
TO: Tauranga City Council

SUBMISSION ON: Long Term Plan (LTP)

NAME: NZ Kiwifruit Growers Inc (NZKGI)

AUTHOR: Sarah Cameron, Senior Policy Analyst

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 \$2.25 billion directly to rural communities in 2020/21. There are ~2800 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 \$4.5 billion by 2025 which is an increase from \$3.58 billion in 2020/21.

2. Kiwifruit in Bay of Plenty

The Bay of Plenty 2019/20 season produced 124 million trays and contributed \$1.5 billion to the Bay of Plenty economy. Europe, Japan and China are the region's biggest export markets taking about 75 per cent of the crop. Approximately 80 per cent of New Zealand's kiwifruit crop is grown in the Bay of Plenty. In the 2019/20 season there were 8,095 permanent employees and 16,426 seasonal employees.

There are 115 orchards across 268 hectares within the Tauranga city limits

3. General comments

At a meeting with the Tauranga City Commissioners with the Chair, Deputy Chair and Senior Policy Analyst at NZKGI, the Commissioners asked us to provide the following:

- What areas should council not consider residential/industrial/commercial developments
- To provide a response from the industry to the LTP as well as considering the proposals as residents and visitors to the city.

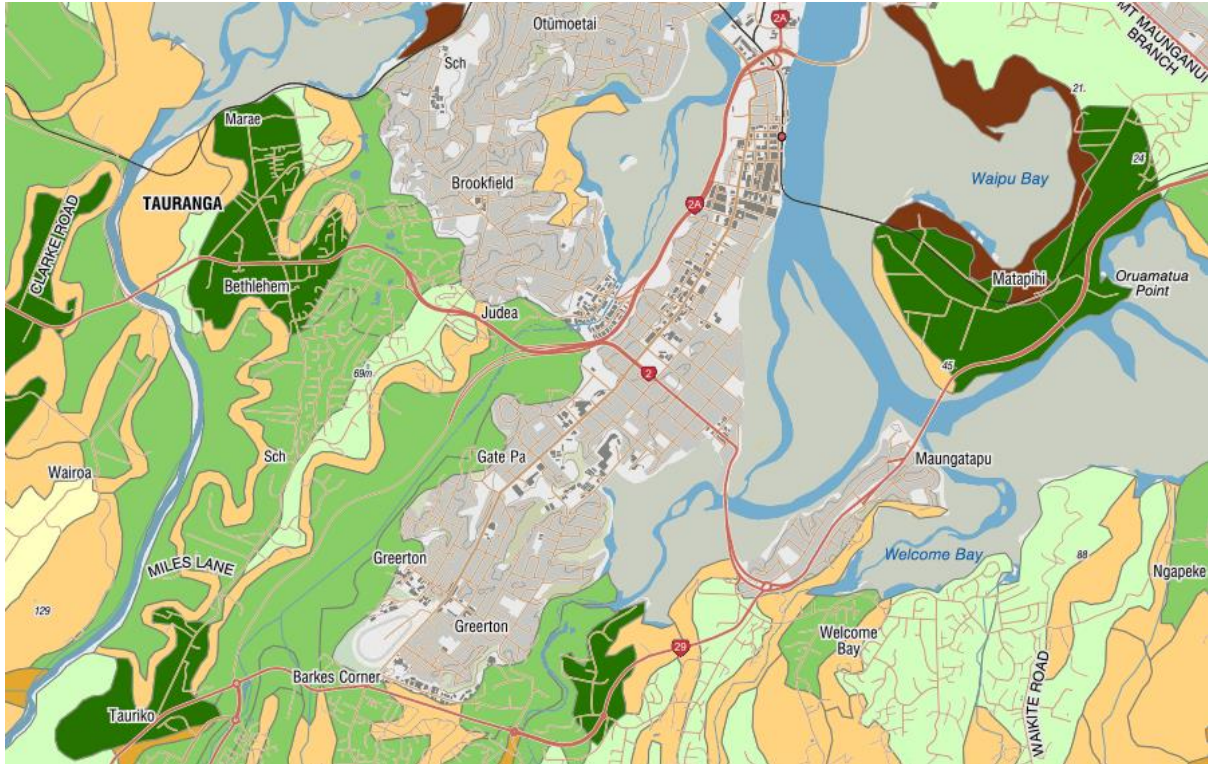
4. Land for Homes and Businesses

While NZKGI recognises the need for more housing to support growth, this should not be at the expense of highly productive land. The [Our Land 2021](#) report released by the Ministry for the Environment, shows that only 15% of highly productive land is left in New Zealand and that 54% of highly productive land has been lost to housing between 2002-2019.

