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Whakatane & Kawerau Districts
Industrial Land Strategy
Discussion Document

Whakatane & Kawerau District Councils

PROPERTY ECONOMICS

March 2007

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SCHEDULE

Code	Date	Information / Comments	Project Leader
002	March 2007	Report	Tim Heath Phil Osborne

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Whakatane & Kawerau Districts Industrial Land Strategy Discussion Document

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1. EXECUTIVE SUMMARY

- Currently Whakatane and Kawerau combined have a total of 394ha of industrial land, 74 ha (19%) of this land is vacant.
- Of the six identified industrial nodes, three are experiencing encroachment from other non-industrial uses; these are Mill Rd, Whakatane South, and the Whakatane Town Centre.
- Whakatane and Kawerau combined have had consented industrial floorspace in the order of 30,900sqm over the 2000-2005 period. The majority of this floorspace has been located within Kawerau (29%) followed by Mill Rd (23%). These two areas have the most sought after characteristics for industrial businesses.
- Employment trends over the 2000-2005 period have shown minimal growth in the industrial sector, a 6% increase in employment. It is important to recall that this growth rate was achieved during a time of high economic prosperity and employment growth throughout New Zealand.
- The Construction sector drove employment growth with an increase of 300 employees. Of note is the decrease in Wood Processing employment of around 290 employees, negating employment growth in the fastest growing sector and demonstrating the reliance on the mills at Whakatane and Kawerau.
- Forecast employment for Whakatane and Kawerau see further minimal growth in industrial activity. It is anticipated that around 45 additional industrial workers will be employed in the study area by 2011, however, total employment is anticipated to fall by 130 employees between 2011 and 2021.
- Growth sectors for the study area are anticipated to be Manufacturing, Utilities, and Wholesale Trade.
- Land demand generated by industrial activity shows the need for an additional 2.7ha of land by 2011, falling to 1.7ha by 2021. This is significantly lower than the supply of vacant industrial land within the Whakatane and Kawerau Districts.
- Given the levels of supply and demand for industrial land within the study area, a hierarchy should be developed in order to identify those industrial nodes to protect, and the nodes to allow other non-industrial uses.
- Given the lack of demand, attention needs to be placed on developing an Economic Development Strategy aimed at enticing new businesses into Whakatane and Kawerau. This may lead to additional demand for land if new industrial activity can be attracted to the area.
- A long term vision for the Whakatane and Kawerau's industrial network needs to be created, with both T/A's working together to maximise the potential of the area.

Whakatane & Kawerau Districts Industrial Land Strategy Discussion Document

2. INTRODUCTION

Property Economics has been commissioned by the Whakatane and Kawerau District Councils to prepare an Industrial Strategy Discussion Document. The discussion document will be used as a supporting document to assist the development of an Industrial Development Strategy for the Districts, and other land use and transport strategies.

The main purpose of the discussion document is to determine the amount and location of industrial zoned land required to meet the future needs of businesses and the wider community within the Whakatane and Kawerau Districts.

2.1 Objectives

The main objectives of this research are to:

- Assess the spatial trends occurring in the industrial market for the Whakatane and Kawerau Districts.
- Project future employment by main industrial sector to the year 2021
- Determine the levels of zoned industrial land required in the Whakatane and Kawerau Districts to meet the future needs of industrial businesses over the next 15 years.
- Assess the locational requirements for industrial business both now and in the future
- Identify and assess potential locations for new industrial activity

2.2 Information Sources

Information has been obtained from a variety of sources and publications available to Property Economics including;

- Census of Population & Dwellings 1996, 2001, & 2006 – Statistics NZ
- Business Demographic data – Statistics NZ Business Frame Data
- Non-Residential Building Consent Trends – Statistics NZ
- Industrial Market Interviews – Property Economics
- Industrially Zoned Land Supply – WDC
- Regional Labour Market Report – Department of Labour
- Regional Economic Bulletin – Waikato Management School
- National Employment Projections – NZIER
- Industrially Zoned Land Supply – KDC
- Property Professional Interviews – Property Economics

2.3 Interviewee List

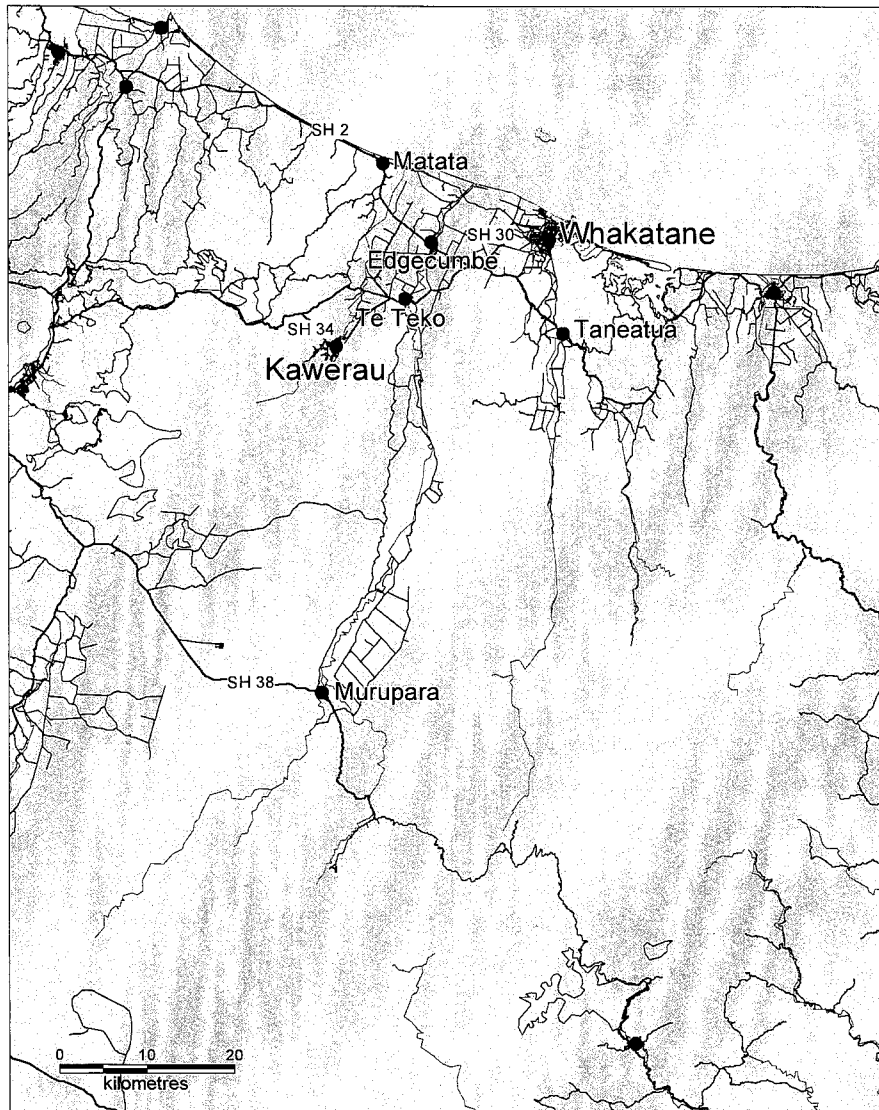
Listed Below are the people Property Economics interviewed as part of this process

- Chamber of Commerce
- Kawerau Enterprise Agency (KEA)
- Norske Skog
- Carter Holt Harvey (CHH)
- SCA Hygiene Australasia
- Fonterra Co-op Group
- Toi EDA
- Lysaght Developments Ltd
- Paul Hartley
- Transit NZ
- Environment BoP
- Manukorihi Trust

3. ECONOMIC CATCHMENT

Figure 1 below outlines the Whakatane and Kawerau Catchment and is the study area used as the basis for the analysis in this report. The area in yellow encompasses both the Whakatane and Kawerau Districts.

FIGURE 1: WHAKATANE CATCHMENT



Source: Property Economics

3.1 Catchment Demographics

Table 1 below profiles the key economic and social statistics associated with the Whakatane catchment identified above. This data is based on Statistics NZ information and extrapolated to the end of 2005.

TABLE 1: WHAKATANE AND KAWERAU CATCHMENT DEMOGRAPHIC PROFILE (2005)

	Whakatane Catchment	New Zealand
General		
Population	40,221	4,027,947
Households	14,355	1,478,709
Growth Rate (pa)	0.19%	1.56%
Person Per Dwelling Ratio	2.8	2.7
Age Profile		
0-9 years	16%	14%
10-19 years	17%	15%
20-29 years	9%	13%
30-39 years	13%	14%
40-49 years	14%	15%
50-59 years	13%	12%
60 plus years	17%	17%
Household Income Profile		
Average (pa)	\$42,874	\$49,378
\$0-\$30,000 (pa)	45%	39%
\$30,001-\$50,000 (pa)	20%	21%
\$50,001-\$70,000 (pa)	16%	16%
\$70,001-\$100,000 (pa)	11%	11%
\$100,001 plus (pa)	8%	12%
Employment		
Total Employed	15,309	1,861,556
Total Employed (%)	38%	46%
Total Unemployed	2,424	150,782
Total Unemployed (%)	6%	4%
Ethnicity		
European	57%	71%
Maori	39%	13%
Pacific Island	2%	6%
Asian	1%	8%
Other	0%	1%
Qualification Attainment		
No Qualification	34%	25%
Secondary School	36%	40%
Certificate / Diploma	21%	20%
Bachelor Degree	6%	11%
Higher Degree	2%	5%
Industry of Employment		
Business Services	28%	37%
Social Services	13%	12%
Retail & Hospitality	9%	11%
Manufacturing	14%	10%
Transport & Communication	2%	2%
Trade & Construction	7%	7%
Agriculture	13%	8%
Other	15%	13%

Source: Statistics NZ, Property Economics

Some key points worth mentioning from Table 1 include:

- The Whakatane and Kawerau catchment population is estimated at just over 40,200, residing in around 14,400 households. This population has experienced a slight increase over the past 5 years of approximately 0.19% per annum.
- The Whakatane and Kawerau catchment, have a slightly higher unemployment rate (6%) compared to national averages.
- Population is primarily European and Maori, with a very high proportion of Maori (39%) given national averages (13%), and far less Pacific Island and Asian peoples.
- The Whakatane and Kawerau catchment has a higher proportion of people without qualifications than the national average. This is reflected in the lower proportion of people working in the Business Services sector (28%), compared to the national average of 37%.
- Employment in the Whakatane Kawerau area is heavily slanted towards the Agriculture and Manufacturing

3.2 Population Projections

Property Economics Ltd has projected population for the Whakatane catchment out to 2021. Table 2 estimates population and household growth for the Whakatane catchment. These are based on Statistics NZ medium population projections and recent residential building consent data.

TABLE 2: POPULATION & HOUSEHOLD PROJECTIONS

	2006	2011	2016	2021
Population	40,221	39,727	39,088	38,401
Growth		-1%	-2%	-2%
Households	14,355	14,406	14,641	14,740
Growth		0%	2%	1%

Source: Statistics NZ, Property Economics

The Whakatane catchment currently has a population around 40,200. This is projected to decrease over the next 15 years to 38,401 a fall of 4.5%. Alternatively, households are forecast to increase over the same period from 14,400 to 14,700 representing growth of 2.6%.

Compared to Statistics NZ projections, Property Economics projections indicate a smaller fall in population, by 730 residents for the 2001-2021 period. Compared to the population projections prepared for Environment Bay of Plenty presented in their *Demographic Forecast 2051 – Movement and Change in Population and Households in the Bay of Plenty* August 2006 planning document, Property Economics figures show a smaller decrease in population, by 1,130 residents for the 2001-2021 period.

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The total figures for Property Economics projections are both lower than the projections used for comparison. This is expected to be caused by Property Economics using meshblock data as a base compared to TA level data. These projections are used within the report on a net change basis.

Given the proximity to EBOP population projections, given that Property Economics projections had access to more up to date census information, it is deemed reasonable to use Property Economics projections.

TABLE 3: COMPARITIVE POPULATION PROJECTIONS

	2001	2021 Change	% Change	
Property Economics	39,151	38,401	-751	-2%
Statistics NZ	41,290	39,810	-1,480	-4%
EBOP	41,290	39,410	-1,880	-5%

Source: Statistics NZ, EBOP, Property Economics

4. WHAKATANE CATCHMENT INDUSTRIAL ACTIVITY

This phase of the analysis covers the current industrial market (by sector and employment) for the Whakatane and Kawerau catchment. Note that EC refers to Employee Count.

The industrial sector comprises around 35% of all study area's employment. This is in line with the national average and Tauranga. The industrial sector to the Whakatane and Kawerau catchment is however more important in terms of employment than it is to Rotorua, which has a stronger tourism and service industry.

TABLE 4: INDUSTRIAL SECTOR EMPLOYMENT

	Industrial EC	Total EC	%
Study Area	4,379	12,661	35%
Tauranga	14,973	43,953	34%
Rotorua	7,977	26,857	30%
New Zealand	569,577	1,695,287	34%

Source: Statistics NZ

For the purpose of this report, industrial employment refers to the ANZSIC codes (Australia New Zealand Standard Industry Classifications) covering:

- Wood Processing (Wood & Paper Product Manufacturing)
- Manufacturing (Excluding Wood & Paper Product Manufacturing)
- Electricity Gas & Water Supply
- Construction
- Wholesale Trade
- Other: Agriculture (Scaled to reflect activity that takes place on industrial land), Transport & Storage and Mining

