



**PRIMARY
FOCUS**

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PROFILE +
2011 ANNUAL
REPORT
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CHAIRMAN'S REVIEW

Welcome to the Primary Focus
Annual General Meeting



BOB GRAY

The past 12 months have been a time of great change for the Trust. We have finally shed the unmemorable name “Enterprise Franklin Development Trust” and many of our Auckland based activities. To mark this change we have adopted a new brand and renamed the agency “Primary Focus” to reflect our emphasis on rural matters.





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Other consequent changes have included new offices in Tuakau, new funding relationships, staff changes and new trustees.

Firstly let me talk a little about the Trustees. Des Morrison and John Rae both retired as Trustees, Des to become an Auckland Councillor and John to concentrate on Auckland projects of his own. I would like to thank both of them for their hard work for the Trust and say their input will be missed.

To better reflect the Waikato focus of the Trust we have been fortunate to be able to recruit three new Waikato based Trustees. Bob Weir, David Carey and Clint Baddeley. We bid them welcome and thank them for committing their time to helping meet Primary Focus's goals.

It would be fair to say that the split of Enterprise Franklin Development Trust was a significant diversion for the Trustees and staff. The development of formal agreements and their implementation was time consuming and costly and ultimately unproductive in terms of the Trust's goals. Pleasingly this is all behind us with the the last few contractual obligations relating to the transfer with the Auckland ATEED agency now satisfied.

For the future, the Trustees are committed to a further 'Waikato-isation' of the Board with both Neil Simmonds and myself now in our final year as Trustees. We believe that it is important for continuity that there is a progressive transfer to Waikato based trustee and governance to properly reflect the community of interest of Primary Focus and at the next AGM we hope to announce further changes to Board composition to reflect this.

Our goal is to now prove the value of the Trust to the Waikato district by leveraging the seed money provided by ratepayers to obtain project funding from commercial organizations. We believe this will obtain better economic outcomes for the district than either could obtain by themselves.

In conclusion I would like to thank the staff, Trustees, Councillors, Council staff and our sponsors for their support in making the transition to Primary Focus.

FROM THE CEO



ASTRID LAMBERT

I am very pleased to report that the Trust has seized the changes to local regional governance as an opportunity to further innovate and develop its keen focus on rural development.

The changes during the latter part of 2010, as the Trust transferred its Auckland projects, visitor information centres and staff to the newly created Auckland Tourism Events and Economic Development Council Controlled Organisation of the Auckland Council, were a major distraction. However this did not deter our committed team from ensuring our projects continued and that we delivered quality work.

Enterprise Franklin Development Trust officially became Primary Focus Trust in December 2010 and since then has blazed a path in rural development.

We have developed our business model, building on a value chain structure that embraces the extended enterprise model, strategic alliances, virtual integration and solid customer relationships.

Our mantra is to create an environment that facilitates new jobs in the rural economy and to lead change to create wealth through commercialisation, innovation and entrepreneurship.

Knowledge has become the new premium fuel for economic growth in the 21st century. It is knowledge that stimulates new ideas and innovations to boost productivity and creates new products, new businesses, new jobs, and new wealth.

In our rural communities knowledge-based growth through highly skilled labour, universities, vibrant business networks, and infrastructure offers significant economic opportunities. We are very fortunate to be able to tap into this rich economic potential in the Waikato, a region already recognised for its innovation-led approach to the production of food.

Primary Focus is committed to supporting knowledge-based growth. Its current and planned initiatives in broadband, small scale distributed renewable energy sources, water supply and infrastructure improvements will help the productive sector increase production and value from existing resources.

Primary Focus is also committed to accelerating local economic growth by providing relevant economic analysis, data and information to policy makers to create an environment in which business can flourish.

We acknowledge and appreciate the support of our partners and also the Waikato District Council which has as its key planks, Economy, Energy and People - this bodes well for the future of the Waikato.

