

# TAIRĀWHITI- GISBORNE

The Tairāwhiti-Gisborne region has significant industry strengths in sheep, beef and grain farming as well as horticulture and forestry and wood product manufacturing.

The region has rich alluvial river flats which, combined with the temperate climate, make it an ideal location for the growing of different horticultural crops. Kiwifruit, grape growing and winemaking are particular strengths, as well as a strong vegetable and crop sector, and associated processing and packaging operations for the horticultural industry as a whole.

Tairāwhiti-Gisborne's growing forest harvests provide significant business development and investment opportunities for processing in the region over the long term.



## REGIONAL HIGHLIGHTS

Growing forest industry

Strong agricultural output

Cost-competitive land and salaries

Increasing exports

## AREAS OF OPPORTUNITY

### A booming forestry industry

Overseas exports from Gisborne City's Eastland Port have grown from 480,000 tonnes in 2003 to a record 2.3 million tonnes in 2015, mainly due to increasing log exports from the region's plantation forests. The forestry industry's growth is creating further potential for wood processors to invest close to supply sources.

### Growing agricultural output

Tairāwhiti-Gisborne is a major pastoral farming and horticultural centre. There are attractive opportunities to capitalise on these sectors through additional investment.

### Low-cost, high-potential food processing

Tairāwhiti-Gisborne's strong supply of livestock and horticultural commodities, combined with the availability of cost-competitive commercial and industrial land, makes it an attractive location for food and beverage manufacturing and processing.



# COST-COMPETITIVE, RICH IN OPPORTUNITY

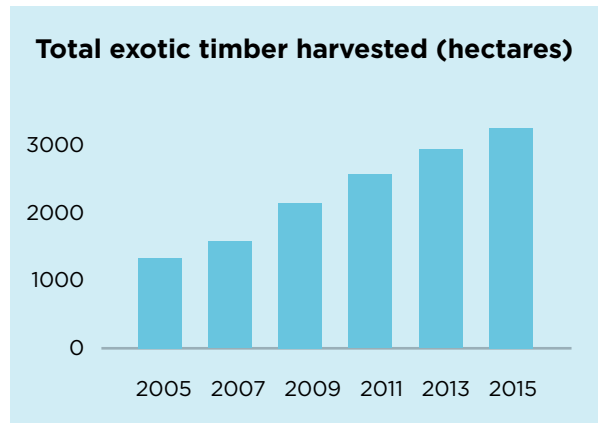
## Key attributes of the region

Tairāwhiti-Gisborne's economy is driven by a solidly-growing agricultural, horticultural and forestry sector.

Eastland Port has grown rapidly in recent years due to increasing forestry harvests. The region is investing in roading infrastructure to meet future rural production and processing, export and distribution demands.

Gisborne, the urban centre of the region, is a very affordable business location with competitive salary, land and commercial property costs.

The region is nationally renowned for its physical environment and climate, including a stunning coastline and marine environment, strong lifestyle and tourism appeal, and significant Māori cultural features.



**12.8%**

compound annual growth in export volumes from Eastland Port since 2003

**65%**

potential growth in log exports by 2020

**53%**

of national sweet corn production

**Fourth**

largest wine producer in New Zealand

**12%**

of New Zealand's maize grain crop





# A BOOMING FORESTRY INDUSTRY

The forestry industry is one of the largest contributors to Gisborne's economy. Exports from Eastland Port have grown from 480,000 to 2.3 million tonnes in 13 years, mainly due to increasing forestry harvests. The volume of logs harvested is likely to increase from about 2.3 million tonnes at present to a sustained 3.8 million tonnes by 2020. Development will be assisted by new technology such as steep-land harvesting machinery.

Low levels of local processing, alongside increasing harvests, provide a significant opportunity for national and international wood processors. Road and rail upgrades will play a critical role in providing transport options and reducing the costs of extracting logs and moving processed products to the Port of Napier for export.

**Activate Tairāwhiti, Eastland Wood Council and sector training providers are working to ensure there are enough trained employees available to meet expanding demand. Gisborne's processing industry has grown by just under 2% in the last 10 years, leaving ample scope for new processing capacity to take advantage of forest supply and the region's skilled workforce.**



## People

**\$26,460 a year**

median earnings for primary sector workers (NZ median is \$28,480)

**4,626**

employees in agriculture, forestry and fishing

## Vocational training

offered by Eastern Institute of Technology, including a dedicated trades academy

## Significant forestry employment

Gisborne is one of the largest forestry employers in the North Island with 10% of the workforce.



