9AM, MONDAY 8 APRIL 2019
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH
ECONOMIC DEVELOPMENT COMMITTEE MEETING

8 April 2019

5  Presentation - The Factory
   1.  The Factory
   2.  The Factory

6  Presentation - RACE Group
   1.  Race Group

8  Summary report on the December 2018 Manawatū Quarterly Economic Monitor, Major Developments, and the Quarterly Retail Report for January 2019
15 niche stakeholders that help drive the Innovate programme as well as The Lion Foundation Young Enterprise Scheme (YES).
2018 Process

- Entries open for 8 weeks
- Top 20 ideas selected
- Top 20 pitch to local mentor group of 30+ as well as over 100 national mentors
- Top 5 selected by mentor pool and then assigned a team of three mentors
- Profiling night with Collective Intelligence
- 10 week acceleration through The Factory
- Workshop with lean business methodology and IP
- Intensive mentorship for 10 weeks
- Pitch night, public event, sold out, 250 pax
What’s in store for 2019

- 1 July, programme opens
- Finalists selected by mentor pool (up to 15 mentors)
- Finalists assigned lead mentor with access to advisory talent pool (over 30 locally and 100+ nationally)
- Education programme
- Finalists assigned finance team member
- Finalists assigned IP professional
- Profiling night with Collective Intelligence
- IP workshop with Catalyst IP
- Cash flow workshop with Morrison Creed
- Team dinner, offsite
- 10 week acceleration through The Factory with lean business methodology
- Practice pitch week to prepare finalists
- Final awards night, open to the public, 21 November
What’s in store for 2019

Education Programme – New for 2019

- Education entries online – different marketing scope
- Top 5 for the finals plus up to 3 education (youth through uni) entries
- Edu entries through a slightly different process – more focus on validation then actual build but will still be with the Top 5

Youth prize (cash + awards) provided by new local business stakeholders
Tech Tour

- Return tickets to San Francisco
- Private tours of tech companies in the city as well as Silicon Valley
- Supported by Stephen Parsons House of Travel
My Poppa

is very special to me... he has always helped and inspired me since I was very little!
Poppa’s Problem

- Poppa loves jam on toast but really struggles to open jars.
- He suffers with CMT – a sensory neuropathy causing muscle wastage in his hands.
- I wanted to help him with this frustrating everyday problem.
The Problem

Thousands more New Zealanders have conditions similar to my Poppa making opening jars difficult.
Over 200 people surveyed

95% struggle to open jars!
The Solution

Getagrip

An easy to use dual grip Jar Opener that really works!

Comfortable on your hands and easy on your budget!

Getagrip opens jars easily, it's easy to use and easy to store.
Following my Science Fair success, the judges suggested I enter Innovate 2018. A competition to find search for innovative new business ideas.

From 91 entries, I was only child to get through to Top 20.

Pitched my idea to Dragons Den style to 45 business mentors.

Through to intensive 10 week Business mentor programme.
Laser cutting template

Laser cutting at Kapínua, Levin

First trials with laser cutter

GETAGRIp opens jars easily • easy to use • easy to store

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The Customer
Phase 1: New Zealand

**TODAY**
- 1.7 million households in New Zealand
- 255,000 households with over 65+ years residents
- 25,500 households: sales target market share (10%)

**+20 YEARS**

Target Market (10%)

![Graph showing 2 x GROWTH in households with residents over 65 years between 2018 and 2038]
The Press

getagrip hits the headlines!

ETAGRIP OPENS JARS EASILY & EASY TO USE • EASY TO STORE

TWEENS LITTLE HELPER

GETAGRIP OPEN JARS EASILY & EASY TO USE • EASY TO STORE
Over 4 days the Festival conducted the following activities:

Wednesday 27 March: Courtesy Ford “car boot race day party” to launch the event to sponsors, VIPs and business leaders

Thursday 28 March: Family Festival Fun in The Square featuring over 4,000 easter eggs and the annual primary and secondary schools challenge

Friday 29 March: Manawatu Harness and Palmerston North Greyhounds Festival race meeting along with the inaugural “City of Palmerston North Golden Chase” for a stake of $28,000

Saturday 30 March: Courtesy Ford Manawatu Sires Produce Stakes Festival Race Meeting featuring New Zealand’s most prestigious race for 2 year olds for a stake of $225,000
An extraordinary talent in Palmerston North was discovered.

