



# THE TAURANGA BUSINESS CASE



PROFIT | PEOPLE | PLACE | POTENTIAL

# TAURANGA A DESTINATION FOR **BUSINESS** AND INVESTMENT

It's no secret that Tauranga is one of New Zealand's favourite holiday destinations – but it is also one of the country's fastest growing economic regions and a hub for innovative, high-value businesses.

Tauranga celebrates and supports the diversity of these unique businesses. They range from producers of honey-based health and beauty products, through to manufacturers of high-end components for superyachts or specialised products that make complex dental procedures faster and easier.

Some have established in Tauranga as start-up companies, others have moved to Tauranga from New Zealand or international locations or expanded into the region as part of their strategic growth plan.

Each company has a story to tell about why they are located here, but they have all recognised the benefits of doing business in Tauranga.

We encourage you to consider building your business here, alongside some of New Zealand's most successful import and export-focused businesses. You too will enjoy strong business networks and the opportunity to share resources, expertise, technology, research and marketing with like-minded people who are driven to achieve business success in collaboration with others.

Whether you're drawn to the area's effortless access to international markets through a world-class shipping port, its strong business and infrastructure network that makes it easy to do business more effectively, or simply the attractive benefits of living and working in a dynamic coastal environment, Tauranga has a lot to offer.

We welcome you to the region and look forward to working with you to achieve continued business growth and success in Tauranga and the Western Bay of Plenty.

**Andrew Coker**

Chief Executive, Priority One



Andrew Coker - Chief Executive, Priority One





# CONTENTS

## 2 TAURANGA A DESTINATION FOR BUSINESS AND INVESTMENT

## 5 THE TAURANGA BUSINESS CASE

## 7 A FEW FACTS ABOUT TAURANGA AND THE WESTERN BAY OF PLENTY

8 Cocktails from Tauranga to the world

## 9 PROFIT

9 Affordable property

10 Access to markets

10 World-class infrastructure

10 Tauranga lures Australian manufacturer

## 11 PEOPLE

11 Talented workforce

11 Education and training opportunities

12 Mussel workers return year on year

## 13 PLACE

14 Tauranga comes out tops for furniture supplier

15 Tauranga city centre

15 New buildings and upgrades

15 Waterfront development

16 Business connectivity

16 City of the future

## 17 POTENTIAL

17 Business growth potential

18 Continuing economic growth

18 Business opportunities

19 Research and development potential

20 High-tech businesses on the up

## 21 SPECIALISED INDUSTRY SECTORS

21 Horticulture, value-added food production, aquaculture and bioactives

21 Information and Communications Technology (ICT)

22 Marine

22 Specialised manufacturing

23 Distribution, supply chain and logistics

## 24 STRONG TRANSPORT INFRASTRUCTURE

24 The Port of Tauranga

24 The Tauranga Eastern Link

24 Tauranga Airport

24 East Coast Main Trunk Railway

## 25 BUSINESS AND INVESTMENT OPPORTUNITIES

25 Tauranga city

25 Katikati

25 Omokoroa

25 Te Puna

26 Tauriko

26 Te Maunga

26 Papamoa

26 Te Puke

26 Paengaroa

## 27 TAURANGA CASE STUDIES

## 29 SUCCESSFUL CONNECTIONS

29 Tauranga Chamber of Commerce

29 Enterprise Angels

30 Sustainable Business Network

30 ExportNZ Bay of Plenty

## 30 LET PRIORITY ONE HELP YOUR BUSINESS



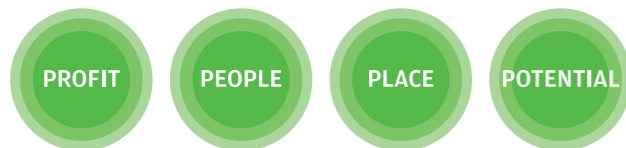
# THE TAURANGA BUSINESS CASE

When developing a business plan for a new or established business, a number of elements are considered:

- How can we maximise profits?
- How can we attract and retain the right people?
- Is the business located in the most suitable environment?
- How can we maximise the opportunity for strong future business growth?

Priority One has already thought through these questions and has built a compelling business case for entrepreneurs and business people looking to invest, establish or expand a business into the Tauranga area.

We call it **The Ultimate Bottom Line:**



The Ultimate Bottom Line all comes down to minimising business risk.

**Increased profit + strong talent pool  
+ location and lifestyle benefits + strong potential  
for growth = LOW RISK**

Priority One can demonstrate that businesses can make immediate and long term profit gains by choosing to be positioned in Tauranga. A thriving city centre and competitively priced, plentiful industrial land with good linkages to the most efficient port in Australasia and strong infrastructure support, significantly contribute to profit margins.

A demonstrated commitment by the education sector to work alongside industry in the region ensures a deep talent pool, including skilled and semi-skilled labour, and is available for your business to draw from. In addition, strong business networks, including capability development and mentoring schemes, proactively support new and established business operators to maximise their business potential.

A full range of commercial properties, many of which are new developments, are on offer across Tauranga and the Western Bay of Plenty. These are designed to suit all manner of businesses from

home-based start-ups, requiring the flexibility to grow year on year, to larger industrial ventures, requiring significant landholdings and services. Local businesses are also realising the benefits of co-locating with like-minded organisations. Innovative co-working spaces in the city centre bring complementary businesses together and we are seeing the establishment of synergistic business hubs, or innovation parks across Tauranga and the Western Bay of Plenty.

No matter what type of business you operate there is a location that will be perfect for your requirements. Priority One will work with you to make your business a success.

A year-round climate that favours outdoor pursuits, combined with a vibrant arts and cultural sector, high quality primary, secondary and tertiary education and a well-serviced health system make Tauranga a great place to live, work and play.

Tauranga has planned well for the future, and continued public and private investment in major infrastructure projects to support both population and business growth, means significant future opportunities for business. Road and rail infrastructure, along with continued investment in the Port, positions Tauranga as a major Australasian import and export hub providing innovative businesses with efficient access to international markets.

The Tauranga Business Case is compelling and the entrepreneurs, business owners and operators who are making the move are reaping the benefits on both business and personal fronts.

Individuals who have moved from Auckland or overseas locations have been able to purchase or build equivalent homes in prime locations across the Tauranga region at lower cost, leaving significant capital for investment in business.

A growing number of businesses in the Tauranga area are located on major routes to the CBD, also providing easy access to the Port of Tauranga and to the airport. With roads over 60% less congested than Auckland, it doesn't matter where you choose to live or work - travelling times to the office, air or sea port are significantly reduced. Tauranga really is a city that allows you to make work/life balance a reality.

The average age of people moving to Tauranga is 25 - 45 years. This younger demographic is rapidly changing the face of the region and Tauranga boasts a high standard of primary and secondary education. Collaboration across schools provides students with access to resources and specialist teachers outside of their enrolled school, and integration with the business community serves as a valuable entry point for many school leavers.

**A compelling business case and an attractive lifestyle in a sought after coastal environment - Tauranga really does add up.**



“Tauranga has been one of the three fastest growing cities in New Zealand over the last fifteen years. We are working to create a holistic environment for that growth to happen by providing more business land and developing infrastructure and transport networks.

One of our greatest strengths is collaboration between councils, government agencies and businesses. We aim to understand business requirements in the area and build those into our strategic planning and delivery of infrastructure.

Ultrafast broadband and new technology tools are enabling people to work anywhere around the world. Many of them are choosing to live and work in Tauranga city because it's a fantastic place and they can see a future here.

