

Horizon Research

Whanganui Velodrome Stadium

Residents' views

August 2020



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EXECUTIVE SUMMARY

This report summarises the results of a survey Whanganui District Council residents, looking at their views on a proposed Velodrome Stadium, a 6,000-seat indoor concert and sports centre being proposed for Whanganui.

The survey was conducted between 22 and 27 July 2020, among 418 adults who are members of Horizon Research's HorizonPoll panel and a third-party online research panel. Results are weighted to represent the Whanganui adult population at the 2018 census. At a 95% confidence level, the maximum margin of error is $\pm 4.9\%$ overall.

This survey was conducted by Horizon Research for the Regional Velodrome Development Trust.

The survey aimed to measure support for the Government approving \$26.3 million in funding to develop a velodrome stadium. Then to also measure what residents felt the Whanganui District Council should do regarding different levels of development, should the application for a Government grant be declined.

Significant support for full velodrome stadium development

Overall, this survey finds strong support in the Whanganui district for

- Government to approve an application from Whanganui District Council for \$26.3 million grant to help create jobs and stimulate the economy as part of the effort to recover from COVID-19 economic damage. The Whanganui District Council's application was one of the applications short-listed at the time of the survey.
- 83% want the Government to approve the grant.
- If the Government does not approve the grant, a majority of residents (and ratepayers) want the council to proceed with a full development. 9% only want the present velodrome demolished.
- Overall, there is strong support to develop (80%) rather than demolish the velodrome (9%).
- Presented with details of costs and losses or benefits of four main development options (Option 4 is the subject of the grant application), there was strong majority support for the full development.
- Majority support was maintained for the Whanganui District Council to proceed in the event the Government does not approve the grant.

REPORT

1. Awareness of Velodrome condition and proposals

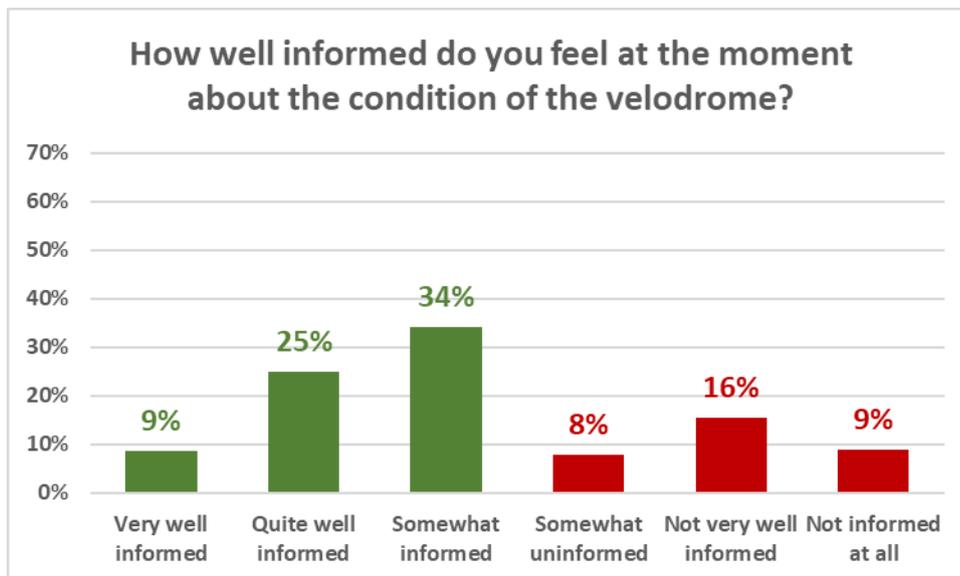
Respondents were firstly surveyed on their knowledge of the existing velodrome's condition and proposals for its development. No information was provided beforehand on the facility's condition or development proposals.

They were told:

"An outdoor velodrome with a hardwood track was built at Cooks Gardens in Whanganui in 1995. There have been discussions and reports since then about roofing the velodrome to protect it and make it useable in all weathers."

68% in total felt somewhat to very well informed about the condition of the velodrome at the time the survey was conducted.

33% felt somewhat to totally uninformed.