4.1 Industrial Nodes

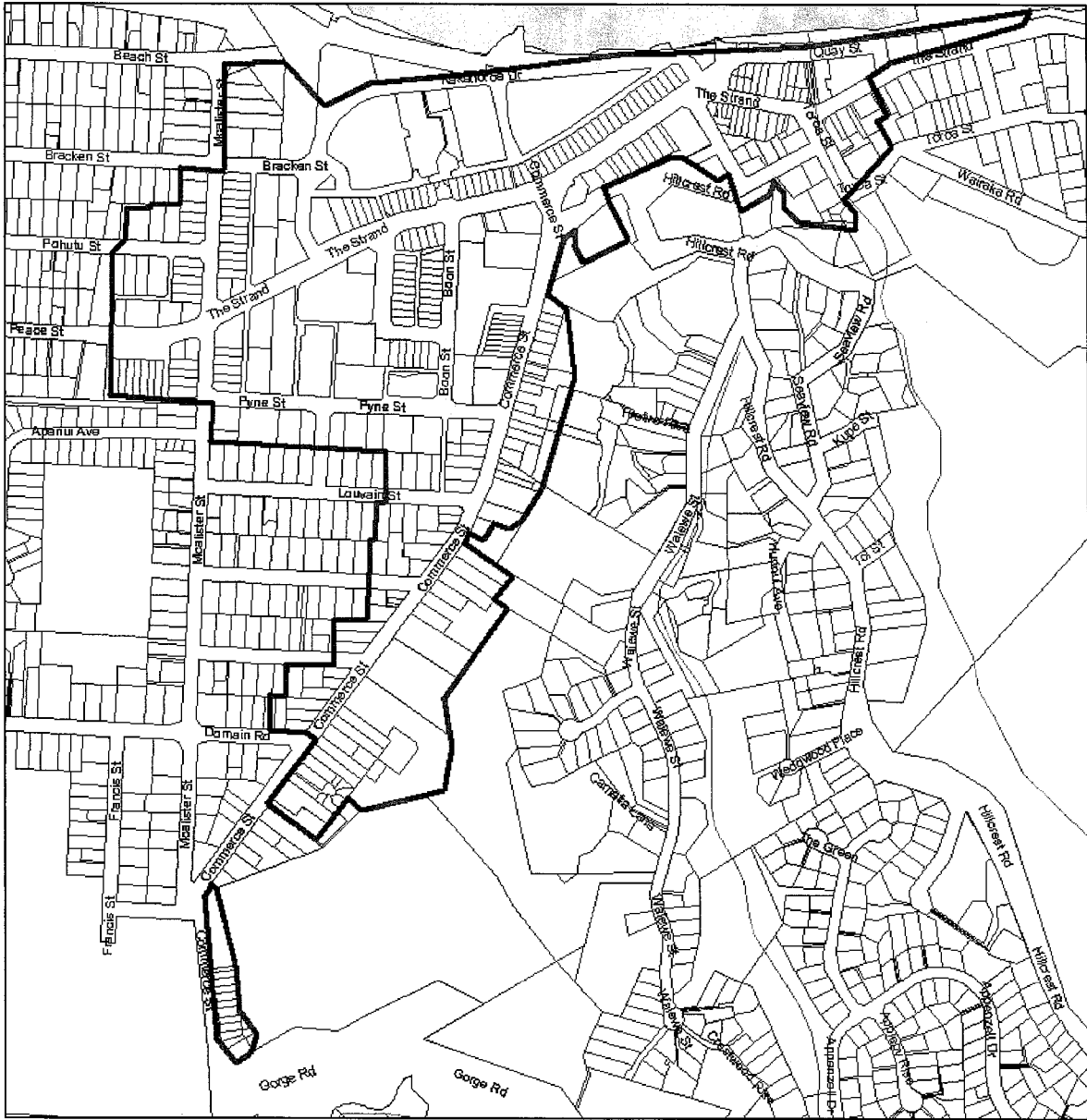
There are six industrial employment nodes identified in this report. These are shown in Figures 1 and 2. They cover the areas of:

- Whakatane Town Centre (TC)
- Mill Road
- Whakatane South
- Kawerau
- Edgecumbe
- Murupara

The Whakatane TC has a limited amount of land zoned for industrial use. It is included in the analysis as a large portion of industrial sector employment is located here. The employment in The Whakatane TC is the office based side of industrial operations, such as sales.

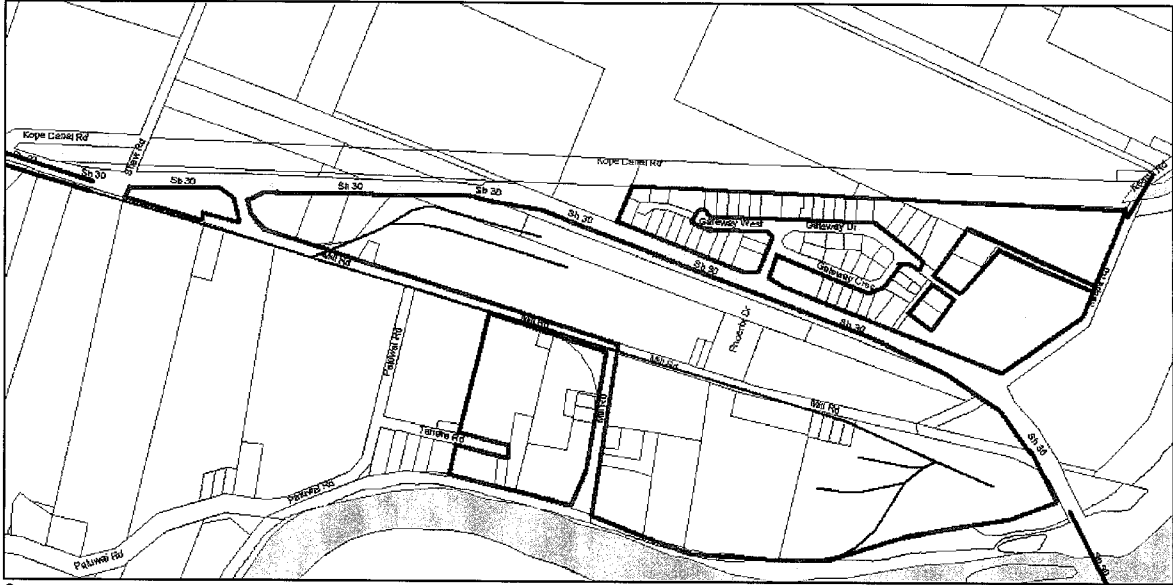
The other five industrial nodes included in this report cover meshblocks where industrial zoned land is located.

FIGURE 2: WHAKATANE TOWN CENTRE



Source: Property Economics

FIGURE 3: MILL RD



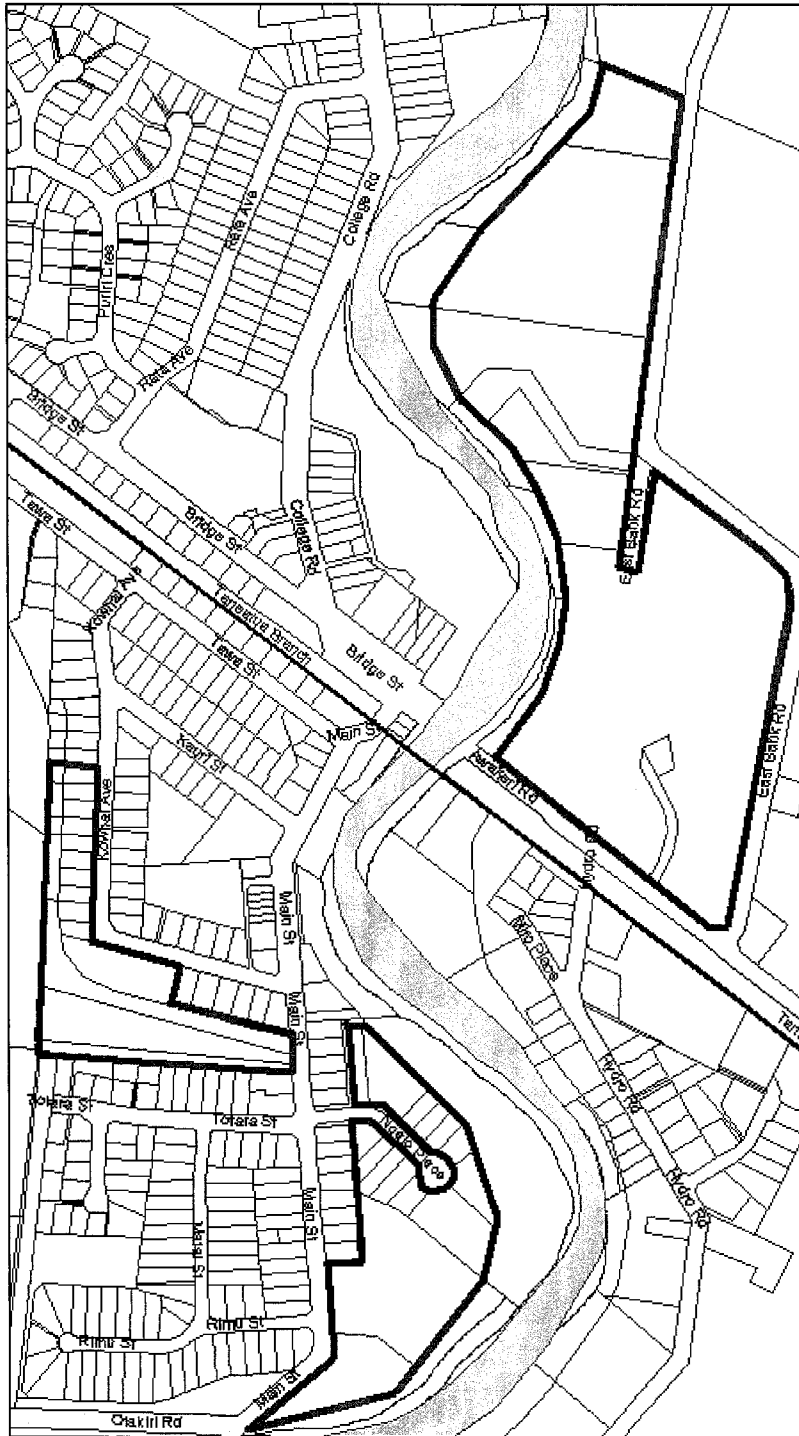
Source: Property Economics

FIGURE 4: WHAKATANE SOUTH



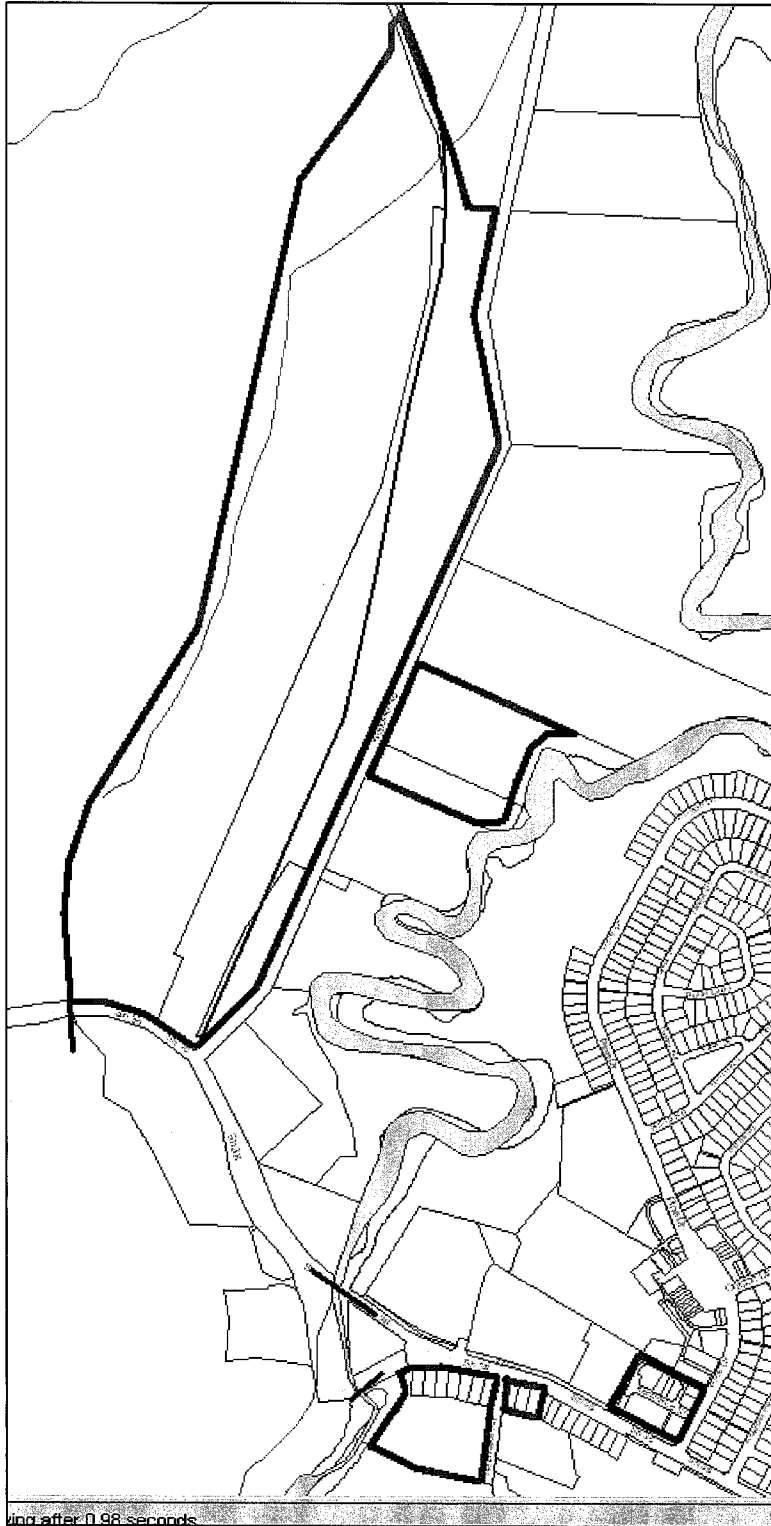
Source: Property Economics

FIGURE 6: EDGE CUMBE



Source: Property Economics

FIGURE 7: MURUPARA



Source: Property Economics

4.2 Industrial Employment

Table 5 below shows the current composition of industrial employment in the study catchment.

TABLE 5: CURRENT INDUSTRIAL SECTOR EMPLOYMENT

2005	Manufacturing	Wood Processing	Electricity Gas & Water Supply	Construction	Wholesale Trade	Transport & Storage	Other	Total
Mill Road	71	24	6	90	25	0	0	216
Whakatane South	30	3	3	134	9	24	2	205
Whakatane TC	144	12	95	129	152	93	3	628
Edgecumbe	419	15	0	9	3	0	9	455
Kawerau	363	1,336	0	230	61	51	0	2,041
Murupara	0	15	0	3	9	30	0	57
Outside Nodes	142	3	6	323	102	144	57	777
Total	1,169	1,408	110	918	361	342	71	4,379

Source: Statistics NZ

As can be seen, the two manufacturing sectors of Wood Processing and Manufacturing have dominant positions as employers in the Whakatane catchments' industrial market, covering over half of total industrial employment.

Wood Processing has the highest employment of all industrial sectors. Alone this sector accounts for almost one third of total industrial employment. This activity is largely concentrated in Kawerau with no substantial employment occurring in the other industrial zones.

Manufacturing is the second largest employing industrial sector, accounting for over one quarter of industrial employment. Manufacturing is dispersed throughout the study area with notable pockets in Edgecumbe and Kawerau. Note Edgecumbe is primarily Fonterra.

Construction is the other major employer in the Whakatane catchment, employing over 900 people. The major employment nodes for Construction are Kawerau and Whakatane South. Construction differs to the manufacturing sectors in that a sizeable portion of employment occurs outside of the identified industrial nodes.

Table 5 highlights Kawerau as the major industrial employment node in the Whakatane catchment. Accounting for nearly 50% of industrial sector employment, Kawerau is three and a quarter times larger than the next largest employment node, making the mills a critical component of the local economy. Much of the employment coming from the Wood & Paper Product Manufacturing in Kawerau, with further strong representations of construction and manufacturing employment on offer in the node.

Other sizeable nodes are the Whakatane TC and Edgecumbe. Employment is distributed across sectors in the Whakatane TC, where in Edgecumbe it is dominated by Manufacturing. Edgecumbe has the largest concentration of Manufacturing of all industrial nodes.

Areas not included in the industrial zones account for 18% of employment. Employment outside of the industrial nodes is spread amongst Construction, Manufacturing, Transport & Storage and the Other categories. One third of both Construction and Transport & Storage employment occur outside of industrial nodes.

4.3 Industrial Business Units

Table 6 below provides a breakdown of industrial sector business unit locations. This table also compares business units to the share of total employment for each sector.