It's a great place to grow and raise a family, a great place to develop businesses.”

**Stuart Crosby**  
Mayor Tauranga City Council



“The Western Bay of Plenty is a diverse area, from the high-tech town of Katikati, to the agricultural town of Te Puke, with the city of Tauranga nestled in between. What makes the area stand out is its positive people and its great lifestyle.

New businesses are attracted by the facilities and services we make available to help them to set up and establish in the area. We stand by our local businesses and encourage them as they develop and grow. Linkages and networks are extremely important here. There is great camaraderie between existing businesses, which work well together to help each other succeed, for the total benefit of the sub-region.”

**Ross Paterson**  
Mayor Western Bay of Plenty District Council



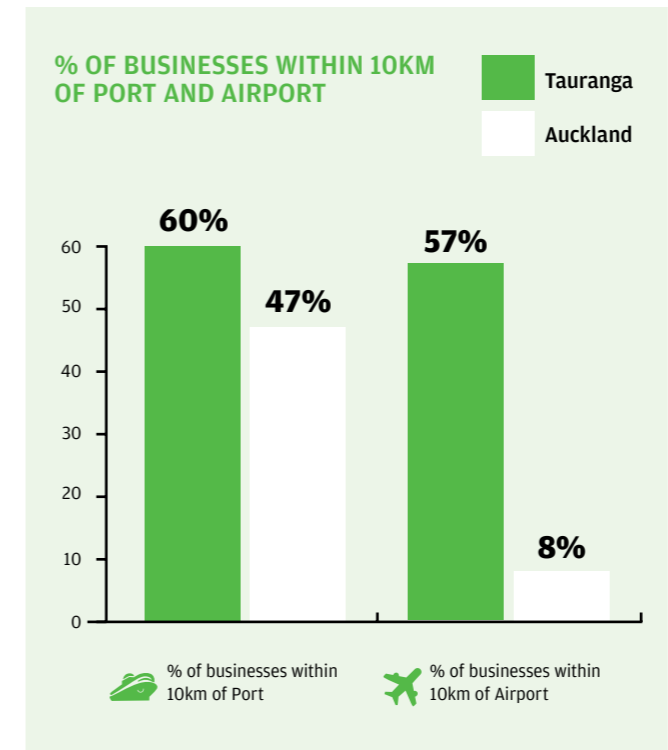
# A FEW FACTS ABOUT TAURANGA AND THE WESTERN BAY OF PLENTY



- Industrial land and commercial properties are attractively priced compared to Auckland and Hamilton
- Over 650 hectares of land is designated for business and industrial zoning in the next few years
- The Government is investing: \$400million+ in the Tauranga Eastern Link positioning the city as a major North Island hub for road transport
- Tauranga's population is forecast to double within 30 years; one of the fastest population growth rates of any city in New Zealand
- Domestic migration is mainly from Auckland and the Waikato, with 50% of new arrivals between the ages of 25 and 45 years
- The Port of Tauranga is New Zealand's largest and most efficient port. As container volumes continue to increase, the Port has invested \$30 million to extend its capacity to handle new services and more frequent visits from larger ships. A dredging programme has commenced so the Port will be able to accommodate the next generation of container ships
- An increase in the capacity of the Sulphur Point rail terminal will facilitate greater efficiencies for North Island importers and exporters

## Business growth rate is well above the national average

- There are 21,662 businesses in Tauranga and the Western Bay of Plenty, demonstrating a new business growth rate well above the national average
- Tauranga city centre is growing significantly with waterfront development projects underway and over \$60 million invested in commercial developments in Tauranga's city centre over the past two years



- **2,400 hours of sunshine**  
Tauranga has a sub-tropical climate; the average temperature is 14.2°C and the city enjoys about 2,400 hours of sunshine a year, well above the national average
- A CBD university campus, comprising industry aligned research and teaching facilities, is well advanced in planning and will link business and commercial interests with tailored skills programmes
- Tauranga is one the first cities in New Zealand to be connected to the ultrafast broadband network and the first with a free city centre WiFi network



## COCKTAILS FROM TAURANGA TO THE WORLD

A simple yet innovative idea to produce pre-mixed, ready-to-serve cocktails has taken the world by storm. And VnC Cocktails are mixed, bottled and exported from Greerton, Tauranga.

VnC Cocktails produces and packages their product at their dedicated global manufacturing facility, which offers ready access to the Port of Tauranga. Currently, over 90 percent of production from the Tauranga facility is exported to over 20 overseas markets, and the market for these ready-to-serve cocktails is expanding year on year.

Global sales of VnC Cocktails are expected to expand rapidly over the coming years. Export volumes are set to quadruple by 2015 and an annual production target of 1 million cases is a realistic goal.

The Tauranga manufacturing facility is well placed to handle this growth, with the capacity to increase from the existing two bottling lines, to four within the current factory footprint. Additional space on the site is already being earmarked for additional storage facilities and future developments.

# PROFIT



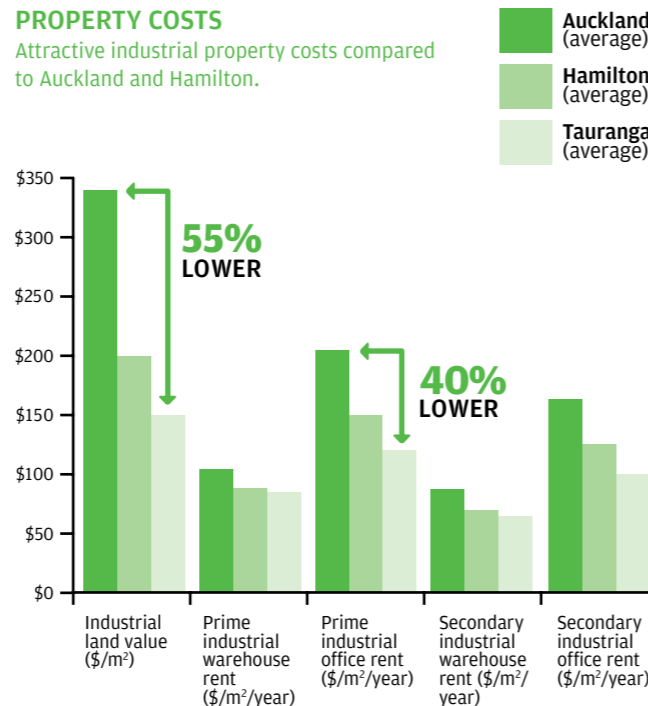
There are many reasons people choose to run a business, but one thing all business owners have in common is the desire to make a profit. Equally, there are many factors that contribute to increased profit. Setting up your business in Tauranga offers a number of benefits that ultimately translate into a healthy bottom line.

## Affordable property

More than 21,600 businesses call Tauranga and the surrounding area home, yet there is still plenty of space for you to build your business. Over 500 ha of commercial land is available now for development across the region and at very competitive prices compared to Auckland and Hamilton. On average industrial land in Tauranga is 55 per cent less than Auckland land value. When it comes to renting business space, the average office rental is 40% lower than Auckland. And that means more cost effective operating costs for you.

### PROPERTY COSTS

Attractive industrial property costs compared to Auckland and Hamilton.



## Access to markets

Tauranga boasts strong infrastructure that makes doing business easy. National road, rail and air networks make transporting freight to and from Tauranga simple.

What sets Tauranga apart is the number of innovative, high-value, import- and export-focused businesses succeeding in the area. Easy access to the port makes Tauranga the perfect location for these companies. Around 60% of business locations are within a 10km radius of both the Port of Tauranga and Tauranga Airport, and the average travel time across Tauranga to the port is only 15 minutes.