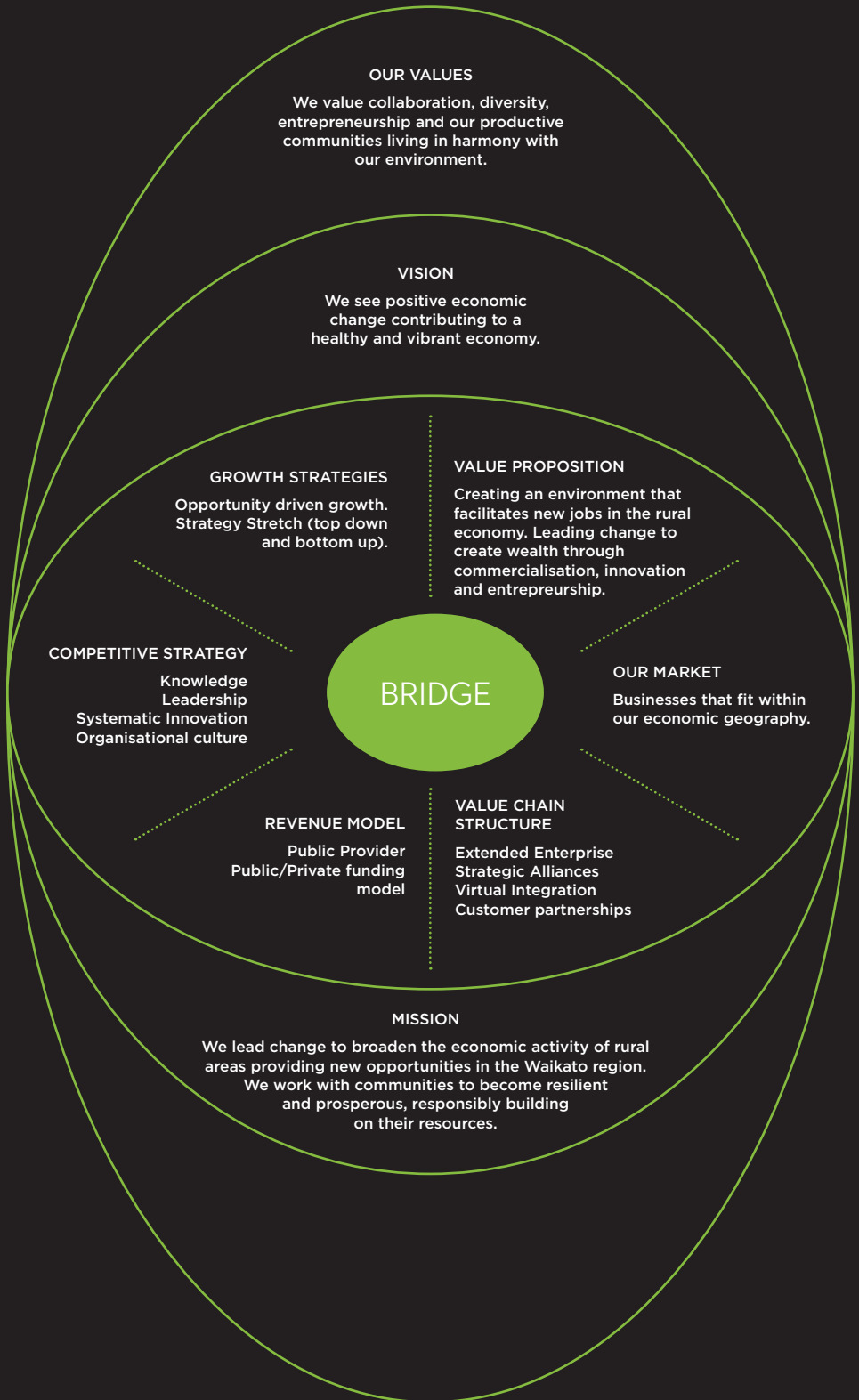
The solid economic performance of the district's sectors such as dairy and dairy manufacturing, other food manufacturing, other farming, mining and quarrying indicates that the district is well-poised to transform its local economy.

We see a year filled with opportunity for the Waikato district and look forward to working with our partners to shape our rural economy and grow local jobs.

Astrid Lambert



PRIMARY FOCUS BUSINESS MODEL



GOVERNANCE



BOB GRAY

The change in focus to rural economic development presents many challenges but there is a real chance for the Trust to make a real difference and improve employment opportunities through its work in the rural industries that would impact positively on the residents of Waikato towns like Huntly and Ngaruawahia.



NEIL SIMMONDS

Tuakau has a strategic position just outside the strictures of the new Auckland City. With land, resources and transport advantages, I see that it can really grow to be an industrial centre over the next decade.

Waikato District as a whole is well positioned for business growth with favourable soils, climate and location near markets for agriculture. Waikato has great tourism and leisure opportunities ... and now Primary Focus to help people unlock the potential.



DAVID CAREY

I had the privilege of joining Primary Focus as a Trustee in March of this year and have enjoyed very much working with incredibly dedicated executives and fellow Trustees.