TABLE 6: INDUSTRIAL SECTOR BUSINESS LOCATIONS

2005	Manufacturing	Wood Processing	Electricity Gas & Water Supply	Construction	Wholesale Trade	Transport & Storage	Other	Total
Mill Road	6	4	1	8	5	1	0	25
Whakatane South	12	1	1	16	5	5	0	40
Whakatane TC	16	2	4	28	26	16	2	94
Edgecumbe	11	2	0	7	2	1	0	23
Kawerau	15	8	1	14	9	4	0	51
Murupara	1	1	0	2	2	5	0	11
Outside Nodes	71	8	3	191	45	61	22	401
Total Catchment	132	26	10	266	94	93	25	646
% of Total	20%	4%	2%	41%	15%	14%	4%	100%
% of Employment	27%	32%	3%	21%	8%	8%	2%	100%

Source: Statistics NZ

From Table 6 the sector with the most businesses is Construction. It is worth noting that while Construction makes up two fifths of all business units in the study area, it only accounts for one fifth of employment. This statistic points to Construction employing fewer people per business unit than the average for the Whakatane catchment. The employment distribution of the Construction sector is similar to the distribution of business units, implying consistently sized operations across the industrial zones.

Wood Processing, the largest employing sector, accounts for few business units, only 4%. This highlights large employers acting in the study area. Kawerau, unsurprisingly, has the highest number of Wood Processing business units, in keeping with its share of Wood Processing employment.

Interestingly, Manufacturing has a relatively large amount of business units compared to Wood Processing. Manufacturing business units are also larger than the average business unit size for the Whakatane and Kawerau catchment.

Table 7 below further supports this analysis.

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TABLE 7: WHAKATANE CATCHMENT EMPLOYEE COUNT AND BUSINESS SIZE DISTRIBUTION 2005

Employee Count	0	1-5	6-9	10-19	20-49	50-99	100+
Manufacturing	0%	8%	7%	10%	16%	23%	37%
Wood Processing	0%	1%	0%	5%	3%	0%	91%
Electricity Gas & Water Supply	0%	8%	5%	14%	18%	55%	0%
Construction	0%	25%	10%	19%	26%	7%	12%
Wholesale Trade	0%	30%	24%	20%	26%	0%	0%
Transport & Storage	0%	25%	24%	22%	29%	0%	0%
Other	0%	17%	16%	34%	21%	12%	0%
Total	0%	13%	8%	13%	16%	9%	42%

Business Units	0	1-5	6-9	10-19	20-49	50-99	100+
Manufacturing	49%	27%	8%	6%	5%	3%	2%
Wood Processing	31%	23%	0%	27%	4%	0%	15%
Electricity Gas & Water Supply	20%	40%	10%	10%	10%	10%	0%
Construction	48%	38%	5%	5%	3%	0%	0%
Wholesale Trade	36%	40%	13%	6%	4%	0%	0%
Transport & Storage	39%	39%	13%	6%	3%	0%	0%
Other	64%	18%	7%	8%	2%	0%	0%
Total	45%	35%	8%	7%	4%	1%	1%

Source: Statistics NZ

Key points from Table 7 include:

- Only 1% of business units have more than 100 employees, and those business units account for two fifths of total employment
- Only 6% of business units have more than 20 employees
- 91% of Wood & Paper Product Manufacturing employment is in 15% of business units
- The smaller industrial sectors have a more even distribution in employees and geographic units than the larger sectors.
- 80% of business units employ 5 people or less, 13% of employees work in those businesses

This indicates, as representative across New Zealand, the study area has a large number of small industrial businesses.

Table 8 below shows business unit sizes by industrial sector node. A more detailed table can be found in the Appendix.

TABLE 8: INDUSTRIAL SECTOR BUSINESS UNIT SIZE

2005	Business Units	Employee Count	Average Employees
Mill Road	4%	5%	9
Whakatane South	6%	5%	5
Whakatane TC	15%	14%	7
Edgecumbe	4%	10%	20
Kawerau	8%	47%	40
Murupara	2%	1%	5
Outside Nodes	62%	18%	2
Total Catchment	646	4,379	7

Source: Statistics NZ

As can be seen in Table 8, Kawerau contains most of the study area's employment. However, it has only a small portion of business units. The average business unit size in Kawerau is five times the average for the catchment, and double Edgcumbe's, the node with the second largest average. Kawerau is home to the Wood Processing sector, accounting for the high level of employment compared to its share of business units.

Edgcumbe has only 4% of business units but accounts for 10% of the Whakatane and Kawerau catchments' employment. Edgcumbe has a large share of Manufacturing employment and these Manufacturing business units in Edgcumbe are at the larger end of the scale, accounting for the relatively high average employee per business unit. Fonterra's operation in Edgcumbe is the driver of this.

The Whakatane TC houses the most business units, however, they are small in scale, employing 7 people on average. The Whakatane TC has large shares of the Construction, Wholesale Trade and the Other sectors, all of which are sectors with smaller operators in the Whakatane catchment.

It is interesting to note that while a small amount of employment occurs outside of the identified industrial nodes, 62% of businesses locate in these areas.

4.4 Industrial Building Consents

Building consent data for the Whakatane and Kawerau catchment by industrial building type can be seen in Table 9 below. Industrial building consents have been identified as those in the Statistics NZ categories covering Total Factories & Industrial Buildings and Total Storage Buildings.

TABLE 9: ANNUAL INDUSTRIAL BUILDING CONSENTS FLOORSACE (SQM) BY BUILDING TYPE

Building Type	2000	2001	2002	2003	2004	2005	Total
Total Factories & Industrial Buildings	1,941	1,361	1,802	1,686	12,243	5,780	24,813
Total Storage Buildings	380	2,338	601	1,535	494	709	6,057
Total	2,321	3,699	2,403	3,221	12,737	6,489	30,870

Source: Statistics NZ

From the table a total of 30,870 sqm of industrial floorspace has been consented for the 2000-2005 period. Factory & Industrial Building consents accounting for 24,813 sqm and Storage Buildings 6,057 sqm.

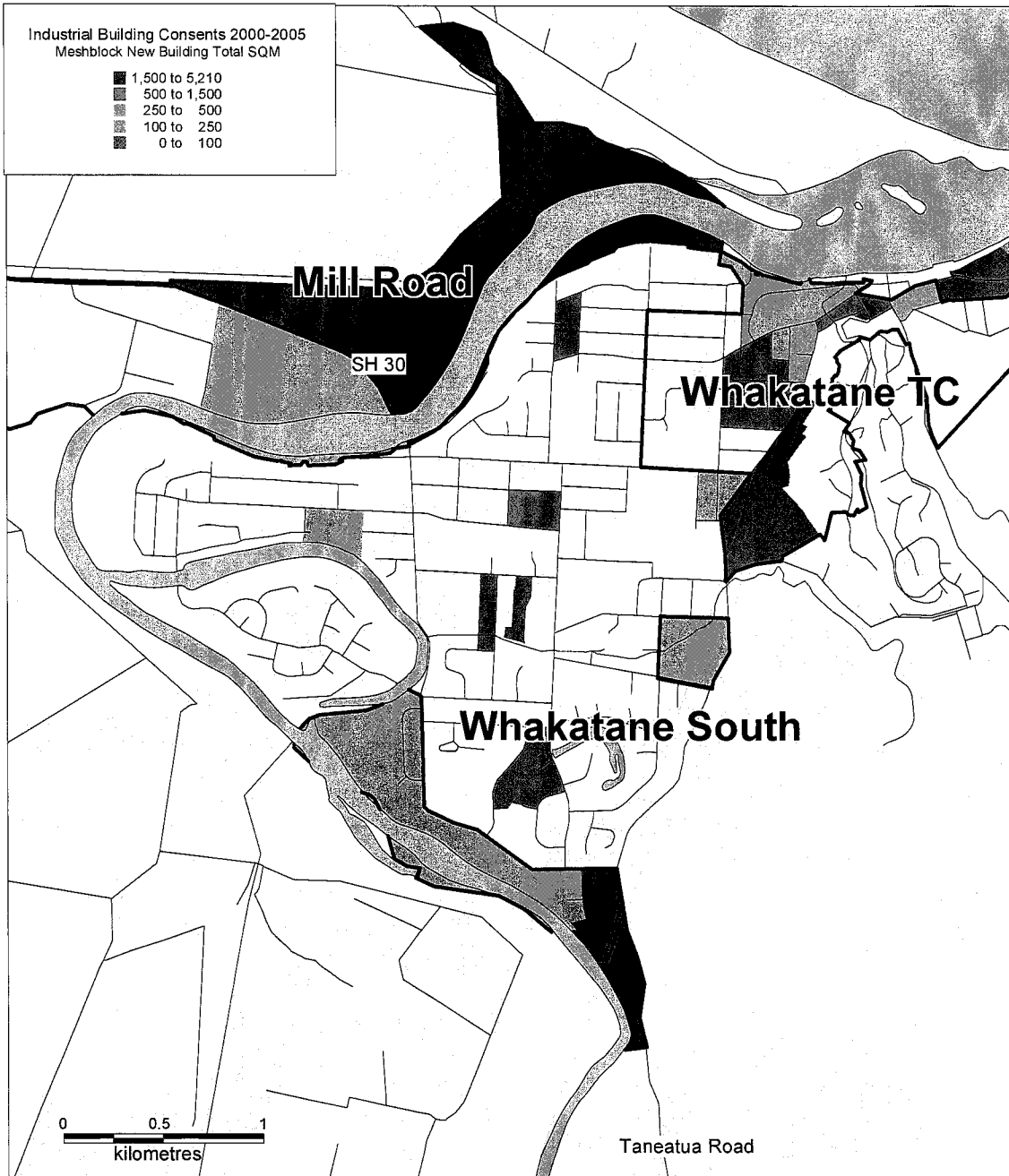
Consent data shows that building activity in Factories & Industrial Buildings was consistent for the period before 2004, since then activity picked up sharply. In 2004 the 12,243 sqm arose due to a sharp increase in the number of consents issued, as well as including some sizeable consents.

Storage Building consent data has no observable pattern, and is relatively minor in scale.

Over the observed period 76% of consents were for floorspace areas less than 500 sqm, 15% were between 500-1000 sqm and the remainder above 1000 sqm with the maximum over 3,500 sqm.

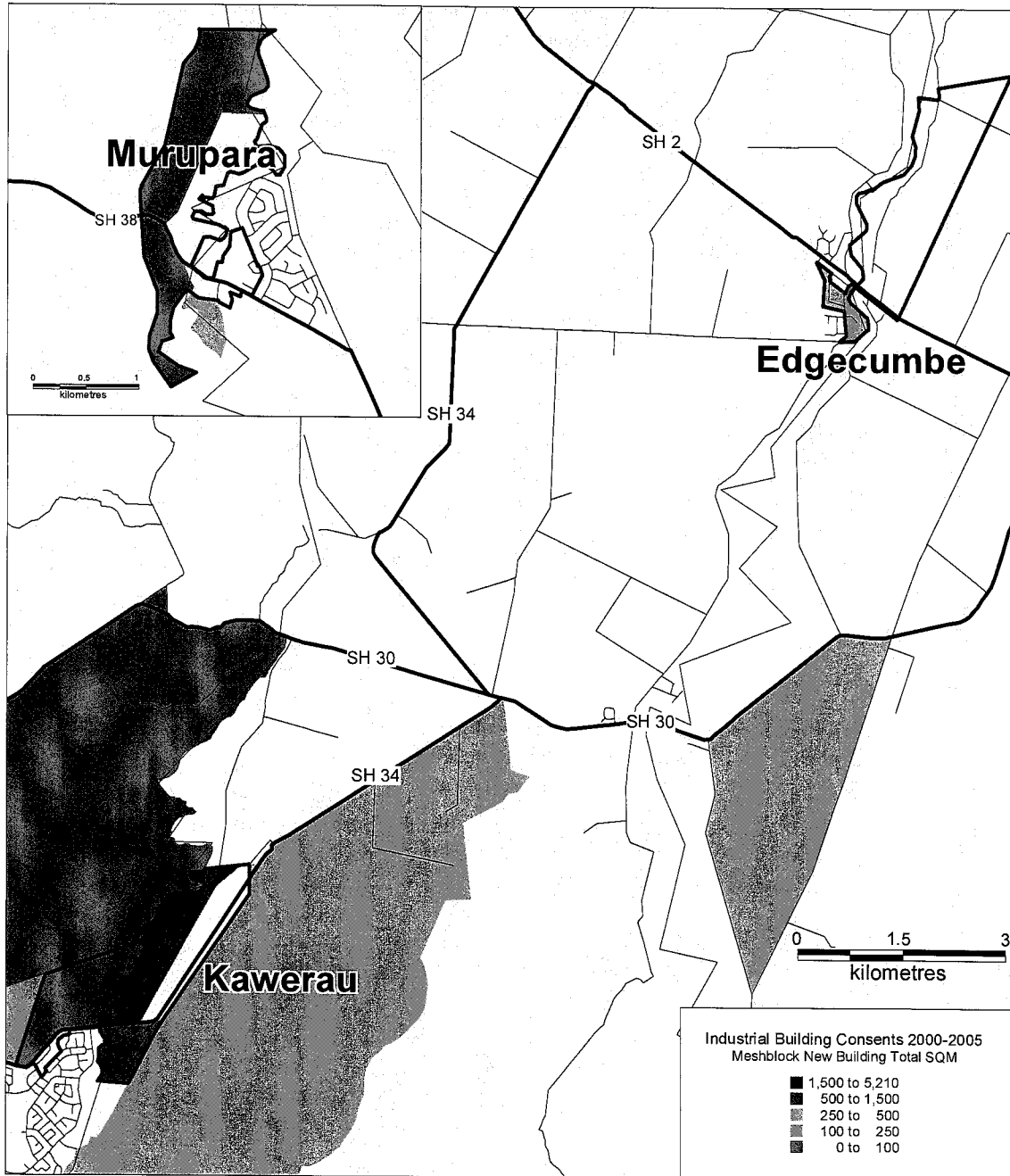
Figures 4 and 5 below show the floorspace by sqm of new industrial sector building consents issued by meshblock for the 2000-2005 period in the study catchment. As can be seen from these figures most consented activity occurs within the identified industrial nodes. The portion of consents that have been granted outside of the identified nodes is located in close proximity to them. The areas not shown in these maps have little activity occurring.

FIGURE 8: WHAKATANE INDUSTRIAL CONSENT DENSITY



Source: Statistics NZ

FIGURE 9: KAWERAU/EDGECUMBE INDUSTRIAL CONSENT DENSITY



Source: Statistics NZ

The majority of total consented floorspace for the 2000-2005 period was granted for Kawerau with 8,995 sqm or 29% of the entire Whakatane and Kawerau catchments' consented floorspace. Kawerau had 34% of Factories & Industrial Building floorspace, accounting for Kawerau's high share of total floorspace.

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The Whakatane TC had the second highest share of consented floorspace. Consents in the Whakatane TC differ from Kawerau and show a clear dominance of the Storage Buildings activity with 74% of total consented floorspace for this category.

Whakatane South is the only other industrial node to have a significant share of consented floorspace. Consents for Whakatane South have largely been in the Factory & Industrial building category, capturing nearly a quarter of these consents.

TABLE 10: INDUSTRIAL BUILDING CONSENTS (SQM) 2000-2005

	Factories & Industrial Buildings	Storage Buildings	Total
Mill Road	15%	2%	13%
Whakatane South	24%	1%	20%
Whakatane TC	10%	74%	23%
Edgecumbe	2%	0%	1%
Kawerau	32%	15%	29%
Murupara	0%	0%	0%
Outside Nodes	16%	9%	14%
Total	24,813	6,057	30,870

Source: Statistics NZ

4.5 Current Industrial Land Supply

For the purposes of this report industrial zoned land refers to the Whakatane District zones Business 3 and Business 4, and the Kawerau District zones 1B, 4A, 7A, 7B and 7B, as identified by respective Councils.

