BEFORE INDEPENDENT HEARING COMMISSIONERS APPOINTED BY WAIPA DISTRICT COUNCIL

IN THE MATTER	of the Resource Management Act 1991 (Act)
AND	
IN THE MATTER	of the hearing of applications by BBC Technologies Limited for Land Use Consent for a Rural Industry and Grass Ventures Limited for a Subdivision Consent at Lochiel Road, Rukuhia
BETWEEN	**BBC TECHNOLOGIES LIMITED & GRASS VENTURES LIMITED**
	Applicants
AND	**WAIPA DISTRICT COUNCIL**
	Consent Authority

STATEMENT OF EVIDENCE OF GEOFF FURNISS ON BEHALF OF THE APPLICANTS

(Company evidence)

Dated: 24 November 2020

INTRODUCTION

1. My name is Geoff Furniss. I am the Chief Executive of BBC Technologies Limited ("BBC Technologies").

Scope of Evidence

2. My evidence will address the following matters:

   (a) Detail the history of BBC Technologies;

   (b) Set out who BBC Technologies is; and

   (c) Detail the reasons and need for the new location.

BACKGROUND

3. BBC Technologies' origins go back to 2000 when founder and local (Ohaupo) blueberry growers, my parents Greg and Alison Furniss, invented a blueberry grader and sorter which was then sold to other growers.

4. From the mid-1990's, machine harvesting created a huge hand-sorting requirement, and the need for a colour sorter machine became apparent. After looking at expensive overseas options, my parents began working on colour sorter machines to meet their own requirements. The first solution, the Colour Sorter, went into development in 1996 and three years later the first sale was made to a US buyer.

5. Since then the export progress of the company has been fastpaced. BBC Technologies established and opened an office in the USA in 2003. By 2007 additional hi-tech solutions had been developed to form full turnkey blueberry packing lines.

6. In 2007 BBC Technologies launched the "FreshTracker" traceability and management software and in 2008 we introduced our 10-Head Fill-By-

Weight machine, capable of sorting for clamshells, punnets, cups, boxes and bags – along with the Colour Sorter with Defect Recognition. The MIRA-360 Cherry Sorter was added to our line-up three years later.

7. BBC Technologies designs, develops, manufactures, and installs all of the BBC Technologies' owned end-to-end turnkey lines, which includes traceability analytics, and artificial intelligence software. BBC Technologies has also compiled the most extensive collection of berry samples and data that exists in the world.

8. In February 2018, TOMRA signed an agreement to acquire 100 percent of the shares in BBC Technologies. TOMRA, a multinational Norwegian corporation, was founded on an innovation in 1972 that began with the design, manufacturing and sale of reverse vending machines for automated collection of used beverage containers. Today, TOMRA provides technology-led solutions that enable the circular economy with advanced collection and sorting systems that optimize resource recovery and minimize waste in the food, recycling and mining industries. The deal between TOMRA and BBC Technologies sees BBC Technologies' precision grading systems and punnet and clamshell filling solutions for blueberries and other small fruits join TOMRA Food's own fruit inspection and grading technology portfolio. BBC Technologies operates as a division of TOMRA Food.

9. With significant business growth expected, BBC Technologies is proposing the establishment of an 'agri-tech' campus in the central Waikato Region, with their operations to be relocated to the proposed Airport Road location (on the corner of Lochiel Road and Airport Road/State Highway 21). BBC Technologies has outgrown its Ingram Road premises (on the opposite side of the Hamilton Airport) and the present site does not cater for the projected growth estimates.

BBC TECHNOLOGIES

10. The BBC Technologies mission is:

> To drive profit for fruit producers globally throughout the entire post-harvest value chain. We accomplish this through reduction of waste and costs, by improving efficiencies and by eliminating day-to-day operational headaches.