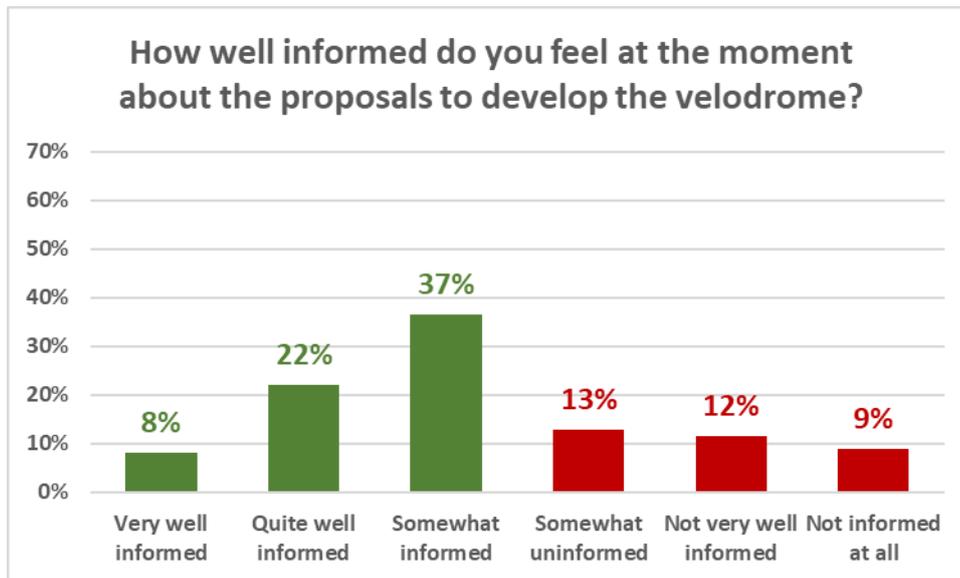
Note: Percentages do not sum to 100% owing to rounding

Knowledge of development proposals:

Fewer felt informed about proposals to develop the velodrome than knew of its current condition.

As the chart below illustrates, overall, 47% felt somewhat to fully informed about current proposals to develop the velodrome.

34% felt somewhat to totally uninformed.



Note: Percentages do not sum to 100% owing to rounding

2. Awareness of Velodrome condition and proposals

Respondents were then given information from and about the Whanganui District Council’s shovel-ready application to the Government for funds to develop a Velodrome Stadium, and then asked which one of six statements, about how the Government could respond to the application, they agreed with.

Respondents were told:

“Here’s some background for you to help you answer the next few questions...”

The Government is looking for “shovel-ready” projects to help create jobs and other community benefits as part of the country’s response to economic damage caused by the COVID-19 pandemic.

Whanganui District Council has submitted an application to the Government for \$26.32 million which would fully fund the velodrome development. It says work could start quickly. The Government has short-listed the application.

The development, if funded, would replace a now-rotting track, add a new speed skating track and extra seating.

This would provide a completely covered and weatherproof venue, capable of hosting more than 31 types of sports, cultural and community events – and concerts. By also using the centre of the redeveloped velodrome for extra seating the venue would be able to seat about 6,000 people, the largest covered venue in the lower North Island.

The business case and benefit assessments for this development say it would result in:

*100 construction jobs and 500 other new jobs
24% more visitors
\$176 million in net economic benefit over 10 years and
Have an economic payback period of 2.3 years.*

The funding application has been supported by the Mayors of six councils in the region.

Some argue the Government may have other priorities. Many more applications were received for projects around New Zealand than the shovel-ready project fund can pay for. Others worry about whether or not it will be used to its full capacity.