Wednesday 27 March Courtesy Ford Festival Launch
Festival

- Overall participation 6,420 across Square, Harness, Courtesy Ford & Awapuni

- IER Research conducted this year is still being compiled as this meeting is too close to the Festival for findings yet

- Of Festival Racing personnel only:
  - Visiting horses
  - Visiting staff / trainers
  - Accommodation nights generated Racing personnel only
  - Local accommodation & spend
    - 110
    - 164
    - 403
    - $161,200

- Overall attendance across all 4 events up 60% on last year

- Of particular note was that 9 people flew in from Australia specifically for the Festival events and have confirmed their party will be 20 strong next year
Festival

• Total economic injection to Palmerston North from Racing personnel and activities only  
  $761,200

• Made up of:
  • Stakes money retained in the Manawatu  $100,000
  • Sales generated on course  $146,000
  • Local marketing spend local businesses  $125,000
  • Local accommodation / spend racing personnel only  $161,200
  • Industry injected and retained in Palmerston North  $229,000
  • Retailer sales New World etc  
    $761,200

Note: While the promotion contributed to local retail sales this is unable to be quantified
Festival

- I am very proud of how the Festival has evolved and grown and wish to thank Council for your contribution to getting this off the ground.

- Looking forward we look to grow independent local sponsorship.

- I hope we can continue our partnership and we will strive to increase our levels of independent funding that has seen $10,000 go to Council charities this year.
**Strategic Context**

**Festival**
- Significant growth over 3 years. Racing economic injection alone $761,000 this year. With consumer growth we can expect well in excess of $1,000,000

**Kamada**
- We have a world class partner bringing business and prestige to Palmerston North. Over 500 horses per year trained at Kamada for NZ and Australia’s leading trainers

**Kikiwhenua**
- A significant housing growth strategy for Palmerston North and source of investment for the Awapuni Master Plan

**Rangitane**
- A close partnership including a Racing Cadetship Program jointly being developed

**NZ Thoroughbred Racing**
- Formal position has now been taken by NZTR that Palmerston North is one of only three Premier venues in the country with growth in racing from 18 race meetings to 38 in the next 5 years
Racing Cadetship Program
In conjunction with TMI Marae and RACE Incorporated
Racing Cadetship

Course Objectives:

- To provide students with awareness of employment opportunities that exist within the Racing Industry.
- Motivation to explore and seek out employment opportunities.
- Information such that you know what to apply for and to whom.
- Confidence to have a go and seek a career path.
Racing Cadetship

So the program: Thursday 9 May 2019

- This is Class 1
- Today we will simply cover off at a high level what the rest of the course will be about so you know what is to come
ITEM 6 - ATTACHMENT 1

Racing Cadetship

Thursday 16 May 2019

Class 2 next Thursday at the same time will be all about the anatomy and physiology of the horse.

We will talk about what makes a horse the creature he or she is.

Why are they "right and flight" animals.

We will learn how to lead and handle a horse.

If time permits we will do a stable visit.
Racing Cadetship

Thursday 23 May 2019

Class 3 will be all about the life of a jockey

- We will cover:
  - Apprenticeship
  - Riding skills
  - Strength & fitness
  - You will learn about the money side and what you could earn

- We will try and get some actual riders to talk to you and tell you about their experiences as well as Chris Watson from NZTR
Racing Cadetship

Thursday 30 May 2019
Class 4 will be a visit to a race day at Awapuni Racecourse

We will start with lunch at the racecourse and then see and experience every job that happens on the day:
- Racing Manager
- Caterers & Kitchen
- Bar operations
- Marketing team
- Clerk of Scales
- Clerk of Course
- Trackside Television
- Manawatu Vision & Sound
- Stipendiary Stewards
- Tote operation
- Starting gates
- Jockeys Rooms
- Strappers and handlers
- Trainers

We will split up into teams as there is so much to get through
You will all have a flowchart of a raceday to guide you and to help you recall all the roles
Racing Cadetship

Thursday 6 June 2019

Class 5 will be a visit to a Stud Farm

We will visit Wellfield Stud and learn how it operates

- Mares
- Foals
- Yearlings
- Stallions
- Pregnancy
- Farm management
Thursday 13 June 2019
Class 6 will be the final class

We will briefly cover off how we arrange marketing for a raceday
- A marketing plan
- Budgeting
- Advertising
- Posters
- Event management

- We will go over CVs and work options that exist at that time

- Then we will have a graduation ceremony and award the scholarships and certificates
**Premier Centre**

It is proposed that each region “centre” on a single Premier Centre.

