in the area.

3 Technical stocktake

WRC and FPP have undertaken a stocktake of documents that might be relevant to the Corridor Spatial Study. The stocktake provided a high-level summary of whether the documents provided information on eight key issues relating to transport investments in the corridor.

- Understanding of an economic response.
- Economic opportunities from integrating land use with rail.
- Implications of induced demand, environmental risks and infrastructure costs.
- Economic function of Matamata-Piako and South Waikato areas in the context of the Upper North Island.
- Value capture and strategic infrastructure staging.
- Infrastructure risks to housing, rural and township development.
- Labour force accessibility to economic opportunities.
- Understanding of environmental and cultural protection requirements and opportunities.

This section reviews that technical stocktake and findings under each of those eight key issues.

3.1 Information identified

3.1.1 Understanding of an economic response

The stocktake identifies an Infometrics assessment[18] that improved transport links could stimulate industrial and commercial growth in the corridor, especially around nodes like Matamata and Hautapu (Cambridge North). For instance, Matamata-Piako's cheaper land could attract "yard-based" industries spilling over from Hamilton or Tauranga,[19] and a new Hautapu industrial hub is already growing faster than expected.[20]

However, current documents provide only limited insight into the *magnitude* and *character* of this potential economic response. No study has yet quantified likely development demand, job creation, or industry types induced by the corridor improvements – this is a significant knowledge gap.

In short, while the potential for accelerated economic activity is recognised qualitatively, there remains a lack of detailed forecasting or modelling to inform timely infrastructure provision. This gap means Future Proof does not yet have a clear picture of how much growth to plan for, where, and in

[18] Infometrics, (2024) Economic modelling for new Economic Wellbeing Strategy.
[19] FPP and WRC (2025) Stocktake Review - Matamata-Piako Business Development Capacity and Demand Assessment.
[20] FPP and WRC (2025) Stocktake Review - Infometrics- Projections for Waipā Economic Wellbeing Strategy.

what sectors, raising the risk of either under- or over-investing in infrastructure and other elements of growth planning.

3.1.2 Economic opportunities from integrating land use with rail

The H2T rail corridor has a junction at Waharoa, which could be a candidate for an inland port or intermodal terminal.[21] The rail linkage to Cambridge North/Hautapu is also highlighted as a place where road and rail connectivity intersect and where an intermodal facility could be advantageous, allowing the area's large manufacturers (like Fonterra and others in Hautapu) to send products to the Port of Tauranga by rail instead of road.[22]

Leveraging rail could yield economic and sustainability benefits by shifting freight from road to rail (reducing truck volumes, emissions, and road wear and tear) and by stimulating development around rail hubs. Existing documents *mention* these opportunities, but do not assess them in relation to the Corridor, with some research on benefits generally (i.e. at a national level). Overall, there is strong strategic intent nationally to use rail for freight efficiency and emissions goals,[23] but along this corridor the practical land-use integration (such as zoning for freight hubs or passenger rail-oriented development) is not covered.

This represents a gap in understanding how to fully harness rail connectivity; and failing to address it could mean missed economic opportunities and suboptimal modal balance for freight and commuting.

3.1.3 Implications of induced demand, environmental risks and infrastructure costs

The stocktake notes that improved travel times (from projects like the Cambridge–Piarere expressway and Tauriko upgrades) are expected to induce additional demand for industrial land, housing, and transport use along the corridor.

The existing plans and assessments generally assume "business-as-usual" growth and have not accounted for a surge in development such as might be induced by improved connectivity. Documents repeatedly note that any unanticipated growth beyond current projections would strain or "compromise" planned infrastructure programs.[24]

[21] FPP and WRC (2025) Stocktake Review - Plan Change 49 - Waharoa.
[22] FPP and WRC (2025) Stocktake Review - Infometrics- Projections for Waipā Economic Wellbeing Strategy.
[23] FPP and WRC (2025) Stocktake Review - National Freight & Supply Chain Strategy.
[24] FPP and WRC (2025) Stocktake Review - Matamata-Piako Business Development Capacity and Demand Assessment.
FPP and WRC (2025) Stocktake Review - Housing Assessment 2022.

Indeed, rapid uptake of industrial land is already evident in Hautapu's expansion which is running 10–15 years ahead of schedule, causing pressure on roads, water, and even energy supply.[25] While this issue has been identified, there is a gap in quantified analysis of how much extra demand might be generated and what the flow-on infrastructure costs or requirements would be.

Moreover, the social, environmental, and cultural impacts of such induced growth are barely addressed in current documentation – for example, no study yet examines if faster growth could exacerbate environmental or community impacts beyond what current plans consider. In summary, the Corridor's baseline studies highlight that unplanned growth could overwhelm infrastructure, but significant gaps remain in detailing the extent of induced demand, identifying "no-go" environmental areas, and estimating additional infrastructure investment needed. This gap leaves the region vulnerable to reactive planning and potential environmental or funding shortfalls if growth accelerates.

3.1.4 Economic function of Matamata-Piako and South Waikato areas in the context of the Upper North Island

Matamata-Piako's strategic location between Hamilton and Tauranga positions it as a potential satellite economy serving the Upper North Island. Existing research focuses heavily on Matamata and surrounding areas: for example, an industrial rezoning proposal in southern Matamata-Piako argued that Matamata could serve industrial demand from outside the district due to its proximity to Tauranga's port and the main highway.[26]

However, the role of South Waikato District (e.g. Tīrau, Putāruru, Tokoroa) in the Corridor's growth is a notable gap. The current knowledge base does not clarify whether South Waikato might similarly attract growth (for instance, through available industrial land or workforce) or how it complements Matamata-Piako's role. In essence, there is partial information suggesting Matamata-Piako could become an important industrial and labour pool node in the Upper North Island, but an incomplete picture when it comes to South Waikato's contribution or development potential. This gap could lead to unbalanced strategies, as opportunities or needs in South Waikato (or coordination between the two districts) might be overlooked.

3.1.5 Value capture and strategic infrastructure staging

The stocktake shows that existing documents relating to the Corridor offer minimal insight on innovative funding or staging mechanisms to support growth. The topic is largely absent – most plans

[25] FPP and WRC (2025) Stocktake Review - Infometrics- Projections for Waipā Economic Wellbeing Strategy.
[26] FPP and WRC (2025) Stocktake Review - Plan Change 57.

reviewed did not explore alternative funding tools or phased infrastructure delivery strategies tied to corridor growth.

The lack of analysis on these points means Future Proof may be missing opportunities to sequence infrastructure investments in step with development demand or to leverage private value gains to fund public works. In turn, this could affect the Corridor's affordability and the timing of when critical infrastructure is delivered. There is some research nationally which may be relevant,[27] [28] [29] and there may an opportunity for value capture to be adopted to fund infrastructure for the growth that is induced by the investment in the transport network.