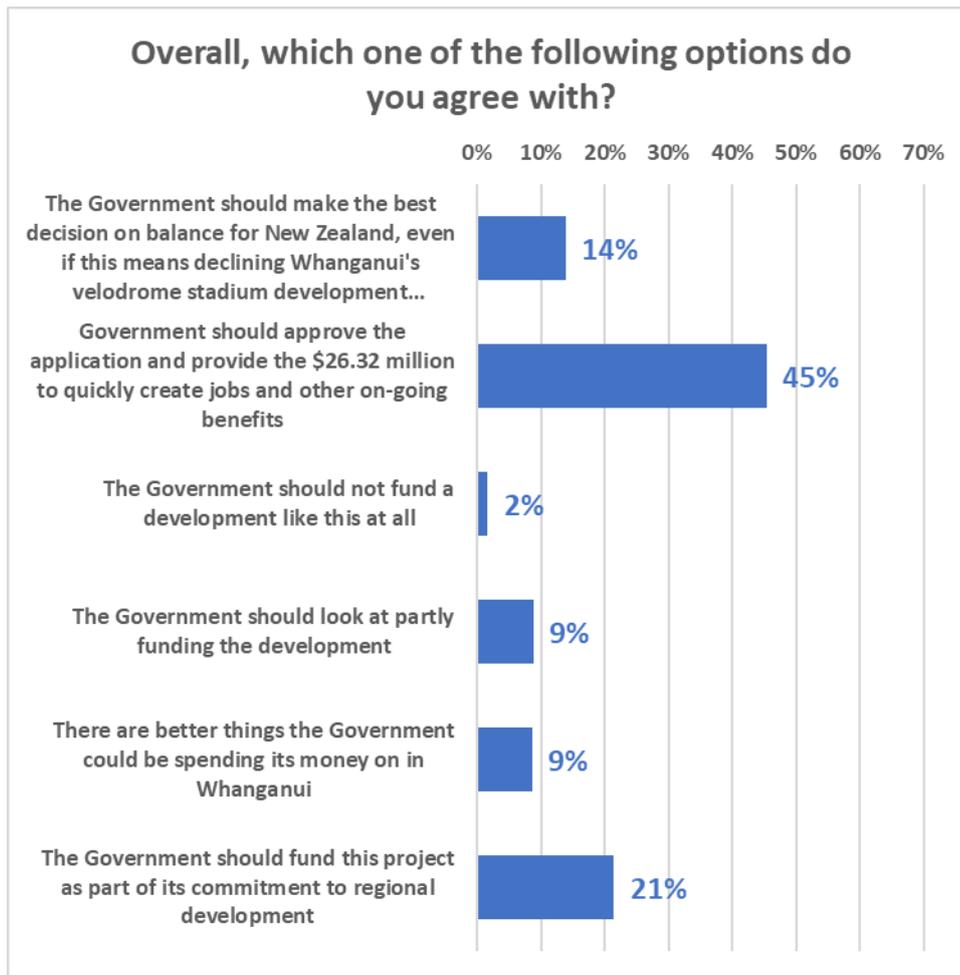
We'd like to get your views on this."

Overall, 67% supported options which would involve the Government approving the application to quickly create jobs and other on-going benefits (45%) or fund the project as part of its commitment to regional development (21%).

9% said the Government should partly fund it.

14% said the Government should make the best decision on balance for New Zealand, even if this means declining the application.

2% only said the Government should not fund a development like this and 9% said there were better things the Government could be spending its money on in Whanganui: A nett combined 11% saying not to fund it.



3. Overall – demolish or develop?

Before detailing the costs and other details of four development options, respondents were given choices to develop the velodrome or demolish it. There was