## Infrastructure

**3,223 hectares**

of new and replanted forestry

**150,476 hectares**

of radiata pine planted in the Tairāwhiti-Gisborne District

**\$120 million**

## infrastructure investment

from the National Land Transport Programme from 2015 to 2018 will improve linkages to the port to support forestry in the region

## A port equipped for forestry needs

Eastland Port's facility to remove bark (debarking) now handles 320,000 tonnes of logs and is one of only two companies in New Zealand that provides debarking services.



## Business

### International

forestry and wood product manufacturers operating in the region

**65%**

potential export growth in logs by 2020

**14.1%**

of New Zealand's log exports in 2015

## A growing processing opportunity

The region currently has one sawmill, but its increasing forest harvest could supply up to four – creating an opportunity for investors to capture added value, using readily available resources and skills.

## Tairāwhiti-Gisborne - growing long-term forestry value

**Hikurangi Forest Farms Ltd (HFF)** is a medium-sized forestry company based at Gisborne City. It is a member of TreeOne (NZ) Ltd, which is wholly owned by Lingui Developments Berhad, a privately owned Malaysian company. The HFF estate consists primarily of intensively managed radiata pine plantations. The total estate area of HFF is approximately 35,000 hectares, of which approximately 27,000 hectares is production forest.

**WET Gisborne Limited (WGL)** is a business established to process East Coast logs into OELTM timber framing – a unique New Zealand-developed technology that produces framing with uniform strength, straightness and stability. A joint-venture between OELTM developer Wood Engineering Technology Limited and the Eastland Community Trust, WGL's new automated processing plant near Matawhero will be the world's first to use the patented system. WGL is planning to rapidly expand the site once production is established, and aims to employ up to 40 high-paid staff for 24/7 production of timber framing.



# GROWING AGRICULTURAL OUTPUT

Tairāwhiti-Gisborne has a strong agricultural economy, based on its highly fertile alluvial soil, long sunshine hours and moderate rainfall. The region's agricultural specialisation includes sheep, beef and grain farming as well as horticulture. Plantings of high value produce are on the increase: citrus, grapes, pipfruit, kiwifruit, persimmons and macadamia nuts.

**Tairāwhiti-Gisborne is New Zealand's fourth largest grape-growing region and is known for its white varieties (chardonnay, gewurztraminer, viognier and pinot gris) as well as merlot and malbec. Manuka honey is a rapidly expanding industry in Tairāwhiti.**



## People

**\$26,460 a year**

median earnings for primary sector workers (NZ median is \$28,480)

**1,770**

employees in sheep, beef cattle and grain farming

**1,172**

employees in horticulture

## Skills for growth, ready to hand

Tairāwhiti-Gisborne has a depth of skills in the agricultural sector. The region also takes advantage of the vocational training and higher education offered at the Eastern Institute of Technology.



## Infrastructure

**588,499 hectares**

of farmland

**53%**

of New Zealand's sweet corn production

**90% increase**

in irrigable land over five years

## A natural home for primary production

Tairāwhiti-Gisborne has significant natural advantages in climate to support its agricultural sector with 2,294 sunshine hours, 28 ground frost days and 1,029mm annual rainfall. There is scope for growth and diversification of water resources.



## Business

**333**

horticulture firms

**612**

sheep, beef and grain farms

**162**

firms providing agriculture and fishing support services

## Agribusiness driving regional growth

The agricultural sector is the largest contributor to regional GDP. Tairāwhiti-Gisborne is one of New Zealand's main producers of maize grain.

## Food and horticulture success, grown in Tairāwhiti-Gisborne

**LeaderBrand** is a key supplier of fresh produce. The company grows lettuce, broccoli grapes, tomatoes, sweetcorn and pumpkins on farms located in Gisborne and Canterbury, on approximately 3,500 hectares of land. These are packed, processed, marketed and sold to domestic and international customers. LeaderBrand employs 200 permanent staff, with an additional 300 seasonal staff.

**Whangara Farms** is a significant regional farming operation, formed in 2006 when two neighbouring farms joined to form a 5,600-hectare property running a flock of 30,000 sheep and a herd of 5,000 Angus-cross cattle. The partnership expects to run 60,000 stock units within the next five years.