Tauranga is within two hour's drive of 40% of New Zealand's population, and with Auckland, Hamilton and Rotorua nearby, customers, suppliers and partners are within easy reach.

The Government has recognised the importance of managing growth in the area and improving the efficiency of travel time, investing more than \$100 million in developing the Tauranga Eastern Link. At the same time, a significant amount has been invested in the busy East Coast Main Trunk rail line between Hamilton and Tauranga to ensure it can continue to meet increasing customer demand for additional rail freight services.

## World-class infrastructure

Ultrafast broadband rollout is well underway and many areas are already connected. Urban rollout is expected to be completed in 2014. The opportunities that fast broadband enables are endless. Your business could be one of the first to take advantage of these opportunities.

In addition, the Tauranga city centre is now WiFi enabled thanks to a partnership between local service provider EOL and Mainstreet Tauranga. It's the first city centre in New Zealand to offer free public internet access, so business people and visitors can remain connected. You can log on to the Internet using smartphones or other devices at local cafés, restaurants or businesses.



# TAURANGA LURES AUSTRALIAN MANUFACTURER

Australian-based manufacturer, FSP Holdings Pty Ltd was established 17 years ago to manufacture equipment for the mining industry and not long after diversified into rotational moulded plastics including lockers and storage equipment.

With a global footprint that now includes manufacturing operations in Australia and China, design and testing facility in Chile and agents/distributors in Kalimantan Indonesia, PNG, Zambia, Mozambique, Belgium and Canada, FSP undertook a strategic review of their operations in 2012.

FSP decided to repurpose the Australian plant and shift manufacturing of the plastics lockers and cabinets offshore. Comparative business cases were drawn up for the location of a manufacturing plant in Indonesia, Thailand and New Zealand. Competitive manufacturing costs, accessibility and frequency of import and export services, and the availability of skilled labour made New Zealand the most attractive location.

"The New Zealand plant will be responsible for 60 to 70% of the volume of the business and the products will all be destined for the export market," says Kevin Voss, Manager of Business Development at FSP.

When it came to selecting a business location in New Zealand, Tauranga ticked all the boxes. Auckland and Wellington were considered but the ability to secure premises in close proximity to the Port of Tauranga and the services offered were the deciding factors.

"The Port of Tauranga offer a frequency of service to and from Australian and international ports that we just couldn't get from other New Zealand ports.

"The lifestyle location of Tauranga is also an attractive aspect from an employment perspective, as it assists in retention of staff." FSP plan to employ over 20 semi-skilled workers as their plant comes on line.



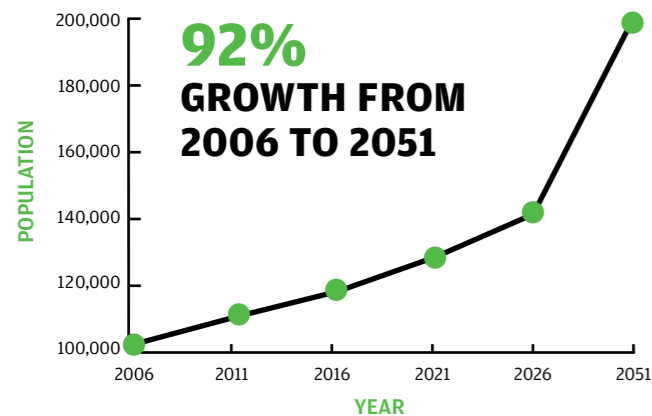
# PEOPLE



More often than not, it's the people that make a great place to work. And it's also the right people that make a business succeed and grow.

The Tauranga area is experiencing one of the fastest rates of population growth in New Zealand with many people moving to the area from Auckland and the Waikato. Tauranga city is predicted to almost double in size by June 2051 growing from 103,635 people to 199,400.

## SmartGrowth Population Projections for Tauranga City (Revised 2011)



## Talented workforce

The population in Tauranga is booming and with that comes opportunities for your business.

Tauranga offers an attractive lifestyle for young professionals, and many talented workers are choosing to leave the big cities in search of a better standard of living for their families. These skilled, creative people want to work for innovative businesses that think big and can offer them the chance to develop in their careers.

Businesses are drawing a growing pool of employees to the area, with specialised skills in food technology, processing and manufacturing. And an established seasonal labour pool means that your business can scale up to meet demand when needed.

## Education and training opportunities

Tauranga is served by numerous tertiary educational institutions providing opportunities to retrain or upskill. The Bay of Plenty Tertiary Partnership comprising the University of Waikato, Bay of Plenty Polytechnic and indigenous university Te Whare Wānanga o Awanuiārangi, is at the leading edge of industry teaching and research in New Zealand, providing skilled graduates eager to start their careers and offering your business the chance to employ and train them. A proposal is underway to develop a \$67.3 million city

centre tertiary and research campus for Tauranga, which will be a centrepiece for regional innovation and entrepreneurship. A business focussed tertiary sector also gives you the chance to invest in your staff's professional development, helping to retain them and bring new skills and the latest thinking back into your business.

Tauranga enjoys a strong culture of business collaboration which stimulates growth and fosters partnerships and new opportunities.

As well as a skilled labour pool, Tauranga also offers a well-networked, supportive business community and business-friendly councils, who are there to help make your business a success.



# MUSSEL WORKERS RETURN YEAR ON YEAR

North Island Mussels Limited (NIML) is a joint venture between Sanford Limited and Sealord Group Limited. In 2005, processing operations were relocated to Tauranga in order to be close to the Port of Tauranga.

For NIML, a just-in-time mussel processing operation, transportation logistics is imperative. Mussels have to be processed live and strict time requirements are enforced from the time they are harvested to when they are processed and exported.

Mussels are grown on shareholders' farms primarily across the Coromandel and are brought in to the Tauranga facility by truck. During the 8 to 10-month season, the Tauranga based processing plant receives up to 1.8 million mussels (100 tones) on a daily basis.

Within 24 hours the processed and packaged mussels are being loaded into 40 foot refrigerated containers and shipped to markets around the world through the Port of Tauranga.

In 2010, a \$23 million facility was opened in Tauranga, featuring the world's first automated mussel opening (AMO) machines, developed in New Zealand. The Tauranga factory houses 28 AMO machines that each process up to 3,600 mussels per hour - more than 1.6 million mussels per 16 hour day on optimal product.

NIML is one of Tauranga's largest employers with more than 230 workers. "We're a people-based business, and we love being part of the community here," says Steve Wells. "Around 30 of our workers are permanent, and the rest are seasonal. We run a just-in-time processing business, so access to the right workforce is really important to us. Around eighty per cent of our workers return every year and that's important to us. It's nice to see so many familiar faces, it builds a strong workplace community and our business benefits from those experienced employees returning, as they know and understand our operations."



North Island Mussels Ltd



## PLACE



Many New Zealanders fondly remember family holidays at Mount Maunganui. Over the years Tauranga has grown and is now a hub for innovative businesses, boasting limitless sporting and recreational pursuits, vibrant arts and cultural experiences and high quality retail centres and community facilities.

People who live and work in the region manage to capture a bit of that holiday feeling every day with their active recreational lifestyle. From kayaking, swimming, fishing and boating, to biking, tramping or golf, there is always something to do, whether you love the ocean, beach, mountains or forest.

There is a choice of quality, affordable housing from new residential estates, to older character homes, lifestyle properties with space for the children and pets to run, or waterfront residences enabling the ultimate in lifestyle opportunities.

