

# Big firms move in as pace picks up at estate

## New distribution centres liven up big Tauriko business park

by Graham Skellern  
Business Editor

Signs of industrial buildings popping up at the Tauriko Business Estate on the south-western outskirts of Tauranga have gladdened the heart of developer Bryce Donne.

All developers, and builders, have had a tough time of it as borrowing became tight during the past two to three years of the recession — but they were always going to look forward to the recovery.

Activity slowed at the region's biggest new business park (Tauriko) — in line with other developments around the country — but the pace is now picking up.

"It was not all about selling land and sections, and I wanted to see buildings leaping up; that's happening quite nicely at the moment," said Mr Donne, director of Element IMF, the company managing the project.

"We are pleased with the scale and standard of building under construction. Certainly, the recession slowed demand and we would have liked to have done more in the last three years.

"Business owners wanting larger or new buildings have been in no hurry to relocate and they've had time to make the right decision. But with the new building going on, they've started thinking that the sky is not going to fall in and 'we've been through the worst, so let's get on with it.'"

The new regional depot and offices for Downer EDI Works, taking up 1.6ha, on the flat at Tauriko Business Estate is finished; Kiwi Bus Builders' 5000sq m factory on a 1.8ha site just behind is rushing to completion by the end of February; and Bidvest NZ's food distribution centre is halfway through construction further along the road.

Manufacturer Melba Foods has just moved into its new factory on the elevated section, and a local importer of gates has just settled on some land and will soon begin construction.

Other businesses that have already set up in the estate include Morgan Furniture and Kong's (NZ), with new distribution centres, BlueLab Corporation, PowerGen Group and

### Extreme Boats.

Another company wanting to establish a central North Island distribution centre is negotiating a 1ha site and wants to be operating at Tauriko by October, having discounted a Mount Maunganui location.

"We feel the tide is turning in our favour," Mr Donne said. "The business estate is accessible to Auckland, Hamilton, Rotorua and the port, and it has the flexibility to provide any size or shape of land you want.

"Nowadays, it's not all about box shapes and business owners need particular shapes of factories to suit their manufacturing methods."

Mr Donne always had faith that the big business estate would work and

attract new businesses and workers to the region — it was identified by SmartGrowth as one of the new industrial areas catering for the increased population in the Western Bay, along with Papamoa East and Rangiruru Business Park.

Tauriko is ahead of the others in terms of development, which started in 2005. Mr Donne had a 15-year

horizon for completion and he accepts that this may have stretched to 20 years because of the recession.

"But you don't know how it will pan out and the long-term demand is likely to balance itself out. We may still meet our earlier projections," he said.

"We haven't yet sold a site to a major manufacturer or distributor new to the area and wanting 10-20ha. We are confident this will happen some time — we don't know what it will be — and when it does that will make a big difference."

The original 195ha of farmland was bought by NZRPG Management with Mr Donne and Mark Gunton, both from Auckland, the directors. The land is in the valley alongside Kopurererua Stream from State Highway 29 at Route K roundabout past Gargan Rd to Belk Rd.

Element IMF has completed roading, lighting and water/sewage services in stage one of 55ha, and created 110 sections — 94 have been sold and they range in size from 665sq m to 1.4ha.

It has largely completed 20ha of

● CONTINUED PAGE 17



**BORN AGAIN:** Bryce Donne, in front of the Downer EDI Works regional office and the Kiwi Bus Builders factory, is confident demand for sites will start rising after the recession. PICTURE / JOEL FORD 210111JF2380P

## Big firms move in as pace picks up at park

site at the front of the business estate and next to the state highway and Route K roundabout.

"We have done our homework and Tauranga needs a comprehensive regional retail offer that is driven from outside the immediate catchment," said commercial manager Rachel Emerson, who is running the leasing campaign for NZRPG.

"Fraser Cove, Bayfair, Owens Place, Bay Central and Gate Pa shopping centres are all full and, if a large format retailer wants to come to town, there's nowhere to go."

Tauriko Crossing will be built in stages with a mixture of open-air bulk retail and a two-level enclosed mall. The size will reach 41,000sq m of retail space, making it the biggest shopping centre in the Bay.

business fundamentals." Element IMF has been talking with the New Zealand Transport Agency about the option of pushing the Tauriko bypass through the estate, turning right off the Pres Pa bypass, following the Gargan Rd escarpment and re-joining the state highway at Omanaia Rd.

Mr Donne's team has cut a track through the land to show an intended route of 5.1km bypass — it would be flat all the way and require three bridges. "There wouldn't be any more entry points than the present three, but the bypass would lift the profile of the business estate and reinforce its connection with the port and other areas," he said.

