Bay of Plenty

The Bay of Plenty is known for its geothermal energy, forestry, horticulture and tourism.

The region has the largest plantation forest resource and is the largest producer of avocados and kiwifruit in New Zealand. It is a significant dairy producer and has a developing aquaculture industry, creating further food processing opportunities.

The geothermal energy resource can be further developed to unlock wood processing opportunities.

Regional Highlights

Geothermal energy advantage

New Zealand’s forestry heartland

Clean coastal waters

New Zealand’s largest international port

Areas of Opportunity

Concentrated wood supply

The Bay of Plenty has New Zealand’s largest area of plantation forest. The region’s sustainable supply of wood and geothermal energy can be further leveraged by wood processors to add competitive value.

Powering food production

The Bay of Plenty’s strong primary sector has potential to grow through horticulture and alternative dairy industries. Establishing New Zealand’s largest marine farm in Eastern Bay of Plenty will create significant opportunities. Geothermal energy will create additional food manufacturing opportunities.

Innovative manufacturing sector

The region is building on its expertise in engineering and technology to support wood processing, agricultural, titanium and geothermal industries to develop an innovative high-value manufacturing capacity.
A National Gateway

Key attributes of the region

The Port of Tauranga is a major driver of economic activity in the region and is New Zealand’s largest seaport for exports. The region has 227km of railway, the most densely used section of the national rail network, carrying over a third of its traffic.

Tauranga and the Western Bay of Plenty account for 57 percent of the region’s population and 58 percent of its employment. This is followed by Rotorua, a renowned tourist destination for international visitors and home to 25 percent of the region’s population.

The region has considerable geothermal activity based on the Taupo volcanic zone, which provides a reliable source of energy for a range of different business operations.
High Quality, Cost-Effective Wood Supply

Located in the Central North Island, the Bay of Plenty is at the centre of New Zealand’s forestry sector. The wider region has the largest plantation resource, producing 25 percent of the total exotic timber harvested in New Zealand. The Central North Island has more than five million cubic metres per year of uncommitted harvest available for processing.

Bay of Plenty’s abundance of geothermal energy and wood generates opportunities for investment in processing, wood fibre products and biofuels.

$23,450 p.a.
median earnings for primary industries
NZ median: $26,420 p.a.

Globally leading geothermal supply for direct industrial use

Highest capacity sawmill in New Zealand operated by Red Stag Timber

16% of New Zealand’s forestry workforce

30% of the country’s total plantation forests

Largest producer of wood products in New Zealand

Centre of excellence for forest and wood at Waiariki Institute of Technology

60% of New Zealand’s forestry products are exported from Port of Tauranga

Strong engineering capability to support wood processing operations

Scion is a Crown Research Institute based in Rotorua. Scion specialises in innovative research, science and technology development for the forestry, wood product and biomaterial sectors.

Bay of Plenty has substantial reserves of high quality geothermal steam that can be used for timber drying and other process heat requirements, freeing wood residues for other revenue-creating applications.

The Central North Island has three established wood processing centres for pulp and paper, sawmilling, remanufacturing, wood pellets and biomass plants.

Carter Holt Harvey, one of Australasia’s leading forest products companies, is a significant employer in the Bay of Plenty. It manufactures sawn-lumber products from a large sawmill in Kawerau, and New Zealand’s largest plywood manufacturer from its mill in Tokoroa, as well as a number of other manufacturing sites throughout New Zealand and Australia.

Red Stag Timber is an independent, privately owned timber company based in Rotorua. It manufactures structural lumber for the New Zealand and Australian markets. Red Stag Timber consists of two sawmill lines, with associated timber processing operations for kiln drying, planning, treating and remanufacturing. Currently producing over 450,000m³ per annum, the company has annual turnover of more than $180 million and employs approximately 320 staff.

Verda International Limited is an integrated outdoor wood products company based in Rotorua. The company specialises in high quality decking, fencing and landscape timbers and services both domestic and export markets including Europe, Japan, the United States, China, the Pacific Islands and Australia. Verda International is majority New Zealand owned and operated.

Sequal Lumber is a leading New Zealand lumber mill and exporter of radiata pine timber based in Kawerau, Bay of Plenty. The company was established in 2006 and began processing logs in 2008. Sequal Lumber’s products are used in furniture, pallets, packaging, cable drums and construction. The company produces and exports radiata pine lumber solutions throughout the Australasian, Asian, and Middle Eastern markets.
Innovative Manufacturing Sector

The wider Bay of Plenty is capitalising on its primary-industry servicing and manufacturing expertise to become a leader in innovation and high-value manufacturing. The region’s manufacturing sector is well supported by its infrastructure, as well as research and development and tertiary training provision.

