

Katolyst Group Regional Business Survey

September 2007

Background

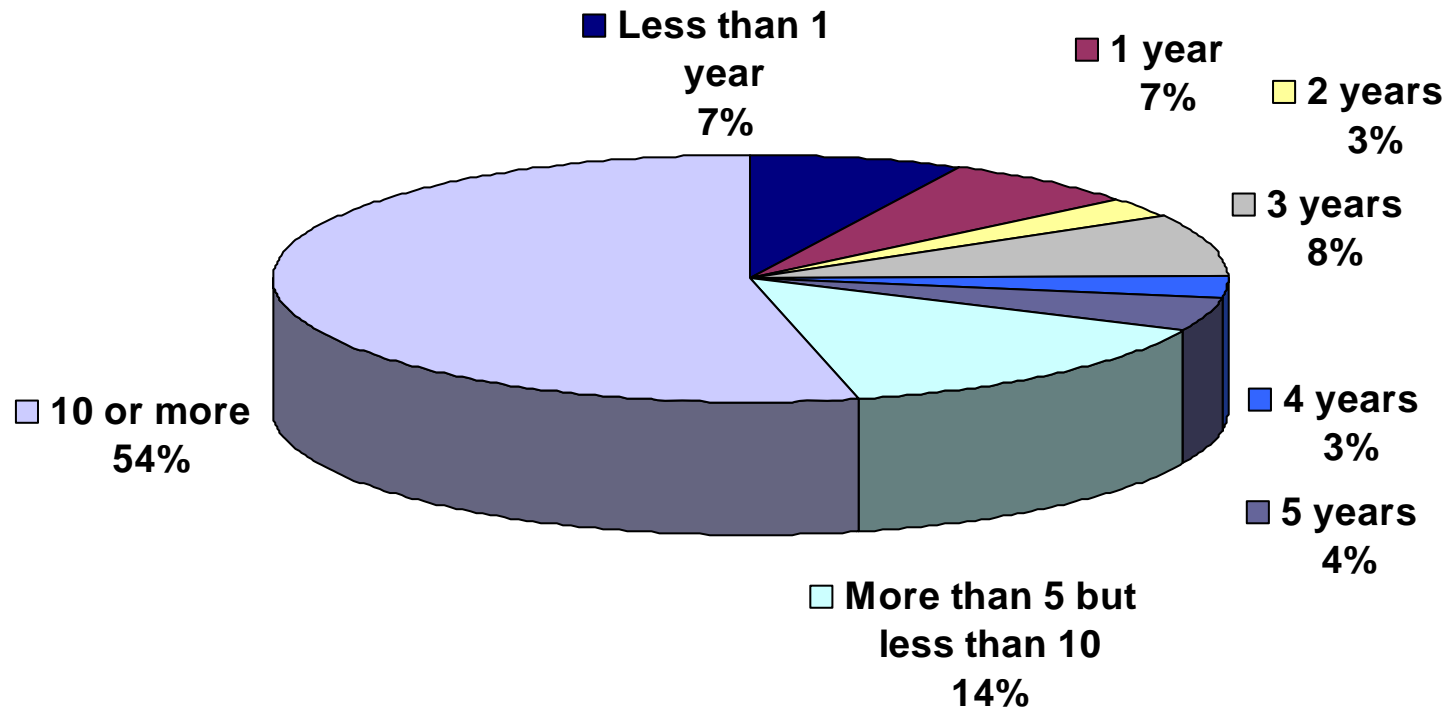
- The Katolyst Group facilitates the development of a regional economic strategy, and wants to understand whether there is a need for a co-ordinated business attraction strategy.
- Research was therefore commissioned to gain an understanding of why companies are based in the Waikato region. More specifically to identify:
 - What attracted businesses to this region?
 - What retains business in this region?
 - Who made the decision to move to the region?
 - What information did they seek?
 - How the process could be improved?
 - What is their experience of working here – was it a good move?
 - What are people's perceptions of living here?