Waikato District has so much untapped potential in areas such as Energy, Tourism and Water Resources to name a few.

I hope my input will in some manner assist Primary Focus to investigate and promote ventures based on the district's resources which will have a positive affect on investment and employment.



BOB WEIR



GARY HOOK



EVAN WHEELER



CLINT BADDELEY

PARTNERS

Many thanks to our partners for their ongoing support.



PROJECTS

EQUINE - LOUISE TURNER



The equine industry contributes more than \$550m to the Auckland economy. Primary Focus has supported initiatives that will grow this industry's economic contribution to the Auckland region.

BYERLEY PARK

A thoroughbred racing training establishment in the heart of Karaka, now has 20 trainers on site and trains more than 150 horses on site daily. Primary Focus has supported Byerley Park in the development of their facility which currently contributes \$3m directly into the local economy and will increase to \$5.7m. Its ongoing economic impact to the Auckland region is \$22.8m. Byerley Park has created more than 50 jobs which with its expansion plans will increase to over 115 jobs in the next two years.

PUHINUI

Primary Focus is the lead agency for NZ Sporthorse, Eventing Auckland and Auckland Manukau Show Jumping in the development of the Auckland Council owned reserve, Puhinui. A comprehensive feasibility report has been delivered to the Auckland Council and work is now underway to establish a premier internationally benchmarked equestrian facility. Puhinui when completed is conservatively estimated to generate more than \$109m in revenue into the Auckland economy annually and 882 jobs.

AUCKLAND EQUINE GROUP

Primary Focus facilitates the Auckland Equine Group comprising key equine industry organisations from the thoroughbred, standardbred and sporthorse industries. This group has been created to have a 'single and co-ordinated voice' for the equine industry in the Auckland region.

VISION

We see positive economic change contributing to a healthy and vibrant economy.

MISSION

We lead change to broaden the economic activity of rural areas providing new opportunities in the Waikato region.

We work with communities to become resilient and prosperous, responsibly building on their resources.

VALUES

We value, collaboration, diversity, entrepreneurship and our productive communities living in harmony with our natural environment.



PROJECTS CONTINUED...

RURAL CONNECT – JOHN ALLEN



INTERNATIONAL CONNECTIONS

Rural Connect has facilitated introductions between a Chinese telecommunications company, power line energy transfer (PLET) companies and the Ministry of Economic Development (MED) for a joint venture to compete for the government's ultrafast broadband and rural broadband programs. The Chinese company has opened an Auckland office and maintains an opportunity to deploy new patented broadband infrastructure technologies in rural New Zealand.

EDUCATION

Rural Connect has published weekly articles in the Franklin County News and maintained a website for the past 15 months that serves to generate interest in and awareness of high speed broadband, and the social, environmental and economic benefits that will accrue.

COMMUNITY LED BROADBAND

Rural Connect has worked with a number of local communities in the former Franklin and Waikato Districts. Ararimu has a Community Broadband Wireless Network presently being installed and the Glenbrook Beach and Clark's Beach communities are involved in exploring local community broadband networks.

Work is progressing with local community groups in Pukekawa, Glen Murray and Waikaretu to determine the feasibility of local community broadband networks.

A community broadband wireless network in Tuakau is being investigated which provides for video surveillance, hotspot and local access services. This network if successful will form the basis of a model that could be rolled out in remote rural towns throughout the Waikato District.

BUSINESS LAND – BERNADETTE JACKSON



On April 1st 2010, the former Franklin District Council rezoned 113.7 ha of Industrial and Industrial Service land to add to an existing block of 30.2 ha general business land. This provision of land extended the opportunity for larger footprint industrial businesses to consider Tuakau for relocation/development.

On November 2010, due to changes to local governance, Tuakau changed regions to become the first significant service town in the North Waikato.

CONNECTING BUSINESS

Primary Focus was instrumental in the introduction of Van den Brink and Lowe Corporation and assisting in the joint purchase of 33 hectares of industrial land for the development of two processing companies. This joint development has the potential to offer between 200 and 300 jobs to Tuakau in a 3-5 year period as well as attracting service industries.

Primary Focus worked alongside Counties Power to assist Hewlett Packard in their decision to locate a \$60 million data centre in the Tuakau Business Park. This work included assisting HP representatives work through the due diligence process to ensure all of their requirements were met on land suitability, zoning, consents, costings, utilities, land owner contacts and Council processes. HP made a public commitment to the development of the Tuakau site earlier this year and are still working through process prior to development.