3.1.6 Infrastructure risks to housing, rural and township development

There are a number of small rural settlements (such as Te Poi and Hinuera in Matamata-Piako) within the Corridor. Current evidence clearly identifies that these settlements have very limited infrastructure services. For example, Te Poi and Hinuera only have a reticulated water supply; there are no public wastewater or stormwater systems, and Council has no plans to extend services given historically low growth.[30]

Under present assumptions, growth in these settlements is essentially capped by infrastructure constraints – MPDC's Plan Change 53 explicitly kept their zoning static and did not anticipate significant expansion. A conflict arises if Corridor improvements alter these assumptions: for example, what if Te Poi, Hinuera or similar settlements experience increased housing or industrial demand as a result of the Corridor improvements?

No detailed work has been identified about what additional infrastructure would be required (e.g. treatment plant capacity, road upgrades) or how it could be feasibly provided to what are currently small communities. Therefore, there is a solid understanding of the current infrastructure shortfall in rural settlements (and the risks of unplanned development there), but a knowledge gap in how to address future growth scenarios in these areas, and how additional infrastructure might be provided should the need arise. It may be that there is a strong preference from local authorities to direct future growth into existing townships, rather than smaller settlements or in rural areas, particularly from the perspective of well-functioning urban environment, infrastructure feasibility and community aspirations. Indications from MPDC are that directing growth more to existing townships that smaller

[27] Kemp, A, V Mollard and I Wallis (2012) Value capture mechanisms for funding transport infrastructure. NZ Transport Agency research report 511
[28] Simpson Grierson (2024) Funding the Future Reviewing New Zealand's infrastructure funding & financing toolkit
[29] PWC (2017) Value creation and capture Using value creation and value capture to fund the infrastructure our cities and regions need
[30] FPP and WRC (2025) Stocktake Review - Plan Change 53.

settlements and other areas would be a desirable outcome, for these reasons. or proceed in ad hoc unsustainable ways.

3.1.7 Labour force accessibility to economic opportunities

The stocktake shows that the existing documents have undertaken some assessment of where workers live now and how that might change, but leave critical questions unanswered about future housing affordability and commuting patterns.

The Housing Assessments undertaken to meet NPS-UD obligations indicate that under status quo growth, Matamata has sufficient residential capacity for decades of growth. In other words, the local workforce for new jobs *could* be housed locally, at least in the near term, given existing zoned land. However, this conclusion is based on outdated projections and assumes no extraordinary change in economic activity, including changes to the current remote working patterns. If corridor investments spur faster industrial or logistics growth,[31] or remote working increases the ability to live far away from workplaces, the population could grow beyond current housing provisions – a scenario not yet analysed.

Moreover, there is potential for cross-regional commuting shifts: for example, Matamata's improved connectivity to Tauranga raises the possibility of it evolving into a more commuter-oriented town (a residential base for workers who drive to Tauranga).[32] At present, most workers along the corridor rely on private cars to travel to work. Public transport options are very limited and there is no passenger rail service. Changes to commuter rail services would have the potential to change commuting patterns, however, the scale and potential effects of any such change have not been assessed, representing a knowledge gap not just for Matamata, but also for other commuter towns within the study area.

In summary, the base information describes where capacity exists and highlights current commuting limitations, but lacks analysis on whether new housing will be provided in the *right locations* relative to jobs, whether that housing will remain affordable, and how transport costs (fuel, time, potential future transit) will be factored into assumptions. This gap in understanding future worker housing patterns and commuting affordability could impact the corridor's ability to supply labour to new industries in practice – a risk if, for example, housing shortages or high travel costs deter workers from taking up jobs the investments aim to create.

[31] FPP and WRC (2025) Stocktake Review - Matamata-Piako Business Development Capacity and Demand Assessment.
[32] FPP and WRC (2025) Stocktake Review - Housing Assessment 2022.

3.1.8 Understanding of environmental and cultural protection requirements and opportunities

The stocktake shows that this is an area with significant gaps in the existing knowledge base. The Corridor passes through and alongside sensitive environments – highly productive farmland, river plains with peat soils, ecologically significant ranges (Kaimai Range), and areas of cultural importance – yet the reviewed documents offer only piecemeal coverage of these factors.

The National Policy Statement for Highly Productive Land (NPS-HPL) is identified as a major constraint on future development within the Corridor. Many of the settlements within the Corridor are noted to be surrounded by high-class soils (land use classes 1-3 as at the date of writing, although scheduled to change to classes 1 and 2 only by the end of 2025), meaning any outward expansion must be very carefully justified.

Beyond highly productive land, however, little to no research has been identified on other environmental constraints such as environmental, water quality, flood plains, or geological hazards in the Corridor. There is also no discussion of blue-green corridors or integrated environmental opportunities in the current material, and unlike the Hamilton-Waikato metro plan which proactively identified ecological corridors, the H2T corridor's blue-green network is yet to be mapped out.

Cultural heritage and values (including waahi tapu sites or treaty settlement lands) have similarly not been addressed in the stocktake documents, although there is some coverage in iwi management plans, and potential to fill knowledge gaps with iwi engagement. In effect, the Corridor's environmental and cultural context is known to be important, but the base information available is far from comprehensive.

Key "no-go" areas (e.g. flood-prone zones, sacred sites) or "go-carefully" areas have not been systematically identified, which means the Spatial Study currently lacks a foundation to ensure growth is steered away from vulnerable ecosystems and culturally sensitive landscapes. Without filling this gap, there is a risk that plans could inadvertently promote development in unsuitable areas or face consenting obstacles later, and potential win-win solutions like blue-green corridors will remain untapped. There is also a lack of understanding of the potential effects of climate change, including interruption to supply chains, impacts on productivity (such as travel times, workforce movement, utility outages, etc.).

3.2 Technical stocktake summary

The stocktake provides a useful base line for this gap analysis, as it identifies that there are significant issues, gaps and opportunities that have not been addressed in the existing research. This is understandable, as the objective of the wider research project is to provide information from which these issues, gaps and opportunities can be assessed.

In the following sections we outline the additional information that was reviewed in the gap analysis that fills some of the gaps noted in the FPP and WRC stocktake review.

4 Environmental

This section reviews the spatial information that is available and will be used to inform the opportunities and constraints analysis in the next stage of the investigation, and identifies environmental issues that would impact on spatial planning.

4.1 Information identified

The study area includes a number of significant natural features, including the Waikato, Waihou, Piako and Wairoa Rivers and their tributaries, the Kopuatai peatlands and the significant vegetated areas of Maungatautari, Te Tapui, Maungakawa, Te Miro, Pukemoremore and the Kaimai Range. These features form islands of habitat for a range of indigenous fauna amidst developed productive and urban land uses.

Geographic Information System (GIS) data has been obtained from Statistics NZ, regional and district councils, LINZ, KiwiRail, Transpower, Te Puni Kōkiri (marae locations), Manaaki Whenua Landcare Research LRIS portal, Department of Conservation, and the Ministry for the Environment. This data will be used to map environmentally sensitive areas, areas that have highly productive land, and areas susceptible to natural hazards to generate a picture of "no-go" and "go-carefully" areas. This mapping will be based on available information which we consider to be sufficient for this purpose.