**Gisborne Wine New Zealand** represents over 20 wineries including some of New Zealand's most acclaimed wine producers and exporters. Members include Milton Vineyards & Winery (an organic and biodynamic operation), Ashwood Estate, Matawhero, TW Wines, Vinoptima, and Bushmere Estate.



# LOW-COST, HIGH-POTENTIAL FOOD PROCESSING

Tairāwhiti-Gisborne's plentiful supply of livestock, fruit and cereals creates downstream opportunities in food and beverage processing and manufacturing.

The region is already home to the largest maize milling company in Australasia, and has the appropriate skills available to grow the processing industry.

**Commercial and industrial space is available at highly competitive rates, making Gisborne City an appealing location to invest in food and beverage production and take advantage of the region's growing agricultural output.**



## People

**\$37,310 a year**

median earnings for manufacturing (NZ median is \$46,010)

**1,250**

employees in food and beverage manufacturing

## Access

to skilled and migrant labour from the surrounding regions

## A winning lifestyle advantage

Outdoor pursuits, stunning landscapes and a fine climate make Gisborne an attractive location to recruit and retain skilled workers.



## Infrastructure

### Availability

of low-cost industrial land

### Aquifer recharge project

planned, with potential to drive increased production and processing

## Reliable

water supply for processing and manufacturing activities

## The right foundation for processing growth

Tairāwhiti-Gisborne's growing supply in agricultural production and land availability creates an opportunity to develop the secondary processing sector.



## Business

**51**

food and beverage manufacturers

### Country's third largest

Māori seafood quota holder is based in the region, producing added- and high-value products

## Leading

maize milling specialist company in Australasia, based in Gisborne City

## Business opportunities in maize and corn

The region produces some of the world's finest maize and corn hybrids. Significant local supply and few existing companies creates potential for investment in expansion.

## Capturing the Tairāwhiti-Gisborne food processing advantage

**Corson** is one of Australasia's leading maize milling specialists, founded in 1902 and based in Gisborne City. In 2003, Corson purchased Defiance Maize Milling in Queensland, Australia, making it the largest maize milling company in Australasia. In 2010, Corson sold its seed research and production facilities to focus on producing and marketing quality maize food ingredients.

**Ovation New Zealand Limited** has provided world-class lamb to consumers for more than 30 years, processing year-round and exporting premium-branded chilled products. The company employs 800 staff at three processing facilities around New Zealand, including one located in Tairāwhiti-Gisborne. Dedicated farming support delivers enables Ovation to build long-term customer confidence based on consistent availability, quality, specification and product shelf life.

# WHO HAS INVESTED IN TAIRĀWHITI-GISBORNE?



## Imanaka (Japan)

Imanaka is a Japanese trading company established in 1881, with investments in the food industry across Asia and Australasia, including Cedenco Foods NZ Ltd which it acquired in 2010. Cedenco was established in Gisborne City in 1986 and is one of New Zealand's leading primary processors. The company grows, harvests and processes fresh raw materials in the Eastland region and manufactures high quality shelf-stable ingredients including purees, pastes, powders and frozen vegetables for domestic and international customers. Cedenco has 80 permanent and up to 400 seasonal staff.

Cedenco with the support of Imanaka has invested more than 20 million dollars into its Gisborne facilities since 2010, increasing capacity and introducing new technologies and systems. Substantial further expansion is planned. In 2015 Cedenco entered the aquaculture industry, acquiring mussel farms in the South and North Islands and modern processing facilities in Tauranga.



## Kirin Holdings

Kirin Holdings, established in 1907, had projected global sales of Yen 2,196 billion for 2015 and a staff of nearly 40,000. The company is a major global producer and distributor of alcoholic and non-alcoholic beverages, pharmaceuticals and bio-chemicals.

In 1998 Kirin acquired a 45% interest in Australasian alcoholic beverage producer and distributor, Lion Nathan. In 2009, Kirin Holdings acquired the remaining interest in Lion Nathan, the sales of which were projected to make up 18% of Kirin's sales in 2016. In 2010 Lion and Indevin, a locally owned contract winemaker, jointly purchased wine assets from Pernod Ricard NZ. These included extensive vineyard holdings in Gisborne and Hawke's Bay, wineries in Gisborne and a range of New Zealand wine brands.



