



20 April 2020

Tauranga City Council  
Private Bag 12022  
Tauranga 3143

Via email to: [submissions@tauranga.govt.nz](mailto: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 Annual Plan.

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

**SUBMISSION ON:** Annual Plan

**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 Annual Plan. 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. The industry makes the following comments on the Annual Plan.

### 3. Rate Increase

The summary document<sup>1</sup> states that *It's crucial for our city to be able to accommodate the people who continue to move here.* This should not be a basis to justify a rate increase and existing rate payers should not have to fund migration. The 2018 Census showed a population increase of 21,924<sup>2</sup> (from the 2013 census) and a 3.7% increase in home ownership. Increased population and therefore increased home ownership means additional rates which support increased migration.

Council originally proposed 12.6% rates increase however with the financial implications faced by the response to Covid-19, Council have now revised the increase to 7.6%. While NZKGI understands that investment in the city is required, NZKGI does not support any type of rates increase at this time. 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. Many Councils across New Zealand have agreed to suspend rate increases at this time and NZKGI submits that the Council should take this view and freeze the proposed rate increase for one year. Other Councils who have decided not to proceed with rates increases include:

- Bay of Plenty Regional Council
- Christchurch City Council
- Dunedin City Council
- Hawkes Bay Regional Council

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<sup>1</sup> [https://www.tauranga.govt.nz/Portals/0/data/council/annual\\_plans/2020-21/files/annual-plan-summary.pdf](https://www.tauranga.govt.nz/Portals/0/data/council/annual_plans/2020-21/files/annual-plan-summary.pdf)

<sup>2</sup> <https://www.stats.govt.nz/tools/2018-census-place-summaries/tauranga-city#more-data-and-information>



- Taupo District Council
- Waikato regional Council
- Waitaki District Council
- Waitomo District Council
- Wellington City Council

A large number of other councils have significantly reduced their proposed rates increase.

#### **4. Additional comments**

NZKGI understands that Council is also consulting on large increases to the Development Contributions Policy. The infrastructure contributions (as part of development contribution) are fees payable to Council towards the cost of infrastructure required as the result of the growth of Tauranga City. This infrastructure includes new pipes, roads and parks. This further strengthens the argument that a rate increase is not required to support infrastructure requirements resulting from migration as this is the intention of the infrastructure contribution. NZKGI will provide a separate submission on the proposed Development Contributions Policy.