Table 11 shows industrial land provision for the Whakatane and Kawerau catchment. From Table 9, the Whakatane catchment has 400 ha of industrial zoned land with 19% (74 ha) vacant.

TABLE 11: INDUSTRIAL LAND PROVISION

	Utilised (ha)	Vacant (ha)	Vacancy Rate	Total (ha)
Mill Road	42	24	37%	66
Whakatane South	18	0	1%	18
Whakatane TC	1	0	0%	1
Edgecumbe	29	10	25%	39
Kawerau	185	37	17%	222
Murupara	46	3	5%	49
Total	320	74	19%	394

Source: Whakatane DC, Kawerau DC

N.B. Whakatane Figures current to July 06,
Kawerau Figures updated to December 05

The majority of industrial zoned land is located within Kawerau. Kawerau has a total of 222 ha of industrial zoned, 56% of the total study area's provision. Kawerau also has the highest amount of vacant land, accounting for half of the catchments' provision. The 37 ha of vacant land in Kawerau translates to a vacancy rate of 17%, slightly below the catchments average vacancy.

It is noteworthy that two pockets of industrial zoned land, totaling 17 ha located in Kawerau have no current access. District Plans indicate provision for roading but nothing as yet is on the ground. The lack of access to these sites could be prohibitive; however should demand conditions be conducive the access issues can be overcome.

The Mill Road industrial node has the second largest industrial land area and the second largest allotment of vacant industrial land. Mill Road has 66 ha of industrial zoned land with 24 ha vacant. The vacancy rate in Mill Road of 37% is well above the catchments' average vacancy, indicating that there is an ample supply of industrial land in this area. Mill Road is facing demand from other uses, in particular large format retail designating this node as a good location.

Murupara also has a significant supply of industrial land. However, Murupara has limited vacant land with forestry activities taking up the majority of land.

Edgecumbe accounts for 13% of vacant industrial land in the study area. Edgecumbe has 9.8 ha of vacant industrial land out of a total of 29.1 ha, with a vacancy rate of 25%.

4.6 Uptake of Industrial Land by Non-Industrial use

Industrial land is not solely desired for industrial purposes and comes under pressure from competing, higher use activities. The Hub, located in the Mill Road industrial node is an example. The Hub is a large format retail centre, under construction at present, on industrial zoned land in the Mill Road industrial node.

Table 12 shows industrial and commercial sector consented floorspace, by industrial node, for the 2000-2005 period. From all consented floorspace in the industrial nodes over the five year period, almost two fifths have been for non-industrial purposes. Excluding the Whakatane TC this proportion falls to nearly one third.

Industrial nodes that have seen the encroachment of non-industrial activity are the three based within the Whakatane Township, Mill Road, and Whakatane South. The Whakatane TC is expected to have a large amount of non-industrial consented floorspace as it is primarily zoned for commercial use. Mill Road and Whakatane South have industrial zonings.

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TABLE 12: INDUSTRIAL & NON INDUSTRIAL CONSENTED FLOORSPACE 2000-2005

Non Industrial							
	2000	2001	2002	2003	2004	2005	Total
Mill Road	41	7,682	147	591	0	0	8,461
Whakatane South	150	201	0	0	258	85	694
Whakatane TC	56	303	3,763	1,907	57	1,754	7,840
Edgecumbe	0	0	0	0	0	0	0
Kawerau	0	0	0	0	0	0	0
Murupara	0	0	0	0	0	0	0
Total Nodes	247	8,186	3,910	2,498	315	1,839	16,995
Total	5,373	17,113	7,944	8,246	6,920	6,509	52,105
Industrial							
	2000	2001	2002	2003	2004	2005	Total
Mill Road	0	310	0	0	2,758	845	3,913
Whakatane South	995	0	1,244	1,086	1,857	895	6,077
Whakatane TC	138	2,375	601	1,124	1,595	1,181	7,014
Edgecumbe	0	0	0	0	435	0	435
Kawerau	960	505	50	835	3,617	2,988	8,955
Murupara	0	0	0	0	0	0	50
Total Nodes	2,093	3,190	1,895	3,045	10,262	5,909	26,444
Total	2,321	3,699	2,403	3,221	12,737	6,489	30,870

Source: Statistics NZ, Property Economics

N.B. Residential consents excluded

Mill Road has seen double the amount of floorspace consented for non industrial purposes compared to industrial. The Mill Road node does include rural activity zonings within its meshblocks and as such non industrial building consents could be located on the rural zoned land. However, Mill Road's industrial zoned land has come under pressure from other land uses.

The Hub development located on Mill Road's industrial land came about as a significant amount of retail leakage from the catchment (estimated at \$30m pa) to large format centres in nearby cities. The Hub is to take up 5.5 ha of land to locate a large format retail centre in Whakatane. Two further large format retail stores have been granted consent for Mill Road, a Bunnings Warehouse and a petrol station. It has been acknowledged that only one such centre can be supported in Whakatane, as such no further industrial land should be used by this activity.

Uptake of industrial land by non industrial use is not at the same scale in Whakatane South. Whakatane South has seen 694 sqm of non industrial floorspace consented, equating to 2.5% of the total non residential consented floorspace in the node.

Uptake of industrial land by non industrial use needs to be monitored by Council to ensure the integrity of industrial nodes going forward. Where non industrial activities are allowed in industrial nodes it becomes harder for industrial activities to continue or expand and for new activities to locate.

5. EMPLOYMENT TRENDS

This section analyses high level employment trends for each of the identified industrial nodes over the 2000-2005 period. Table 13 shows employee counts for 2000, 2005 and the percentage change in employee count by industrial node over the period.

TABLE 13: EMPLOYMENT TRENDS BY INDUSTRIAL NODE 2000-2005

2000 Industrial Employee Count								
ANZSIC	Manufacturing	Wood Processing	Electricity Gas & Water Supply	Construction	Wholesale Trade	Transport & Storage	Other	Total
Mill Road	88	12	0	60	35	-	2	197
Whakatane South	18	12	3	65	9	18	0	125
Whakatane TC	140	6	30	76	106	88	3	449
Edgecumbe	403	35	0	6	12	-	3	459
Kawerau	230	1,575	0	160	50	57	0	2,072
Murupara	0	9	0	6	6	37	8	66
Outside Nodes	179	59	3	248	81	183	66	819
Total	1,058	1,699	36	615	293	346	73	4,120
2005 Industrial Employee Count								
ANZSIC	Manufacturing	Wood Processing	Electricity Gas & Water Supply	Construction	Wholesale Trade	Transport & Storage	Other	Total
Mill Road	71	24	6	90	25	0	0	216
Whakatane South	30	3	3	134	9	24	2	205
Whakatane TC	144	12	95	129	152	93	3	628
Edgecumbe	419	15	0	9	3	0	9	455
Kawerau	363	1,336	0	230	61	51	0	2,041
Murupara	0	15	0	3	9	30	0	57
Outside Nodes	142	3	6	323	102	144	57	777
Total	1,169	1,408	110	918	361	342	71	4,379
2000-2005 % Change								
ANZSIC	Manufacturing	Wood Processing	Electricity Gas & Water Supply	Construction	Wholesale Trade	Transport & Storage	Other	Total
Mill Road	-19%	100%		50%	-29%	0%	0%	10%
Whakatane South	67%	-75%	0%	106%	0%	33%		64%
Whakatane TC	3%	100%	217%	70%	43%	6%	24%	40%
Edgecumbe	4%	-57%	0%	50%	-75%		0%	-1%
Kawerau	58%	-15%	0%	44%	22%	-11%		-1%
Murupara	0%	67%	0%	-50%	50%	-19%	-96%	-13%
Outside Nodes	-21%	-95%	100%	30%	26%	-21%	-14%	-5%
Total	11%	-17%	206%	49%	23%	-1%	-4%	6%

Source: Statistics NZ

N.B: Blank % fields indicate growth from a zero base in 2000

Overall employment growth in the Whakatane and Kawerau catchments' industrial sector has been minimal, 6% growth over the five year period. Note this was during a period of sustained economic growth in the country.

Most employment growth for the Whakatane catchment has come from the Construction sector. Strong Construction employment growth is not unusual given the strength of the sector nationally. The last five years have seen a strong New Zealand economy and as such construction work has been in high demand. The effect of the strong growth in Construction can be seen in Table 13 above, where Construction's share of industrial employment has increased from 15% in 2000 to 20% in 2005. Construction has grown across the catchment with stronger growth occurring in Whakatane South and Whakatane TC.

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Electricity gas and water supply has tripled its employment base, from 36 in 2000 to 110 in 2005. Growth in this sector has been primarily isolated to the Whakatane TC where offices and off site control centres are located.

Manufacturing saw an increase of slightly more than 100 employees over the five years to 2005. Manufacturing growth has largely been focused in Whakatane South and Kawerau.

The largest employment sector, Wood Processing, has seen a large decrease in employment. The decrease in employment of this sector (-291) was greater in absolute value than the total increase in employment in the entire study catchment, curtailing total employment growth in the study catchment.

It is interesting that Wood Processing has decreased employment by such an amount while Manufacturing has recorded the second largest increase in the Whakatane catchment. The Wood Processing sector has seen businesses restructuring with improvements to capital equipment while facing stiffening international competition. The manufacturing sector more predominantly services the local and national economies.

The Whakatane TC has experienced the most employment growth of the industrial nodes. Growth of 40% equates to an additional 180 industrial workers in the area. Driving growth in this node are the sectors of Electricity Gas & Water Supply, Construction and Wholesale Trade. It is likely that this growth has been in the office side of industrial operations.

Whakatane South is the only other industrial node to experience any significant employment growth. The increase in employment (80 employees) has predominantly been in the Construction sector.

TABLE 14: CHANGES IN EMPLOYMENT AND BUSINESS UNITS BY INDUSTRY 2000-2005

Change in Employee Count 2000-2005								
ANZSIC	0	1-5	6-9	10-19	20-49	50-99	100+	Total
Manufacturing	0	16	10	34	-48	67	33	111
Wood Processing	0	9	-33	51	-35	0	-283	-291
Electricity Gas & Water Supply	0	3	6	-15	20	60	0	74
Construction	0	69	0	46	126	-45	107	303
Wholesale Trade	0	35	-1	-16	50	0	0	68
Transport & Storage	0	-14	34	25	-49	0	0	-4
Other	0	0	-4	3	3	-6	0	-3
Total	0	120	10	125	70	73	-141	258
Change in Business Units 2000-2005								
ANZSIC	0	1-5	6-9	10-19	20-49	50-99	100+	Total
Manufacturing	4	2	1	2	-1	1	0	9
Wood Processing	-5	4	-4	5	-1	0	1	0
Electricity Gas & Water Supply	-1	2	1	-1	1	1	0	3
Construction	-16	35	-1	2	4	-1	1	24
Wholesale Trade	-15	11	0	0	2	0	0	-2
Transport & Storage	3	-3	5	2	-1	0	0	6
Other	3	-2	-1	-1	0	0	0	-2
Total	-27	49	2	9	4	1	2	38

Source: Statistics NZ

Table 14 above shows the net change of employment by business unit size per sector, and the net change of business units by size per sector, for the industrial market. The table gives a good indication of the changing structure of businesses in the Whakatane and Kawerau catchment and what type of land and premises will be required for the near future.

Overall the Whakatane catchment has been fairly stable with 38 business units added to the area. The increase in business units has come largely from business units employing below 20 employees. This is typically the case as smaller businesses are more often created than larger ones.

There are only 4 new business units that employ more than 50 people. The Manufacturing, Wood & Paper Product Manufacturing, Electricity Gas & Water Supply and construction sectors taking one apiece.

It is interesting to note that total employment has fallen only in the 100+ bracket. This is a result of the decrease in the Wood & Paper Product Manufacturing sector and is sector specific. The other sectors with business units in this size have seen employment increase.

Construction, the sector with the largest employee growth, has also seen the largest growth in business units. Business unit growth has been at the smaller end of the scale, in the 1-5 employee bracket, supporting the idea of a large amount of small scale operators in the Whakatane and Kawerau catchment.

6. INTERNATIONAL & NATIONAL TRENDS

This section identifies some of the major impacts on Whakatane and Kawerau of evolving global and, more importantly, national trading patterns. It focuses on long-term shifts in the composition of trade, changing global demand, new and evolving structures of production, and the structural suitability of the study area's economy for sustained prosperity and growth. It also discusses operational and technological advances, and the impact this will have on the industrial market.

Due to New Zealand's position in the global market it is susceptible to changes in the international arena. This ultimately influences the competitive nature of the Whakatane markets (such as wood and paper production), markets that they currently or potentially exhibit a comparative advantage in.

6.1 Manufacturing Trends

Trends in the international industrial market can be broken down into two categories, export industries and those demanded for national supply.

The trends in world demand for production are important in determining the direction of Whakatane's industrial future. Suppliers to the international market are looking for areas that are compatible with their industry in terms of access to skilled workers, and other factors of production.

The current international trends show a continued growth in manufacturing for export, not only in developing countries but also some of the wealthiest OECD countries. In 1997 manufactured products accounted for 61% of world trade by value, while in 2002 that figure reached over 68%. Of this the valued added by 'niche' or specialised manufacturers is estimated to be over 10% and climbing. These are key areas of growth and retention for the Whakatane and Kawerau Districts. Reasons for this recent decline in this sector may be explained by the departure of several large firms due to more competitive Asian and Australian markets.

Continually improving international communications and logistics mean that businesses supplying any markets can be operated from geographically distant locations.

The size of the Whakatane local market means that traditional types of manufacturing are decreasing as cheaper international labour acquires international contracts.

6.2 Emergence of Logistics

The NZIER employment projections forecast more warehousing and logistics based industry, which will redistribute employment proportions more evenly across the industrial sectors. Manufacturing employment, as a percentage of total industrial employment, is projected to drop from 45% to 42%, while Wholesale Trade is projected to increase.

Whether it is measured by the value it will add to the local economy or the employment it generates, logistic businesses likely to be an important component of Whakatane's industrial economy in the future.

This trend is not unique to Whakatane, with many economies around the world undergoing the same transition at present, especially in larger cities where it is becoming increasingly difficult for large manufacturers to find large sites at economic prices, and hence are getting pushed further out of the city or to neighbouring towns.

Just about everything that happens in a major centre is dependent on the movement of materials. Industries such as manufacturing, construction and retail are particularly dependent on efficient logistics, as are many of the professional service businesses in the heart of financial districts.

Also, an efficient logistics sector provides the foundation for achieving wider spatial, economic development and transport objectives for Whakatane.

Logistic businesses provide a range of employment opportunities for a wide variety of skill bases, but generally the warehousing associated with many logistical operations rely on areas of lower socio-economic status, creating employment opportunities in areas of economic need.

Logistics also has the potential to contribute to the sustainable development of Whakatane, through the recycling of 'brownfield' sites for warehousing, and the wider use of 'sustainable distribution', e.g. use of cleaner vehicles.

6.3 Changing Organisation & Technology

Over the past two decades, the way in which industrial companies have operated has changed. This is primarily due to technological developments and the emergence of logistics businesses, and is a result of industrial activities coming under increasing pressure to reduce costs and improve service.