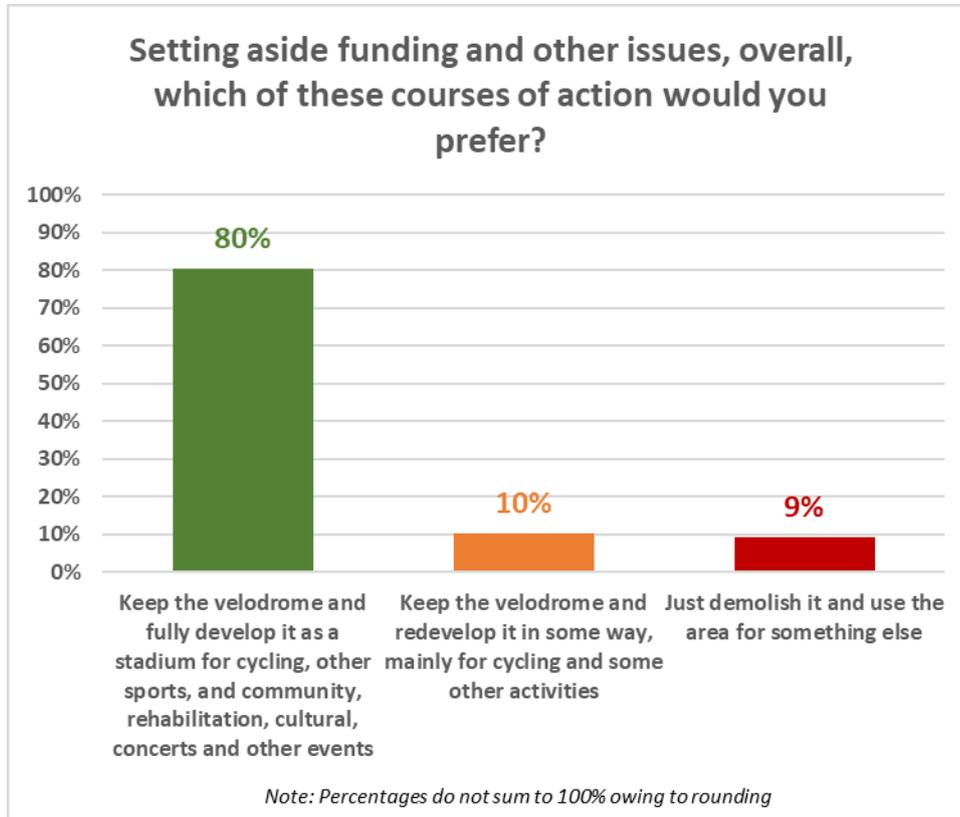
- 80% support for its full development as a stadium
- 10% support for a limited development, and
- 9% in favour of demolishing it and using the area for something else.

Respondents were told:

“The present velodrome has deteriorated so much by being exposed to the weather since it was built in 1995 that it will need to either be demolished in about two years’ time or developed in some way.

It will cost around \$3.6 million to demolish and write off the facility. There will also be losses from not hosting events at the velodrome.

Others argue it can still be developed, even if the Government does not approve COVID-19 "shovel-ready" funding to do this. We'll ask you about what detailed development options you prefer next, but before we do that..."



4. Strong support for one of four development options

Respondents were told other options might emerge but were asked about four possible options about the velodrome's future, after being told costs and operating losses or surpluses, if any, in each of the four options.

At **71%**, **support** was overwhelming support for the fourth option, which involves the full development of the velodrome into a covered 6,000 seat venue for more than 31 sports, cultural, community and entertainment events.

- **9%** only wanted it demolished
- **4%** only wanted the cycling track replaced and a roof on the velodrome for cycling use only
- **15%** only wanted it roofed for cycling and speed skating with some concert capacity
- **1%** only wanted another option.

Before answering respondents were told:

“Now let's look in detail at some of the options...”

The Whanganui District Council has commissioned a consultant to review all previous reports and development options to see if there is a way of developing the velodrome in an affordable and sustainable way.

This report is expected to be received by the Council soon.

Other ideas may emerge, but generally, four main options are among those being considered, based on the latest engineering, economic value and business case studies, submitted to support the application for \$26.3 million in Government funding, or any council decision on what happens next if the Government does not fund the development:

1. Demolish the velodrome and do not replace it:

Cost of around \$3.6 million (including write-offs). Annual velodrome cash flow lost \$180,000

2. Roof with new cycling track:

Provides for roof, new cycling track plus some other sports activities and no international cycling events. Cost \$20.7 million. Value to region \$20 million over 10 years, payback period 5.1 years, negative average cashflow loss of \$50,000 per year to the velodrome.