Kiwifruit is best grown on soils that have been classified LUC 1-3. NZKGI asks that council avoid the following areas when considering zone changes from rural to residential:

- Matapihi
- Welcome Bay
 - Kairua Road and surrounding area

Table 1: LUC Tauranga



	<p>Arable. Multiple-use land; few limitations</p> <p>Class 1. Arable. Most versatile multiple-use land, minimal limitations, highly suitable for cropping, viticulture, berry fruit, pastoralism, tree crops and forestry.</p>
	<p>Arable. Good land; slight limitations</p> <p>Class 2. Arable. Very good multiple-use land, slight limitations, suitable for cropping, viticulture, berry fruit, pastoralism, tree crops and forestry.</p>
	<p>Arable. Moderate limitations; restricting crop types</p> <p>Class 3. Arable. Moderate limitations, restricting crop types and intensity of cultivation, suitable for cropping, viticulture, berry fruit, pastoralism, tree crops and forestry.</p>

Recent proposed rural zoning change to residential in the Keenan Road and Tauriko area were supported by the industry due to the gradient of the land and the unsuitable soil for growing conditions. However NZKGI would unlikely support any zoning changes where orchards are present on highly productive land.

Where lifestyle developments are allowed next to orchards, this creates reverse sensitivity issues which can include agrichemical spraying, use of bird scaring devices and frost fans. These activities are the type expected in a rural zone and are vital for optimal fruit production. NZKGI would like to see more responsibility for those moving into rural zones to mitigate the effects of rural type activities rather than the orchard owner.

5. Spaces and Places

Investing in community facilities is an important part of bringing communities together however rate payers need to be assured that council is making investments in the right areas. NZKGI would like to see a bold approach by council that looks to future proof the city for years to come. NZKGI would like to see thought given to attract investment in the following areas:

- A hospital for Papamoa
- International sports stadium (redevelopment of Tauranga domain)
- A hotel and conference centre in the city centre
- Mount multi-level carpark building

The current investment programme has proposed a number of recommendations and NZKGI makes comment on the following:

- \$18,963,336 million Memorial Park to city centre pathway
 - NZKGI does not understand why this is a priority investment when it will not benefit the majority of residents within the city. There are other priority areas that council can use this funding for – eg multi car park buildings, subsidise public transport and reduce cost to users, create park and rides with subsidised parking or reduce rate impacts. These are just a few examples that council could consider
- Cruise ship \$106,090 Coronation Park - Improved bus access for cruise ship visitors
 - With the Covid-19 vaccination programme rolling out across the world, it is expected that at some point in time borders will start to reopen which will allow for the return of cruise ships to the city. While NZKGI agrees that bus access needs to be improved, this is the only expenditure noted over the next 10 years. NZKGI would like to see the development of an information centre at the old police station site which would showcase the key areas of interest within the city and wider region
- Carparking Mount vs multi story carpark airport
 - NZKGI supports additional parking at the Mount rather than at the airport (while still recognising the need). The Mount is one of New Zealand's top tourist attractions for both domestic and international visitors and there should be an appropriate level of parking supplied.
- \$4.4m on playground shades
 - While NZKGI supports having an appropriate level of shading at playgrounds, \$4.4 million does seem excessive
- \$12.5 million replacing library stock
 - NZKGI staff love a good book however cannot reconcile the \$12.5 million expenditure on library stock. With the invention of the internet and services like kindle, are libraries as well populated as they once were? Could this expenditure be put to better use like providing digital learning spaces for those without access to a device and/or the internet.

6. Transport

Roads are a vital part of the city and the region's transport network. Most of the regions kiwifruit is transported by truck to the Port of Tauranga resulting in 31,000 truck movements therefore the importance of enabling efficient freight movements to and from the Port is essential. The industry trucks fruit to the Port from within the Bay of Plenty because of the short haul nature of the trips. There is only one packhouse in the Bay of Plenty that has a rail head (Apata) and this has only been used once. It is more cost effective and time efficient to truck rather than rail.