17.5 per cent of New Zealand's gross greenhouse gas emissions in 2022 are attributed to transport, and more than 90% of transport emissions are from road transport.[33] New Zealand's second emissions reduction plan indicates that from January 2027, the Government plans to return to the practice of regular fuel excise duty and road user charges. Legislation will also be introduced to set up time-of-use schemes in New Zealand. This aims to improve traffic flows and shorten journey times by charging road users at certain times or locations, depending on how busy the roads are. The charge encourages some users to change their travel habits, so there are fewer people on the roads at the busiest times. Time-of-use schemes will help lower emissions, increase productivity and enable New Zealanders and freight to get where they need to go quickly and safely.

4.2 Issues

Environmental characteristics that limit the location of transport infrastructure and urban development include flood prone areas, significant ecological sites, protected areas (including sites of significance to mana whenua), steep slopes, land subsidence, highly productive soils, and rivers, particularly the Waikato River. These will be mapped to inform spatial planning.

[33] New Zealand's Second Emissions Reduction Plan (December 2024)

Predicted increases in natural hazards, such as flooding and slips, are expected to result in a growing risk of damage to road and rail networks.

New roads and the upgrading of roads and resultant increased vehicle numbers are likely to generate adverse effects on the local environment that must be managed, such as effects on:

- Air quality as a result of emissions
- Waterways as a result of contaminated stormwater runoff from roads
- Ecological systems, including edge effects resulting from noise and vibrations, artificial light, habitat fragmentation and modification and roadkill.[34]

New urban and industrial areas developing due to transport infrastructure investment, similarly, have actual and potential adverse effects that require mitigation and management, and those potential environmental effects will be identified in the next stage of this project.

4.3 Gaps

While assessments of environmental effects have been undertaken for some roading works (e.g. C2P), there does not appear to have been any assessment of the potential environmental effects that might arise from changes to the transport network that have not yet advanced beyond preliminary investigation stage (e.g. changes to passenger rail), or as the result of induced growth.

Studies on the potential for blue-green networks in the H2T corridor do also not appear to have been undertaken, presenting a gap in information that this study aims to contribute to filling.

It is widely accepted that climate change will affect the frequency and intensity of weather-related events such as storms and their effects, such as flooding and landslides. This has been acknowledged in New Zealand planning by the Proposed National Policy Statement for Natural Hazard Decision-making that went through public consultation in 2023, which the Government plans to incorporate in targeted changes to national direction in mid-2025. Some councils, such as Tauranga, are proactively updating their plans to enhance resilience against natural hazards. While some recent flood hazard modelling and mapping is available in GIS format, a comprehensive assessment of the extent of the effects of natural hazards on transport and urban infrastructure in the Corridor is not available.

4.4 Opportunities

Valued natural features, such as rivers and significant natural areas present an opportunity to develop blue-green networks designed to deliver multiple ecological, recreational, and infrastructural benefits, such as improved biodiversity, stormwater management, and enhanced urban liveability. Corridor

[34] NZTA Road edge-effects on ecosystems (RR 692) August 2022

improvements represent an opportunity improve the actual and potential effects of transportation on aspects of the environment such as air quality, biodiversity and rivers.

5 Economic

This section reviews the economic information available that will be required to support the Spatial Study.

5.1 Information identified

There is good information available on the current state of land use within the Corridor, which is contained within the Housing and Business Capacity assessments produced by Future Proof Partners[35], SmartGrowth,[36] Matamata-Piako,[37] and South Waikato. There is also information on the employment, population, and labour market within the main urban areas of the Corridor,[38] including relating to development areas and plan change areas.[39] This data, along with Formative's proprietary economic data, will provide a robust understanding of the current state within the corridor in terms of economic and community activity, and the ability of the corridor to handle more growth in activity.

There is also good information about the current status of transport infrastructure projects along the Corridor, including whether works are completed, underway, planned, or under preliminary investigation, and whether funding is yet committed. There remains uncertainty whether some potential transport investments will come to fruition, in particular commuter rail services between Hamilton and Tauranga, and various transport projects in Tauranga and Western Bay of Plenty.

The demand projections applied within the studies identified apply business-as-usual scenarios which assume that the structure of the economy remains static in the future.[40] Given the dynamic nature of the economy, population and how investment decisions are made, these projections show one possible spatial distribution pattern that is based on past trends. However, these projections are not 'predictions' and should not be treated as such, and they do not take into account potential changes in transport outcomes associated with investments in the transport network.

The business cases for the transport investments provide little detail on the underlying demand projections applied. However, we understand that the demand projections applied will be

[35] M.E Consulting (2024) Business Development Capacity Assessment 2023 Future Proof Partners: Hamilton City, Waikato District, Waipā District and Waikato Regional Council.
M.E Consulting (2023) NPS-UD Housing Development Capacity Assessment Future Proof Partners.
[36] Phizacklea Consulting (2022) Housing and Business capacity Assessment.
[37] Matamata-Piako District (2022) Housing Assessment 2022.
M.E Consulting (2023) Business Development Capacity and Demand Assessment 2023: Update Matamata-Piako District.
[38] Formative (2025) Waikato Region Economic Geographies Profiles.
[39] Emerging Industrial Areas around Hamilton, from HCC's work, areas subject to Fast Track applications, and public and private plan change areas.
[40] As an example see M.E Consulting (2016) Smart Growth Employment Projections Methodology and Key Findings.

exogenously defined, with no feedback to account for induced growth or change in land use patterns included within the modelling of the transport network. This is a known issue with transport modelling[41] and while there are a number of research papers and studies that identify how induced changes might be modelled in theory,[42] [43] [44] there is only one known in New Zealand example of that modelling having been undertaken ex post,[45] and no known ex ante studies. There are few transport models that assess land use outcomes associated with network changes (i.e. Auckland Land Use Transport Interaction Model). NZTA has commissioned research on the topic which notes that there can be three types of growth induced by new transport investments – efficiency (lower input costs), employment (higher wages), and productivity (agglomeration/density), a conclusion of which was that transport investment will naturally induce travel demands and economic growth.[46]

In terms of freight movement and supply chain, data is also available for the main ports (Ruakura, Port of Tauranga),[47] and the rail freight.[48] However, there is limited information on the flows of freight via the roading network,[49] with some data on heavy truck movements along the highways.[50] The Upper North Island Port Connections Study[51] describes the current and planned land transport network connecting ports in the Upper North Island, and insights into issues and opportunities related to Tauranga, Port of Tauranga, and the H2T Corridor. Higher level national freight and supply chain studies are also available, and these detail current issues, future plans, and strategies and policies for managing and improving freight handling and movement.[52]