3. Roof with cycling, skating, concerts:

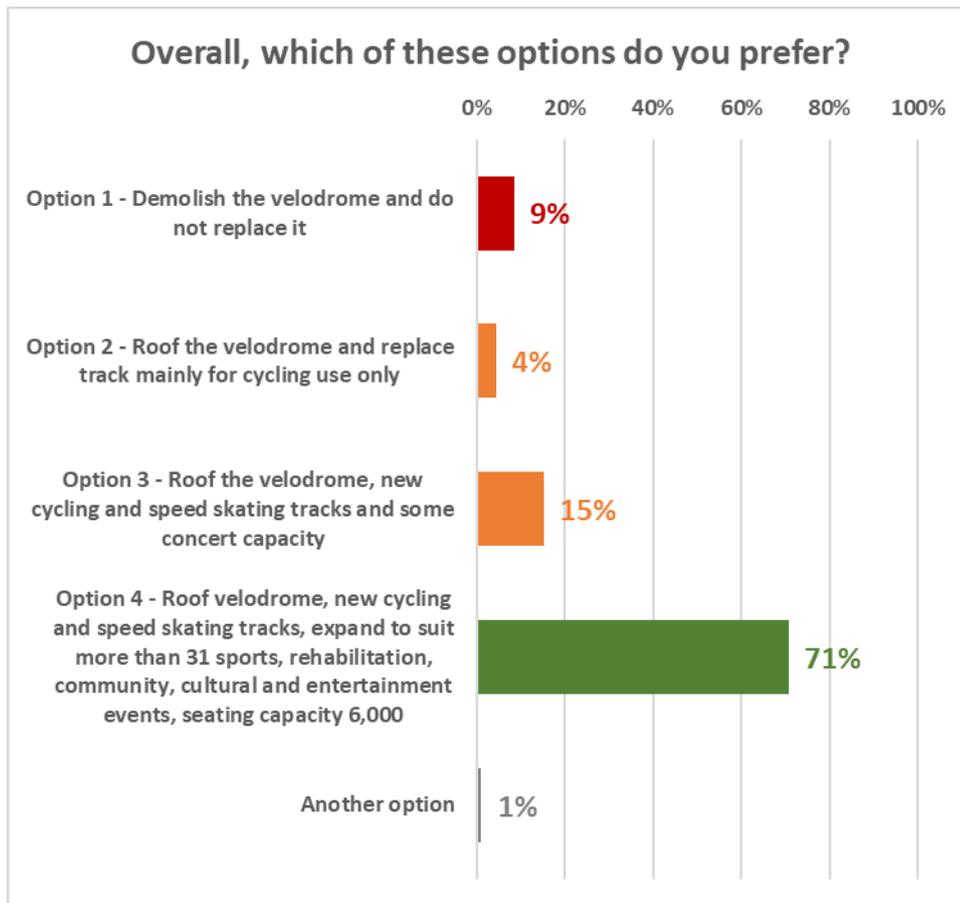
New roof and cycle and speed skating tracks, new in-fill centre of the track. Allows for regional cycling hub and other events and seating. Average concert/ event audience 2,100. Cost \$24.7 million. 10-year economic value \$117 million. Economic pay-back period 2.6 years. Positive cashflow per year to the velodrome \$510,000.

4. Roof, cycling, skating: full stadium-like events centre:

Covered stadium with new international standard cycling and speed skating tracks, new infill centre of track, viewing lounge, facilities to stage more than 31 types of sporting, community, cultural and entertainment events, with a seating capacity of 6,000 (capable of being further increased).

Includes extra seating and a viewing lounge. Cost \$26.3 million. 10-year economic value \$177 million (seating an average of 3,800 people at concerts), economic payback period 2.3 years. Positive average cashflow per year to velodrome stadium \$820,000.”