The role of the Premier Centre is to be the central point for racing activity in the region. It will deliver the greatest volume of racing through both turf and synthetic racing surfaces and is used for racing, training and trialling. The Premier Centre will support the greatest share of the participant base within each region and this key factor will in most regions determine its location. It is also proposed that the Premier Centre will be a multipurpose destination venue providing the greatest level of customer experience from a facilities perspective. In particular, it would typically provide a range of non-racing activities and income e.g. hospitality.

Investment in the Premier Centre would be prioritised as the focus area for investment in the short term to reset the infrastructure profile within each region. In the case of the Northern Region, there is not currently a Premier Centre within this definition. In addition, investment at Ellerslie will continue to be prioritised given its importance to the industry as a whole.

<table>
<thead>
<tr>
<th>Venue Category: Premier Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number per region: Single</td>
</tr>
<tr>
<td>National Total: 2</td>
</tr>
<tr>
<td>Race Meetings: 100</td>
</tr>
<tr>
<td>Description / Aspects:</td>
</tr>
<tr>
<td>30-40 licences per season</td>
</tr>
<tr>
<td>Racing, Training and Trialling</td>
</tr>
<tr>
<td>Turf and synthetic surfaces</td>
</tr>
<tr>
<td>Provide a multipurpose offering including hospitality and accommodation</td>
</tr>
<tr>
<td>Nearest to the animal population for the region</td>
</tr>
<tr>
<td>Trainer stabling/allotments providing onsite horse population</td>
</tr>
<tr>
<td>Provides infrastructure for new entrants (trainers) to be supported</td>
</tr>
<tr>
<td>Iconic, premier and feature turf race meetings</td>
</tr>
<tr>
<td>High level of on course customer experience</td>
</tr>
</tbody>
</table>
From: Bernard Saundry  
Sent: Thursday, 4 April 2019 8:37 AM  
To: grant.smith@pncc.govt.nz  
Cc: Alasdair Robertson <alasdair@raceinc.co.nz>; Karen Larsen <Karen.Larsen@nztr.co.nz>  
Subject: Thank you

Dear Grant

Great to meet you on Saturday and well done to you, the council and management.

The support from the City Of Palmerston is outstanding. Bringing communities together to socialize, communicate and enjoy each other’s company is what the future is about – there is no better way to do this than at the Awapuni Racing Centre.

The partnership between the city, the community and racing is the envy of other NZ regions – we look forward to working with you and the clubs in building a stronger community.

Regards

Bernard

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Bernard Saundry  
Chief Executive  
New Zealand Thoroughbred Racing  
p: +64 4 576 6272, m: +64 27 565 6411  
f: +64 4 568 8866  
a: 106-110 Jackson Street, Petone, Wellington 5012  
LOVERACING.NZ
Festival

To conclude:

Thank you for your support and hopefully your continuing support.

I believe we have delivered and will continue to deliver the Awapuni Master Plan, investment in Palmerston North from RACE and Kamada Park, and a growing partnership and friendship with Rangitane developing opportunities for Rangitane and other youth in the Manawatu.
Key Manawatū Region data

Earnings (salaries and wages) – $2,914 million (December 2017)

2.4% of national earnings

3.9% annual increase (NZ 6.0% increase)

Palmerston North – $2,495 m. (3.2% increase)

Manawatu District – $418 m. (8.2% increase)
Number of Manawatū region residents registered for Ministry of Social Development benefits

- Job seeker
- Sole parent
- Supported living
- Other benefits

December 2018 quarter

Number of people

3,750  3,250  3,000  2,750  2,500  2,250  2,000  1,750  1,500  1,250  1,000  750  500  250  0