5.2 Issues

Without a robust understanding of the likely economic response, planning to accommodate growth in the Corridor runs the risk of being reactive rather than proactive. It is this understanding that the Spatial Study will seek to inform. If the Corridor does spark significantly higher demand for residential, industrial and commercial land than currently planned, local councils could find themselves scrambling

[41] NZIER (2012) Appraising transport strategies that induce land use changes Estimating benefits of land use change from standard transport model outputs.
[42] EY (2020) Transformative Transport Projects (Dynamic Webs And Land Use Benefits And Costs)
[43] Byett, A, A Stroombergen, J Laird and R Paling (2017) The economic impacts of connectivity. NZ Transport Agency research report 608
[44] NZIER (2013) Appraising transport strategies that induce land use changes
[45] Williamson, J, S Philbin and K Sanderson (2012) The economic and land use impacts of transformational transport investment. NZ Transport Agency research report 479
[46] ECPC Limited (2024) Assessing induced road traffic demand in New Zealand.
[47] NZTA (2024) Upper North Island Port Connections Study.
[48] Ministry of Transport (2024) Freight Information Gathering System.
[49] Ministry of Transport (2023) Aotearoa New Zealand Freight and Supply Chain Strategy.
[50] NZTA (2024) State Highway Traffic Monitoring Sites.
[51] Upper North Island Port Connections Study Project Team, NZ Transport Agency Waka Kotahi, (27 September 2024) Upper North Island Port Connections Study Summary Report.
[52] Ministry of Transport (August 2023) Aotearoa New Zealand Freight and Supply Chain Strategy; Report for the Ministry of Transport (2021) The Value of Rail in New Zealand.

– for example, facing private plan changes or ad-hoc developments without an overarching strategy. Inadequate insight into industry demand could mean either under-provision (missed opportunities for growth due to lack of zoned land or servicing) or over-allocation (zoning and servicing land that doesn't get taken up, leading to sunk infrastructure costs).

A poor understanding of these points also means Future Proof may be missing opportunities to sequence infrastructure investments in step with development demand or to leverage private value gains to fund public works. In turn, this could affect the Corridor's affordability and the timing of when critical infrastructure is delivered.

The timing of development and infrastructure projects relative to each other should be an important consideration in planning along the Corridor. This is both a planning and economics issue, because planning relative timing means doing the right projects at the right time to avoid either bottlenecks or underused infrastructure, and will enable various investments to unlock other opportunities. The following questions provide examples of issues that will need to be considered:

- Should a new industrial zone wait until a highway interchange is built, or should the interchange wait until the zone develops?
- If a lot of infrastructure needs to be front-loaded to support growth, can the councils or government afford it?
- Would value capture fill the gap or is there still a funding shortfall?
- Is there sufficient residential capacity within easy commuting distance of a new business area to provide employees for that area, or will there be local labour shortages?
- What will be the time lag between and provision of new infrastructure and growth?
- What types of jobs could be created and will they match the skill profile of the local labour force?
- How might willingness to commute long distances change, including the effect of transport costs, and what would be consequent effect on the size of commuter towns?.Will new housing be provided in the right locations relative to jobs, including considerations of affordable housing?

The Corridor's success likely depends on several pieces working together (transport upgrades plus land use changes plus utilities). If one piece is delayed (say rail integration) while others proceed (road upgrades and new industries), the full benefits (like modal shift, congestion relief) might not be realised, reducing the overall effectiveness of the Corridor improvements.

Integrating future transport changes into current planning is important, because without consideration of future transport network changes, opportunities to leverage off those changes may be lost. For example, new industrial areas being planned now may not be designed so as to include rail links if rail plans are not confirmed.

5.3 Gaps

There are a number of gaps in the evidence base that is available for use in the Spatial Study, including:

- There is uncertainty as to the potential outcomes of the Western Bay of Plenty Regional Deal. From discussions with SmartGrowth, the Deal might lead to a greater emphasis on growth in either eastern or western parts of the district, and therefore influence where transport network upgrades will be prioritised. That uncertainty means there is uncertainty for linkages into the H2T corridor, and if western WBOP is chosen as a focal area for growth, the Western Corridor (which connects with the H2T Corridor) will get funding and upgrades, whereas if eastern WBOP is prioritised, the H2T Corridor will benefit less, due to a lack of connections to the Eastern Corridor.
- While freight movement and supply chain data is available for the main ports and rail freight, there is limited information on the flows of freight via the roading network in comparison to the rail network.
- While nationally there is intent to use rail for freight efficiency and emissions goals, along this Corridor the viability of new land uses (such as freight hubs or passenger rail-oriented development) to leverage off transport network improvements is poorly covered.
- There is limited information available on how council infrastructure capacity constraints might affect economic growth prospects.
- While they both became operative in 2024, there is uncertainty as to the potential effects of plan changes 12 (Hamilton) and 33 (Tauranga), which required Tier 1 cities to enable greater residential intensification. The effects of those changes will take many years to be revealed, and are not a gap that can be filled at present.
- Information identified offers minimal insight on value capture mechanisms that could help to finance developments, such as the potential for land values to increase, or the possibility of targeted rates near intersections along the routes.
- The effect of the emerging Ruakura Inland Port on future freight flows is uncertain, and enabling more rail freight from Auckland via Ruakura could actually reduce the need for road or rail freight from other areas. The implications for potential new rail hubs on the H2T corridor are not well understood.
- The effect of the Maraetai Road Intermodal Business Park in Tokoroa on future freight flows is also uncertain.
- The recent decision to cease paper production at Kinleith Mill may influence viability of the rail spur from Waharoa to Kinleith, although the future of the mill is not yet known, and the new OFI dairy factory at Tokoroa may mitigate that loss of activity – the ongoing viability of that spur is not yet known, and could have some bearing on development potential within the Corridor. It is noted that the branch line services a large forestry catchment (60,000ha in South Waikato District), and a vast majority of freight on the line

is logs, presumably destined for Port of Tauranga. The branch line also services Fonterra dairy factories at Lichfield and Tirau.

5.4 Opportunities

Improved road access through Corridor may provide opportunities for both residential and business growth, with improved rail access offering similar potential opportunities, including making new types of businesses viable along the Corridor, and improving freight throughput and sustainability. Nodes like Waharoa, Matamata, or Tokoroa (Kinleith) might have latent potential if rail-served industry or logistics (such as inland ports) can be developed. Infrastructure development in Bay of Plenty may also provide opportunities for movement through the H2T Corridor to improve.

This potential is further increased when rail and road routes intersect, and the presence of both road and rail represents an opportunity that could be leveraged for economic benefit. Cambridge North/Hautapu is highlighted as a place where road and rail connectivity intersect: an Infometrics report[53] suggests an intermodal facility at Cambridge North (Hautapu) could be advantageous, allowing the area's large manufacturers (like Fonterra and others in Hautapu) to send products to the Port of Tauranga by rail instead of road. Similarly, Matamata-Piako's business assessment points out that three of its urban centres are on rail lines, with Waharoa being particularly notable (notwithstanding flooding and wastewater constraint issues) as it sits at the junction of two lines (the East Coast Main Trunk and the Kinleith Branch), but Matamata and Morrinsville both also located on existing lines. The Kinleith Branch passes through Kinleith, Tokoroa, and Tirau, and services major manufacturers such as the Lichfield Fonterra plant.