11. BBC Technologies is the global leader in complete turnkey solutions for sorting, optimizing, and packing small fruit. We specialize in soft, delicate varieties (for example blueberries, cherries and small tomatoes) in which our industry-leading technology preserves the natural characteristics of each piece of fruit. BBC Technologies designs, develops, manufactures and installs all of our own end-to-end turnkey lines, which include traceability, analytics, and artificial intelligence software.

12. The below image of a blueberry sorting machine, the KATO260, shows the type of equipment we design and then assemble.

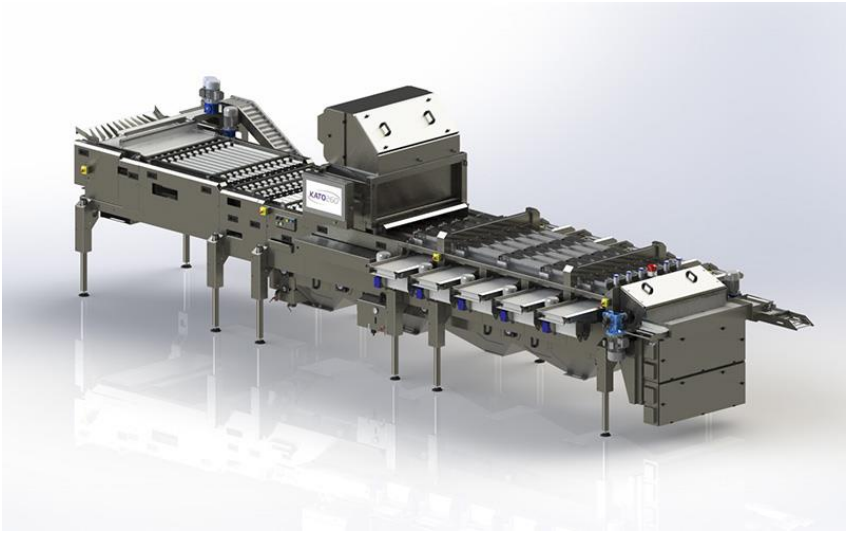

Figure 1: BBC Technologies Blueberry Sorting Machine, KATO260

13. The KATO260 is the innovative and industry-defining precision grading system for blueberries. It is the most refined solution for optical selection and optimisation of blueberries on the market. The KATO260 is the culmination of years of comprehensive research into the characteristics

of the blueberry, meaning the KATO260 was built literally from the berry up. Understanding and respecting the value of each individual berry meant developing the KATO260 with precision controls to support sophisticated grading criteria that exceed market demands. Cameras take multiple pictures of each piece of fruit and are capable of identifying defects down to 0.2mm ensuring a maximum level of accuracy in sorting for size, colour, softness, bruising, decay, dehydrations, stems, peeling and scarring.

14. BBC Technologies also has an internal, established and ongoing Berry Science Program which, through years of research, has compiled the most extensive collection of berry samples and data that exists in the world - more than any other university, research institute or competing manufacturer. Our library includes samples and findings from a comprehensive spread of varieties, berry maturities, growing conditions, seasons and weather conditions. By continually validating this research and expanding its scope, we remain at the forefront of our field. This is why we say our machines, are literally built from the berry up.

15. Ninety-nine (99) per cent of our revenue comes from exports to 39 countries, and BBC Technologies has a 60 percent global market share.

THE PROPOSAL AND BENEFITS

16. BBC Technologies has now outgrown its premises on Ingram Rd at Hamilton Airport and is seeking to relocate and expand at a site on the corner of Lochiel Road and Airport Road.

17. The vision for the new site is to, once again, be located alongside growing operations in order to provide an environment where our team is able to be immersed in surroundings which reflects our customers' environment. It is important that we continue to incorporate learnings from the field and growing conditions in order to ensure our technology aligns with our customers' requirements. As a business we need to be able to support

more automation and technology both in the field and alongside the growing operations in order to develop and commercialize a more complete offer. Previously, when we were located in Ohaupo with our growing operations onsite our team had a much stronger and instinctive understanding of customer needs and requirements.