From an organisations perspective, some of the key changes have included:

- The consolidation of inventory
- Greater 'just in time' logistics
- Increasing use of cross-docking
- The outsourcing of warehousing and transport services
- The growth of home deliveries in certain markets

Consolidation of inventory refers to the way in which many operators are now consolidating their inventory into a smaller number of larger warehouses. One of the main benefits associated with consolidation is the reduction in the total amount of stock businesses hold, thereby reduce holding costs. A flow-on benefit of this is that total property and employee costs are often reduced. These cost savings and increases in efficiency generally outweigh any increase in transport costs that may occur by having fewer distribution points. This trend has been one of the key drivers behind the demand for larger warehouses, and this looks set to continue well into the future.

Just-in-time logistics is where the flow of goods is 'pulled' by customer demand rather than being 'pushed' out by producers or suppliers. For warehousing, this has been a key factor in transforming the roles of warehouses from storage, to movement and information. This can generate increased transport with more frequent deliveries of smaller consignments. This trend is likely to continue to be refined as companies seek to eliminate 'waste' from the movement of their goods.

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Cross-docking often works in conjunction with just-in-time logistics and is a way of managing the flow of goods without putting them into storage. This is usually done in a dedicated facility where the warehouse still exists, but its 'stockless', as the goods go straight through rapid unloading, get re-consigned and reloaded again before onward dispatch. This trend has seen significant growth overseas, and generated increased demand for large land intensive warehouses with loading docks on both sides. This is likely to remain a growing trend as industrial businesses become increasingly focused on the speed of flow through the supply chain.

Outsourcing refers to the way industrial activity contract out their logistic operations, typically their transport operations and/or warehousing generally to specialist logistic businesses. This keeps industrial businesses focused on their core competencies and out sources non-core requirements. This has fuelled growth in the logistics market and has been an important driver in demand for large warehousing and distribution facilities. As the logistic market grows and the large players get bigger, they will become more competitive which may further drive growth in this market. In this regard, this organisational shift looks set to continue.

The home delivery market received significant impetus with the development of on-line retailing. This sector involves the delivery of goods supplied by direct selling manufacturers and non-store retailers (such as Amazon).

This sector also includes delivery of goods which are purchased in person at retail stores. The home delivery market also generates demand for large warehouses and growth in this market is likely to lead to an increase in demand for warehouse/distribution facilities. The impact of this on Whakatane may be small for non perishable goods, but with supermarkets now offering on-line shopping, this sector will require more local warehousing.

Despite all the advances in technology and trends this is bringing to the industrial market, ultimately demand for industrial building space and land will be driven by local economic growth. This creates demand for more inventory, which requires more manufacturing, more distribution, more jobs, more warehousing, etc. In this regard, economic growth will be a good benchmark for future increases in industrial land and buildings.

7. EMPLOYMENT FORECASTS

The current employment environment in the Bay of Plenty (BoP) has shown mixed results in the last 5 years. The fall in the unemployment rate in BoP has been one of the most dramatic in New Zealand. Rather than exhibiting a strong economy, however, it is the result of residents leaving the labour force or the region. Overall this region has seen insignificant employment growth over this period. More recently the employment market here has remained stationary with little to no growth seen or expected. This is due, in part, to the changing national economy that is seeing a consolidation of industry, a strong New Zealand dollar reducing international competitiveness and a fall in population growth.

Whakatane and Kawerau Districts are no exception to the regional situation; in fact they have experienced a fall in nominal population over the past 5 years. Industrial growth areas have been in Wholesale Trade and Construction. This growth in construction is expected to taper off as population falls, and the number of new households tending to zero. This sector will also be affected by high interest rates and reduced international investment.

Sectors of growth are expected to include:

- Manufacturing: Although there is likely to be a fall in the number of employees in larger manufacturing firms (including paper and wood manufacturing), targeting niche manufacturing should see a slight gain in employment levels for the Whakatane and Kawerau Districts.
- Wholesale Trade: This sector has seen growth over the past 5 years and is expected to continue to grow, albeit at a diminished rate. This sector continues to grow due primarily to the rise in retail spending and a national increase in this sector.
- Electricity, Gas & Water Supply: The declining mills in Whakatane may reduce the demand for this sector, however rising energy prices is likely to increase the need to utilise other geothermal opportunities. Based on this it is expected that this sector will exhibit growth in the next 15 years.
- Construction: Due to the declining population (and ultimately household formation) it is expected that by 2021 there is likely to be a drop from the current employment in this sector.

Table 11 shows the estimated employment projections to 2021 based on the above information, demographic changes, population changes, NZIER national employment projections, and overall national and local trends.

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TABLE 15: ESTIMATED EMPLOYMENT PROJECTIONS 2005 – 2021 (ECs)

	2000	2005	2011	2021
Agriculture	55	50	52	45
Mining	18	21	18	16
Manufacturing	1,068	1,169	1,269	1,231
Wood Processing	1,689	1,408	1,352	1,299
Electricity Gas & Water Supply	36	110	123	131
Construction	615	918	905	879
Wholesale Trade	293	361	371	379
Transport and Storage	346	342	334	315
Total	4,120	4,379	4,424	4,295

Source: Statistics NZ, Property Economics

Table 15 projects a temporary rise in the total number of employees in Whakatane and Kawerau Districts to 2011 (45), followed by an overall drop to 2021 (-84). This represents an overall drop of 1.9% over the 15 year period, this is in contrast to the 6.3% increase in employees observed over the 2000 – 2005 period.

The growth sectors include (to 2021):

Manufacturing	+62 ECs (5.3%)
Utilities	+21 ECs (19.1%)
Wholesale Trade	+18 ECs (5.0%)

Declining sectors include (to 2021):

Agriculture	-5 ECs (9.5%)
Mining	-5 ECs (23.8%)
Wood and Paper Processing	-109 ECs (7.7%)
Construction	-39 ECs (4.2%)
Transport and Storage	-27 ECs (7.9%)

These changes are representative of a changing industrial structure, especially in less populated areas.

The resulting impact on industrial land is assessed in Table 12. This calculates the likely change in industrial land demand based on the employee changes and the size of the businesses in each sector. This business size will give some indication as to whether or not a fall in employees will bring about a change in land productivity or not (i.e. even when the number of employees falls there is not a decrease in the required (used) amount land.

Table 16 below is based on national industry averages for floorspace per EC, tailored to the local area. It became apparent that some of the business areas in the Whakatane catchment had floorspace per EC ratios far greater than the national averages. This implies that these areas have less efficient land use than is possible and that intensification of industrial areas in the Whakatane catchment could take place.

Table 16 shows an estimated net increase in demand for 2.7 hectares of industrially zoned land to 2011. This is based on an increase in demand of over 7,500 sqm of industrial floorspace over this period. This represents a fall in the level of demand observed over the past 5 years. The three identified growth sectors comprise an increased land demand of approximately 3 hectares.

PROPERTY ECONOMICS

Industrial activity in the Whakatane and Kawerau Districts is projected to fall over the 2011 to 2021 period. It is estimated that during this time the amount of industrial land required will decline by approximately 1 hectare.

TABLE 16: ESTIMATED FUTURE INDUSTRIAL LAND REQUIREMENTS (2005 – 2021)

Employee Growth	Transport &			Wholesale			Total
	Manufacturing	Storage	Construction	Trade	Utilities	Other	
2011	100	-8	-13	10	13	-1	101
2021	-38	-19	-26	8	8	-9	-76
2005 - 2021	62	-27	-39	18	21	-10	25

Floorspace Growth (sqm)

2011	6,062	-464	-302	725	1,697	-47	7,672
2021	-2,314	-1,102	-603	580	1,044	-600	-2,996
2005 - 2021	3,748	-1,566	-905	1,305	2,741	-647	4,676

Land Requirements (sqm)

2011	20,905	-1,600	-1,040	2,500	5,850	-161	26,454
2021	-7,980	-3,800	-2,080	2,000	3,600	-2,070	-10,330
2005 - 2021	12,925	-5,400	-3,120	4,500	9,450	-2,231	16,124

NB: The projected fall in Wood & Paper Manufacturing (ECs) is not included here as the fall is not expected to affect the amount of direct land required.

Source: *Property Economics*

It is important to note that although there is little net gain in the amount of industrial land required by Whakatane and Kawerau Districts, there is a considerable shift in the 'type' of sectors and their likely location criteria.

All this points to need to have a robust Economic Development Strategy for the area to drive growth over the forecast period.

8. INDUSTRIAL NODE OVERVIEW AND TRENDS

This section provides an overview of each industrial node and highlights their possible future direction.

Table 17 below shows the composition of industrial activity for Rotorua, Tauranga, the Whakatane catchment and the projected employment for the study area for 2021. As can be seen the Whakatane catchment has a higher proportion of EC's in Manufacturing than the neighbouring areas of Rotorua and Tauranga, and this share of employment for Whakatane is not forecast to change. Whakatane also has a higher proportion of employment in Electricity Gas & Water Supply. These are areas of strength for the Whakatane catchment.

TABLE 17: COMPARATIVE ANALYSIS OF INDUSTRIAL SECTOR EC PROPORTIONS

	Rotorua	Tauranga	Study Area	Study Area Projections
Manufacturing	49%	37%	59%	59%
Electricity Gas & Water Supply	1%	2%	3%	3%
Construction	18%	26%	21%	20%
Wholesale Trade	17%	18%	8%	9%
Transport & Storage	12%	16%	8%	7%
Other	2%	1%	2%	1%

Source: Statistics NZ, Property Economics

8.1 Industrial Node Fact Sheets

Some of the vital statistics on the industrial nodes have been incorporated into a succinct one-page fact sheet for each industrial node. These can be found in Appendix 2. Each industrial node fact sheet identifies:

- Business unites by first level ANZSIC industry classifications
- Trends in business unit growth between 2000-2005 (in terms of real and percentage growth)
- Employee count by first level ANZSIC industry classifications
- Trends in employee count growth between 2000-2005 (in terms of real and percentage growth)
- Amount of Zoned industrial land (i.e. supply)
- Amount of vacant industrial zoned land (estimated) in terms of actual hectares and percentage of total
- Strengths and weaknesses of each node – from an industrial location point of view

8.2 Industrial node profiles

8.2.1 Kawerau

Kawerau is the largest industrial node in the Whakatane and Kawerau catchment. It contains over 2000 employees and has 222 ha of industrial zoned land. Activity in the area is dominated by the mills located on Fletcher Avenue. These mills have enabled other support businesses to develop and grow, obtaining other national and international cliental and becoming sustainable operations.

A negative aspect of having such a dominant industry is the downside risk should that activity cease. Kawerau's support industries are diversifying, but a closure of a mill would have a huge impact on the area. Interviews with the mills indicate that they will be around for the mid term, but also that the viability of their industry is on a knife edge and international conditions will determine their continuation.

Kawerau has strong transport linkages with Rotorua and Tauranga from State Highway 34. Kawerau also has a direct rail link to the Port of Tauranga. These linkages are important to current industrial businesses and are a key locational requirement of future businesses, for accessing labour, materials and for distribution purposes.

Another key benefit of Kawerau is the possibility of electricity generation being located in the area. This may not have an effect on electricity prices as the market is national, but it may have an effect on certainty of supply that will be attractive to prospective companies. Interviews from other projects that Property Economics has completed indicate that a 20 minute loss in power can lead to a substantial decrease in productivity and business.

Kawerau is a popular location for industrial activity as the building consent data attests to. Provided Kawerau can develop industries that are viable in their own right, it has a good future as an industrial location and will remain the industrial focal point for the study area.

8.2.2 Edgecumbe

Edgecumbe is the third largest industrial node in the Whakatane catchment by way of employees. The largest industry in Edgecumbe is Manufacturing. Like Kawerau, Edgecumbe is dominated by one Manufacturing industry in particular. Fonterra has a large operation, accounting for most of the industrial employment in the node.

Edgecumbe is prone to the flooding problems experienced in the Whakatane catchment and as such is not an attractive option for major industry. Edgecumbe also has a lack of scale and profile, inhibiting the attractiveness of the area.

The future of industry in Edgecumbe is dependent on Fonterra. Due to the relatively high presence of agriculture in the area support industry for agriculture would be appropriate. Other industrial activities in the node should be kept to a limited scale so that critical mass can be built up elsewhere in the Whakatane catchment providing efficiencies. The vacant industrial land is unlikely to attract or be used for industrial purposes.

8.2.3 Whakatane Town Centre

The Whakatane Town Centre is not strictly speaking an industrial node. It does however, have the second most industrial employees with slightly more industrial EC's than Edgecumbe. Whakatane Town Centre has an even disbursement of industrial activity, with strong showings of employment in Wholesale Trade, Manufacturing, Construction, Electricity Gas & Water Supply and Transport & Storage. Industrial employment in the town centre accounts for 17% of total employment, less than half the catchments proportion at 35%.

Industrial activity in the Whakatane TC is predominantly the office side of operations. These business units largely operate on Business 1 zoned land. Some technical industrial activity also occurs with the Whakatane TC. Operation of some electricity generating units in the wider catchment is automated via a computer control system at an office located within Whakatane.

The Whakatane Town Centre is the major commercial location within the Whakatane catchment. It is the centre where most retail trade occurs. The strongest growth in employment has in fact come from the retail sector followed by professional services.

8.2.4 Mill Road

Mill Road is one of the smaller industrial nodes employing 200 people in industrial activity. Mill Road has a high proportion of construction companies, targeting both commercial and residential developments. Industrial sector employment growth in Mill Road has been negligible, hovering around the 200 employee mark over the 2000-2005 period.

Mill Road is the location of Carter Holt Harvey board mills. These are the only mills in the study catchment to be located outside of Kawerau. Other heavy industry in Mill Road is limited. These mills have recently been upgraded and the intentions of Carter Holt Harvey are to continue to operate the mill for at least the medium term future.

Mill Road is also the location of 'The Hub', a large format retail centre, housing tenants such as Harvey Norman. 'The Hub' will take up 5.5 ha of industrial land in Mill Road and signals the desirability of the land for non-industrial uses.

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Consented retail activities within the Mill Road industrial node will make it hard for further heavy industry to locate. However, lighter industry such as the construction companies present should not create negative externalities or sensitivities. This is a good location for these industries given the room for future population growth in Whakatane. These are the types of industrial activities that should take place in Mill Road. Mill Road should not become a major industrial node within the Whakatane catchment, rather it will be better use to have light industry to serve the local market.

8.2.5 Whakatane South

Whakatane South differs from the other industrial nodes in that it covers two smaller pockets of industrial zoned land as opposed to one. It is located at the southern end of the Whakatane Township.

Whakatane South is heavily dominated by the construction sector. Construction accounts for nearly two thirds of employment. Further, growth in the Construction sector for the 2000-2005 period was strong. Construction in Whakatane South is of a heavier nature than that at Mill Road, including concrete manufacturing and metal supply. These activities are suited to this node as they are away from the resident population and retail areas making them less likely to cause offence.

8.2.6 Murupara

Murupara is the smallest industrial node identified in this report. Industrial employment in Murupara decreased slightly between 2000 and 2005. Currently 57 people work in Murupara's industrial sector, over half in Transport & Storage.

Murupara is located in the heart of forestry land. The primary purpose of Murupara is to extract raw material and distribute it to end users around the country.

Murupara is isolated and does not have sufficient accessibility to be a viable location for the majority of industrial activity. The future of Murupara is in its current use of forestry.