Sep 17  Mar 17  Sep 16  Mar 16  Sep 15  Mar 15  Sep 14  Mar 14  Sep 13  Mar 13
Latest data

Difference in average weekly rents from Palmerston North

- Horowhenua District
- Manawatu District
- Whanganui District
- Rangitikei District
- Tararua District

Y-axis: $ value difference from average weekly rents in Palmerston North
X-axis: Years from 2000 to 2019
Latest data

Annual change in private sector rental stock to 28 February 2019

- Palmerston North: 84
- Manawatū District: 47
- Horowhenua District: 43
- Ruapehu District: 20
- Rangitikei District: 1
- Whanganui District: -9
- Tararua District: -36
Latest data

**QUARTERLY ACTIVITY**
Changes over same time last year

- **SPENDING**
  - $369,378,067
  - 4.2%
  - Spending in your area grew by 4.2% over the same time last year. Transactions in your area grew by 2.2%. NZ spending grew by 2.4%, and transactions by 2.2%

- **TRANSACTIONS**
  - 8,341,057
  - 2.2%

**MARKET SHARE**
Your Share vs Key Competitors

- 13.3% vs. last year
- 0.0%

Market share is your share of spending in the market (yourself and key competitors).

Your key competitors are based on areas you have chosen, in this case Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato territorial authorities.

**FASTEST GROWING STORETYPES**
Based on Spending

**IN YOUR REGION**
- Furniture/Flooring vs. last year: 12.4%
- Takeaways vs. last year: 10.3%

- Furniture/Flooring had the largest growth in Key Competitor locations, up 10.3%.

**LOYALTY AND OUTFLOW**
Destination of Locals’ Spending

Manawatu / Palmerston North residents conducted 70.5% of their retail spending in Man/P North and 4.1% in the Rest of Horizons Region. They spent 7.6% online.
Latest data

Quarterly change in electronic card retail spending
(change from same quarter previous year)

- Manawatū Region
- New Zealand

Percentage change from same quarter previous year

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>September</td>
<td>October</td>
<td>November</td>
<td>December</td>
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<tr>
<td>June</td>
<td>July</td>
<td>August</td>
<td>September</td>
<td>October</td>
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<td>January</td>
<td>February</td>
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<td>May</td>
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<tr>
<td>June</td>
<td>July</td>
<td>August</td>
<td>September</td>
<td>October</td>
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<tr>
<td>November</td>
<td>December</td>
<td></td>
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</tr>
</tbody>
</table>

CEDA
CENTRAL ECONOMIC DEVELOPMENT AGENCY
<table>
<thead>
<tr>
<th>Latest data</th>
<th>Retail cashflow in the Manawatū region ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Years ended</strong></td>
<td><strong>Locals spending locally</strong></td>
</tr>
<tr>
<td>Jan 18</td>
<td>909.6</td>
</tr>
<tr>
<td>Jan 19</td>
<td>976.9</td>
</tr>
<tr>
<td><strong>Annual change</strong></td>
<td>$77.3</td>
</tr>
<tr>
<td><strong>%</strong></td>
<td>7.4%</td>
</tr>
</tbody>
</table>
## Latest data