NZRPG Management still wants to establish the Tauriko Crossing shopping centre on the commercially-zoned 12.5ha

● FROM PAGE 15 earthworks in stage two up to Gargan Rd, and Mr Donne said the roads and services could be put in within six months once demand rose. Stage three, as yet untouched, goes all the way to Belk Rd, finishing at the intersection with the state highway.

Some of the smaller sites fronting the main road (for profile) on the elevated areas sold for more than \$300 per sq m, but one section changed hands last year for less than \$200 a sq m in a "stressed" sale.

Mr Donne said the average sale price varied depending on the size and location of the site in the estate.

"We sense there's been a softening in prices of 10 per cent but that's not the end of the world. We want to see the estate priced at a level that matches

# Business

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processing  
in full swing

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## Fast-track build shapes bus firm for production

### Factory goes up in record time as order books are filled in Bay company's big turnaround

by Graham Shelton  
Business Editor

It was a tough call but then big order books have never fazed millionaire builder and landlord Bob Clarkson.

Kiwi Bus Builders managing director Richard Drummond needed new premises in a hurry to cater for his expansion — and Mr Clarkson was happy to keep to a tight

deadline. His construction team turned the first sod on the 18ha site in the Tairāwhiti Business Estate in the Bay of Plenty.

The roof is now on the 500sq m factory that will contain three production lines on track to complete the building in record time by the end of February.

Normally, it would take seven to nine months including planning and obtaining permits.

"With the right co-operation, I know we could do it of fields in my staff and in a tenant who was prepared to make quick decisions," Drummond said. "We are lucky we've got the likes of Bob Clarkson who is prepared to make things happen."

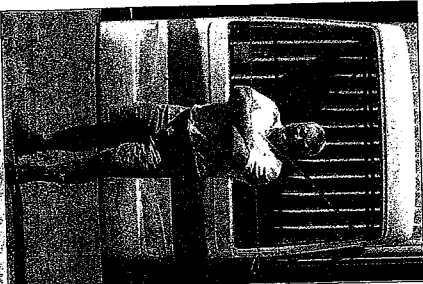
Mr Drummond's builders needed big order books to handle the blitzes that will start arriving from Scotland in May — two months earlier than the current production line and training up the 80 new staff.

The Tairāwhiti bus builder, which has been a long-term partner of Auckland's leading firm Alexander Dennis to build 230 new buses for New Zealand's passenger services.

Alexander Dennis will build the components of the modern 35-seater Briton will assemble from the kits shipped to Tairāwhiti.

Kiwi Bus Builders expects to see a similar work and labor in the year it will also source some of the components locally and build the buses chassis to meet the requirements of the region that happens the company will have to hire another 20 people, the said, Kiwi Bus Builders has announced to hire another 20 people amounting to \$25 m.

And the Tairāwhiti



Richard Drummond's new factory is confident more orders will follow.

Drummond, who has seen a big turnaround in his business. Nearly a year ago he had to 110 as his core work of building tour coaches fell from 5000 a year to one in 2008. "There was no work," he says, "however."

The production of coaches peaked in 2007 when Kiwi Bus Builders employed 140 people. His staff of 160 people once the New Zealand Bus contract comes on stream — and then it will increase to 180 people in the new factory.

"We are excited in the new factory as it will be a big step for us," said Mr Drummond. "The three production lines will run parallel to each other along the 100m length of the building. The 100m length will be dedicated to the New Zealand Bus contract and will operate on rails like a car assembly line."

The sub-assembly area and drop them on to the chassis at the start of the production line. The paint shop that can handle six buses at a time in two rows.

ALL SET: Richard Drummond's new factory is confident more orders will follow.

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# 80 JOBS CREATED

## Business to add \$2m in wages to economy

by Michele McPherson  
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Tauranga business Kiwi Bus Builders has secured a contract to assemble 120 buses — generating at least 50 new jobs and injecting an extra \$2 million in wages into the Bay economy.

The buses will be imported from Scotland as kitsets and assembled at Kiwi Bus Builders' new factory in the Tauriko Business Estate.

The 120 new buses are being made and assembled for Infratil-owned New Zealand Bus, which operates passenger services in Auckland and Wellington.

Managing director Richard Drummond said the 50 new positions created, mostly for semiskilled assemblers, was a conservative figure.

"It will actually probably be more than that," he told the *Bay of Plenty Times*.

The jobs, which will include technicians, quality controllers, supervisors and painters, will be advertised from next week.

The positive news comes as other companies create jobs in Tauranga.