9. INTERVIEWS

This section discusses some of the key findings from the interviews conducted by Property Economics. Interviews were designed to identify issues that the industrial sector currently faces and to identify key locational requirements and trends that will influence future industrial land demand.

Interviews were undertaken with various businesses and other agencies within the Whakatane and Kawerau District Council areas. Interviews were in the large part face to face with telephone interviews comprising the remainder. Interviews have been undertaken with the following organisations:

- Chamber of Commerce
- Kawerau Enterprise Agency (KEA)
- Norske Skog
- Carter Holt Harvey (CHH)
- SCA Hygiene Australasia
- Fonterra Co-op Group
- Toi EDA
- Lysaght Developments Ltd
- Paul Hartley
- Transit NZ
- Environment BoP
- Manukorihi Trust

The key findings have been split into categories for clarity.

9.1 Strengths and weaknesses of the study catchment

The Whakatane catchment is seen as comprising distinct areas by the industrial sector, one in and around Kawerau, and the other closer to Whakatane.

A major strength of both areas is the proximity to and linkages with the Port of Tauranga. This is especially the case of Kawerau as it further boasts a direct rail linkage.

The Whakatane catchment draws employees from a large geographic location. Commuters come from as far as Mt Manganui and Rotorua. There is also high level of daily commutes within the catchment, largely Whakatane residents travelling to work in Kawerau.

The Maintain NZ training institute based in Kawerau is seen as a positive for the study catchment. The scheme is growing, taking on more trainees and has potential to expand. This scheme provides a pool of skilled trades people who have been exposed to local industry making them valuable commodities.

The Whakatane catchment has relatively cheap land prices compared to competing areas in Rotorua and Tauranga.

The area in and around Kawerau has further offerings for industry above those already mentioned. It is ideally suited to primary and secondary forestry related industries. It has a river for water supply, cheap and accessible low grade heat, proximity to raw material and it is close to energy sources, the geothermal activity has attracted Mighty River Power.

Kawerau's existing heavy industry also makes it attractive from industries point of view for Greenfield development with heavy industry having existing use rights.

The mills based in Kawerau are both a strength and weakness to the Whakatane catchment. The mills activity flows throughout the Whakatane catchment. However, the mills are globally oriented and are competing in competitive markets. It is recognised that relying on the mills could be a downfall of the area should they become uneconomic and cease to operate. The presence of the mills have allowed other activities to establish, feeding of the mills initially and then diversifying into other activities allowing them to be less dependent on the mills and more sustainable in their own right.

A key weakness perceived of the Whakatane catchment is its propensity for natural disasters. The risk of flooding was a common point raised by interviewees, however, its effects can be minimised through location. Earthquake risks are also a concern, albeit to a lower level, given the presence of fault lines in the study area. Edgecumbe was seen to be worst affected with industry in Kawerau not as concerned.

Whakatane is seen to have a lack of critical mass, the board mill seen as the only major industrial activity. Whakatane was also seen to have insufficient land to create critical mass.

9.2 Locations with high demand

Kawerau is the location in the Whakatane catchment that has the highest level of demand. Most people interviewed pinpointing Kawerau as uniquely placed for industrial purposes. Kawerau's concentration of activity and efficiencies gained by locating near the mills are the major draw cards. The involvement of KEA was mentioned as stimulating growth, providing land that could be used for industrial purposes. This is seen as a positive initiative.

Other areas in the catchment were not seen as experiencing strong demand. The Hub development in Whakatane was generating high demand but its focus is more on large format retail as apposed to industrial activities. Demand for industrial land in Whakatane is seen to be held back somewhat by trucks having to skirt around the town rather than pass through it.

9.3 Locations for further industrial land

It was unsurprising to hear that Kawerau was the location of choice for further industrial land. Areas around Kawerau that are well placed include the Putuaki block to the east of Tamarangi Drive, opposite the mills. This land, located in the Whakatane District is seen as a good place for service industries to the mills and other heavy larger scale operations. The mills would prefer to have their contractors offsite to reduce their costs, but need to keep them in close proximity. Spencer Avenue was also indicated for lighter service industry closer to the town centre.

Another location for industrial land was in Whakatane, near to the CHH board mill. It was acknowledged that industrial activity in Whakatane was more suited to smaller scale, light industries to service the local community. The area to the south of Whakatane along Valley and Taneatua roads was also considered appropriate for this use, albeit to a lesser extent.

It is important to note that the large processors in Kawerau and Whakatane have sufficient land for their operations and see no further requirements in the foreseeable future.

9.4 Key issues the sector is facing

The Kawerau mills involved in global markets highlighted other producing nations such as China and Russia as serious threats to their operations. The effect of global markets and competitors is out of the hands of the Kawerau and Whakatane District Councils. However, the importance of this threat and its implications needs to be acknowledged.

Energy in the form of Electricity supply and petrol prices are issues for the industrial sector. Again, these issues are largely out of the hands of local government as the electricity market is national and petrol international. Petrol prices impact not only on the financial costs of operations, but also the ability to source labour as commuters face increased costs. The location of a power station in the area will benefit the Districts, as supply will have a greater guarantee and there may be some private benefits negotiated with large users.

Environmental effects from the large processors are another issue. Currently the activities are unsustainable. Waste from one mill is currently put into a landfill, not only is the capacity finite, resource consent is due to run out in 2013. Also resource consents for the steam plumes and other waste resource consents will come up for re-issue. The ability of obtaining new consents was an issue for these processors.

Natural disasters are a key concern, not only the effects of natural disasters on a company's own operations, but the effect on the roading network and related company activity.

Some firms are finding it hard to attract highly skilled workers for their operations. Although the majority of skilled and unskilled operational labour is easy to find, workers for accountancy and finance departments are harder to source.

Land owners have their own concerns. The price received for land at present is viewed as low by land owners. This has the potential for reducing the supply of land with one land holder stating that they are not interested in subdividing and selling any more of their holdings until prices increased. Low prices usually indicate a lack of demand and despite the locational attributes of the Whakatane catchment, based on land values; current demand appears weak for industrial land.

9.5 Growth sectors

Interviewees were asked where they saw the industrial sector heading over the next 10-20 years, what sectors they anticipate growth to be in.

Of the larger industries sawmills and electricity generation are seen as avenues for the future. Sawmills are perceived to be not as prone to international events as the paper and pulp mills and suit the location. Electricity generation has potential with the geothermal activity in the area and increases in electricity prices. One generator has already been proposed for Kawerau with the potential for others to follow.

Further processing of natural resources is another avenue for growth. Refining of forestry products can lead to many new products, such as bio-diesel.

Engineering is highlighted as a potential growth sector. There are recent examples of engineering companies that began by servicing the mills and have since obtained contracts internationally. The Maintain NZ initiative will support this activity well.

Many interviewees saw potential in the study area, Kawerau especially, as the industrial hub of the North Island, although this is viewed as somewhat optimistic.

10. FUTURE CONSIDERATIONS

This section provides further considerations for Councils going forward in regards to industrial land supply. These considerations cover proposed activities for the Whakatane catchment that are not able to be incorporated into previous analysis as these activities and their impacts are uncertain.

10.1 Proposed Rangiuuru Business Park

There is a need to consider the wider context in which the Whakatane and Kawerau economies operate. Larger economies that are situated within the wider environment can have a substantial impact upon the demand for businesses to locate in the Whakatane and Kawerau Districts.

Of particular interest, which regard to this assessment, is the proposed Metroplex business park at Rangiuuru, 5km east of Te Puke. It is expected that this 150ha park will accommodate more than 5,000 employees from the Tauranga District within the next 8 – 10 years. There is currently substantial latent demand for business land in the rapidly growing Tauranga District. This demand has put significant pressure on the existing business land in and around the Tauranga area. It is expected that up to 22ha will be available by October 2007 with the remaining 128ha entering the market once the eastern arterial is constructed by 2013. Quayside Properties, part owners of the site, state that the development will enhance and create business growth in the region with the provision of larger sites that are currently difficult to acquire in the current environment.

The size and location of this park is likely to coincide with the Tauranga Port to attract larger national businesses that currently struggle to find appropriate premises in the area. Due to this fact it is unlikely that the development will have a significant impact on the employment projections contained within this report. However it is likely to have some effect on the potential of the Whakatane and Kawerau Districts to attract industry that services a national market. This should be taken into consideration when assessing a prospective economic development strategy.

10.2 Outcomes from Whakatane Transportation Study

Transportation networks are a key benefit to the study catchments'; key industrial nodes of Kawerau and Mill Road. At present a working party is evaluating potential improvements to the transportation network within the Kawerau and Whakatane Districts. This work is being undertaken to alleviate projected strain on the roading network brought about by commuter flows and changing residential locations.

A main concern from a roading perspective is the level of use of the bridge crossing the Whakatane River at White Pine Bush Road and the roundabout of Landing Road and Hinemoa Street. This bridge is perceived to be near capacity and a further crossing of Whakatane River will be required. Two options are on the table for bridge locations, one to the north of the current structure and the other to cross at the southern end of town near Taneatua Road.

The bridging option to the north of the current bridge will have limited impact upon industrial activity within the Whakatane catchment. The area surrounding this location is prime residential land, a location not suited to industrial activity. The second bridge option does have the potential to influence industrial location decisions.

By improving accessibility to the southern end of Whakatane, the attractiveness of this area for industrial activity will increase. There is potential that the area of land across the water from Whakatane South could take on some industrial activity. This would allow Whakatane South to be able to accommodate other activities, such as residential, with the Whakatane River acting as a buffer between the activities.

10.3 Business Movement from Rural to Industrial Land

It has been brought to the attention of Property Economics that a business currently situated on rural land has a desire to expand and mover to industrial land within the next five years. Land requirements for this individual operation are likely to be in the order of 1.2 ha.

While Property Economics has endeavoured to cover all variables within its forecasting models, certain aspects, can not be accounted for.

Council needs to bear in mind the possibility of individual companies wishing to relocate either within the Whakatane catchment or too the Whakatane catchment from other regions and the implications that this will have for industrial land supply. These occurrences should be looked at in a case by case manner. An industrial land buffer of around 15% should be able to cater for such situations without affecting the market significantly.

11. STRATEGY DEVELOPMENT

This section collates all the key information and forecasts contained within this document and outlines key considerations to develop and implement the strategy.

11.1 Industrial Land Supply

The Whakatane and Kawerau catchment currently has a total industrial land supply of 394 ha, contained within the identified industrial nodes in this report. Of this, 74 ha are vacant (19%).

Vacant industrial land buffers are required to allow fluidity of market operation. An appropriate buffer for industrial land is considered to be in the order of 12%-15% of the total provision of industrial land to be vacant.

Currently, the Whakatane catchment is outside this buffer range, with most of the individual industrial nodes falling well outside of it. The Whakatane TC has practically no vacant industrial land, this is to be expected as town centres are not good locations for industrial activity. Again it is worth mentioning that the Whakatane TC was included in this study due to the high proportion of industrial employees' registered in the node and the potential to skew the analysis.

Whakatane South is the other node in the Whakatane catchment with a very low vacancy rate (1%). As an isolated area, Whakatane South does not have a suitable provision of land to allow the market to operate efficiently. However, this small area lacks the scale to create its own market. It is better to be considered with the larger Mill Road industrial node as a market. The Mill Road industrial node has a vacancy rate of 37%, combined with Whakatane South this gives a total vacancy rate of industrial land in the Whakatane Township of 29%. This level of vacancy indicates that currently there is an oversupply of industrial land in the Whakatane Township. The individual vacancy rates for Whakatane South and Mill Road indicate that industrial land could potentially be redistributed to aid the market.

Likewise, Edgecumbe has an excess supply of industrial land. Edgecumbe is one of the smaller industrial nodes, not of a scale to create its own market. The vacancy rate of 25% is substantially above the buffer zone and the vacancy rate for the Whakatane catchment.

Kawerau, the industrial node with the largest amount of industrial land has a vacancy rate of 17%. This is lower than the vacancy rate for the Whakatane catchment and only slightly falling outside of the appropriate buffer zone range. This indicates that Kawerau's industrial land market is currently slightly over supplied.

Murupara is isolated from the other industrial nodes and is somewhat out of the same market. Murupara has a very low vacancy rate, 5%. However, it is not thought that Murupara is undersupplied as change in industry in Murupara is low, reducing the need for the larger buffer zone to maintain fluidity.

11.2 Industrial Land Demand

In terms of industrial land use demand, this report projects over the next 6 years that 2.7 ha of industrial zoned land will be required to absorb projected growth in the industrial sectors. Over the longer term to 2021 however, only 1.7 ha of additional industrial zoned land will be required. Projections point to fall in activity and therefore industrial land demand over the 2011-2021 period. Including the 12% buffer will increase these figures to 3 ha and 1.9 ha respectively.

With 74 ha of vacant industrial zoned land in the Whakatane catchment currently, the additional land requirements will easily be satisfied. In fact, figures indicate that the Whakatane catchment could afford to rezone 32 ha of industrial land to other uses and continue to provide adequate industrial land for projected growth.

An important aspect of the Whakatane catchments' industrial land demand is the change in sectors where this demand will come from. This makes the locational aspect of the Whakatane catchments' industrial land highly important.

11.3 Location Options

Council will need to consider where industrial land is best located. Although there is a current oversupply of industrial land, this land may not be ideally suited to sectors projected to increase their demand for land. Sectors projected to show the strongest growth are Manufacturing, Electricity, Gas & Water Supply and Wholesale Trade.

Manufacturing is projected to require an additional 2.1 ha of industrial land by 2011. Trends in Manufacturing business unit size indicate that business growth will be in smaller scale manufacturing units. Another growth sector with similar land requirements, Wholesale Trade, is projected to require a further half hectare by 2021. Important locational criteria for these sectors are:

- Access to major transport hubs and corridors
- Proximity to appropriate labour supply
- Location of suppliers
- Infrastructure availability, capacity and quality
- Land and property costs
- Location of customers/target markets
- Room for expansion and growth

These location criteria can be met within most of the industrial nodes. Kawerau and Mill Road are primary candidates.

Mill Road has a large supply of vacant land for industry to tap into, and matches the criteria mentioned above. Also there is going to be the presence of large format retail, similar in activity to Wholesale Trade. Mill Road should also be able to accommodate manufacturing provided externalities are kept to a minimum.

Kawerau also has a large provision of industrial zoned land, and matches the locational requirements. Kawerau also has a scale of activity, allowing for potential economies of agglomeration.

The other nodes do not have quite the fit of Mill Road or Kawerau for these industries. Taneatua Road to the south of Whakatane is not of the same standard as the state highways that service Mill Road and Kawerau. Also there is not the vacant land for industry to locate to in Whakatane South. The proposed roading plans could change this. Edgecumbe is prone to flooding, and lacks location to customers/target markets. Murupara is somewhat isolated and does not match many of the locational requirements for these sectors.

The other growth sector, Electricity, Gas & Water supply sector is projected to require an additional half hectare of land by 2011, and then to a hectare by 2021. This sector in the Whakatane catchment will primarily focus on electricity, using the geothermal attributes of the Districts. This type of activity requires purpose built premises, not currently supplied in the Whakatane catchments market. There is potential for the non industrial aspects of this operation to further consolidate within the Whakatane TC.