The area boasts high quality preschool, primary, secondary and tertiary education with 10 secondary schools providing a mix of coeducational, single sex, religious, state and state integrated education options.

Tauranga also offers a well-serviced public and private health system with state of the art surgical facilities.

The Bay of Plenty Clinical School, established by the District Health Board, supports the training of medical, nursing and allied health students at Tauranga Hospital, Whakatane Hospital and in general practices in the Bay. The Clinical School attracts students from national international tertiary institutions and encourages them to return as employees once qualified.



## TAURANGA COMES OUT TOPS FOR FURNITURE SUPPLIER

Morgan Furniture has grown rapidly over the past 65 years into the largest supplier of upholstery furniture in New Zealand including the popular La-Z-Boy brand.

In 2007, the executive decided to review the existing business model and looked to establish a dedicated warehousing and distribution facility with close access to a domestic and international shipping port.

Locations in Auckland, Hamilton and Tauranga were all considered and business cases modelled for suitable facilities or greenfields sites in each city.

Factors such as domestic transportation time and cost, domestic and international shipping volumes, and port access were important components of the business case. As well as business requirements, the team looked at housing prices in each area, schools and community activities.

In 2008 Morgan Furniture acquired a large site in Tauriko Business Estate on the edge of SH29, allowing easy access to all road routes across the North Island, to Tauranga CBD and the Port of Tauranga. Morgan Furniture negotiated a co-location arrangement with their partner freight carrier and constructed a 5,000m<sup>2</sup> purpose-built facility.

Morgan Furniture has a very loyal workforce with many long serving employees and a number of husband and wife teams. Seven employees jumped at the chance to relocate to Tauranga. Many have since bought houses in the region and are loving life in the Western Bay of Plenty. As part of the team that managed the establishment of Morgan Furniture in Tauranga, these employees are proud to be part of Morgan Furniture's continued growth and success.





## Tauranga city centre

Tauranga's city centre is undergoing rapid transformation, making it an exciting place from which to do business. Continued investment and the completion of major building works have changed the landscape and silhouette of the city. Significant investment over the past three years has infused a renewed optimism for Tauranga's economic future, and investors, developers, planners and business entrepreneurs are actively discussing future plans for the city. In the last 18 months there have been a significant number of businesses that have seen the advantages of basing themselves in the city centre, adding vibrancy to the area.

An innovative co-working space, Ignition, has opened in Tauranga's city centre to support early stage entrepreneurs. Offering facilities, services and access to business networks, Ignition provides people the opportunity to plug in, set up and start operating. The co-working space also operates as a stepping stone for businesses as they mature from home offices to professional office suites.

## New buildings and upgrades

Over \$60 million has been invested in commercial developments in Tauranga's city centre over the past two years alone stimulating business investment, relocations and economic development.

The \$10.3 million Sharp Tudhope building on the corner of First Avenue and Devonport Road, completed in May 2012, is tipped to be

Tauranga's first official 'green star' rated building. A \$21.5 million, five-level building at 247 Cameron Road is now home to KPMG, Cooney Lees Morgan, Aurecon, Staples Rodway and Realty Services.

Earthquake strengthening work continues on over 100 city centre premises to ensure they conform to the most recent building codes. Many landlords and building owners are using this as an opportunity to upgrade buildings and refurbish premises, providing existing tenants and potential occupants with attractive business premises in the city centre.

## Waterfront development

Tauranga's waterfront is a natural extension of the city centre. Development work is underway to create an iconic destination that celebrates the city's connection with the water and provides a versatile space that everyone can enjoy.

Linking with art and cultural facilities, the waterfront development provides a special place for families, events, festivals and other leisure activities. Pedestrian and cycle pathways are complete, landscaping and street furniture have been installed along the seawall. An iconic children's playground has recently been completed, providing a unique family space. All this will be complemented by boutique hospitality and tourism offers aligned with the harbour and its surrounds.

## Business connectivity

The Tauranga city centre is now WiFi enabled thanks to a partnership between local service provider EOL and Mainstreet Tauranga. In a move that positioned Tauranga as the first city centre in New Zealand to offer free public internet access, business people and visitors can remain connected across Tauranga's city centre.

The rollout of ultrafast broadband across the sub-region is taking place, actively connecting up businesses and residents to the fibre network.

## City of the future

Tauranga's City Centre Strategy has been developed for future growth and sustainability, ensuring that Tauranga continues to attract and retain business and talent, creates high value employment and stimulates economic growth.

The unique Bay of Plenty Tertiary Partnership, involving the University of Waikato, Bay of Plenty Polytechnic and Te Whare Wānanga o Awanuiārangī, is driving the development of a tertiary precinct in Tauranga's city centre.

The opportunity currently exists to showcase Tauranga's city centre and surrounds to domestic and international guests and conference delegates with an international hotel in the heart of the city.

In addition, the creation of a premier urban living environment

in the inner city will add significantly to the vibrancy of Tauranga city centre, attract investment and talent, increase retail spend, stimulate cultural events and activities, and encourage the development of key commercial sites.

**“... Tauranga is the first city centre in New Zealand to offer free public internet access, business people and visitors can remain connected across Tauranga's city centre.”**



# POTENTIAL



People and organisations are investing heavily in Tauranga. We invite you to build your business in an area set to become one of New Zealand's most productive regions.

## Business growth potential

The Government has recognised the growth potential of the area and the value of easy access to the Port of Tauranga, and has put money into developing the Tauranga Eastern Link road, railway and surrounding infrastructure.

Tauranga is a priority region for ultrafast broadband, with rollout already complete in certain areas.

Developers have built office parks, industrial and commercial space and residential estates.

Businesses have set up operations in Tauranga and the Western Bay of Plenty. Local and international investors have seen the potential of the area and are investing in smart businesses, lending money and buying shares.

Innovative, high-value, export focused businesses are thriving in Tauranga and the surrounding area and yours could be among them.

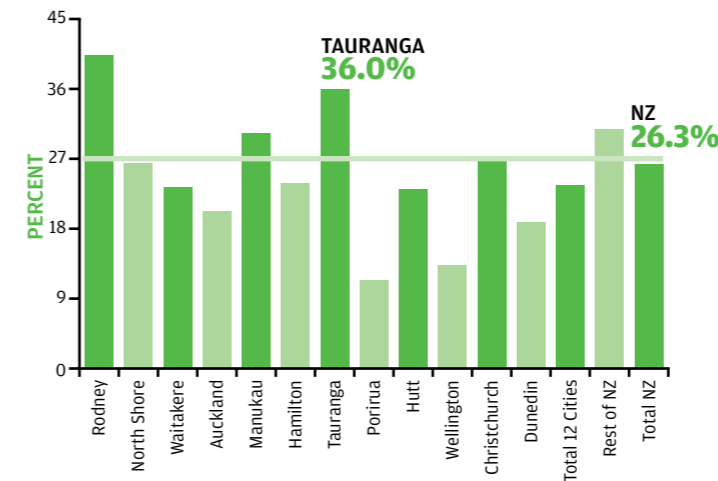
“The population is booming, young professionals are moving to the area and the labour pool is expanding.”



## Continuing economic growth

Tauranga just continues to grow. The population is booming, young professionals are moving to the area and the labour pool is expanding. According to the latest available census data, Tauranga's business growth rate was 36%, easily surpassing other parts of the country. More and more businesses are setting up in Tauranga and economic growth is continually above the national average.

Business Growth Rate 2002 - 2006



As more businesses have established in the area, hotel and conference facilities have been built to service their needs. Alongside expanding tertiary and research facilities, commercial and residential developments continue to spring up to support the growth of Tauranga and the Western Bay of Plenty.

