

# **SUBMISSION ON**

# **Proposed Smart growth**

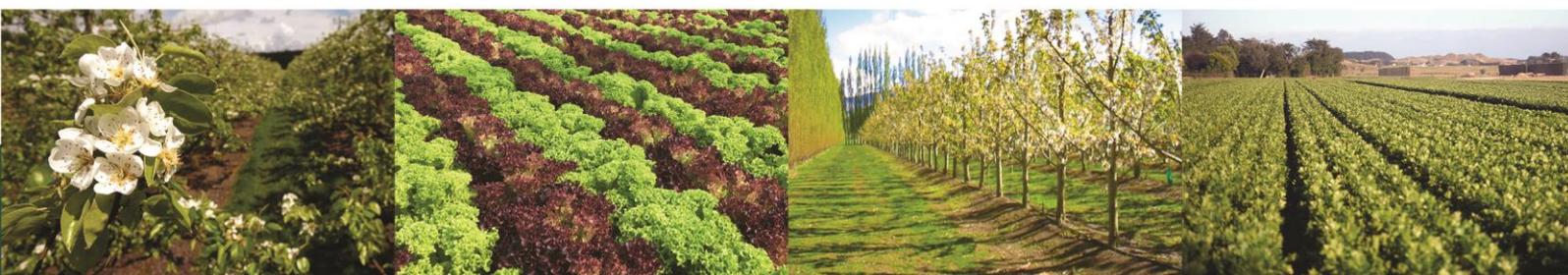
# **Future Development**

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7 November 2018

**TO:** Bay of Plenty Regional Council and Smart Growth BOP

**NAME OF SUBMITTER:** Horticulture New Zealand



## **CONTACT FOR SERVICE:**

Lucy Deverall  
Horticulture New Zealand  
PO Box 10-232 WELLINGTON  
Ph: 0275826655

Email: [lucy.deverall@hortnz.com](mailto:lucy.deverall@hortnz.com)

## Introduction

Horticulture New Zealand (HortNZ) thanks Bay of Plenty Regional Council for the opportunity to submit on the proposed Future Development Strategy (FDS) and welcomes any opportunity to work with Council and to discuss our submission.

HortNZ could not gain an advantage in trade competition through this submission.

The details of HortNZ's submission and decisions we are seeking from Council are set out below.

## Horticulture in Bay of Plenty Region

### The current state

Over 13,000ha of fruit is grown in the Bay of Plenty region. This is one of the largest fruit production regions in New Zealand.

Fruit production in the region predominately consists of kiwifruit and avocados, but also includes citrus and berries. The region also hosts some vegetables, particularly broccoli, cauliflower and cabbage. There are also a few small greenhouse operations.

In 2017/2018 kiwifruit covered 10,787ha of land in the Bay of Plenty region with 80% of kiwifruit in New Zealand actually being grown in the region. Bay of Plenty based avocado orchards cover 2,319ha of the region but account for 47% of the total volume of avocados in New Zealand<sup>1</sup>.

Both industries contribute significantly to the economic and social structures of the region:

- The avocado industry values at \$152.1 million (2017/2018) and at peak times employs approximately 1,391 full time equivalents (FTE's) in the region.
- The kiwifruit industry contributed \$1.97 billion to regional GDP 2015/2016 and employs 10,762 FTE's within the region.

Bay of Plenty is also home to three strawberry nursery propagators who supply approximately 90% of New Zealand's strawberry runner plants. New Zealand's Strawberry industry is valued at \$35million in fruit sales alone.

The Ports of Tauranga are nationally significant for horticulture for both export and import of fruit and vegetables. Horticultural produce is freighted from all around New Zealand to the Port via road and rail.

### Food security and the role for Bay of Plenty Region

Population growth not only increases demand on housing supply, it also generates and necessitates an increased demand on food supply. There is a general assumption that New Zealand is the land of plenty and we will always have enough locally-grown food to feed our population, supplemented by imported food where there is demand.