The region is building on its expertise in engineering and technology for the wood processing, agricultural and geothermal industries to develop an innovative high-value manufacturing capacity in areas including titanium powders. This expertise also supports areas such as pharmaceuticals and agri-chemicals.

$42,610 p.a.
median earnings for manufacturing
(NZ median: $43,520 p.a.)

12,000
employees in manufacturing

Six
innovation centres in the region

The region has two well-established trade training providers and centres of excellence in wood processing, horticulture and geothermal energy.

World-class
testing and prototyping facility for titanium powders and products

Renewable energy
in abundance for industrial use

Development
of Harbour Marine Precinct to grow marine engineering services

The Coastal Marine Field Station was established in Tauranga in December 2011. It positions the region as a major research centre for pharmaceutical and agri-chemical innovation.

Cutting-edge
high-tech metal manufacturing in titanium

Innovative
new firms that are recycling wood waste into biofuels

168
marine engineering businesses

The region is leveraging its natural advantages in forestry, marine farming and agriculture to develop new innovative secondary industries.

Scion is a Crown Research Institute based in Rotorua, with a smaller team in Christchurch. Scion specialises in innovative research, science and technology development for the forestry, wood product and biomaterial sectors.

The Port of Tauranga in the Bay of Plenty forms part of the ‘Golden Triangle’ connecting Auckland and Hamilton. This is a key enabler in freight, manufacturing and research.
Powering Food Production

Agriculture is a strong and growing sector for the wider Bay of Plenty, contributing seven percent of regional GDP. The region is New Zealand’s largest producer of avocados and kiwifruit and supports New Zealand’s dairy production.

New Zealand’s largest deep-water marine farm, Eastern Sea Farm Ltd, is being established in the Eastern Bay of Plenty and there are further aquaculture opportunities for local consumption and export markets. The region also has the potential for further investment to develop Manuka honey plantations and a dairy goat industry, supported by ready access to geothermal energy.

$23,450 p.a.
median earnings for primary industries
(NZ median: $26,420 p.a.)

78%
of New Zealand’s planted kiwifruit area

45%
growth in agricultural GDP over five years

5%
of New Zealand’s agricultural workforce

Geothermal energy
to power agricultural infrastructure

588,000
 tonnes per annum from Port of Tauranga

R&D capability
at the University of Waikato Marine Centre and Newnham Park Horticulture Innovation Centre

Freight capacity
for growth in road, rail and sea transportation

3,900 hectares of consented water space is being developed for high yield, high quality marine aquaculture in the Eastern Bay of Plenty.

Newnham Park Horticulture Innovation Centre supports a cluster of innovative horticulture and food processing companies.

Zespri’s headquarters are located in Mount Maunganui in the Bay of Plenty. Zespri’s kiwifruit is grown throughout New Zealand and the world. Port of Tauranga is New Zealand’s largest international port by volume, transporting bulk cargo from across the Central North Island for shipping to global markets. It is the largest container terminal in the country.

Zespri International Limited is the world’s largest marketer of kiwifruit, selling into more than 50 countries and managing 30 percent of the globally traded volume. Zespri Group Limited is owned by more than 2,400 New Zealand kiwifruit growers. Zespri, together with Plant & Food Research, has created the world’s largest natural kiwifruit breeding programme.

Comvita Limited is a publicly listed company specialising in natural health products. Comvita is also the world’s largest manufacturer and marketer of Manuka (Leptospermum) honey. The company sells to more than 18 countries and has offices in New Zealand, Australia, Hong Kong, Japan, Taiwan, Korea, the United Kingdom and the United States. Comvita’s head office is located in Paengaroa in the Bay of Plenty.

PlusGroup Horticulture Limited offers a unique range of specialised integrated horticultural solutions both domestically and internationally. The company provides pollination services and orchard management systems and is the biggest provider of pollen for kiwifruit. RoboticsPlus funds and manages development research into Horticulture Robotics from field applications to post-harvest solutions. PlusGroup Research offers specialised, independent research facilities.
Who has invested in Bay of Plenty?

**C3 (Australia and New Zealand)**

C3 is a leading provider of product-handling solutions on the wharf and beyond. The company has more than 800 staff working in 15 ports around New Zealand and Australia. C3 works in partnership with many major and smaller exporters, importers and shipping lines.

Each year, C3 handles more than 14.5 million tonnes of cargo. This includes around 27 million logs, 3.5 million tonnes of forest products and 300,000 tonnes of steel. C3’s roots stretch back to the 1950s, when a portside and logistics business was founded in Mount Maunganui.