11.4 Recommendation

The recommendations from this discussion document are:

- Whakatane and Kawerau District Councils to facilitate workshop sessions with relevant parties to discuss this document and the way forward in more detail. This forum can be useful in advancing the process and clarifying the key issues put forward in this discussion document.
- Create a long term vision for the industrial network of the Whakatane catchment. Both Kawerau and Whakatane District Councils need to work together to maximise the potential of the area.
- Develop a hierarchy of industrial areas. This hierarchy should aim to protect the more important industrial nodes while allowing some of the oversupplied industrial land to be used for non industrial purposes, should cases be presented.
- Given the lack of projected demand for industrial land, attention should be paid to developing an Economic Development Strategy aimed at enticing new businesses into Whakatane and Kawerau.

12. APPENDIX 1

12.1 Employee & Business Unit Share by Business Size 2005

Business Units	0	1-5	6-9	10-19	20-49	50-99	100+	Total
Mill Road	16%	32%	24%	12%	16%	0%	0%	25
Whakatane South	27%	45%	13%	7%	7%	0%	0%	40
Whakatane TC	26%	41%	9%	16%	7%	2%	0%	94
Edgecumbe	44%	39%	0%	4%	4%	5%	4%	23
Kawerau	10%	27%	16%	20%	14%	2%	12%	51
Murupara	37%	19%	27%	18%	0%	0%	0%	11
Outside Nodes	57%	34%	5%	2%	1%	0%	0%	401
Total Catchment	45%	35%	8%	7%	4%	1%	1%	646

Employees	0	1-5	6-9	10-19	20-49	50-99	100+	Total
Mill Road	0%	11%	21%	20%	48%	0%	0%	216
Whakatane TC	0%	20%	18%	17%	45%	0%	0%	205
Arawa Road	0%	16%	9%	29%	25%	22%	0%	628
Kawerau	0%	5%	0%	3%	7%	18%	66%	455
Edgecumbe	0%	2%	3%	6%	11%	3%	75%	2,041
Murupara	0%	7%	44%	50%	0%	0%	0%	57
Outside Nodes	0%	39%	17%	16%	12%	16%	0%	777
Total Catchment	0%	13%	8%	13%	16%	9%	42%	4,379

Source: Statistics NZ, Property Economics

12.2 Drivers of Employment Growth 2000-2005

ANZSIC	% of EC Growth In Node								Total Change
	Manufacturing	Wood Processing	Electricity Gas & Water Supply	Construction	Wholesale Trade	Transport & Storage	Other		
Mill Road	-90%	63%	32%	158%	-53%	0%	-11%	19	
Whakatane South	15%	-11%	0%	87%	0%	8%	2%	80	
Whakatane TC	2%	3%	36%	30%	26%	3%	0%	180	
Edgecumbe	-400%	500%	0%	-75%	225%	0%	-150%	-4	
Kawerau	-431%	773%	0%	-226%	-35%	19%	0%	-31	
Murupara	0%	-69%	0%	35%	-35%	81%	89%	-9	
Outside Nodes	88%	133%	-7%	-178%	-50%	93%	22%	-42	
Total	43%	-113%	29%	117%	26%	-2%	-1%	258	

ANZSIC	% of EC Growth In Sector								Total Change
	Manufacturing	Wood Processing	Electricity Gas & Water Supply	Construction	Wholesale Trade	Transport & Storage	Other		
Mill Road	-15%	-4%	8%	10%	-15%	0%	74%	7%	
Whakatane South	11%	3%	0%	23%	0%	-150%	-56%	31%	
Whakatane TC	4%	-2%	88%	17%	68%	-125%	-22%	70%	
Edgecumbe	14%	7%	0%	1%	-13%	0%	-222%	-2%	
Kawerau	120%	82%	0%	23%	16%	150%	0%	-12%	
Murupara	0%	-2%	0%	-1%	4%	175%	285%	-3%	
Outside Nodes	-33%	19%	4%	25%	31%	975%	337%	-16%	
Total	111	-291	74	303	68	-4	-3	258	

Source: Statistics NZ, Property Economics

13. APPENDIX 2

13.1 Mill Road

Business and Workforce Summary by 1 Digit ANZSIC Industry Classes								
ANSZIC INDUSTRY CODES	Business Units 2000	Business Units 2005	Change in Businesses 2000-2005	% Change in Business Units 2000-2005	Employee Count 2000	Employee Count 2005	Change in Employees 2000-2005	% Change in Employees 2000-2005
A Agriculture Forestry and Fishing	1	1	0	0%	20	0	-20	-100%
B Mining	0	0	0	-	0	0	0	-
C Manufacturing	10	9	-1	-10%	100	95	-5	-5%
D Electricity Gas and Water Supply	1	1	0	0%	0	6	6	-
E Construction	8	8	0	0%	60	90	30	50%
F Wholesale Trade	5	5	0	0%	35	25	-10	-29%
G Retail Trade	5	7	2	40%	25	9	-16	-64%
H Accommodation Cafes and Restaurants	0	1	1	-	0	0	0	-
I Transport and Storage	0	1	1	-	0	0	0	-
J Communication Services	1	0	-1	-100%	3	0	-3	-100%
K Finance and Insurance	0	0	0	-	0	0	0	-
L Property and Business Services	8	8	0	0%	3	12	9	300%
M Government Administration and Defence	0	0	0	-	0	0	0	-
N Education	0	1	1	-	9	21	12	133%
O Health and Community Services	0	0	0	-	0	0	0	-
P Cultural and Recreational Services	0	0	0	-	0	3	3	-
Q Personal and Other Services	2	3	1	50%	9	15	6	67%

Source: Statistics NZ, Property Economics

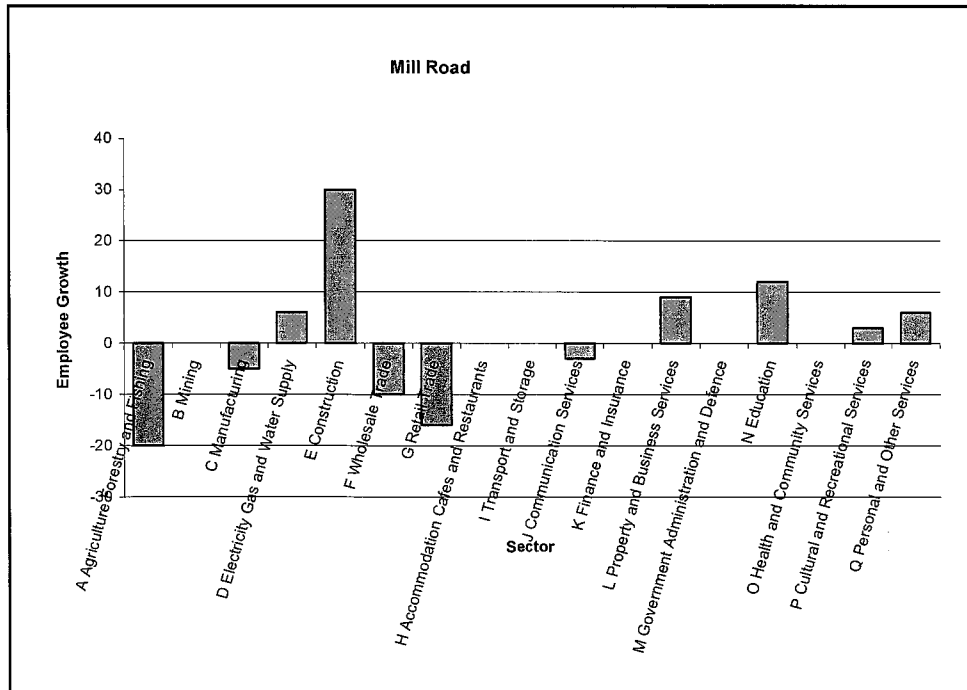
Industrial Business Demography for Meshblocks	
Business Units 2005:	45
Change in Businesses 2000-2005:	4
% Change in Businesses 2000-2005:	0%
Employee Count 2005:	276
Change in Employees 2000-2005:	12
% Change in Employees 2000-2005:	0%

Source: Statistics NZ, Property Economics

Centre Amenity
Strengths
Heavy industrial activity present - existing use rights
Good traffic linkages to port of tauranga
Vacant land present
Flat land
Weaknesses
Trucks have to go around Whakatane
Encroachment of LFR

Industrial Land Data	
Industrial Zoned Land (ha):	65,844
Vacant Industrial Land (ha)	24,2035
% Vacant	37%
Number of Vacant Buildings:	

Source: CCC, Property Economics



13.2 Whakatane South

Business and Workforce Summary by 1-Digit ANZSIC Industry Classes								
ANZSIC INDUSTRY CODES	Business Units 2000	Business Units 2005	Change in Businesses 2000-2005	% Change in Business Units 2000-2005	Employee Count 2000	Employee Count 2005	Change in Employees 2000-2005	% Change in Employees 2000-2005
A Agriculture Forestry and Fishing	4	4	0	0%	0	15	15	-
B Mining	0	0	0	-	0	0	0	-
C Manufacturing	10	13	3	30%	30	33	3	10%
D Electricity Gas and Water Supply	0	1	1	-	3	3	0	0%
E Construction	14	16	2	14%	65	134	69	106%
F Wholesale Trade	8	5	-3	-38%	9	9	0	0%
G Retail Trade	18	14	-4	-22%	27	46	19	70%
H Accommodation Cafes and Restaurants	2	2	0	0%	3	0	-3	-100%
I Transport and Storage	4	5	1	25%	18	24	6	33%
J Communication Services	0	1	1	-	0	0	0	-
K Finance and Insurance	0	1	1	-	0	15	15	-
L Property and Business Services	14	9	-5	-36%	9	9	0	0%
M Government Administration and Defence	0	0	0	-	0	0	0	-
N Education	0	3	3	-	3	24	21	700%
O Health and Community Services	0	1	1	-	20	12	-8	-40%
P Cultural and Recreational Services	0	1	1	-	0	0	0	-
Q Personal and Other Services	2	1	-1	-50%	6	20	14	233%

Source: Statistics NZ, Property Economics

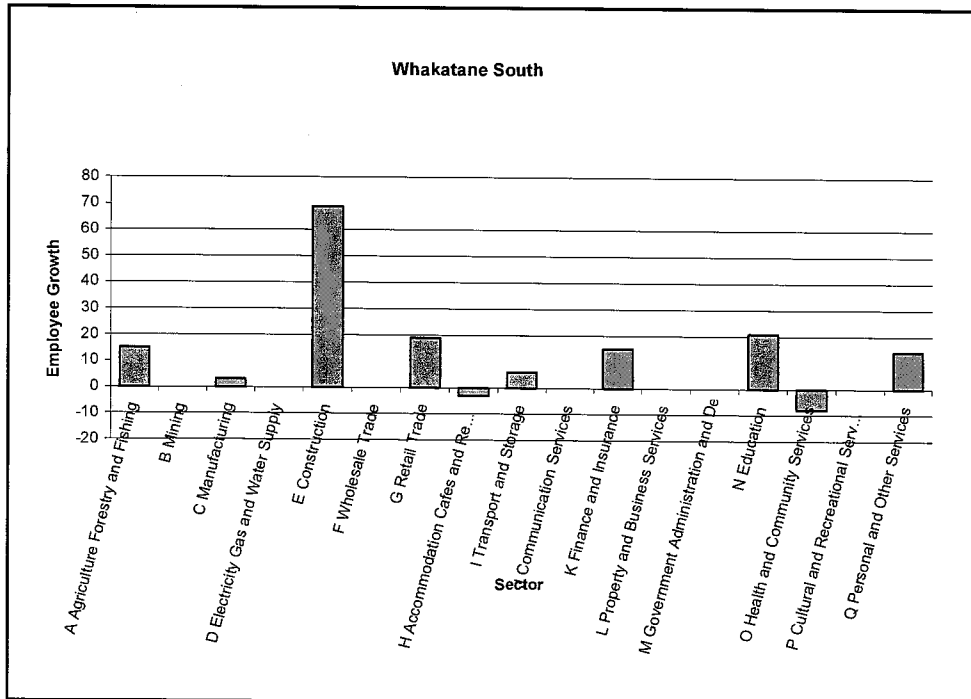
Industrial Business Demography for Meshblocks	
Business Units 2005:	77
Change in Businesses 2000-2005:	1
% Change in Businesses 2000-2005:	0%
Employee Count 2005:	344
Change in Employees 2000-2005:	151
% Change in Employees 2000-2005:	1%

Source: Statistics NZ, Property Economics

Centre Amenity
Strengths
Possible upgrade of State Highway access to this node, Bridging possibility
Away from residential activity
Low vacancy rate
Weaknesses
Lack of current density
Lack of profile

Industrial Land Data	
Industrial Zoned Land (ha):	17.8427
Vacant Industrial Land (ha)	0.1296
% Vacant	1%
Number of Vacant Buildings:	

Source: CCC, Property Economics



Source: Statistics NZ, Property Economics

13.3 Whakatane TC

Business and Workforce Summary by 1 Digit ANZSIC Industry Classes									
ANZSIC INDUSTRY CODES	Business Units 2000	Business Units 2005	Change in Businesses 2000-2005	% Change in Business Units 2000-2005	Employee Count 2000	Employee Count 2005	Change in Employees 2000-2005	% Change in Employees 2000-2005	
A Agriculture Forestry and Fishing	3	7	4	133%	25	31	6	24%	
B Mining	0	1	1	0%	0	0	0	-	
C Manufacturing	19	18	-1	-	146	156	10	7%	
D Electricity Gas and Water Supply	2	4	2	100%	30	95	65	217%	
E Construction	26	28	2	8%	76	129	53	70%	
F Wholesale Trade	25	26	1	4%	106	152	46	43%	
G Retail Trade	137	142	5	4%	677	1009	332	49%	
H Accommodation Cafes and Restaurants	28	26	-2	-7%	258	329	71	28%	
I Transport and Storage	14	16	2	14%	88	93	5	6%	
J Communication Services	3	3	0	0%	9	30	21	233%	
K Finance and Insurance	29	22	-7	-24%	98	119	21	21%	
L Property and Business Services	154	170	16	10%	294	414	120	41%	
M Government Administration and Defence	17	18	1	6%	155	307	152	98%	
N Education	9	13	4	44%	84	92	8	10%	
O Health and Community Services	23	34	11	48%	155	360	205	132%	
P Cultural and Recreational Services	19	18	-1	-5%	80	87	7	9%	
Q Personal and Other Services	35	36	1	3%	220	287	67	30%	