But things are changing fast. Prime fruit and vegetable growing land is being squeezed by rapid growth. Increasing urbanisation places additional pressure on, and competition for, the natural resources and infrastructure also critical for growing fruit and vegetables.

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<sup>1</sup> [https://industry.nzavocado.co.nz/resources/4564666/Annual\\_Report\\_2018\\_Web.pdf](https://industry.nzavocado.co.nz/resources/4564666/Annual_Report_2018_Web.pdf)

Current projections around New Zealand's expected population increase and annual food volumes available for consumption in New Zealand show that domestic vegetable supply will not be able to sustain our future population consumption needs.<sup>2</sup> When supply is short and demand high, prices are subject to wide variations. This can make healthy food unaffordable for many New Zealanders and often hits vulnerable communities the hardest.

Already many New Zealanders, are struggling to meet the recommended daily intake of 3 plus vegetables and 2 plus fruit a day. In 2016/2017, only 38.8 percent of New Zealand adults and 49.8 percent of children met the recommended daily fruit and vegetable intake.<sup>3</sup>

In particular, fruit intake for adults has declined 16% over the last 10 years. In 2016/2017, only 47.4% of children met the recommended daily fruit intake<sup>4</sup>.

Those living in the most deprived neighbourhoods were less likely to meet the recommended intakes and were more likely to be obese.<sup>5</sup> A 2008/2009 study showed that Maori females were significantly less likely to meet the required intake than non-Maori females.<sup>6</sup>

The Bay of Plenty region is the fifth largest out of New Zealand's 16 regions. It has the third highest Maori population in New Zealand.<sup>11</sup> The region has a higher prevalence of people being overweight or obese when compared to the national average.<sup>12</sup>

There is a fundamental need to support the long-term growth of the horticulture industry in the Bay of Plenty region. To ensure the local community has reliable, affordable access to fresh fruit and vegetables, some needs to be grown locally. This is essential for the long-term social wellbeing of the Bay of Plenty community.

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<sup>2</sup> Horticulture New Zealand. (2017). *New Zealand domestic vegetable production: the growing story*. <http://www.hortnz.co.nz/assets/Media-Release-Photos/HortNZ-Report-Final-A4-Single-Pages.pdf>

<sup>3</sup> Ministry of Health. (2017). Annual Data Explorer 2016/17: *New Zealand Health Survey*: <https://minhealthnz.shinyapps.io/nz-health-survey-2016-17-annual-data-explorer/ w e9a07e83/ w aa03fb73/ w 320818d4/ w 26fa6ce8/ w f50ad45f/ w dbba0f02/#!/explore-indicators>.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ministry of Health. (2012). *A focus on Maori Nutrition: Findings from the 2008/09 New Zealand Adult Nutritional Survey*. Wellington: Ministry of Health.

# SUBMISSION

## 1. Consolidated growth

HortNZ generally supports an approach which seeks to consolidate future urban growth around existing urban development. This minimises impacts on existing horticultural activities and minimises the fragmentation and sterilisation of rural productive land.

## 2. Growth around the Northern Corridor:

### State Highway 2 (SH2) development:

The New Zealand Transport Agency has re-evaluated plans for upgrading SH2 between Waihi and Tauranga. The reduced proposal will provide a four-lane highway between Te Puna and Tauranga.

The FDS proposes extensive growth along the SH2 corridor. While some employment opportunities will be provided for in those areas, it is evident that many new communities will be commuting to Tauranga and beyond.

There are approximately 750 kiwifruit orchards between Waihi and Te Puna. It is a crucial route for transporting kiwifruit from orchard to post-harvest facilities and then on to the Port of Tauranga. The route is also highly utilised by the wider kiwifruit industry with employee's travelling on it daily.

Key areas of concern are the sections of road outside Aongatete Coolstore and Apata Group Limited. The existing volume and speed of traffic on the road between Katikati and Tauranga makes it dangerous for traffic entering and leaving the main road to/from side roads.