The linkage of the Kinleith branch through into the ECMT line represents an opportunity for South Waikato District to leverage off some of the induced demand that occurs in the Corridor, and for connections between South Waikato and other locations to be improved. This could stimulate growth in industry in South Waikato, and support population growth as well.

[53] Reviewed in FPP and WRC (2025) Stocktake Review - Infometrics- Projections for Waipā Economic Wellbeing Strategy

6 Social and cultural

This section reviews the social and cultural information available that will be required to support the Spatial Study.

Typically, social wellbeing effects can occur during the planning, implementation (construction) and operational period for road and rail infrastructure. For this project, the focus will be on understanding what the long-term positive or negative effects are likely to be once the proposed road and rail improvements are operational, rather than the short-term effects that may arise during the construction period.

In Aotearoa/New Zealand, cultural impact assessments are generally undertaken independently of social impact assessments by suitably qualified iwi/cultural experts.

6.1 Information identified

To date there have been limited assessments made of the social and cultural effects of transport upgrades along the Corridor. Coverage of social and cultural effects to date is included in the following research:

- Technical assessments undertaken for NZTA Waka Kotahi business cases,[54] and other planning for the Corridor[55]
- NZTA Waka Kotahi have a Social Impact Guide that provides a framework for identifying and assessing the social impacts likely to arise across the life of transport projects, and providing recommendations for mitigation or enhancement strategies.[56]
- Passing reference to social benefits including fewer road deaths, improved accessibility, the role of train stations in enabling land use change and property value uplift, healthy and safe individuals, active modes, reduced pollution and congestion, movement of passengers and freight, resilience, and low emissions in The Rail Network Investment Programme [57] and The Value of Rail in New Zealand reports.[58]
- Specific assessment for non-related or tangentially related development proposals in the Corridor, such as plan change applications (e.g. PC49 in Waharoa).

[54] the Cambridge to Piarere Detailed Business Case (2021) and Piarere to Tauriko TAIP Re-evaluation (2018)
[55] Waka Kotahi NZ Transport Agency (March 2023), Cambridge to Piarere Engagement summary (2023)
[56] Waka Kotahi NZ Transport Agency (September 2016). People, place and environment series: Social impact guide
[57] KiwiRail Rail Network Investment Programme 2024-27
[58] Ministry of Transport, February 2021. The Value of Rail in New Zealand

- Passing reference in NPS-UD assessments regarding the benefits of land use planning including reducing uncertainty, pollution and congestion, and improving accessibility.[59]
- More specific and thorough assessment in the future development strategies (Future Proof Strategy and SmartGrowth Strategy), although not necessarily in relation to development of the H2T Corridor, but more generally in relation to reducing transport costs, providing more transport choice, providing better access to housing, employment, education, health care and other services, improving safety and resilience, and integrating infrastructure and land use planning.

6.2 Issues

Changes to Corridor transport flows are likely to have a range of social wellbeing effects for communities located on the Corridor and in the wider area, and could result in both positive and negative effects. A range of potential social effects have been identified relating directly to changes to the road and rail network in the Corridor, including:

- Changes to the ability to access goods and services, community services, and improved social connectivity.
- Reduced travel times, freeing time to engage in other social activities.
- Potential congestion created during the construction phase.
- Disruption to private property rights, both during construction and after a new route is operative.
- Improved safety due to roading redesign.
- The ability to enable greater use of active modes, and health benefits.
- Effects on Māori land and areas of significance to iwi, particularly changes close to the Waikato River.

Those potential improvements to the Corridor might also give rise to a range of other effects, arising from changes in land use patterns, growth, and accessibility within and beyond the Corridor. Examples of social issues that might arise from those changes include:

- If induced growth is greater than anticipated, that might put pressure on access to community services and provision of social infrastructure, due to growth occurring ahead of changes in service provision. The flip side is that induced growth could build stronger communities in some towns with greater levels of community service provision than currently, which could make them even more attractive places to live.
- Depending on response to pressures of induced growth, growth might be enabled in the larger towns (Matamata, Cambridge, etc.) in order to capitalise on existing infrastructure

[59] E.g. Future Proof's Housing Development Capacity Assessment

in those towns, rather than a potentially more costly provision of new infrastructure (waters, roading, community facilities etc.) from scratch in smaller settlements. However, enabling growth in smaller settlements may be preferable to communities, and more efficient in terms of providing ready access to new employment locations, so there risks being a disconnect between the distribution of growth that is desired by the communities and what is affordable.

- Improved connectivity through the Corridor might result in changes to commuting patterns, and, for example, Matamata could become a kind of dormitory/satellite town for Tauranga.
- Whether the labour force can easily access new employment opportunities, meaning having places to live within reasonable distance and affordable transport options to commute. The improvement in the transport systems can enhance accessibility to jobs, education, and healthcare, benefiting marginalised communities and reducing socioeconomic disparities.
- Increased traffic volumes (especially trucks) on SH29 could spur demand for roadside services and potentially attract businesses to locations near interchanges. That could stimulate new growth, or induce existing businesses to move to take advantage of passing trade, altering community access to retail goods and services.
- Local communities need to know what is coming: a gap in information might mean residents and iwi are not engaged about potential changes (like more industry, traffic, or expansion of urban areas), leading to uncertainty and worry for potentially affected people and organisations.
- There may be opposition to growth pressures, and struggles to gain community acceptance of growth, particularly given active decisions by some councils (e.g. by MPDC in PC57) to not enable growth in small townships to date due to this not reflecting community values. This historic policy direction is likely to have set community expectations, leading to opposition to change.
- Stakeholder engagement relating to the long-term vision for the future of the area is planned[60] however has not yet begun, and the findings of this gap analysis may be useful in shaping this engagement with key stakeholders.[61]

[60] Future Proof Te Tau Titoki, 3 April 2025. Approved Comms and Engagement Plan – Hamilton to Tauranga Corridor

[61] Key stakeholders include: businesses (The Red Barn, Hinuera Natural Stone Ltd, Taotaoroa Quarries Ltd, The Rocks, Chooky's Auto, Fonterra (Hautapu and Tirau), Shoof International, Mainfreight (Hautapu) and APL/AGP); schools, universities and polytechs; utility providers; transport infrastructure providers (Kiwi Rail, Waikato Regional Airport Ltd, Matamata Aerodrome, Hamilton Airport Ltd, Freight Associations, UZA bus, Road Transport Forum, NZTA, AA, and Port of Tauranga); business associations and economic development agencies (Priority One, Property Council, Waikato Chamber of Commerce, Tamahere Business Association, Cambridge Chamber of Commerce, Cambridge Commercial Business Owners Group, South Waikato Investment Fund Trust);

Iwi are Future Proof partners, have a strong presence in the area between Hamilton and Tauranga, and the area along the Corridor is rich in Māori heritage and cultural significance. Iwi in the Waikato Region are part of the Tainui waka, while toward Bay of Plenty iwi are associated with the Mataatua waka, while Te Arawa may also have overlapping interests and historical connections. These iwi are actively involved in regional planning, resource management, and development initiatives. Through settlement processes, co-governance arrangements, and iwi authorities, they play a crucial role in shaping the future of the land and communities between Hamilton and Tauranga, and understanding and incorporating iwi concerns and aspirations should be a priority in Corridor planning.

