



28 April 2020

Tauranga City Council
Private Bag 12022
Tauranga 3143

Via email to: submissions@tauranga.govt.nz

Dear Sir/Madam

Re: Annual Plan

Please find attached a submission from the kiwifruit industry on Tauranga City Council's proposed Development Contributions Policy.

Please do not hesitate to contact us if you require any further information on this submission.

Yours sincerely

Sarah Cameron
Senior Policy Analyst

TO: Tauranga City Council (TCC)

SUBMISSION ON: Development Contribution Policy

NAME: NZ Kiwifruit Growers Inc (NZKGI)

ADDRESS: PO Box 4246, Mount Maunganui South, 3149

1. The kiwifruit industry in New Zealand

The kiwifruit industry is a major contributor to regional New Zealand returning \$1.8b directly to rural communities in 2018/19. There are ~3000 growers, 14,000ha of orchards, 10,000 permanent employees and up to 25,000 jobs during the peak season. Approximately 80% of New Zealand's kiwifruit crop is grown in the Bay of Plenty and the industry is expected to grow its global sales to \$4.5b by 2025 which is an increase from \$3.1b in 2018/19. The projected growth of the industry will contribute significantly to the Bay of Plenty GDP increasing it by 135% to \$2.04 billion by 2029/2030.

2. General comments

Thank you for the opportunity to comment on the Draft Development Policy. There are ~2,600 orchards in the Bay of Plenty with an average size of 4.46ha. 60 of these orchards are within the Tauranga City limits.

3. Development contributions

The proposed 16% citywide development contribution increase for the 2020/21 period is driven by the cost to construct major infrastructure projects including the Te Maunga Wastewater Treatment Plant, a large Trunk Watermain project and funding for the Waiari Water Supply Scheme. According to the Development Contribution Policy document¹ the scheme is to be funded entirely by development contributions. This is in contrast to the messaging on the Waiari Supply Scheme page on the TCC website² where it states that the scheme will be funded via revenue from new housing, rates and development contributions.

4. Proposed increases

While it is generally accepted that development contributions play a large part in paying for the growth of the city, NZKGI submits that Council should reconsider an increase at this time while the city and its citizens navigates through the Covid-19 economic recovery.

To further this argument, it is noted that TCC has applied for funding via the Crown Infrastructure Programme which includes high priority infrastructure projects that would normally be funded via development contributions. These include:

- Western Corridor - including Tauriko Business Estate and urban growth - \$78.5 million
- Te Papa Spatial Plan projects - \$84.3 million
- Eastern corridor urban growth & Wairakei town centre infrastructure - \$117.3 million
- Western stormwater infrastructure - \$17.9 million

¹ https://www.tauranga.govt.nz/Portals/0/data/council/development_contributions/2020-21/files/draft-dcp-2020-21.pdf

² <https://www.tauranga.govt.nz/our-future/projects/wai%C4%81ri-water-supply-scheme>

- Waiari Water Supply Scheme - \$117 million
- Te Maunga Wastewater outfall pipeline - \$25 million
- Te Maunga Wastewater bioreactor - \$31.9 million
- Memorial Park aquatics and indoor leisure facility - \$75 million.
- Stormwater super package - \$24.6 million
- Mt Maunganui and Arataki multi-modal and transport improvements - \$19.6 million
- Wastewater upgrades - \$22.8 million
- Long Term Plan renewals programme - \$31.9 million
- Totara Street operational and safety improvements - \$10.9 million.

NZKGI submits that the increase to development contributions should be deferred and reconsidered once it is known which (if any) of the proposed projects the government will fund. The government is currently prioritising economic relief for businesses and households facing tough financial times and this should be a priority for local authorities as well.

5. Additional Comments

NZKGI supports TCC application for funding to fast track the economic recovery for the city and hopes that the majority of the projects are considered favourably by the government