Methodology

- An on-line survey was conducted with businesses in the Waikato region during September 2007, using databases from the local Chamber of Commerce and other business databases.
- A total of 80 surveys were completed with a further 58 who started the survey but did not complete all the questions.
- 25% of participants had been in the region 3 years or less, 32% 5 years or less, 14% 6-10 years and 54% more than 10 years
- An overview of the sample is given on the following page

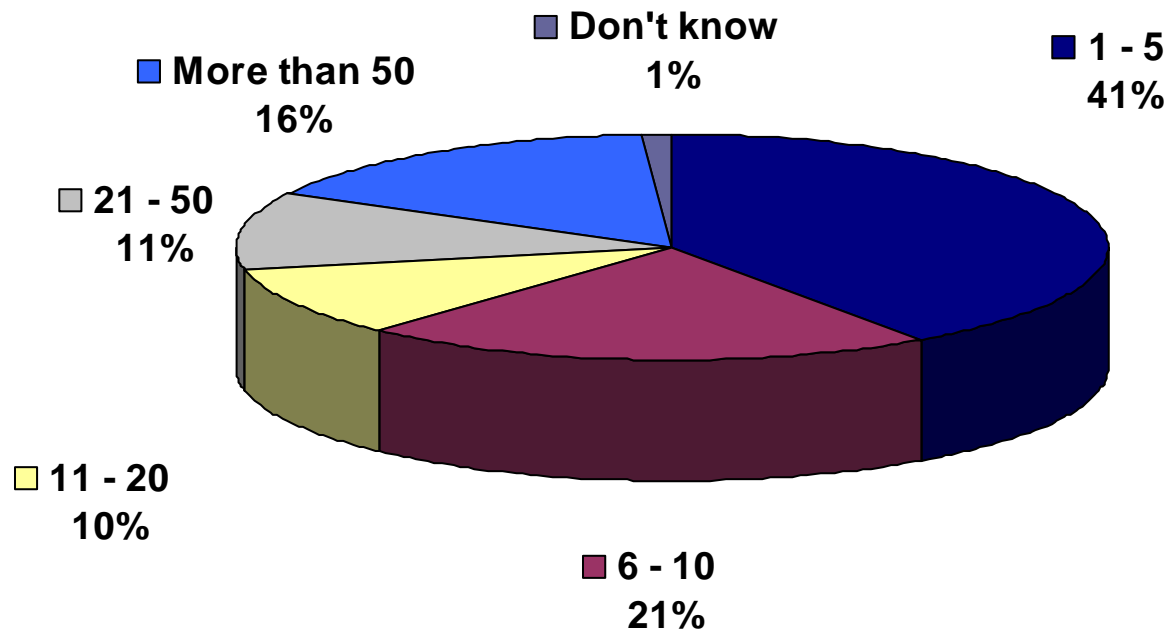
Sample

Q How long has your business been in the Waikato?



Sample cont.

Q How many full-time equivalent employees does your company have?



Key points from the research

- The key strength of completing business in the Waikato region is around being central (59%). In addition, the promise of being a great place and providing a good lifestyle (43%), were a large big draw cards.
 - Interestingly personal lifestyle came out on top as the most important factor for people when considering the best location for business and Waikato rated highly on this factor – with a rating of 7.9 on a scale of 1 to 10 (1 being extremely poor, 10 being excellent).
- Key negative points of doing business in Waikato are around infrastructure and attitudes. The biggest infrastructure issues were the improvements to the connecting roads to Tauranga and Auckland (24%), transport to the airport (13%) and traffic in general (13%). In terms of attitudes, a few people suggested that the limited size of Waikato (15%) and small minded conservative view (14%) were quite restrictive.
- When setting up a business in Waikato, the main driver was personal circumstances, such as already living here (38%), and where family is (13%). In addition, the majority are happy being located in Waikato, with 78% of people having never considered moving their business elsewhere.