The proposed increase in urban development will further exacerbate safety concerns along this road. Additionally, increased traffic volumes will have adverse impacts on freight movement. Ease of freight movement is critical to the viability of horticulture. Delays in delivery of produce result in diminished freshness of produce. This can result in produce being rejected by distributors and the end consumer, resulting in significant costs to the grower.

### *Decision sought:*

HortNZ seeks that growth along the northern corridor be delayed until such time as adequate and safe transport routes can be provided between Waihi and Tauranga.

## 3. Growth around the Southern Corridor:

HortNZ has concerns relating to proposed development at Keenan Road and Tauriko Business Park Extension. These development areas are immediately adjacent to a significant number of existing horticultural operations.

Extending the urban boundary as proposed is likely to limit the operation of existing horticulture. The key issues include:

### Management of the new rural-urban boundary:

This will be critical to ensuring ongoing operation and development of existing horticulture activities. There is a level of spray, dust, noise and odour that is anticipated to occur in the rural environment.

New business and residential activities are likely to result in reverse sensitivity issues arising if not managed effectively. Some urban industry activities can have adverse effects on horticultural activities.

Strong policy and planning frameworks are essential to effective management of the new rural-urban boundary. This is discussed further in Point 6 of this submission.

It is HortNZ's preference that the extent of these proposed development areas be reduced to minimise the impact on existing horticulture.

#### Water supply

A reliable water supply is critical for horticulture. Water assists in the management of plant and soil health by assisting in the uptake of nutrients and fertilisers. Water is critical to ensure a quality and yield of produce that meets market standards.

HortNZ supports the prioritisation of water for human and animal drinking supply and sanitary purposes. However, competition with broader municipal and domestic uses can have severe adverse impacts on horticulture operations. This is particularly the case at times of low flow.

Additionally, many business and industry activities are also high water users. This should be taken into consideration when determining the location and water supplies of all urban activities.

#### Roading infrastructure

Additional urban areas will result in increased traffic volumes and potentially congestion issues. The movement of freight is an important issue for horticulture as described elsewhere in this submission.

The FDS should factor this in when considering the sequencing of development. It is necessary to ensure that roading infrastructure can adequately cope with additional growth.

#### *Decision sought*

Reduce the extent of the proposed development areas to minimise the impact on horticulture.

Include specific direction within the FDS for future planning processes (including structure planning and plan changes) to provide strong policy and planning support to avoid or minimise adverse effects on horticulture, including reverse sensitivity. See Point 6.

## **4. Growth around the Eastern Corridor:**

### Te Puke and Paengaroa:

Zespri have committed to more than doubling global sales revenue to \$4.5 billion by 2025. The projected growth of the industry will contribute significantly to regional GDP, increasing from \$867 million to \$2.04 billion by 2029/2030. Meeting this growth will

require an additional 7,000 ha of irrigatable land around New Zealand and up to \$1 billion of investment into post-harvest facilities. The industry is also expected to increase employment by an additional 29,000 jobs by 2029/2030.

The kiwifruit industry around Te Puke is the largest contributor to the kiwifruit industry and local economy. In 2017/2018, the industry in Te Puke contributed \$620 million to regional GDP alone 2017/2018. Comparatively, Katikati contributed \$160 million.

It is anticipated that much of the future growth could occur in the eastern part of Western Bay of Plenty.

The industry around Te Puke is already struggling to employ the numbers of staff necessary to meet current demand. This is exacerbated by the lack of accommodation available in this area of the region.

Staff and contractors are less inclined to travel from Tauranga or further west due to the long distance and petrol prices. The industry is finding that meeting the cost of employee travel is having a noticeable impact on revenue. Not being able to employ the necessary numbers of staff has additional economic impacts on the horticultural sector, as production volumes cannot be met.

There are also social and economic costs on staff members resulting from increased travel times. Some growers have become aware that their staff members are living in over-crowded conditions in an attempt to live closer to work.