### Marketview electronic card spending - Manawatū region

<table>
<thead>
<tr>
<th>Location</th>
<th>Year ended 2018</th>
<th>Year ended 2019</th>
<th>$m change</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadway</td>
<td>37.9</td>
<td>37.2</td>
<td>-0.7</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Rest of Palmerston North inner CBD</td>
<td>331.5</td>
<td>346.6</td>
<td>15.1</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>Total inner CBD</strong></td>
<td><strong>368.6</strong></td>
<td><strong>383.8</strong></td>
<td><strong>15.2</strong></td>
<td><strong>4.1%</strong></td>
</tr>
<tr>
<td>Palmerston North outer CBD</td>
<td>155.8</td>
<td>170.7</td>
<td>14.9</td>
<td>9.5%</td>
</tr>
<tr>
<td>Terrace End</td>
<td>38.6</td>
<td>37.6</td>
<td>-0.9</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Rest of Palmerston North</td>
<td>545.7</td>
<td>570.0</td>
<td>24.3</td>
<td>4.4%</td>
</tr>
<tr>
<td><strong>Total Palmerston North</strong></td>
<td><strong>1,108.7</strong></td>
<td><strong>1,162.1</strong></td>
<td><strong>53.4</strong></td>
<td><strong>4.8%</strong></td>
</tr>
<tr>
<td>Feilding</td>
<td>155.0</td>
<td>165.4</td>
<td>10.4</td>
<td>6.7%</td>
</tr>
<tr>
<td>Sanson</td>
<td>9.8</td>
<td>10.9</td>
<td>1.2</td>
<td>11.9%</td>
</tr>
<tr>
<td>Rest of Manawatū District</td>
<td>17.2</td>
<td>24.2</td>
<td>7.0</td>
<td>40.7%</td>
</tr>
<tr>
<td><strong>Total Manawatū District</strong></td>
<td><strong>182.1</strong></td>
<td><strong>200.6</strong></td>
<td><strong>18.5</strong></td>
<td><strong>10.2%</strong></td>
</tr>
<tr>
<td>Manawatū Region</td>
<td><strong>1,290.5</strong></td>
<td><strong>1,362.8</strong></td>
<td><strong>72.3</strong></td>
<td><strong>5.6%</strong></td>
</tr>
</tbody>
</table>

Terrace End excludes Melody's New World and Main Street Countdown
Latest data

Annual change in visitor spending

- Manawatu region - domestic
- New Zealand - domestic
- New Zealand - international
- Manawatu region - international

Annual change

35%  30%  25%  20%  15%  10%  5%  0%  -5%  -10%  -15%

CEDA
Latest data

Annual building consents for new residential dwellings

- Palmerston North City
- Horowhenua District
- Manawatū District
- Whanganui District
- Ruapehu District
- Taranaki District

Number of consents
Latest data

QV Property Value - Annual Change

- Palmerston North
- Manawatu District
- New Zealand

Annual Change (%)
Latest data

Annual value of non-residential consents

Manawatu District
Palmerston North City

Million $
Outlook

- Strong export conditions continue
- Strong growth in residential construction
- Major non-residential construction projects identified to 2030 - approx. $3.0 billion
- Transfer of jobs into the region – AgResearch, Ohakea (2023)
## Long-term Outlook

<table>
<thead>
<tr>
<th>Development</th>
<th>Timing</th>
<th>Cost Estimate (in $ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manawatu Gorge</td>
<td>start late 2019</td>
<td>450 - 500</td>
</tr>
<tr>
<td>Linton and Okakea regeneration plan</td>
<td>start August 2019</td>
<td>397</td>
</tr>
<tr>
<td>Mercury Energy - Taita</td>
<td>2018 - 2030</td>
<td>256</td>
</tr>
<tr>
<td>Massey University capital plan</td>
<td>2016 - 2025</td>
<td>184</td>
</tr>
<tr>
<td>Powerco growth and security projects</td>
<td>2017 - 2024</td>
<td>150</td>
</tr>
<tr>
<td>Hokowhitu campus redevelopment</td>
<td>start 2019</td>
<td>90 - 135</td>
</tr>
<tr>
<td>P-8A Poseidon aircraft - infrastructure</td>
<td>cost to be confirmed, finish by 2023</td>
<td>200</td>
</tr>
<tr>
<td>NZTA regional roading investment</td>
<td>started 2017</td>
<td>40</td>
</tr>
<tr>
<td>BUPA retirement village</td>
<td>cost and timing to be confirmed</td>
<td>39</td>
</tr>
<tr>
<td>KiwiRail regional freight hub</td>
<td>start 2018, finish mid 2019</td>
<td>282</td>
</tr>
<tr>
<td>FoodHQ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MidCentral DHB investment plan</td>
<td></td>
<td></td>
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<tr>
<td>PNCC Urban growth capital projects</td>
<td></td>
<td></td>
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<tr>
<td>City Centre streetscape upgrade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arena Master Plan</td>
<td></td>
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</tr>
</tbody>
</table>
Long-term outlook

Wealth Effects by Consumption Category
With 95 per cent confidence intervals

* Short-run effect of a 1 per cent increase in per capita housing wealth
Source: Authors’ calculations