Business in the Waikato

The main positive about the Waikato as a business location is its central location. Business wise, the networking and growing economy were also seen as positives.

Q What do you like most about the Waikato as a business location?

Lifestyle reasons	N	%
<i>Central location</i>	81	59
<i>No traffic problems</i>	25	18
<i>Proximity to Auckland</i>	20	15
<i>Size</i>	19	14
<i>People / ambience of city</i>	17	12
<i>Live here / always lived here</i>	13	9
<i>Lifestyle / quality of life</i>	10	7
<i>Lower house prices</i>	5	4
<i>Family reasons / close to family</i>	3	2
<i>Proximity to BOP / beach</i>	1	1

Business reasons	N	%
<i>Networking</i>	12	9
<i>Economy / growing economy / growth</i>	8	6
<i>University / Polytechnic</i>	6	4
<i>Ease of doing business</i>	6	4
<i>Range of businesses / industry</i>	6	4
<i>Lower wages</i>	4	3
<i>Lower costs</i>	3	2
<i>Good communications</i>	1	1
<i>Reliable power</i>	1	1

The main negatives, aside from the fog, were its small size and limited opportunities (15%), as well as conservative, small minded attitudes and other people's perceptions towards the Waikato.

Q What do you like least about the Waikato as a business location?

Lifestyle reasons	N	%
<i>Fog / weather / climate</i>	16	14
<i>Expensive airfares</i>	4	4
<i>Roading</i>	4	4
<i>Traffic</i>	4	4
<i>No beach</i>	4	4
<i>No direct out flights</i>	3	3
<i>Airport / airport limitations</i>	2	2
<i>Parking – CBD</i>	2	2
<i>Lake / dirty</i>	2	2
<i>Other</i>	7	6

Business reasons	N	%
<i>Small / limits opportunities / increase competition</i>	17	15
<i>Insular / old school / parochial / old boys network / small minded / conservative</i>	16	14
<i>Other people's perception / attitudes towards Waikato</i>	13	12
<i>Auckland motorway / access to Auckland</i>	8	7
<i>Infrastructure</i>	7	6
<i>Distance from Wellington / Government</i>	6	5
<i>Rates / Councils actions / local govt limiting</i>	5	5
<i>Hard to get good staff / high calibre</i>	4	4
<i>Head office in Auckland / Wellington</i>	3	3

Living or being located here and having family ties are key reasons for setting up in the Waikato. As well as its central location and lifestyle.

Q What is the key reason you/they chose the Waikato for your business? Are there any other reasons you/they chose to locate your business in the Waikato?

Comments	Key reason		Other reason	
	N	%	N	%
<i>Live here / have always lived here</i>	31	38	1	3
<i>Family / close to home, family</i>	11	13	5	13
<i>Central location</i>	10	12	3	8
<i>Business/organisation already located here</i>	9	11	1	3
<i>Like it here / good lifestyle</i>	8	10	7	18
<i>Have good business contacts / network established here</i>	4	5	1	3
<i>Good population / market size</i>	4	5	5	13
<i>Dairy, agriculture, farming sector</i>	3	4	3	8
<i>Easy access to airport</i>	2	2	0	0
<i>Saw potential for business here</i>	2	2	4	11
<i>Potential population growth</i>	2	2	1	3
<i>Good access to shipping ports</i>	2	2	0	0
<i>Business relates to the region</i>	2	2	0	0
<i>Cheaper costs</i>	0	0	3	8
<i>Research institutes</i>	0	0	2	5
<i>Other</i>	11	13	8	21

Key reason N=82; Other reason N=38

However, respondents suggested that problems with local government and difficulty in getting good staff were key barriers to developing a business in the Waikato region

Q What barriers and problems, if any, have you faced in developing a business in the Waikato?