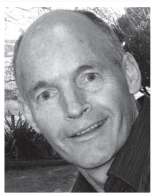
HAMPTON DOWNS

The Hampton Downs Motorsport Park is a \$65m motorsport park and multi-purpose events and entertainment facility, located adjacent to the Southern Motorway only 65km from Auckland City and Hamilton respectively. Officially opened in January 2010, this multiplex facility is set across 450 acres, has the capacity, once completed, to host world-class events such as GP2 motorsport and the World Superbikes (WSB).

The motorsport industry is valued at over \$870m to the New Zealand economy¹ and the location of Hampton Downs in the Waikato District is seen as an opportunity.

Primary Focus is supporting Hampton Downs with the establishment of an Innovation Park that will re-establish a technology driven automotive sector in New Zealand, facilitate highly specialised training in motorsport and associated industries and promote and facilitate innovation and technology in the industry.

RURAL DEVELOPMENT - DAVID POWELL



The rural economy is a key export orientated, tradeable sector that Primary Focus supports. Primary Focus is working to develop, diversify and deepen the agricultural sector further through supporting initiatives that will:

- Facilitate access to infrastructure (transport, water & energy)
- Provide for higher value-adding products and services
- Support agri-business and education, training and innovations in science & technology
- Promote local services & suppliers
- Encourage adaptive re-use of land where appropriate

Local economic growth is also accelerated through the provision of relevant economic analysis, data and information to policy makers to create an environment in which business can flourish.

NORTH WAIKATO INDUSTRIAL STUDY

“The ‘Economic Growth Triangle’ which consists of Auckland, Hamilton and the Bay of Plenty, at the 2006 Census had a combined population of 1.943 million, 48% of the national population. This population in the three regions is expected to grow to 2.75million by 2026 or 53% of the national total. The Economic Growth Triangle’s economy (GDP) is “expected to grow by 83% over the years to 2025. The share of national GDP will rise by 6% points to 51% in 2025.”

Existing infrastructure capacity is already under considerable strain. NZ Council for Infrastructure Development estimates that “around \$100 billion in the next two decades will be needed, up to half will need to be spent in the Auckland region where the growth pressures and the infrastructure backlog is the greatest.”⁴

¹ 2009 report commissioned by NZTE - Copsey Report

⁴ Excerpt: North Waikato Industrial Study, Latitude Planning Services, 18 January 2011

The North Waikato requires a special understanding of its transitioning economic structure and communities of interest given this economic growth. The Waikato District Council commissioned the North Waikato Industrial Study in response to the Waikato Region Policy Statement. Primary Focus provided support to the Waikato District Council with regards to undertaking analysis, data collection and literature reviews written as discussion documents to support policy development and decision making. The policy team was provided with alternative viewpoints based upon engagement with the business community and backed up with data and evidence.

RURAL ADVISORY PANEL

The Rural Advisory Panel is a standing committee of the Auckland Council whose purpose is to identify and communicate to the Auckland Council the interests and preferences of rural based industries and communities with regards to strategies, policies, plans and bylaws and any other matters of importance to Auckland's rural economy.

Membership of the Panel includes representatives from Federated Farmers, HortNZ, NZ Wine, Rural Contractors NZ, Aggregates & Quarry Assoc, Biomarine Ltd (Aquaculture), Rayonier NZ, Fonterra and Primary Focus.

The Panel advises on in particular, the Auckland Spatial Plan, the Economic Development Strategy, the Unitary Plan and Long Term Plans. The panel also engages quarterly with a Rural Industry Group.

NEW PROJECTS – CRAIG PURCELL



RENEWABLE ENERGY

Rural Connect has facilitated introductions between a Shanghai wind engineering company, major New Zealand electricity generators and the NZ Wind Energy Association. The Shanghai company has joined the Wind Energy Association and takes a long-term view for involvement in the New Zealand large-scale wind generation industry. Arising from this contact is an on-going association with another wind turbine manufacturer and the scoping of a small-scale distributed wind generation project in the Waikato.

WATER

Project work is underway to identify and facilitate world-class solutions for the storage of water on farm with the aim to increase productivity and future proof the agricultural sector.





PRIMARY
FOCUS

11/2 Dominion Road, PO Box 178, Tuakau 2342, New Zealand

PHONE: +64 9 237 0005 | FAX: +64 9 237 0006

EMAIL: growth@primaryfocus.net.nz

www.primaryfocus.net.nz