The future growth of the industry, coupled with the Rangiruru Business Estate, will increase demand for housing in an area that is already struggling to meet existing demand.

The future growth areas for Te Puke and Paengaroa should be brought forward to medium-term development. Both areas all ready have existing social, community and physical infrastructure and are well connected to key road corridors. Accordingly, it is plausible that these areas could be development ready by 2021.

Fast-tracking urban development in these areas aligns with the compact, integrated settlement pattern sought in the FDS.

#### *Decision sought*

HortNZ seeks that the future growth areas for Te Puke and Paengaroa be identified as Planned Urban Growth Areas for development in the medium-term (development ready by 2021).

## **5. Long-term urban growth areas:**

### Criteria for assessing long-term growth areas:

HortNZ generally supports the factors and components identified for assessing longer-term growth areas (page 43 of the FDS). In particular, HortNZ supports the inclusion of versatile soils and land fragmentation.

In undertaking a cost/benefit analysis for determining future growth, it is important to consider the wider costs of developing land. This includes the productive capacity of

rural land and the social and economic costs of developing land used for fruit and vegetable production.

#### Northern Corridor – Te Puna:

There are a number of horticulture operations in, and around, the Te Puna area. Any future development will need to be managed to avoid or minimise impacts on existing horticulture operations and ensure the on-going operation and development of horticulture.

Key issues align with those identified in Point 3 of this submission including managing the rural-urban boundary (reverse sensitivity and adverse effects), water supply and roading infrastructure.

Regarding roading infrastructure, SH2 may need to be reassessed by 2028 to ensure any upgrades undertaken now are still adequate to support new growth. Also, the two-lane bridge at Wairoa River will need to be widened and re-enforced to support any future urban development in the Te Puna area.

#### Western Corridor – Upper Belk Road and Merrick Road:

As discussed in Point 3 of this submission, this area of the region contains significant areas of horticulture. New development in this area is generally opposed. Any extension of rural-urban boundary needs to adequately protect remaining horticulture to enable on-going operation and development of the industry.

#### Te Puke and Paengaroa:

As above, HortNZ seeks that growth in these areas be brought forward to enable development by 2021. Employment opportunities in these areas are expected to increase with the growth of the horticulture industry and the FDS proposed business estate at Rangiruru. Additional housing will be required to support that employment growth and to meet the wider objectives of the FDS relating to integrated, consolidated growth.

#### Additional growth at Pongakawa:

It is recommended that future long-term growth be considered at Pongakawa. Future urban growth in this area would support continued employment growth anticipated in the eastern part of Western Bay of Plenty. The area already contains some existing infrastructure and urban development. It is well connected to key transport routes.

### **6. Protecting rural productive land and managing the rural-urban boundary:**

The FDS recognises the importance of the horticulture industry to the regional community. In order to give effect to this recognition, the FDS needs to provide clear direction that future planning processes need to support industry growth. In particular, planning processes should enable the on-going operation and development of the horticulture industry.

Key considerations of the Structure Planning process include:

- Spatial planning – the location of certain activities in relation to rural production land and existing horticulture activities to protect versatile soils, avoid land fragmentation of significant rural production land, avoid reverse sensitivity issues and protect access to water supply and access to key infrastructure.
- Water supply – horticulture needs should be prioritised over general municipal and domestic needs
- Roading infrastructure – ensure existing or designated roading networks minimise conflicts between freight, rural traffic (such as tractors) and urban traffic.

Plan changes to implement future growth should include:

- Objectives and policies within urban zones that seek to avoid or mitigate reverse sensitivity effects on horticulture activities or land zoned for rural or horticulture activities.
- Rules that support the implementation of objectives and policies, with assessment criteria specifically addressing reverse sensitivity.
- Building setbacks within the urban zones where they are adjacent to rural/horticultural zones
- Requirements for buffer strips, with landscaping standards, at the time of subdivision in new urban developments.