Comments	N	%
<i>Rates / Council actions / local govt limiting / RMA / red tape</i>	12	20
<i>Hard to get good staff / high calibre</i>	11	18
<i>Getting business, brand known / building customer base</i>	7	12
<i>Lack of reasonably priced commercial premises</i>	5	8
<i>Road / transport infrastructure issues</i>	4	7
<i>Lack of networking opportunities / need one-stop business help shop</i>	4	7
<i>Other people's perceptions / attitudes towards Waikato</i>	4	7
<i>Lack co-ordinated approach / fragmented</i>	3	5
<i>Lots of small businesses with limited money</i>	2	3
<i>Auckland motorway / access to Auckland</i>	2	3
<i>Lacks "x" factor / a sense of place</i>	2	3
<i>Insular / old school / small minded / conservative</i>	2	3
<i>Other</i>	14	23

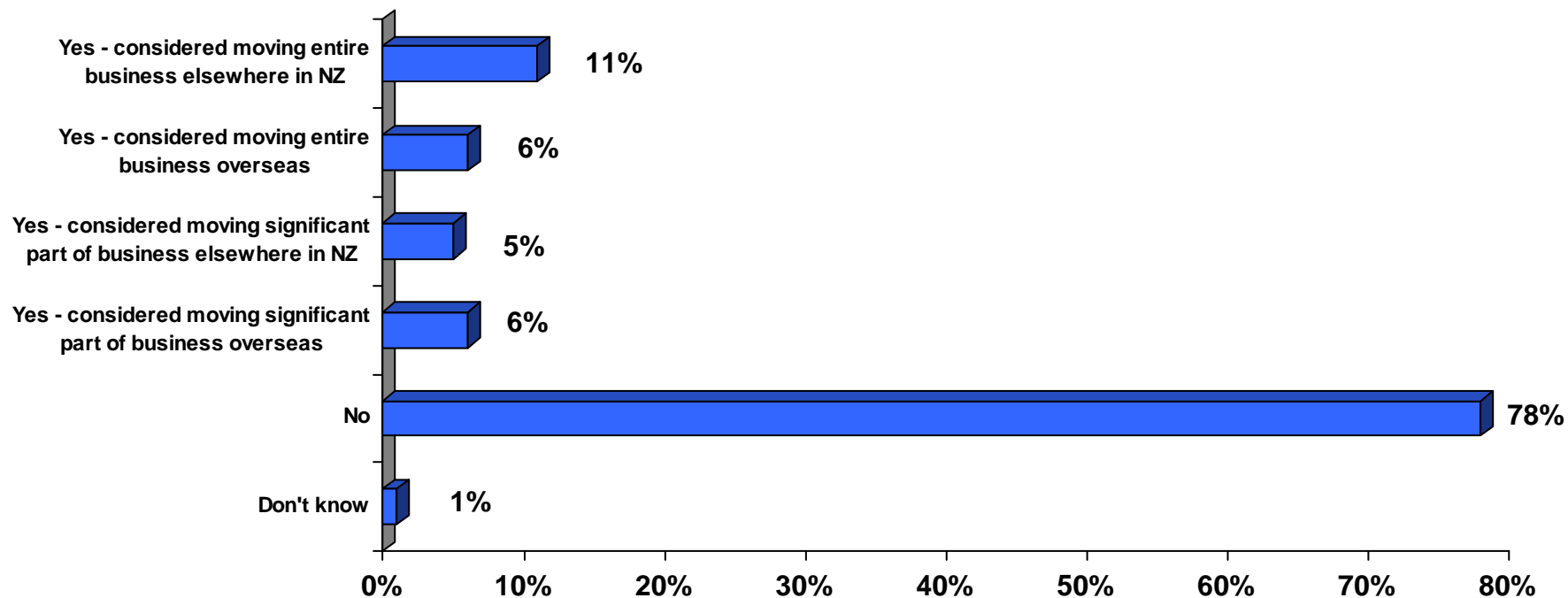
In terms of improvements for businesses, roading (especially those to Auckland and Tauranga) and local government costs and bureaucracy/red tape were areas that needed to be addressed.