## Ernslaw One Limited (Malaysia)

Ernslaw One Limited is a Malaysian-controlled vertically integrated softwood plantation company, committed to creating sustainable forests and delivering premium quality wood products desired by Pacific Rim consumers. It is the largest non-institutional funded forest owner in New Zealand, with forests located in a number of regions in both the North and South Islands.

Ernslaw One is the largest forest grower in the Tairāwhiti-Gisborne region, with an annual freight requirement of approximately 725,000 tonnes. The company also operates a bleached chemi-thermomechanical pulp (BCTMP) mill and a sawmill near Ohakune.



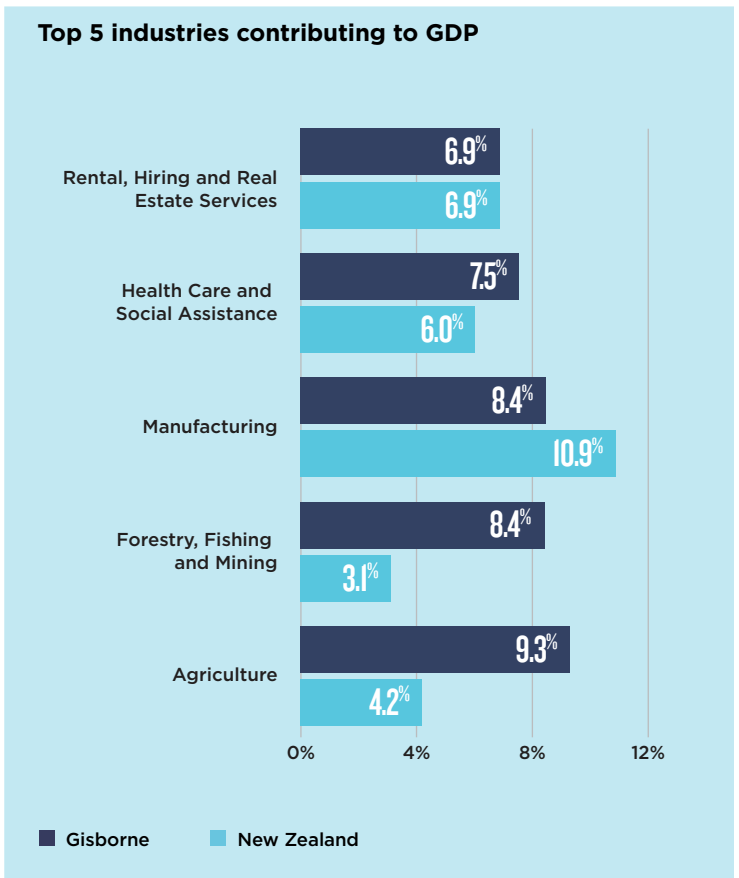
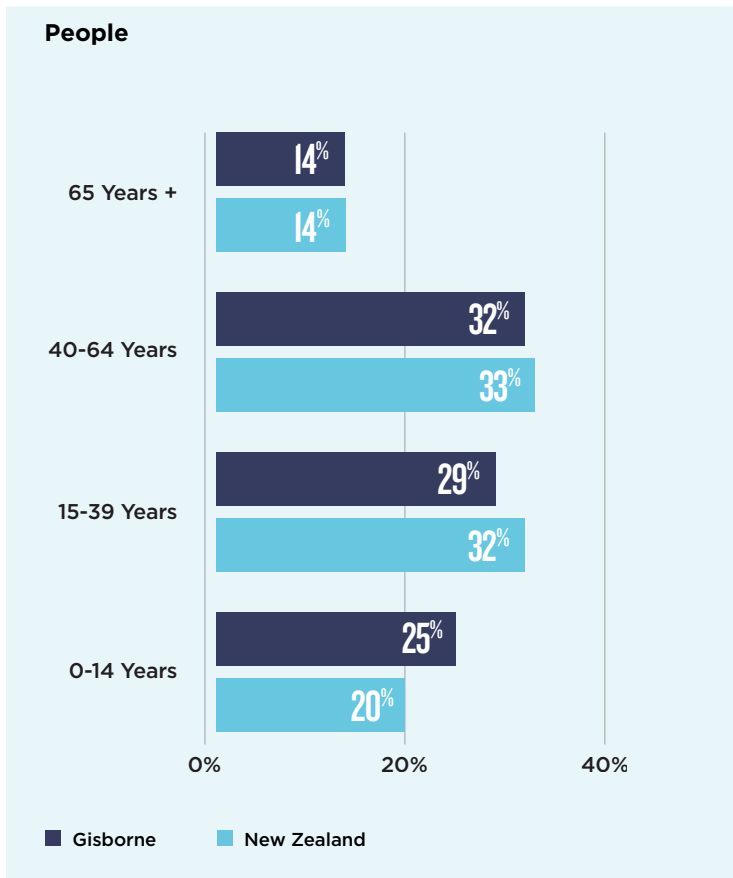
## Juken New Zealand Limited (Japan)