Source: Statistics NZ, Property Economics

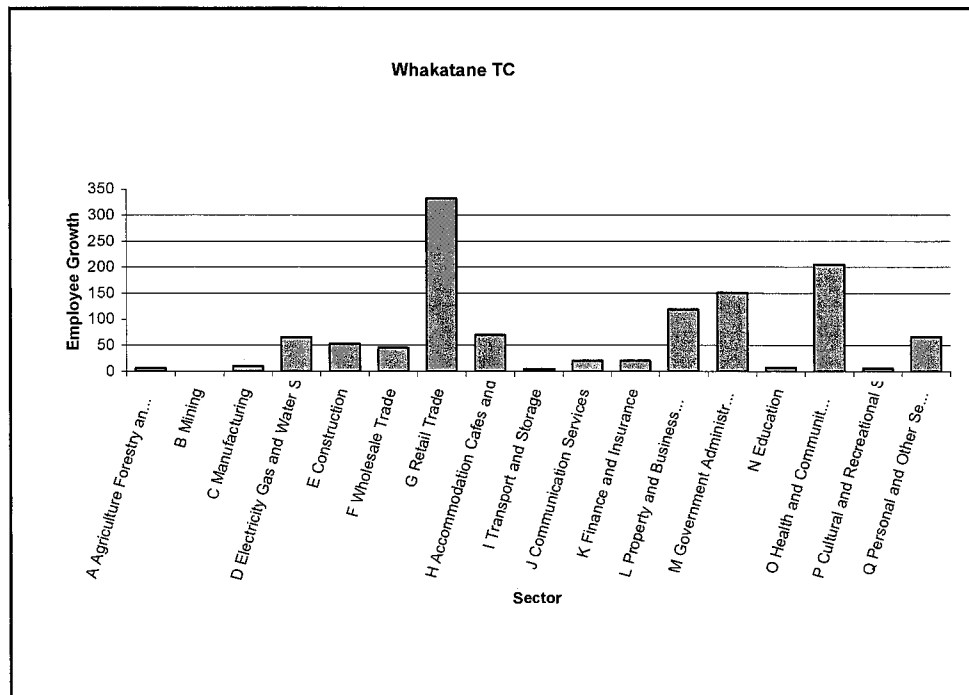
Industrial Business Demography for Meshblocks	
Business Units 2005:	582
Change in Businesses 2000-2005:	39
% Change in Businesses 2000-2005:	3%
Employee Count 2005:	3,690
Change in Employees 2000-2005:	1,189
% Change in Employees 2000-2005:	10%

Source: Statistics NZ, Property Economics

Industrial Land Data	
Industrial Zoned Land (ha):	0.6959
Vacant Industrial Land (ha)	0
% Vacant	0%
Number of Vacant Buildings:	

Source: CCC, Property Economics

Centre Amenity
Strengths
Close to town centre
Prox to workforce
Flat land
Weaknesses
Lack of scale
Sensitivities to heavy industrial activity
Trucks diverted around town



Source: Statistics NZ, Property Economics

13.4 Edgecumbe

Business and Workforce Summary by 1 Digit ANZSIC Industry Classes									
ANZSIC INDUSTRY CODES	Business Units 2000	Business Units 2005	Change in Businesses 2000-2005	% Change in Business Units 2000-2005	Employee Count 2000	Employee Count 2005	Change in Employees 2000-2005	% Change in Employees 2000-2005	
A Agriculture Forestry and Fishing	3	2	-1	-33%	25	85	60	240%	
B Mining	0	0	0	-	0	0	0	-	
C Manufacturing	14	13	-1	-7%	438	434	-4	-1%	
D Electricity Gas and Water Supply	0	0	0	-	0	0	0	-	
E Construction	4	7	3	75%	6	9	3	50%	
F Wholesale Trade	4	2	-2	-50%	12	3	-9	-75%	
G Retail Trade	3	5	2	67%	18	24	6	33%	
H Accommodation Cafes and Restaurants	0	0	0	-	0	0	0	-	
I Transport and Storage	1	1	0	0%	0	0	0	-	
J Communication Services	0	0	0	-	0	0	0	-	
K Finance and Insurance	0	0	0	-	0	0	0	-	
L Property and Business Services	7	8	1	14%	9	50	41	456%	
M Government Administration and Defence	1	1	0	0%	15	15	0	0%	
N Education	2	2	0	0%	3	6	3	100%	
O Health and Community Services	1	1	0	0%	0	0	0	-	
P Cultural and Recreational Services	1	2	1	100%	0	0	0	-	
Q Personal and Other Services	2	1	-1	-50%	6	0	-6	-100%	

Source: Statistics NZ, Property Economics

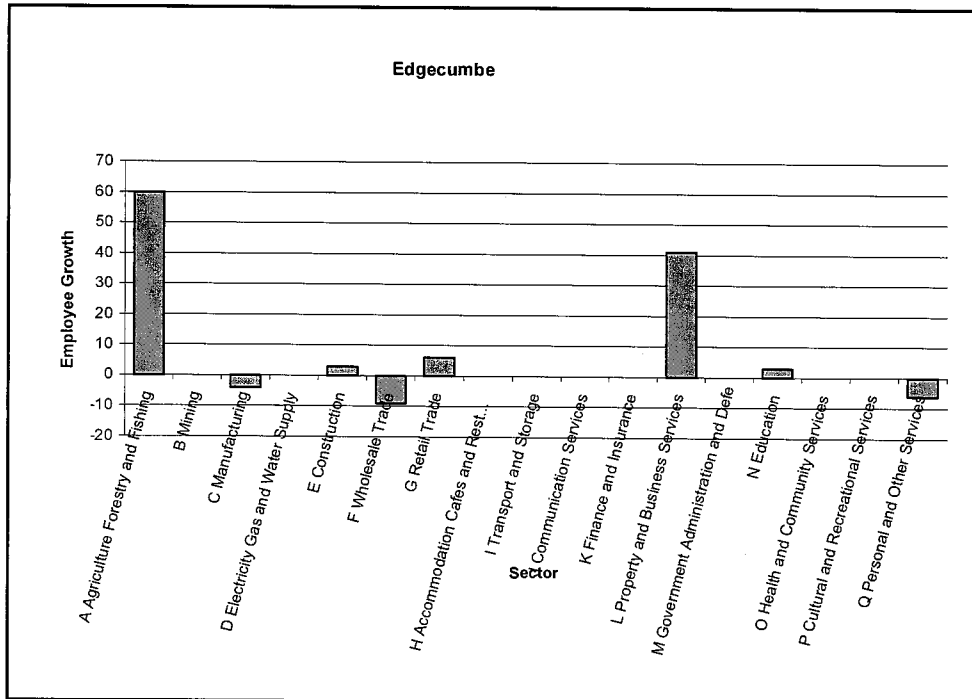
Industrial Business Demography for Meshblocks	
Business Units 2005:	45
Change in Businesses 2000-2005:	2
% Change in Businesses 2000-2005:	0%
Employee Count 2005:	626
Change in Employees 2000-2005:	94
% Change in Employees 2000-2005:	1%

Source: Statistics NZ, Property Economics

Centre Amenity
Strengths
Established industry
Good accessibility
Weaknesses
Lack of diversity
Lack of scale
Flooding

Industrial Land Data	
Industrial Zoned Land (ha):	38.865
Vacant Industrial Land (ha)	9.7829
% Vacant	25%
Number of Vacant Buildings:	

Source: CCC, Property Economics



Source: Statistics NZ, Property Economics

PROPERTY ECONOMICS

13.5 Kawerau

Business and Workforce Summary by 1 Digit ANZSIC Industry Classes									
ANZSIC INDUSTRY CODES	Business Units 2000	Business Units 2005	Change in Businesses 2000-2005	% Change in Business Units 2000-2005	Employee Count 2000	Employee Count 2005	Change in Employees 2000-2005	% Change in Employees 2000-2005	
A Agriculture Forestry and Fishing	1	0	-1	-100%	0	0	0	-	
B Mining	0	0	0	-	0	0	0	-	
C Manufacturing	23	23	0	0%	1805	1699	-106	-6%	
D Electricity Gas and Water Supply	0	1	1	-	0	0	0	-	
E Construction	13	14	1	8%	160	230	70	44%	
F Wholesale Trade	10	9	-1	-10%	50	61	11	22%	
G Retail Trade	22	17	-5	-23%	58	60	2	3%	
H Accommodation Cafes and Restaurants	4	3	-1	-25%	21	24	3	14%	
I Transport and Storage	4	4	0	0%	57	51	-6	-11%	
J Communication Services	0	0	0	-	0	0	0	-	
K Finance and Insurance	4	7	3	75%	3	9	6	200%	
L Property and Business Services	19	23	4	21%	18	100	82	456%	
M Government Administration and Defence	0	0	0	-	0	0	0	-	
N Education	1	1	0	0%	3	3	0	0%	
O Health and Community Services	4	4	0	0%	12	9	-3	-25%	
P Cultural and Recreational Services	1	0	-1	-100%	0	0	0	-	
Q Personal and Other Services	4	6	2	50%	3	6	3	100%	

Source: Statistics NZ, Property Economics

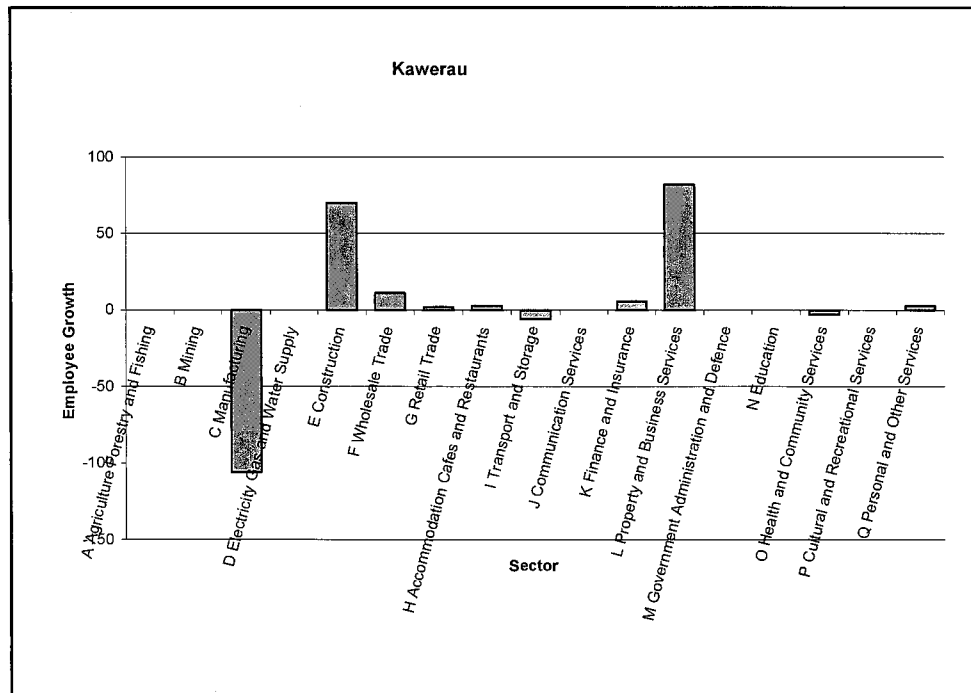
Industrial Business Demography for Meshblocks	
Business Units 2005:	112
Change in Businesses 2000-2005:	2
% Change in Businesses 2000-2005:	0%
Employee Count 2005:	2,252
Change in Employees 2000-2005:	62
% Change in Employees 2000-2005:	1%

Source: Statistics NZ, Property Economics

Centre Amenity	
Strengths	Established industry, scale Good accessibility, including rail Not prone to natural disasters Proactive council
Weaknesses	Limited Diversity

Industrial Land Data	
Industrial Zoned Land (ha):	222.054
Vacant Industrial Land (ha)	36.9451
% Vacant	17%
Number of Vacant Buildings:	

Source: CCC, Property Economics



Source: Statistics NZ, Property Economics

13.6 Murupara

Business and Workforce Summary by 1 Digit ANZSIC Industry Classes									
ANZSIC INDUSTRY CODES	Business Units 2000	Business Units 2005	Change in Businesses 2000-2005	% Change in Business Units 2000-2005	Employee Count 2000	Employee Count 2005	Change in Employees 2000-2005	% Change in Employees 2000-2005	
A Agriculture Forestry and Fishing	2	2	0	0%	80	3	-77	-96%	
B Mining	0	0	0	-	0	0	0	-	
C Manufacturing	2	2	0	0%	9	12	3	33%	
D Electricity Gas and Water Supply	0	0	0	-	0	0	0	-	
E Construction	2	2	0	0%	6	3	-3	-50%	
F Wholesale Trade	1	2	1	100%	6	9	3	50%	
G Retail Trade	7	6	-1	-14%	35	35	0	0%	
H Accommodation Cafes and Restaurants	1	2	1	100%	9	6	-3	-33%	
I Transport and Storage	3	5	2	67%	37	30	-7	-19%	
J Communication Services	0	0	0	-	0	0	0	-	
K Finance and Insurance	0	0	0	-	0	0	0	-	
L Property and Business Services	3	5	2	67%	0	0	0	-	
M Government Administration and Defence	1	2	1	100%	3	23	20	667%	
N Education	1	1	0	0%	35	20	-15	-43%	
O Health and Community Services	0	0	0	-	0	0	0	-	
P Cultural and Recreational Services	1	0	-1	-100%	18	0	-18	-100%	
Q Personal and Other Services	2	1	-1	-50%	0	0	0	-	

Source: Statistics NZ, Property Economics

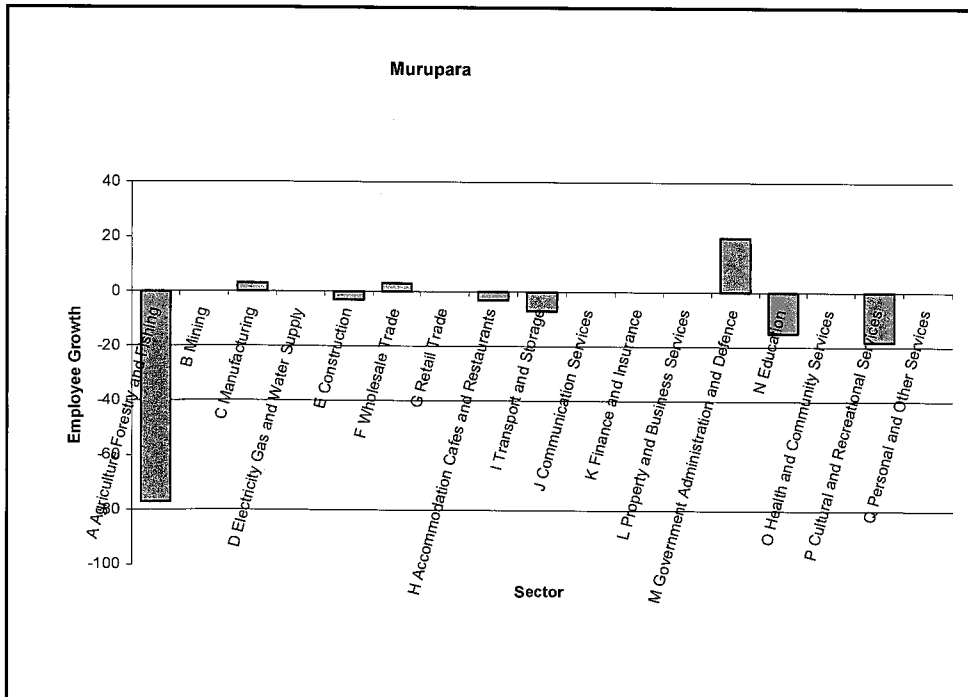
Industrial Business Demography for Meshblocks	
Business Units 2005:	30
Change in Businesses 2000-2005:	4
% Change in Businesses 2000-2005:	0%
Employee Count 2005:	141
Change in Employees 2000-2005:	-97
% Change in Employees 2000-2005:	-1%

Source: Statistics NZ, Property Economics

Centre Amenity
Strengths
Proximity to forestry
Rail access
Weaknesses
Small scale
Isolated
Limited Diversity

Industrial Land Data	
Industrial Zoned Land (ha):	49,0093
Vacant Industrial Land (ha)	2,6669
% Vacant	5%
Number of Vacant Buildings:	

Source: CCC, Property Economics



Source: Statistics NZ, Property Economics