Q What two things would you change about the Waikato to make it 'easier to do business' in the region?

Comments	N	%
Road to Auckland / better road links especially Tauranga & Akld / improve roads	22	24
Councils / local govt / decrease rates / compliance costs and red tape	17	19
Air transport links / improve airport especially freight offering	12	13
Traffic / transport	12	13
Promote region / improve perceptions of region	11	12
One stop business shop / support between agencies and businesses	7	8
Parking	6	7
Faster internet / improve telecommunications	5	5
Make it easier to attract and retain staff	5	5
Use the river as a focal point / for transport	3	3
Other	13	14

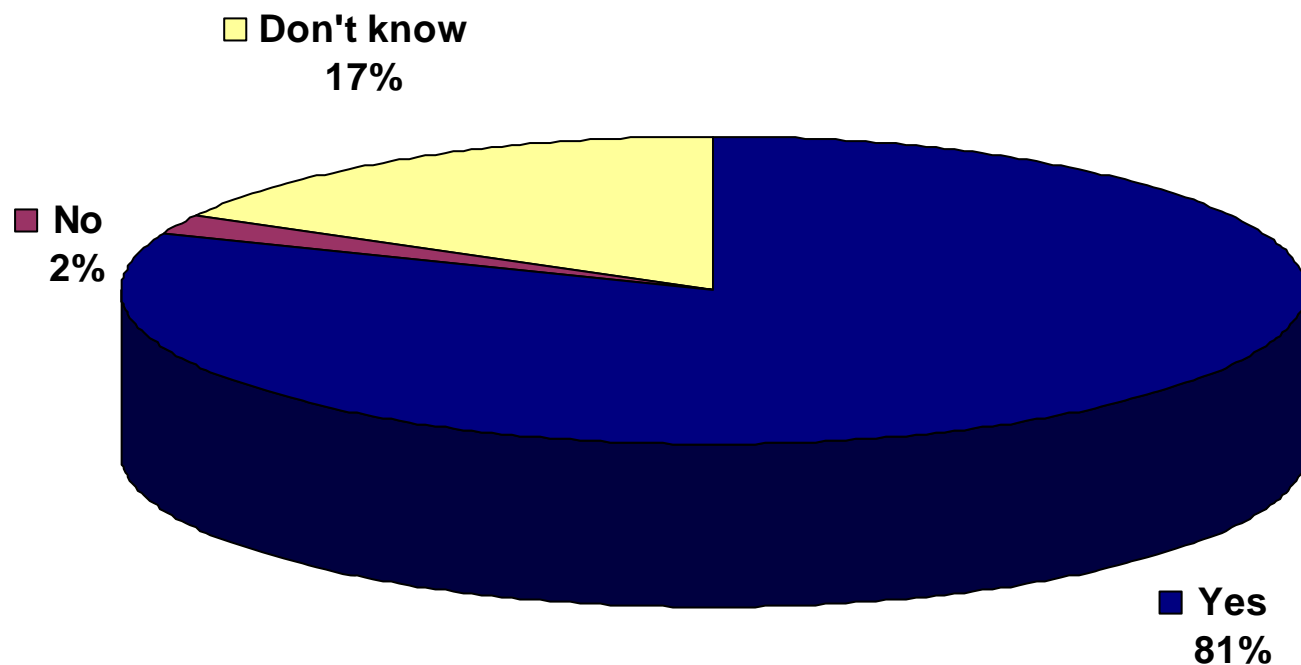
However, the majority of respondents have never considered moving out of the Waikato (78%)...