An effective long-term planning strategy assists in managing the area's growth. SmartGrowth is Tauranga's 50 year growth management plan to ensure that as the area grows, it will continue to be a great place to live, work and play.

## Business opportunities

Tauranga is a thriving area with plenty of innovative, high-value, import- and export-focused businesses. Each of these businesses represent an opportunity for yours. Whether it's as a partner, supplier, service provider or an advisor, there is a great opportunity to tap into smart businesses to build synergies.

For local businesses, Tauranga and Western Bay of Plenty offers a well-networked, supportive community and business-friendly councils, who are there to help make your business a success.

Innovation is key to growth and there are a number of research and development opportunities with local, national and international organisations.







## Research and development potential

Tauranga businesses are known for innovation and there are plenty of research and development opportunities in the area.

The University of Waikato is one of New Zealand's major research organisations with significant national and international research and development links. The University is particularly strong in marine sciences, business management, computing and mathematical sciences and education.

The University hosts regular workshops and symposiums for local businesses, featuring the latest presentations and research from local and international scientists and offering opportunities to work together in applied research for commercial growth.

The Bay of Plenty Tertiary Partnership, between The University of Waikato, Bay of Plenty Polytechnic and Whare Wānanga o Awanuiārangi, is working to develop a city centre tertiary and research campus for Tauranga. The proposed campus will be the first of its kind in New Zealand, delivering a university experience in partnership with a polytechnic and wānanga.

The concentration of agricultural and food based businesses in Tauranga and the Western Bay of Plenty lends itself to research into these areas, and Plant & Food Research has a base in the area. The organisation has recently joined with The University of Auckland

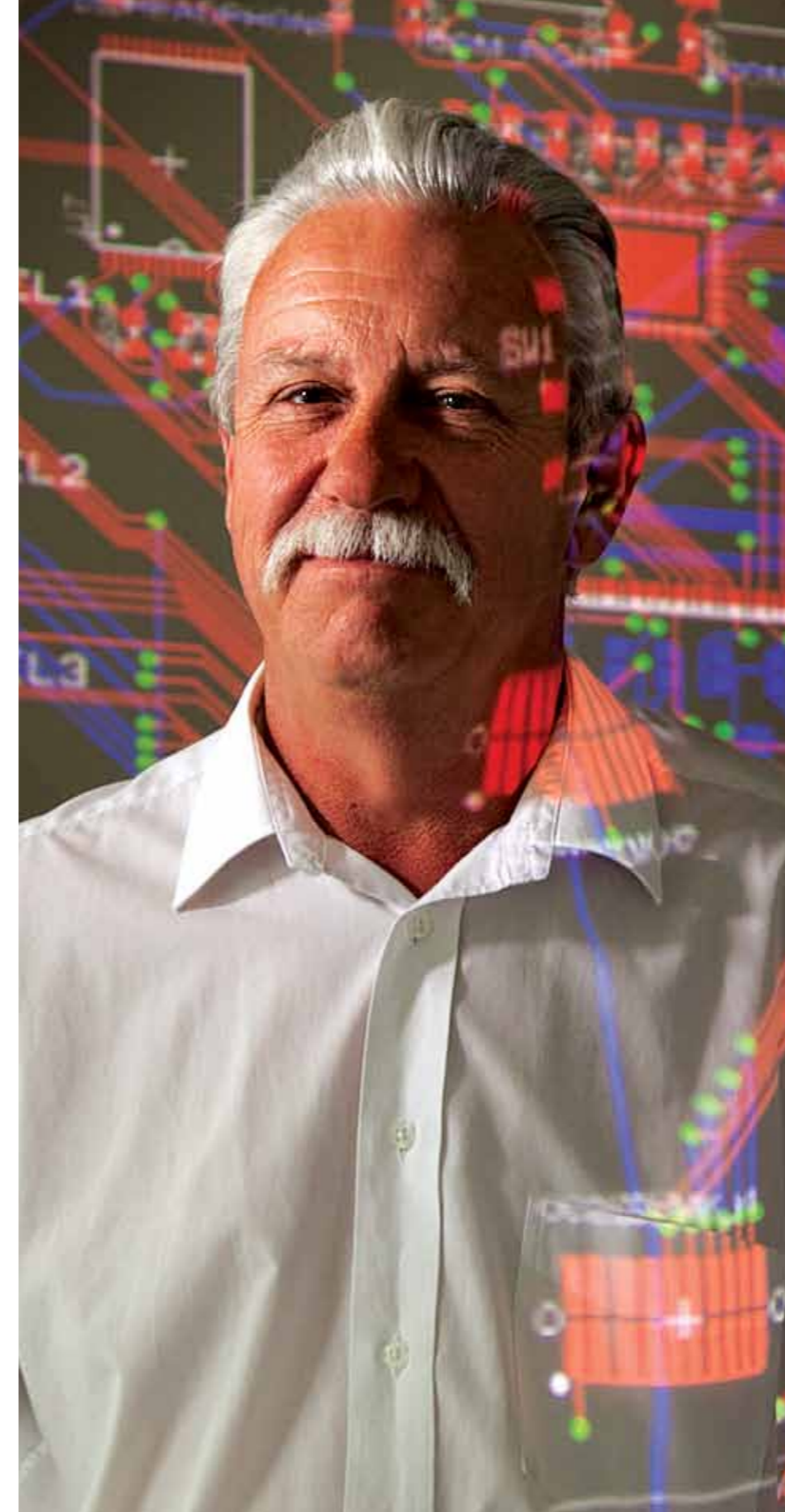
to create the Joint Graduate School in Plant and Food Science. The school gives postgraduate students the opportunity to undertake masters or PhD research of direct relevance to the New Zealand primary production and food industries, often while working in and applying their doctoral research to local businesses.

As well as having access to the latest scientific research, your business can also benefit from a concentration of specialised graduates.

In the metal and manufacturing industries, the Titanium Industry Development Association (TiDA) is at the leading edge of titanium based products using powder metallurgy consolidation processes. TiDA has recently received \$7 million in funding from the Ministry of Business Innovation and Employment towards commercially focused research in high tech manufacturing. The Bay of Plenty Polytechnic offer New Zealand's only diploma in engineering with a powder metallurgy specialisation.

The Bay of Plenty Clinical School administers undergraduate student placements and clinical training for the Bay of Plenty District Health Board which provides primary and secondary healthcare services to over 200,000 people in the Eastern and Western Bay of Plenty. The school also has a Clinical Trials Unit that provides resources and support for clinical trials and research projects.

These, along with research opportunities with Massey University, the Ministry of Business, Innovation and Employment, Callaghan Innovation and other research bodies, equal competitive growth for your business.



## HIGH-TECH BUSINESSES ON THE UP

James Graham operates a successful and growing custom electronics and software design and production business in South Africa, but a search for specialised electronic design engineers led him to Tauranga.

Through Priority One, James was linked into a network of professional services that helped him establish the New Zealand office of Multifid Technology International Ltd in Greerton.

"Tauranga is a place of future growth and I can only see it becoming a very big city over the long term," says James. "It's exciting to be based here right now at the cutting edge, and watch as the high-tech sector grows in leaps and bounds."

Focussing on the research and design of innovative safety and security products for the transport and heavy industrial sector (mining, forestry, container handling), Multifid is now looking to take their products into production and establish a production facility in Tauranga.

This next phase of growth for Multifid will bring employment opportunities for many more electronic design engineers and production teams.