6.3 Gaps

While social impact assessments have been undertaken to assess the effects of some roading works (e.g. C2P), there does not appear to have been any assessment of the potential social or cultural effects that might arise from changes to the transport network that have not yet advanced beyond preliminary investigation stage (e.g. changes to passenger rail), or as the result of induced growth. As identified earlier, the compounding effects of a number of discrete changes to the network (e.g. C2P and Piarere to Tauriko and passenger rail) might induce more profound changes in land use and activity along the Corridor, and adjacent to it (for example in Tirau and Putāruru). These induced effects are a core gap in the current knowledge base.

Induced growth might impact community cohesion and require new community infrastructure (like schools, health services) or change the pattern of provision. Analysis such as MPDC's Housing Assessment indicates that Matamata (including its planned future urban zones) can accommodate projected population increases for 30 years under a BAU future. However, that sufficiency of supply may change if there is significant induced demand, so while there is no evidence that there is a housing shortage in MPDC currently, that may change if significant growth is induced in the Corridor, and that could bring with it adverse social effects such as a decline in ability to access community services or positive social effects such as consolidation of a wider range of goods and services.

There has been no assessment of how induced growth along the Corridor might increase property values which could create housing affordability issues along the Corridor if some areas become more popular due to improved accessibility. That means that future social effects related to housing affordability are not well understood. If only those who can afford cars and rising house prices can take advantage of new job opportunities, then the Corridor's growth might bypass lower-income or younger workers. That could have social implications (entrenching disadvantage or leading to worker shortages in lower-paid sectors).

environmental and heritage agencies; Federated Farmers; sports agencies (Sports New Zealand, Te Awa cycleway, and Rowing NZ); tourism agencies (Hamilton Waikato Tourism, Hobbiton, and Karāpiro Events); and emergency services.

Missing from the documents that we have been provided is any information about what the community values, both generally and especially in relation to economic prosperity and transport movements. We would expect that each Council would have undertaken engagement exercises to understand these values for planning, such as Development Strategies and District Plans. It would be useful for the project to have summaries provided. It would also be helpful to be provided with any historical information about what factors influenced the spatial distribution of the towns and other land uses in each of the local authorities, and especially in relation to community values and aspirations. The Engagement Plan identified the following documents which could be a good starting point: Hamilton to Tauranga Investment Programme, Ahu Ake Waipa Community Spatial Plan, South Waikato Growth Plan 2024-2054, and Tauriko Specified Development Projects. While we can access some of this information from District Plans and Council websites, if there are any other documents outlining the community's values and aspirations that would be helpful for understanding the social wellbeing effects.

Limited cultural assessment has been identified in relation to the Corridor, particularly in relation to opportunities around induced growth and papakāinga housing.

6.4 Opportunities

Corridor improvements represent an opportunity to improve social outcomes for communities along the Corridor, both as a direct result of improvements, and through changes that are induced by those improvements. Direct social opportunities include improvements in:

- Accessibility to work, business, recreation, education, and healthcare.
- Safety.
- Improving investor and community confidence may stimulate development by private developers and promote pride and optimism and elevated sense of place.
- Resilience - the Corridor remains heavily road-dependent, which is a risk if fuel costs rise or if there are road disruptions. Resilience also needs to be considered with regards to the physical location of road and rail, i.e. avoiding areas that flood or are subject to earthquake damage.

Opportunities that have not been identified or assessed to date are identified above, and relate to changes in the broader environment that may be induced due to changes to the transport network. Additional traffic volumes may be attracted to the upgraded Corridor and away from alternative routes like SH2 or SH27, potentially reducing community severance and safety issues on those alternative routes, and further improving accessibility and safety, but causing issues of severance, changes to community character and safety elsewhere.

Improved rail access through the Corridor, particularly when combined with improved road access, may have positive effects for business areas along the Kinleith line, with potential benefits for South

Waikato District, and induced growth resulting from those positive changes could help to offset some of the recent job losses at Kinleith. Many of these potential social effects rely on compounding changes facilitated by the interaction and complementary functioning of a range of different transport network improvements working together, and may not occur, at least to the same scale, with the implementation of only partial improvements through the Corridor.

7 Planning

This section reviews the planning information available that will be required to support the Spatial Study. Note that some planning-related matters have been identified earlier in relation to other topics, and are not repeated in this section.

7.1 Information identified

Statutory planning instruments applicable to the study include national level government policy statements,[62] Te Ture Whaimana o Te Awa o Waikato, regional policy statements,[63] regional and district plans,[64] and Iwi Management Plans,[65] all of which are publicly available. The statutory planning provisions contain objectives and policies that support blue-green corridors, reduced travel, public transport, densification and decarbonisation (electrification).

Te Ture Whaimana o Te Awa o Waikato – the Vision and Strategy for the Waikato River is the primary direction-setting document for the Waikato and Waipa Rivers and their catchments. Objectives, policies and methods in the integrated management section and Part 3 of the Waikato Regional Policy Statement assist in achieving the purpose of the Vision and Strategy.

The Government Policy Statement on Land Transport 2024–2034 signals changes to fuel excise duty and road user charges to support further investment in transport infrastructure.

The SmartGrowth Strategy, Western Bay of Plenty sub-region's plan to manage growth, and the Urban Form Transport Initiative (2020) provide information to inform this study on how housing, land, infrastructure, transport, community development, tāngata whenua aspirations, and the natural environment in the Western Bay of Plenty sub-region are being considered to achieve effective long-term growth in that region.

Three plan changes to the Hamilton City District Plan[66] contribute towards the implementation of the Waikato Regional Policy Statement's industrial growth node and associated transportation connections, and include response to flooding risks and urban intensification.

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[62] Government Policy Statement of Land Transport, National Policy Statement for Highly Productive Land, National Policy Statement for Urban Development 2020, National Policy Statement for Indigenous Biodiversity
[63] Waikato Regional Policy Statement, Bay of Plenty Regional Policy Statement
[64] Waikato Regional Plan, Bay of Plenty Regional Natural Resources Plan, Hamilton City District Plan, Matamata-Piako District Plan, Waikato District Plan, Waipā District Plan, South Waikato District Plan, Tauranga City Plan and Western Bay of Plenty District Plan.
[65] Maniapoto iwi Management Plan and Waikato-Tainui Environmental Plan 2013
[66] Private Plan Change 17- Te Rapa North Industrial, Plan Change 14 – Flooding, and Plan Change 2 – Intensification

Plan change 14 to the Waipā District Plan accommodates the Hautapu Strategic Industrial Node (340ha) which lies adjacent to and is accessed from the Waikato Expressway. The node also has access to railway infrastructure. The hearing for PC14 closed on 24 April 2024, and a decision will be released in due course.