Q Have you ever given serious consideration to moving all or a significant portion of your business from the Waikato? (note: multiple responses allowed)



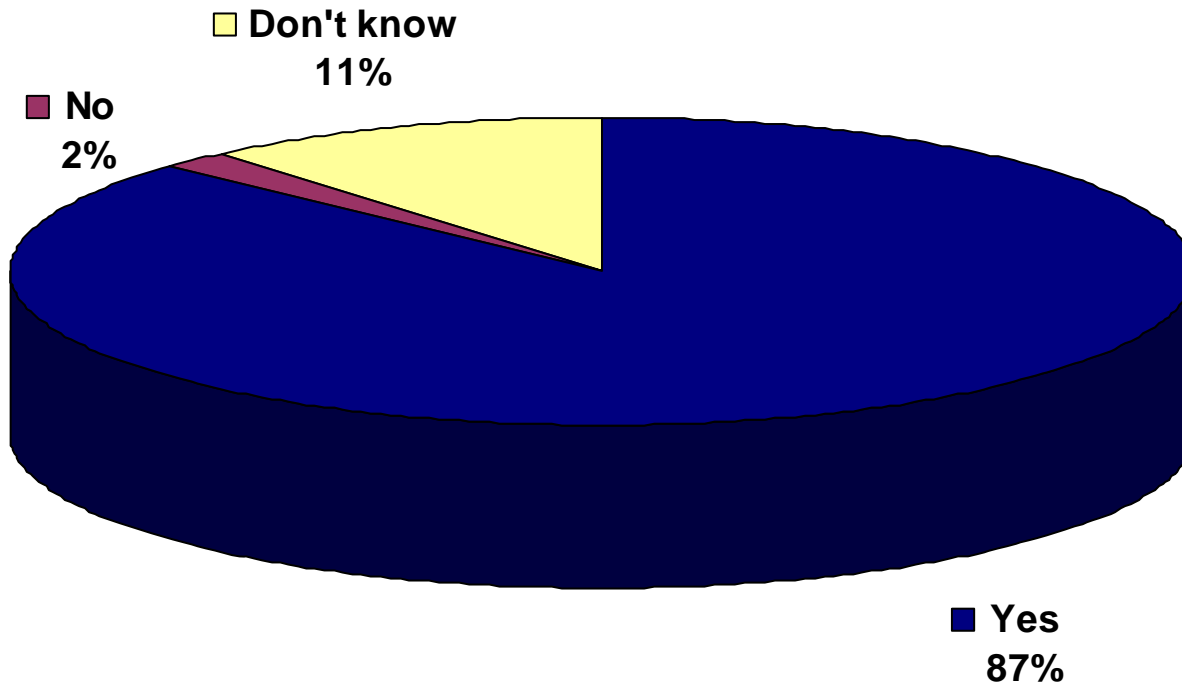
... And 4 out of 5 people would still choose the Waikato to do business.

Q If the location decision were to be made over again, would you/they still choose the Waikato?



Almost everyone would recommend Hamilton (87%) for those looking to relocate or expand.

Q Would you recommend Hamilton to other businesses seeking to relocate or expand?



For those who would recommend Hamilton, the main reasons given are that it's a great place (43%), it's central (33%), and there are opportunities here with the area still growing (29%).

Q Would you recommend Hamilton to other businesses seeking to relocate or expand - What are your reasons for the answer in the previous question? BY ANSWER - YES

Yes	N	%
<i>Great place, good lifestyle</i>	30	43
<i>Central location</i>	23	33
<i>The area is still growing / opportunities are here</i>	20	29
<i>Supportive business sector / networks</i>	6	9
<i>Dairy, agriculture, farming sector base</i>	5	7
<i>Less congestion, traffic</i>	5	7
<i>Cost of doing business better than other cities</i>	4	6
<i>Reasonable cost of living / house prices</i>	4	6

Yes	N	%
<i>Great people</i>	4	6
<i>Good size – not too big / small</i>	4	6
<i>Good educational institutes</i>	3	4
<i>International airport</i>	3	4
<i>Good infrastructure</i>	2	3
<i>Good pool of labour</i>	2	3
<i>Reliable power</i>	2	3
<i>It's not Auckland!</i>	2	3
<i>Need more businesses here</i>	2	3
<i>Other</i>	8	11

Thank you