James Graham has partnered with others to establish a second company, Toi Mata Ltd. The company is involved in the sales, marketing and distribution of Multifid products as well as products from small companies needing this facility in a "share and grow" model.





# SPECIALISED INDUSTRY SECTORS

Tauranga is already home to a vast number of high-value, import- and export-focused businesses. Building your business alongside them gives you the chance to share resources, expertise, technology, research and marketing.

## Horticulture, value-added food production, aquaculture and bioactives

Tauranga and the Western Bay of Plenty has an exceptional growing climate, making it perfect for horticulture and agriculture as well as aquaculture and fishing. Innovative businesses have added value to these industries through further production, processing and technology. Tauranga is now known as one of the country's top food production areas and a significant exporter of high quality food products.

The Bay of Plenty food industry currently employs more than 9,000 people and has sales of more than \$6,020 million per annum, of which over \$500 million is for food processing alone. In recent years the industry has grown by 17.5 per cent in value of sales, 10 per cent in employment and 49 per cent in exports.



Aquaculture has been identified as a key sector for growth in the wider Bay of Plenty. Research by Bay of Plenty Regional Council found local waters among the most productive in New Zealand. It has been estimated the Bay of Plenty aquaculture industry has the potential to reach \$250 million in export sales by 2025.

Tauranga is becoming a developing hub for food manufacturers and there are many R&D opportunities with research organisations and other local food production businesses.

A horticultural innovation park has been established at Te Puna, known as Newnham Park. It is home to a number of innovative food and horticultural companies such as PlusGroup Horticulture, Heilala Vanilla and Kiwifruit Limited. These businesses join forces to work on R&D projects and strategies to maximise export potential of their food products.

A similar campus is being planned for Paengaroa on land adjacent to Comvita's head office, visitor centre and production facility. The Comvita Campus Zone is expected to attract like-minded businesses in the food, bioactives and natural products manufacturing sector.

## Information and Communications Technology (ICT)

The information and communications technology sector offers a high-value opportunity to help grow the local as well as New Zealand economies. It is a key enabler and driver of productivity as well as providing links in global value chains and creating high value revenue opportunities.

ICT is a key focus area for Tauranga and the Western Bay of Plenty. Facilitated by Priority One, the local ICT cluster brings together more than 540 members from over 220 ICT and related businesses. These businesses aim to create commercial opportunities and contribute their experience and expertise to the development of an IT rich area. This sector has experienced significant growth locally in recent years.



The Bay of Plenty ICT strategy sets a path for the region to achieve significant growth in the development of niche ICT products and services.

Several specialised software houses have already developed products to support the region's main sectors: horticulture and transportation, distribution and logistics. There is also a strong export focus for ICT products.

The area attracts top ICT graduates from the University of Waikato and Bay of Plenty Polytechnic who developed a Bachelor of Arts (Computing Science) to meet the specific needs of the local ICT industry.

An innovative co-working space, Ignition, has opened in Tauranga's city centre to support early stage entrepreneurs and has attracted a significant number of ICT based businesses. Web developers, designers, digital marketing consultants, and cloud based accounting and software consultants are all enjoying the benefits of a flexible working environment. Designed to nurture business growth and connect people into established networks, Ignition is proving to meet the needs of small business operators in Tauranga and the Western Bay of Plenty.

## Marine

The Tauranga area is globally recognised as home to some of the world's best boat design and construction firms. The local marine industry is involved in the building, designing, sales, storage and servicing of pleasure and commercial boats, including international racing yachts.

Tauranga's facilities cater for the manufacture of composite yachts, including all design, electrical, engineering, stainless steel, upholstery, joinery and cabinetmaking. The most modern production technologies are combined with the finest of traditional craftsmanship to produce leading edge vessels. A purpose built boat-stack at Sulphur Point has storage for up to 200 boats.

The Tauranga Marine Industries Association is a cluster group of local companies from across the marine industry. The cluster works with

members to grow their businesses through networking, referrals and sharing technical expertise. The combined resources of the cluster provide world class marine services extending to luxury yacht and commercial fleet operators.

## Specialised manufacturing

Specialist manufacturing companies are focusing their attention on Tauranga and choosing to base their operations, and grow their businesses here.

Established companies in Tauranga produce products for both the domestic and international markets - from aluminium ducting and solar panels and systems, through to buses and luxury coaches, dentistry tools and equipment, and automatic door and manual watertight and weathertight door closures in the high-end marine sector.

New manufacturing businesses are attracted by this well-established network of existing businesses, which are open to sharing their knowledge and developing mutually beneficial partnerships.

For companies with an import or export focus, the proximity of the port and airport is a key business benefit, enabling products to be sent overseas quickly and efficiently. The strong rail and road infrastructure allows supplies and materials and finished products to move in and out easily.

The area offers a mix of commercial, light and heavy industrial zoning, with premises available to suit diverse manufacturing needs.

Business owners find a steady supply of skilled labour in Tauranga. The Bay of Plenty Polytechnic recognises manufacturing as a strong and growing sector with training programmes designed to support local businesses and produce graduates with skills that are in high demand.



## Distribution, supply chain and logistics

Tauranga is located in the centre of the north island and is home to New Zealand's largest port by volume, with an annual cargo throughput of more than 18.5 million tonnes. The area is also dominated by thriving manufacturing and horticultural sectors, with a significant export focus. This makes it a centre for transportation, distribution and logistics.

Along with Auckland and Hamilton, Tauranga is located within New Zealand's 'golden triangle', which is responsible for around 65 per cent of the country's freight movements. Tonnes of freight move in and out of Tauranga daily, and a relatively high proportion of people are employed in the transportation and logistics sector.

Strong growth is projected in this area over the next 20 years, when it will comprise over half of New Zealand's total economic activity and 53 per cent of its population.

The local ICT cluster has developed leading edge distribution and logistics software to support the sector and it continues to develop innovative initiatives.

Another advantage for the region as New Zealand's distribution and logistics hub is Smart Transport Corridors, the region's transportation plan. This has been specifically designed to facilitate the smooth movement of traffic to and from the port, both within Tauranga and the Western Bay of Plenty and between the area and other major centres.



# STRONG TRANSPORT INFRASTRUCTURE

Tauranga's coastal location in the centre of the North Island, makes it the ideal place to reach, whether you're travelling by boat, car, truck, train or aeroplane. This easy access has many advantages for your business.

## The Port of Tauranga

The Port of Tauranga is at the heart of the city, a hub for business and international trade. Many businesses in the area have a strong export focus, and easy access to the Port is crucial to their success. The Port of Tauranga takes the title of the country's largest port in terms of gross export tonnage. It has direct access to New Zealand's largest import market and well-developed sea, road and rail connections.

“Many businesses in the area have a strong export focus, and easy access to the Port is crucial to their success.”



The Port of Tauranga offer a range of cargo gateways and shipping solutions, not only in the Bay of Plenty but also in Auckland, Northland and various ports throughout New Zealand.

## The Tauranga Eastern Link

The government is investing in developing the Tauranga Eastern Link, a key strategic transport corridor for the region. This 23km, four lane highway from Te Maunga to Paengaroa that bypasses Te Puke is one of the government's seven Roads of National Significance.

When complete, the Tauranga Eastern Link will support the growth of Tauranga and the Western Bay of Plenty, further improve business productivity and efficiency through improved travel time, provide a more direct route to the Port of Tauranga and improve safety.

## Tauranga Airport

Tauranga Airport provides convenient access to other parts of the country and is less than a fifteen minute commute from the CBD at peak hour, a significant advantage for the business commuter.