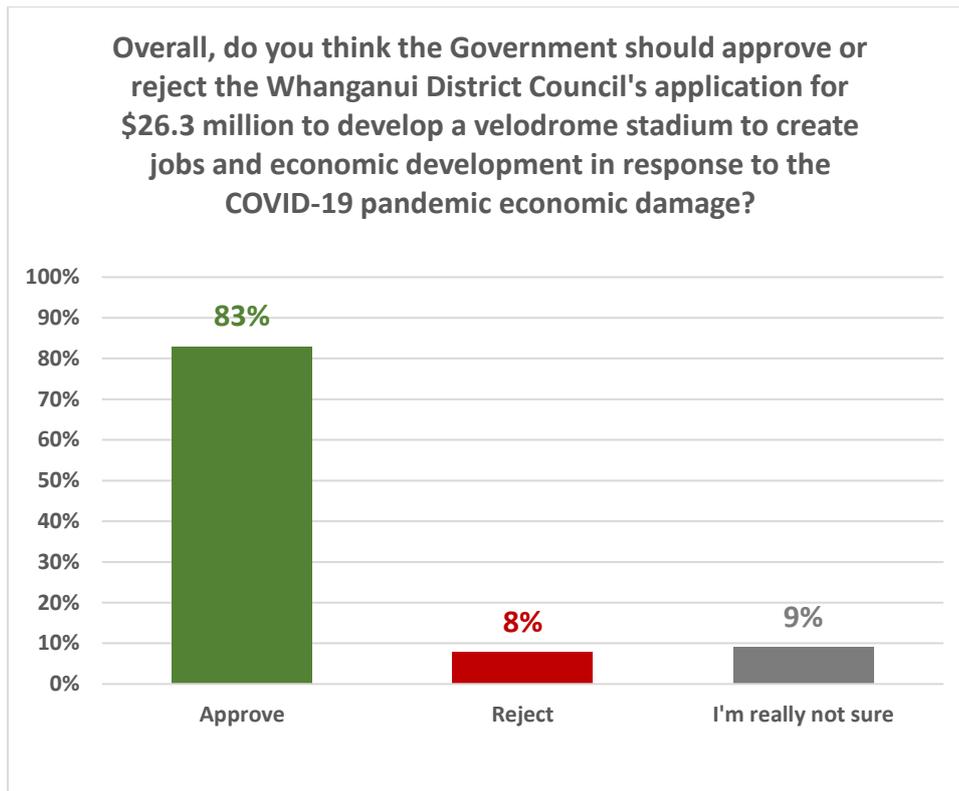
They were then asked which option they preferred:



5. Funding

Respondents were asked about funding – if the Government should approve the shovel-ready grant, or what the Whanganui City Council should do if the Government does not fund it.

83% of residents think the Government should approve the Whanganui District Council’s application for \$26.3 million to develop a velodrome stadium to create jobs and economic development in response to the CVODI-19 pandemic and economic damage.



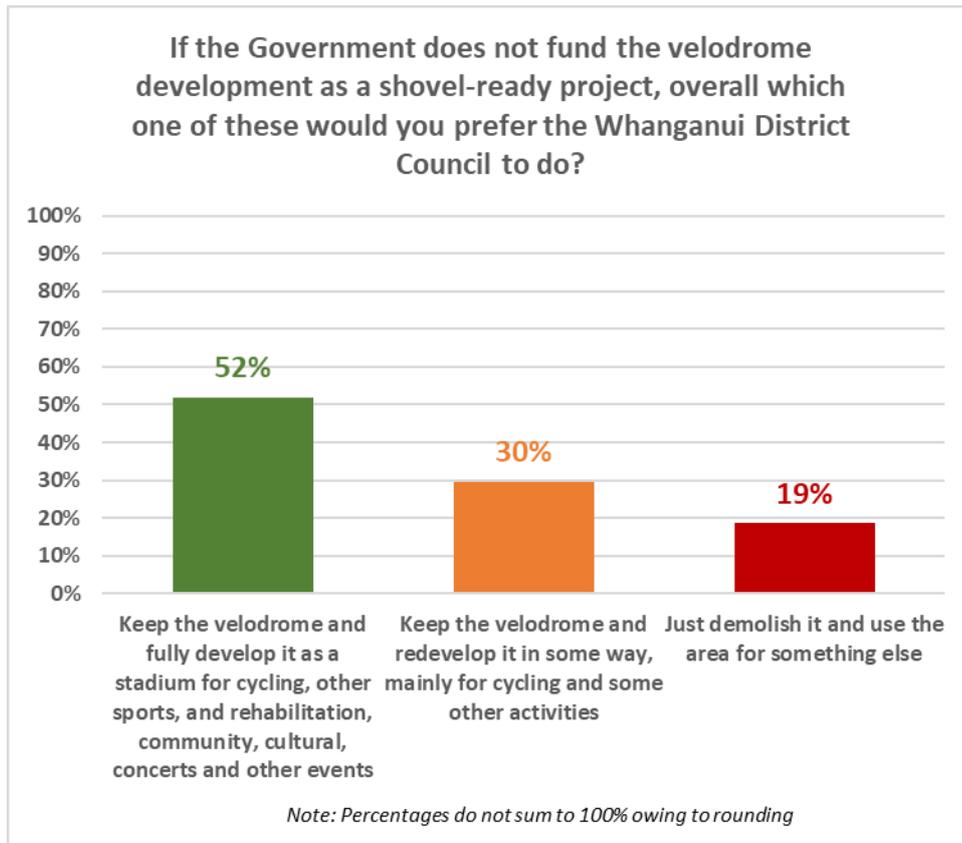
Among ratepayers, support is 84%.