Juken New Zealand Ltd (JNL) is a subsidiary of Japan-based WoodOneCo Ltd, one of the largest house-building products manufacturers in Japan, which has invested over \$700 million into New Zealand. JNL manufactures high quality wood panels and engineered wood (including Laminated Veneer Lumber, plywood and panels) as well as solid wood products, all made from trees grown in its own expertly managed sustainable forests. Products are primarily exported to the company's home market in Japan.

JNL East Coast currently harvests 280,000 tonnes of wood a year within the Tairāwhiti-Gisborne region. Its local mill is now producing form ply and other new value-added products, following a significant recent investment in plant. The JNL East Coast business forms a small but significant part of the WoodOneCo world supply chain.


# HOW TAIRĀWHITI-GISBORNE COMPARES

<b>Population</b> <b>47,900</b> Gisborne <hr/> <b>4,693,000</b> New Zealand	<b>Annual net international migration</b> <b>114</b> Gisborne <hr/> <b>69,954</b> New Zealand	<b>Regional GDP (NZbillion)</b> <b>\$1.7</b> Gisborne <hr/> <b>\$241.2</b> New Zealand	<b>GDP per capita</b> <b>\$35,769</b> Gisborne <hr/> <b>\$52,953</b> New Zealand
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### Education


% of all school leavers achieving university entrance standard (2015)



**23.3%**  
Gisborne

**40.6%**  
New Zealand

### Mean household income



**\$74,533**  
Gisborne

**\$91,198**  
New Zealand

### Median house price

**\$250,000**  
Gisborne

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**\$432,500**  
New Zealand

### Mean weekly rent

**\$270**  
Gisborne

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**\$410**  
New Zealand


### Unemployment rate

**5.0%**  
Gisborne, Hawke's Bay

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**5.1%**  
New Zealand

### Mean weekly office rent (\$/m<sup>2</sup>)



**\$175**  
Gisborne

# WELCOMING INVESTORS



The first point of contact for investors is Activate Tairāwhiti, the Economic Development Agency for the region and a joint venture between the Gisborne District Council and the Eastland Community Trust. Its role is to assist in accelerating the economic development of the Tairāwhiti-Gisborne region, to create a more prosperous and attractive community.

Activate Tairāwhiti leads, integrates and coordinates the economic development strategy for the region, is active in regional promotion, and drives business development and investment attraction.

## Economic development strategy

Activate Tairāwhiti supports the region's economic development strategy, which aims to:

- provide services and infrastructure to help the economy grow
- facilitate local, national and international business opportunities
- maximise benefits from economic initiatives and opportunities
- support innovative businesses to start up and relocate to Tairāwhiti-Gisborne
- encourage investment in research and development
- support initiatives to attract talent, investment and visitors without comprising environment, cultural values or social wellbeing and regulatory requirements.

## How we help investors

Activate Tairāwhiti uses its regional knowledge and network of contacts with business, local government and community to assist investors to explore and establish new ventures.

Activate Tairāwhiti works closely with the Eastland Community Trust (ECT). The Trust's capacity to co-fund economic and community development-related projects makes Activate Tairāwhiti a strong facilitation partner for investors.



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## Region-led initiatives:

**The Tairāwhiti Land Development Trust** is an entity designed to lift the productivity of East Coast farms, and is co-funded by central government under its regional initiatives programme. The Trust was established in 2004 by the Tairāwhiti Development Taskforce, a joint effort of Māori runanga or associations, local and central government. The Trust has reported an extra \$34 million of gross farm income over the last 10 years, and significant improvements in human capital. The project is one of several run in the region to increase farming productivity.

Activate Tairāwhiti and local business stakeholders, including local Māori tribal groups (iwi), are working in partnership with the Government to develop an economic development action plan for the region. This will cover both enabling investments and opportunities for developments that will drive economic growth.

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