The airport links Tauranga with cities around New Zealand and makes it easy to connect with an international flight to do business abroad. It offers daily direct flights to Auckland, Wellington and Christchurch, and connections to all other areas.

## East Coast Main Trunk Railway

This freight line runs between Hamilton and Kawerau, serving several Western Bay of Plenty towns including Omokoroa, Te Puna, Tauranga, Mount Maunganui, Te Maunga, Papamoa, Te Puke and Paengaroa.

Recently an investment of \$500,000 saw a passing loop developed on the line, providing greater flexibility and increased capacity for carrying freight. The loop doubles the line's capacity from two trains an hour to four trains an hour.



# BUSINESS AND INVESTMENT OPPORTUNITIES

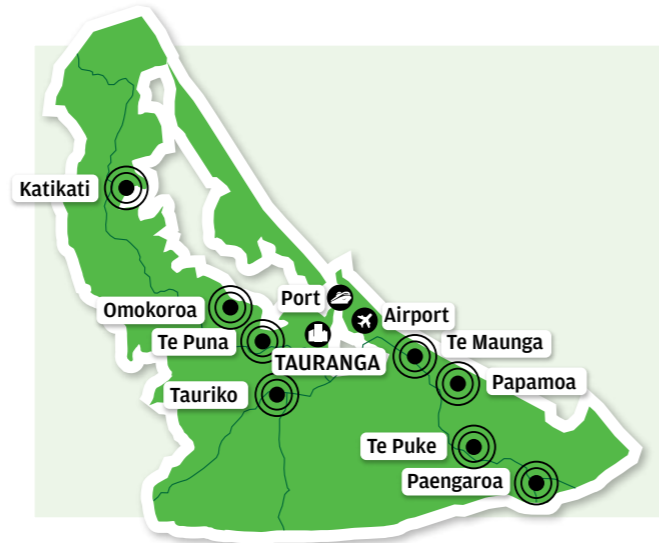
Each community in the Tauranga region has its own unique identity and offers advantages for businesses that choose to establish there. Whether it's a bustling city office, an export hub, agricultural land, a rural setting with warehousing space or a place to test out your number eight wire inventions, we're sure you'll find a place that's right for your business.

## Tauranga city

- Fifth largest city in New Zealand, and one of the country's fastest growing urban areas
- One of New Zealand's main centres for business, international trade, culture, fashion and horticultural sciences
- Office, retail and hospitality precincts in the city bring together innovative businesses
- Harbourside, not more than 5km from the Port of Tauranga
- Attractive waterfront city centre, with top bars and restaurants nearby for client entertainment
- Over \$60 million invested in commercial developments in Tauranga's city centre in the past two years alone. Includes the \$10.3 million Sharp Tudhope building, tipped to be Tauranga's first 'green star' rated building and a \$21.5 million, five-level office building at 247 Cameron Road
- Free city centre WiFi access
- A strong, growing ICT cluster made up of passionate ICT professionals

## Katikati

- New Zealand's Innovation Town boasts the highest number of export businesses in New Zealand per capita
- It is also the Mural Town of New Zealand, with nearly 40 murals adorning the walls of local businesses and providing a cultural and tourist attraction



- Just half an hour from Tauranga
- 37km from the Port of Tauranga, with easy access via State Highway 2
- Auckland and Hamilton only two hours away
- 40 ha of land for development
- Mix of light industrial and residential property amid a semi-rural setting
- Home to a number of businesses in the horticultural industry as well as specialised manufacturing operations
- Host to the annual Avocado Food & Wine Festival

## Omokoroa

- Coastal living at its best
- 22km from the Port of Tauranga
- Well-serviced by feeder roads from Tauranga, ideal for freight distribution
- Over 40 ha of commercial land available for development
- Lush, semi-rural setting, only 15 minutes from the bustling city
- Omokoroa wharf is well known as a top fishing spot!

## Te Puna

- Rural green belt, offering country living close to the coast and just 10 minutes travel from Tauranga city
- Newnham Park horticulture-focused innovation cluster - nine tenant businesses generate over \$100 million export revenue each year and employ over 45 people as well as seasonal staff

- 11km from the Port on State Highway 2
- 22 ha of land available for commercial development
- Mix of light industrial and residential plots
- Local businesses centre around horticulture, specialised manufacturing, food and ingredients production

## Tauriko

- Originally a town built around a local timber mill in 1915
- Only 6km away from Tauranga CBD and 10km from the Port of Tauranga
- More than 200 ha of land available for development
- Stage one of the business estate is complete and the construction of stage two is underway with lots being delivered up from May 2013. When complete it will house an estimated 300 businesses and employ up to 5,000 people
- New residential developments will house around 8,000 people when complete
- Home to a number of businesses in manufacturing, aquaculture, food, ICT, supply chain and logistics

## Te Maunga

- On the Tauranga Eastern Link route, between Tauranga and Papamoa
- Easy access to the Port, CBD and main residential areas
- 7km from the Port of Tauranga
- More than 60 ha of land available for development
- Zoned for light industrial and residential properties



## Papamoa

- Tauranga's largest suburb
- Many new subdivisions and shopping centres to meet growing demand
- 13km from the Port with easy access via the Tauranga Eastern Link
- More than 120 ha of land available for development

## Te Puke

- Kiwifruit capital of the world, surrounded by orchards and packhouses
- Prime horticultural area where citrus fruit and avocados also thrive
- Hub for horticulture, manufacturing and food and ingredients production
- 20km from the Port of Tauranga with easy access via the Tauranga Eastern Link
- More than 45 ha of land is available for industrial and residential development

## Paengaroa

- Close to Tauranga by road
- More than 120 ha of land available for development
- Industrial and commercial zoning
- Rangioru Business Park provides local business opportunities in a rural setting
- The Comvita Campus Zone, adjacent to Comvita's head office, visitor centre and production facility, is expected to attract food, bioactives and natural products manufacturers





# TAURANGA CASE STUDIES

To view these stories and more, visit:  
[www.thetaurangabusinesscase.co.nz](http://www.thetaurangabusinesscase.co.nz)



**ZESPRI**  
**Lain Jager**  
- Chief Executive

We made the strategic decision to relocate our head office to Tauranga to be closer to our kiwifruit growers and strengthen our industry networks. Partnerships with the Port and shipping company have enhanced our ability to get our products to international markets quickly.



**Bidvest**  
**Ken Buckthought**  
- General Manager

We saw the continued growth of Tauranga and made the strategic decision to establish a business base here. We have experienced amazing growth since being here and already have plans for future expansion of our site and service offering.



**Comvita**  
**Brett Hewlett**  
- Chief Executive

We chose Tauranga because it resonates with our values. The natural environment offers many advantages. There's potential for future development in the region and people want to come here to live and work.



**Chaos & Harmony**  
**Rebecca Anderson**  
- Lead Designer and Managing Director

As a shoe designer, I love the creative networks in Tauranga where I can surround myself with talented individuals. From here, we can expand further into the Australian and Asian markets and take our offering to the world online.



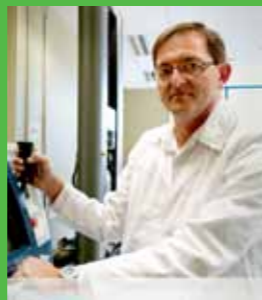
**Candles of New Zealand**  
**Steven Farrant**  
- Owner and Director

We love Tauranga as a base for our business and a great place to raise our two sons. The networks in the area have been invaluable in helping us to grow and reach export potential.