Ashbourne, a residential and retirement development project of 530 new homes and 250 retirement units, associated commercial development and infrastructure, and two solar farms, located approximately 1.8km southwest of Matamata, has been accepted into the Fast-track approvals consenting process.

7.2 Issues

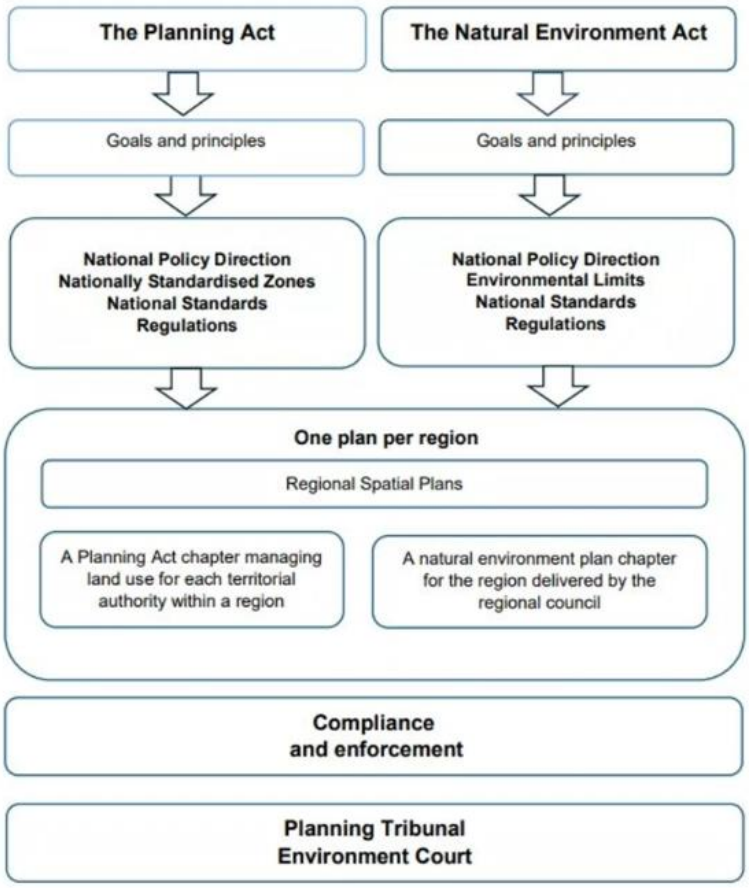
7.2.1 Infrastructure limitations

The council explicitly decided not to expand or upgrade services in Te Poi and Hinuera when adopting PC53, and even adjusted subdivision rules to reflect infrastructure limits (ensuring any new development could fit within environmental discharge standards since there is no wastewater network). Essentially, the policy was to keep these villages static in size because supporting more growth would be costly and complex. That means that any increase in industrial or business demand in Te Poi or Hinuera due to an improved corridor would face challenges: the cost of providing full infrastructure to such small populations and their distance from existing treatment facilities are significant hurdles

7.2.2 Resource management reform

On 24 March 2025, the Government released the Expert Advisory Group (EAG) Report on the blueprint for the new planning system. The EAG recommends implementing two new Acts, one that focuses on the use and development of land (the Planning Act) and one that focuses on the use, protection and enhancement of the natural environment (the Natural Environment Act).

The EAG recommends that transitions to the new system begin immediately after the Acts are passed. Minister Bishop indicated in a speech on 28 March 2025 that 'Local government entities are expected to be able to begin implementing the new system from 2027'. It is proposed that existing plans will be used as though they are plans under the new system until new plans can be developed. This could potentially make the transition period especially confusing and will likely require careful negotiation to understand how existing rules will be applied under the new Acts, prior to the implementation of new plans.



The EAG recommendations suggest that the new system will bring:

- An increased focus on permitted activities;
- Greater focus on property rights;
- The introduction of regulatory takings (compensation for impinging on private property rights);
- Increased national direction; and
- Standardised zoning for plans.

The spatial planning recommendations suggest that plans would need to be revised by mid-2027, but it is assumed that the existing planning will generally transition over to the new system largely as it is.

7.2.3 Fast-track Approvals Act

Several roading projects, e.g. Cambridge to Piarere Expressway (FTA#190) have been listed in Schedule 2 of the Fast-track Approvals Act 2024 as eligible for the fast-track approvals resource consenting process. Ashbourne in Matamata has also been referred to the fast-track approvals process. The relevance of this to planning is that the Fast-track Approvals Act provides for the granting of resource consents in an incompatible land use zone before a plan change process is undertaken, which could result in time and cost savings.

7.2.4 Waikato Water Done Well

The Waikato Regional Council is closely monitoring the decisions of territorial authorities in considering whether to become a part of a multi-council controlled organisation. All city, district, and unitary councils are required, under the Local Water Done Well legislation, to produce a water services delivery plan by September 2025.

The regional Council Controlled Organisation model is being explored by seven councils across the Waikato region - Waitomo, Matamata-Piako, Hauraki, South Waikato, Taupō, Waipā, and Ōtorohanga. All seven councils have signed a non-binding agreement as they work through the decision-making process. The focus of the arrangement is to:

- Provide a regionally-driven solution that allows councils to retain influence over the delivery of water services;
- Provide workforce resilience, especially for smaller rural councils;
- Enable more predictable and balanced investment for contractors and industry partners; and
- Create a collaborative structure that supports iwi involvement, economic partnership, and employment pathways.

The influence of Water Done Well is identified as a potential issue, because it currently not known what form future control of waters infrastructure through the Corridor might take, and how any changes might influence growth potential.

7.3 Gaps

One knowledge gap relates to the risks of not providing infrastructure: what happens if growth pressure comes to smaller settlements along the Corridor and councils do not enable growth? One possibility is ad-hoc development with inadequate services which could pose environmental health risks. Other gaps have been identified earlier, particularly in the 'Economic' and 'Social and cultural' sections.

7.4 Opportunities

Corridor improvements represent an opportunity to:

- Reduce travel time
- Support improved public transport
- Densify urban spaces
- Decarbonise through electrification, and
- Identify, protect and develop blue-green corridors.

8 Summary

In conclusion, while the documents reviewed indicate significant potential for improvements and growth along the H2T corridor, particularly for industrial development and freight movement, there are substantial knowledge gaps regarding the scale of potential growth, impacts on smaller settlements, infrastructure requirements, environmental outcomes, social wellbeing, and cultural outcomes.