18. To facilitate the relocation, BBC Technologies entered into an agreement with Grass Ventures Limited. Grass Ventures Limited, an investment company, purchased 35 Lochiel Road and 326 Airport Road and is the applicant for the subdivision resource consent.

19. The identification and purchase of the site on the corner of Lochiel Road and Airport Road / SH21 is the culmination of a search that started about a decade ago. I have been seeking a specific site where I could relocate the research and development business, from the Ingram Road site, to a modern 'campus style' research facility.

20. The Waipa District has been chosen to be the location of this facility due to the background and history that we have. The Waipa District is, and always has been, the home of BBC Technologies, which is why I have fought for the facility to remain here. TOMRA, who own BBC Technologies, has considered alternative locations to have the BBC Technologies' business relocated to Auckland or overseas. Should this development not find a suitable location within the Waipa District (or the Waikato sub region more widely) then the development is likely to be located overseas (along with the jobs associated with the current BBC Technologies operation and the potential job opportunities that this development enables).

21. While I have considered locating the business within an Industrial Zone, I deem it necessary to locate the facility in a Rural Zone as we were originally located. The BBC Technologies facility will be a "Centre of Excellence", with a significant focus on research and development, including growing operations, as well as assembling our current sorting

products. The BBC Technologies business involves growing horticultural crops for research purposes and is a vertically integrated operation based on the research and development of technologies (including assembly) servicing the horticultural sector. Having the test plot area on the same site as our office and manufacturing facility is an essential bottom line in terms of the new site. It would be grossly inefficient to try to operate the business from multiple sites. The vertically integrated nature of the business, and the fact that it is entirely based on servicing the horticultural sector, is why we have a functional and compelling requirement to be located in the Rural Zone.

22. The plan for our new site features a 2,500m^2 research and development facility and 3,000m^2 manufacturing centre. This is a $14 million development, which I consider will have economic benefits to the Waipa District and the wider Waikato Region. Being in the same general location near the airport will mean that all current staff can be retained (i.e. if the business was located a significant distance elsewhere then that would not be a sustainable situation for many staff).

23. The relocation and subsequent expansion will enable increased production of horticultural related products (i.e. fruit sorting products). This expansion will create increased employment opportunities and will develop the profile of "agri-tech" within the Waipa District and the Waikato Region.

24. The initial expansion of the business, estimated to be achieved by 2023-2025, will see staffing numbers rise from the present number of 148 to 219. The full expansion, estimated to occur between 2026-2028, will be in the order of 306 staff.

25. This is more than double the existing staff numbers and an increase in direct green technology employment. The expansion therefore creates approximately 150 more employment opportunities for those in the Waipa District, and Waikato Region over the next ten years.

26. The Section 42A report prepared by Mr Todd Whittaker asks BBC Technologies to provide some additional information regarding our hours of operation. I note that we seek flexibility in operating hours, but this is how we generally operate:

    (a) There will be approximately 172 office staff and 134 factory staff on site.

    (b) The office staff are typically on site between 6 am and 6pm (noting that we have flexible hours for office staff).

    (c) There are two factory shifts (with a short handover between where necessary):

        - Day shift (6.30am – 3.30pm) with 67 staff; and
        - Night shit (3.00pm – 12.00am) with 67 staff.

27. I anticipate that the construction of the site will create approximately 100 (or more) jobs for the Waikato construction sector.

28. There are significant long-term benefits to the economy through export revenue which has tax benefits. Further, the expansion will have flow on benefits to the local technology, research and development, education and training sector. It has been estimated that this development will create around 50-80 jobs in respect of external services and goods in the local supply chain.

29. The BBC Technologies business currently creates $60 million annually in export revenue to the New Zealand economy. With this expansion proposed, the export revenue will increase to approximately $100 million per year by 2025. I expect that this figure will continue to increase.

Geoff Furniss

24 November 2020