**Seatrade New Zealand**  
**Tim Evans**  
- General Manager

Moving closer to our largest customer and partner has really benefited our company. And our relationship with the Port of Tauranga gives us efficiencies which flow on to cost savings for our customers. Everyone wins.



**Titanium Industry Development Association**  
**Warwick Downing**  
- Chief Executive

We're working with innovative industries to help them harness their full potential through hi-tech, specialised manufacturing processes and putting Tauranga at the centre of an active industry hub. Tauranga is home to revolutionary research facilities and cutting edge manufacturing companies.



**Heilala Vanilla**  
**Jennifer Boggiss**  
- Chief Executive Officer

The connection with Food Bay of Plenty, ZESPRI and Massey University helped us establish our business and get on our way. We wouldn't have achieved the business success that we have had, in the timeframe, if we were based anywhere else.



**PowerSmart**  
**Mike Bassett-Smith**  
- Managing Director

When we investigated where to base our business, Tauranga ticked all the boxes. It offers cost effective property, strong business support services and networks, and good employee career prospects. We've combined business and lifestyle in an environment we're all passionate about.



**Tranzliquid**  
**Greg Pert and Jackie Carroll**  
- Owners and Directors

We have been able to attract and retain great people as we have grown our business. We look for people with the necessary skills as well as the right attitude and the calibre of employees in Tauranga is outstanding.



**Bluelab Corporation**  
**Greg Jarvis**  
- Chief Executive Officer

People in Tauranga freely give their time to support other businesses. If I want to find out about a particular country I'm interested in exporting to, I pick up the phone and am immediately pointed to the right person.



**Page Macrae Engineering**  
**Mike Lehan**  
- General Manager

Tauranga provides the ideal location for our business. Excellent roading and port infrastructure allow us to transport large components from our workshops to anywhere in the country or to our international customers.



**Plus Group Horticulture**  
**Steve Saunders**  
- Managing Director

Fostering innovation is the key to our success. We work with like-minded businesses, support young professionals and entrepreneurs, and champion the uptake of new technologies. What better place to do this than in Tauranga!



**North Island Mussels Ltd**  
**Steve Wells**  
- General Manager

We operate a just-in-time processing operation of fresh mussels from the Coromandel, so fast and efficient access to the Port and our international markets was critical to our success. Tauranga provided us the location, infrastructure and skilled labour.



**Stainless DownUnder**  
**Andrew Lilly**  
- Director

Since establishing, we have grown our business year-on-year and expanded our footprint into neighbouring commercial land. Available land at a reasonable price and a supportive community have been key factors in our success.



# SUCCESSFUL CONNECTIONS

Collaboration and partnerships between businesses is vitally important to the growth of the area. With a concentration of innovative, like-minded companies across a range of sectors, it's easy to become part of the network. Here are a few of the organisations that help businesses to succeed in Tauranga and the Western Bay of Plenty.



## Enterprise Angels

Enterprise Angels are experienced business people looking to invest in startup, early stage and established businesses in the wider Bay of Plenty region to help them grow and prosper. Enterprise Angels acts as a facilitator putting together businesses seeking investment with business investors looking to invest. The local branch of Enterprise Angels has been identified as the largest and most active in the country having invested nearly \$4m in 2012. Qualifying Enterprise Angel investments are matched dollar for dollar by the government's Seed-Co Investment Fund.

Many of Enterprise Angel members are keen to add value to their investment by taking an active role in developing businesses they invest in. The skills of these investors range across senior management, marketing, sales, finance, technology and operations.

Other Enterprise Angel members are offering a range of governance skills and experience as board directors to back up their investments.

Enterprise Angel members will consider investing in businesses from all industry sectors and at any stage of growth:

- Businesses needing seed funds to develop new products and ideas through early development, prototype and intellectual property protection stages
- Start-up businesses that are ready to commence manufacturing, production, and distribution
- Businesses that after start-up are already achieving initial sales
- Established businesses with proven records of sales revenues

Enterprise Angel members will also consider outright business purchases, including options for the strategic graduated exit of owners.



## Sustainable Business Network

The Sustainable Business Network (SBN) has a vision of a transformed business world in which organisations thrive because they cherish the resources and people they depend on. Sustainable Business Network members are charting a path to profit we can be proud of - profit that benefits communities, employees and our natural environment as well as shareholders - profit fit for the twenty-first century.

The wider Bay of Plenty is one of SBN's most established, innovative and active regions. The Network has been created to bring members a variety of events, tools and links that support development and implementation of sustainability strategy into business.

Providing advice and support to help business succeed through becoming more sustainable, the organisation supports members with practical business tools, enabling you to keep ahead of trends and collaborate on solutions, as well as to share your stories and connect with other innovators. SBN carries out projects and activities in four Transformation Areas - Renewables; Community; Mega efficiency; and Restorative - to help realise SBN's vision of making New Zealand a model sustainable nation for the world.



## ExportNZ Bay of Plenty

ExportNZ, a division of BusinessNZ, provides knowledge, information, contacts, training, support and services through its nationwide network to help grow your export business.

The organisation works to provide effective advocacy and lobbying on behalf of exporters, inspire New Zealand firms to engage in exporting and grow their business internationally and provide practical support programmes and networking events to help your company achieve its export goals.

ExportNZ Bay of Plenty helps to connect you with businesses that can share their experience and knowledge of succeeding in the export market.

# LET PRIORITY ONE HELP YOUR BUSINESS

Priority One is the economic development organisation covering Tauranga and the Western Bay of Plenty.

With strong networks and valuable experience dealing with business migration and investment, we make it our priority to know the region's businesses and business people and actively work to identify customers and establish relationships that are beneficial to all.

We will connect you with networks, service providers, advocate on your behalf and facilitate dealings with local and central government to make the process of establishing a business easy.

We will work beside you every step of the way to help you set up or expand your operations to Tauranga and the Western Bay of Plenty.

Contact Andrew Coker, Chief Executive of Priority One.

PO Box 13057, Level Two, 29 Grey Street, TAURANGA

Phone: +64 7 571 1401 | Fax: +64 7 571 1402

Email: [info@priorityone.co.nz](mailto:info@priorityone.co.nz)

[www.thetaurangabusinesscase.co.nz](http://www.thetaurangabusinesscase.co.nz)



## Tauranga Chamber of Commerce

Over 700 organisations are members of the Tauranga Chamber of Commerce, which aims to promote business vitality in Tauranga and the Western Bay of Plenty.

Your business can benefit from the information, support and business advice the Chamber provides to its members, and take advantage of training and networking events, discounts and promotional opportunities. The Chamber also facilitates major events such as the Westpac Tauranga Business Awards and plays a major business advocacy role in the region.

The Tauranga Chamber of Commerce's services help drive business growth and prosperity, and make the community and region the best place to live, work, study, play and visit through effective and relevant advocacy, networking, education and leadership.

The Chamber has a significant interest in regional economic development and a direct role in delivering programmes which enhance business capability development to benefit your business.





**Priority 1** Driving Economic Growth

PO Box 13057, Level Two, 29 Grey Street, TAURANGA

Phone: +64 7 571 1401 | Fax: +64 7 571 1402

Email: [info@priorityone.co.nz](mailto:info@priorityone.co.nz)

[www.thetaurangabusinesscase.co.nz](http://www.thetaurangabusinesscase.co.nz)

The majority of images within this booklet have been provided by local photographers Chris Parker ([www.photographics.co.nz](http://www.photographics.co.nz)) and Brian Scantlebury ([www.brianscantlebury.com](http://www.brianscantlebury.com)).