**Dentsply NZ (United States)**

DENTSPLY (NZ) Ltd is a New Zealand dental manufacturing company based in Katikati, Bay of Plenty. Founded by Dr Simon McDonald in 2003 as Triodont Ltd, it is a New Zealand-based manufacturer of professional dental consumables used in restorative dentistry and is well known for its innovative sectional matrix system. In 2013, DENTSPLY International Inc. entered into an agreement to acquire certain assets of Triodont. DENTSPLY International Inc. is a leading manufacturer and distributor of dental and other consumable medical device products. For over 110 years, DENTSPLY’s commitment to innovation and professional collaboration has enhanced its portfolio of branded consumables and small equipment. Headquartered in the United States, the company has global operations with sales in more than 120 countries.

**Hancock Timber Resource Group (United States)**

Hancock Forest Management is the property management subsidiary of the Hancock Timber Resource Group (HTRG), which is the world’s largest timberland investment manager for institutional investors. The company is responsible for the day-to-day, on-the-ground timberland management services for HTRG’s investors on approximately 1.2 million hectares across New Zealand and the United States. Hancock Forest Management’s New Zealand headquarters is in Tauranga.

**Norske Skog Tasman (Norway)**

“Our location within the Bay Of Plenty region of New Zealand ensures our close proximity to strategically important road and rail infrastructure, linking the mill to the Port of Tauranga and the rest of the world.”

– Aaron Buist, Operations Manager at Norske Skog Tasman Limited

Norske Skog Tasman Limited is a paper mill situated in Kawerau in New Zealand’s Central North Island forestry region. The company uses sustainably managed sawmill residues and arisings to produce 155,000 tonnes of newsprint annually, supplying newsprint to New Zealand publishers, as well as exporting into Asia, India and the South Pacific.

Norske Skog is part of the world’s largest industrial geothermal site. The company has the only mill in the world to use geothermal steam in the pulp and paper production process.
HOME TO THE LARGEST CONTAINER PORT (BY VOLUME) IN NEW ZEALAND

Housing prices ($000) Average net office rent* ($/m²)

<table>
<thead>
<tr>
<th>Land usage by area</th>
<th>% of New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grassland &amp; tussock for grazing</td>
<td>216,061 ha</td>
</tr>
<tr>
<td>Forestry</td>
<td>245,861 ha</td>
</tr>
<tr>
<td>Horticultural land</td>
<td>14,780 ha</td>
</tr>
<tr>
<td>Grain &amp; crop land</td>
<td>6,529 ha</td>
</tr>
<tr>
<td>All other</td>
<td>62,822 ha</td>
</tr>
</tbody>
</table>

How Bay of Plenty Compares

People

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Bay of Plenty</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>65 Years +</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>40-64 Years</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>15-39 Years</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>0-14 Years</td>
<td>22%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Housing prices ($000)

- **Bay of Plenty**: $325
- **New Zealand**: $430

*Mid-point price based on highest grade of office space and may include new build rates, sourced from Colliers International

Education

- **45%**
  - of all school leavers achieved university entrance standard (2012)

Employment rate

- **60%**
  - Bay of Plenty

- **65%**
  - New Zealand

Overall life satisfaction

- **86%**
  - Bay of Plenty

- **87%**
  - New Zealand

Average household income (2013)

- **Bay of Plenty**: $76,600
- **New Zealand**: $88,400

*Average price across region as at May 2014, sourced from Real Estate Institute of New Zealand

*Mid-price rate based on highest grade of office space and may include new build rates, sourced from Colliers International
Welcoming Investors

The Bay of Connections, coordinated by the Bay of Plenty Regional Council, is the economic growth strategy for the wider region.

There are four Economic Development Agencies (EDAs) in the region: Priority One, Grow Rotorua, Enterprise Great Lake Taupo, and Toi-EDA.

The first point of contact for investors is the Bay of Connections Portfolio Manager. All EDAs work together on regional projects and the relevant EDA will work one-on-one with potential investors to ensure a smooth transition into the Bay of Plenty.

Regional economic development strategy

The Bay of Connections sets out the goals and priorities for sustainable economic and employment growth in the region, with its core vision being a prosperous region supported by sustainable sectors.

The strategy has a goal of an additional 5,000 jobs by 2025, over and above business-as-usual outcomes.

Joint action plans being executed under the strategy action include aquaculture, energy, forestry, freight logistics, tertiary education and sport and recreation.

How the agency helps the investor

The Bay of Connections:

• Builds connections into and within the region for international businesses
• Is a conduit for investors to discuss their interests with EDAs in the region and national government agencies, ensuring the right connections are made
• Brings together industry, central and local government, science, tertiary and other parties to work on economic development initiatives.

Region-led initiatives

FSP Australia's rotational moulding operations were moved from Brisbane to Tauranga in 2013. FSP had been considering China as a manufacturing location, but the efficiency of the Port of Tauranga, competitive land and lease costs, labour quality and costs, and the can-do attitude of a 'micro-city' exceeded the company’s expectations. FSP’s focus in Tauranga is directed to growing the business there as opposed to its plants in Australia, Canada and China.