Travel through Hewlett's Rd (as well as Totara St, Hull Rd and Maunganui Rd), is congested which results in delayed travel times and poor efficiency. The only short-term improvements planned to Totara Street is the combined cycle and walkway. Construction on other improvements¹ do not begin until mid-2025 to mid-2027. This road will continue to be impacted by excessive congestion putting a strain on freight movements to and from the port.

The Ministry for the Environment climate change projections for the Bay of Plenty region predict that sea level rises, and extreme weather events, will impact on the roading network. Coastal roads and infrastructure will face increased risk from coastal erosion and inundation, increased storms and sea-level rise². A report by Local Government NZ [Vulnerable: The quantum of local government infrastructure exposed to sea level rise](#) found that the Bay of Plenty is a high priority region in regard to length and value of roads exposed to sea level rise. A one metre sea level rise would result in 115km of roading being permanently inundated. The report set out a number of recommendations:

- Highlight exposed infrastructure for council members and public consideration
- Improve coordination with stakeholders to prioritise "lifeline" roads and associated infrastructure
- Perform research and analysis to determine options for priority roads
- Engage with both central government and private businesses to address alternatives and costs; and Ensure planned levels of service and suitability of location are included in long-term planning.

NZKGI supports an aggressive and coordinated approach to address the recommendations to ensure the ongoing connectivity of the roading network.

7. City Centre Investment

As noted under the 'Spaces and Places' section, NZKGI would like to see development of an international sports stadium, hotel and conference centre. An international sports stadium would bring much needed revenue to the city and could have a multi-purpose by hosting bigger concerts and other events.

NZKGI is uncertain about heavily investing in the city centre. Traditionally, the CBD has been the 'heart' of the city but as cities grow, population increases and needs of the consumer changes, are CBD as important as they once were? There have been significant retail/industrial/commercial development in Tauriko and the Mount and Papamoa centres service their communities well. NZKGI would ask council who they are trying to attract to the CBD and for what purpose before commenting further on city centre development.

¹ <https://www.tauranga.govt.nz/Portals/0/data/future/growth/files/transport-system-plan-executive-summary.pdf>

² <https://www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/bay-of>

8. Resilience

NZKGI submits that while climate change is considered in the LTP, solutions to mitigate the repercussions are missing including:

- Introduction of a climate change risk assessment for the region
- Creation of a zero-carbon transition plan, outlining how council will achieve net-zero carbon emissions by 2050.

NZKGI submits that a progressive approach is required to meet the impacts of climate change. The kiwifruit industry is committed to reducing emissions. Zespri is working to understand the contribution the industry makes to climate change as an industry as well as exploring the opportunities to reduce impact:

- Zespri's industry carbon mitigation milestone is to be carbon positive to its retailers by 2030
- Zespri invests more than \$1 million per year in understanding more about climate change
- Postharvest facilities continue to invest in electric forklifts which have zero emissions
- Investment by Zespri in hybrid fleet vehicles
- EV charging is available at Zespri. It is worth noting that shipping is Zespri's most significant industry emissions source, accounting for ~43% of total supply chain emissions.

NZKGI would like to see the introduction of tsunami sirens at Papamoa and the Mount and more E Chargers through the city.

9. Enabling Delivery

While NZKGI is supportive of increasing staff budgets, there must be a commitment by council to provide a better service. For example not having planners available to the public until after 1pm is not an example of providing a good service to customers. NZKGI would like to see more services be available online as the way people conduct their business has changed due to implications from covid-19.

While NZKGI supports moving council staff into one building, is the most cost-effective solution the civic building. As council haven't released the lease information, it is hard to make comment on.

10. Rates

Council is proposing a rate increase of \$17% which is the third highest in the country. This is in comparison to:

- 5.8% Bay of Plenty Regional Council
- 12% Western Bay of Plenty District Council

Growers are facing increased compliance costs and communities are still recovering from the financial impacts of Covid-19. A 17% rate increase will not be achievable for some people and it is likely that landlords will pass increases into tenants - the median rent in Otumoetai is \$570.

NZKGI would support a rate increase of between 5-10 % recognising that there has underinvestment in the city for a number of years however this is not the fault of rate payers.

Council is proposing to change the commercial differential rate which would likely mean that commercial landlords would pass this on to tenants. This will be the case for NZKGI who is a tenant.

11. Other comments

NZKGI supports a bold approach to growth in Tauranga and asks that council looks to future proof the city with vision. NZKGI is happy to discuss this submission further with council.