New Zealand Dairy Processing has converted the former Maleme St petfood plant into a modern export

milk-processing facility and it is understood about 30 jobs will be created.

This week this paper revealed that Bidvest NZ, the country's leading supplier to the food service and hospitality sector, is setting up in Tauranga and will create 60 jobs.

Kiwi Bus Builders was among 38 companies worldwide vying for the 120-bus contract.

Mr Drummond said Kiwi Bus Builders, which was entering its 18th year in Tauranga, at present built up to 100 buses annually, depending on the level of luxury involved.

He said this construction would continue alongside the assembly contract.

Mr Drummond described the new contract as "exciting for Tauranga". Once the new factory opened at Tauriko, most of the 30 staff working in the Christchurch branch would return or relocate to Tauranga.

He said about seven or eight would remain to carry out servicing and repair work.

Mr Drummond said the decision to import buses from British company Dennis Alexander — rather than build them from scratch here — was influenced by the shortage of



**JOBS FOR THE BAY:** Kiwi Bus Builders managing director Richard Drummond. The company has secured a contract to assemble 120 buses, creating about 50 new jobs in Tauranga.

PICTURE / CLAIRE FRASER 140111CF0480P

skilled labour in New Zealand.

"We struggle getting skilled labour, as it is, in our standard construction," he said. "There's nobody sitting on the shelves waiting."

He hoped to dip into the kiwifruit worker labour pool to recruit staff, who would then require training.

The contracts will be for at least a year's work.

Kiwi Bus Builders already employs 110 staff, and Mr Drummond said the new assembly contract would increase the total wage bill to about \$8 million.

# Food supplier brings in jobs

## Distribution centre at Tauriko will service Coromandel and the Western Bay

by Graham Skellern  
business editor

The country's leading supplier to the food service and hospitality sector is setting up in Tauranga and will be creating 60 new jobs.

Some Bidvest NZ staff will transfer from the Hamilton and Rotorua operations, and the wholesale distribution company will begin recruiting 40 more people at the end of the month.

Construction of Bidvest's new distribution centre in the Tauriko Business Estate is nearing completion, and it will be supplying frozen, chilled, dried and fresh food items in the Western Bay and Coromandel

areas by the start of May. Up till now the restaurants, cafes, bistro bars, rest homes and other customers in Tauranga have been serviced by Rotorua, with seven delivery trucks making the hour-long drive each day — four of them leaving at 5am.

The Coromandel peninsula has been serviced by the Hamilton distribution centre. Both Rotorua and Hamilton are operating to full capacity and it was time to make a move into Tauranga.

"We can get closer to our customers and respond more quickly — the lead time for orders is quite short and providing a good service is the key to this business," said Bidvest managing

director Nigel Boswell.

"We are delighted with our location. It gives us good access and good roads — down the toll road and straight into the city, and also heading north to the Coromandel," he said.

Bidvest, part of an international food service group, has invested about \$7 million to build a 3000sq m distribution centre on a 1ha site at Tauriko. The centre includes a dry store, freezer, chiller and temperature-controlled load-out area.

A fleet of 10-15 multi-temperature delivery trucks will operate from the centre and service up to 600 customers in the Western Bay and Coromandel.

Tauranga is Bidvest's 22nd distribution centre in New Zealand and one of its largest. It will be managed by Ken Buckthought, who has been the long-time manager of the Rotorua distribution centre. He has already sold his home in Rotorua and bought one in Tauranga.

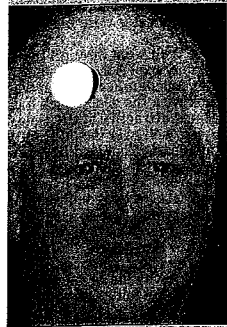
"Ken's one of our best guys," said Mr Boswell. "He's been with the company 20 years and he's pretty focused on developing the Tauranga business."

Overall Bidvest stocks 20,000 product lines and supplies 11,000 customers in the country, including prisons, army camps, BP service stations, schools, hospitals, Subway and Domino's Pizza.

Bidvest's products range from baking supplies, bread and pastry products, herbs and spices to desserts and ice cream, sauces and condiments, fresh fruit and vegetables, seafood and meat.

The New Zealand operation started 28 years ago in Rotorua as Ocean Seafood, which became Great Food Service. It was set up by Bob Cream to service the tourist/hospitality sector in Rotorua but has spread significantly since then.

Bidvest, listed on the Johannesburg Stock Exchange, operates food service wholesale businesses in 16 countries, making it the largest outside the United States.



**FOCUS:** Ken Buckthought is managing Bidvest's new Tauranga distribution centre. PICTURE / SUPPLIED