This gap analysis has aimed to identify gaps in the existing knowledge base that will be relevant to assessing development potential along the corridor. Subsequent stages of the study will aim to fill as many of these gaps as possible, through finding and using additional information, assessment through planning, economic, environmental and social lenses, and in the absence of alternatives by making clearly described assumptions to fill remaining gaps. The output from this study will be a comprehensive assessment to quantify these effects and inform strategic planning decisions.

Summary of identified gaps

Following is a summary of gaps identified in this gap analysis, and how they are proposed to be filled or addressed in the absence of being able to be filled. Gaps are proposed to be filled in three main ways:

1) gaps the study will fill through its analysis, including research from other jurisdictions;
2) gaps the study will fill through further information requests and stakeholder interviews;
3) gaps that will be acknowledged and worked around, including through use of assumptions and qualitative assessment.

Information gap	Comments	How gap will be addressed:
Environmental		
Assessment of effects for transport network changes for projects that have not yet advanced beyond preliminary investigation stage	Limited information available, but often the potential effects might be inferred from comparable projects elsewhere.	2, 3
Potential for blue-green networks in the H2T corridor		2, 3
Resilience to natural hazards	Lots of hazard data is available, but lack of comprehensive assessment covering the entire Corridor	2
Economic		

Information gap	Comments	How gap will be addressed:
Outcomes of the Western Bay of Plenty Regional Deal	Whether growth is prioritised in eastern or western Bay of Plenty, and therefore which transport network upgrades will be prioritised. The Western Corridor connects with the H2T Corridor.	2, 3
Road freight volume data	Limited data publicly available, but ability to fill gaps through discussion with industry organisations.	2, 3
Viability of new land uses	No assessment of viability for new freight hubs or passenger rail-oriented development. Data to be modelled and discussed with stakeholders.	1, 2
Effect of council infrastructure capacity constraints on economic growth	Constraints may prevent growth in certain areas, to be addressed through discussion with local authorities.	2
Potential effects of residential intensification plan changes 12 (Hamilton) and 33 (Tauranga),	Future development trends and acceptance of intensification are not yet known	3
Corridor-specific value capture mechanisms	Filled by applying findings from national studies	1
Freight flows from new developments at Ruakura Inland Port, Port of Tauranga and the Maraetai Road Intermodal Business Park in Tokoroa	Understanding to be informed by discussion with these organisations.	2, 3
Freight flows on Waharoa-Kinleith rail spur are uncertain	Future of the Kinleith mill and potential for the new OFI dairy factory at Tokoroa to increase production not known. To be discussed with South Waikato District Council.	2, 3
Social and cultural		
Assessment of effects for transport network changes for projects that have not yet	Limited information available, but often the potential effects might be inferred from comparable projects elsewhere.	2, 3

Information gap	Comments	How gap will be addressed:
advanced beyond preliminary investigation stage		
Compounding effects of a number of discrete changes to the network	To be assessed based on experience in other jurisdictions, and predominantly in qualitative terms.	1, 3
Effects of induced growth on community cohesion and service provision	While capacity has been assessed under a business as usual future, effects under a higher growth future are unknown. To be assessed based on experience in other jurisdictions, and predominantly in qualitative terms.	1, 3
Effect of induced growth on property values and housing affordability	To be assessed through economic modelling, and social effects assessed in qualitative terms.	1
Community values, especially in relation to economic prosperity and transport movements	Some information is available, to be supplemented by provision of additional information not available online, including engagement summarises from Development Strategies and District Plans	2, 3
Cultural assessment in relation to the Corridor, particularly in relation to opportunities around induced growth and papakāinga housing	Iwi management plans can be used as the basis for a qualitative assessment supplemented by further information collection facilitatedby FPP with iwi partners.	2
Planning		
Potential effects of growth pressure on smaller settlements	Potential for ad-hoc development with inadequate services and risk to environmental health	2

Following is a summary of the situation, with regard to the eight key topics/questions which are the focus of the wider study.

Understanding of economic response

The existing assessments of the transport investments (business cases) and council assessments for the corridor (NPS-UD and planning changes) do not, by design, assess the potential economic response that could occur due to changes to the transport network. While it is acknowledged that the investments will cause an economic response, there has been no attempt to establish scenarios or model the outcomes that might arise if those changes act as a catalyst for growth. This is a common issue in transport and urban modelling, partly because projecting induced changes with any confidence is difficult. There is an opportunity for FPP to develop scenarios of economic response and to plan for the likely change in land use which will result as an economic response.

Economic opportunities from integrating land use with rail

There is limited information on the integration of land use and rail within the Corridor. While there are aspirational goals to improve the rail network to encourage more freight and potentially introduce new public transport, there is inherent uncertainty around these opportunities. Given the limited available information and the current (nascent) status of investigations and investments, it will be difficult to establish with any confidence the potential for land use changes that might be supported by changes to the rail network.

Implications of induced demand, environmental risks and infrastructure costs

As discussed above in the first topic, there is insufficient information to understand the induced demand along the corridor, although some research by and for Hamilton City industrial areas has been completed recently, and will be referred to. This gap will need to be filled via scenario assessment in the next stage of research, and will allow assessment of the implications for environmental risks and infrastructure costs.

Economic function of Matamata-Piako and South Waikato areas in the context of the UNI

There is insufficient information to understand the induced demand generally, which will include outcomes in Matamata-Piako and South Waikato, and across the entire region. Again, this gap will need to be filled via scenario assessment in the next stage of research, and will allow us to assess the implications for the economic role of places along the Corridor.

Value capture and strategic infrastructure staging

No research has been identified that assesses the potential for value capture and how this could be used to support strategic infrastructure development in the Corridor specifically. There is some research nationally which may be relevant which indicates there could be some opportunity for value

capture to be adopted to fund infrastructure for the growth that is induced by the investment in the transport network.[67]

Infrastructure risks to housing, rural and township development

The existing data that is available within the housing and business capacity assessments and other Council resources will go some way towards providing an understanding of the infrastructure outcomes associated with the transport investments in the Corridor, although may require additional information or assumptions to account for the effects of induced demand growth.

Labour force accessibility to economic opportunities

The existing data that is available within the regional economic profiles will provide some understanding of the changes in labour force accessibility associated with the transport investments in the Corridor, however assumptions will likely be required about housing prices and affordable housing, and the effect that will have on labour force accessibility.

Understanding of environmental and cultural protection requirements and opportunities

The existing data that is available within GIS layers sourced by Enspire and held by councils will be sufficient to provide an understanding of the "no-go" areas (e.g. flood-prone zones, sacred sites) or "go-carefully" areas. This means the assessment will ensure growth is steered away from vulnerable ecosystems and culturally sensitive landscapes.

[67] Including the Q1 2025 New Zealand Infrastructure Commission Te Waihanga report: "Paying it back: An examination of the fiscal returns of public infrastructure investment"