6. If no Government funding

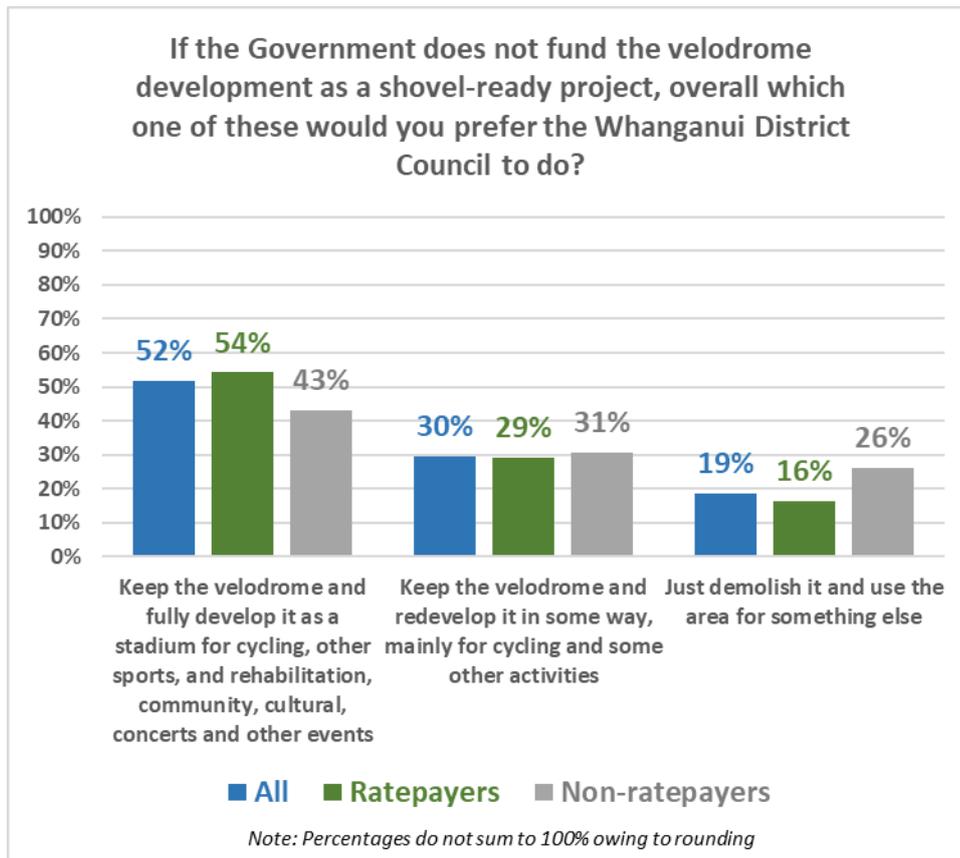
Majority support to fully develop if no Government grant:

If the Government does not approve the shovel-ready grant, a majority of residents (52%) still want the Whanganui City Council to proceed with a full velodrome stadium development.

30% say to keep the velodrome and develop it in some way, mainly for cycling and some other activities.



Among ratepayers, 54% want the council to go ahead with the full development, 29% want a lesser development and 16% want it demolished (compared with 16%) overall.



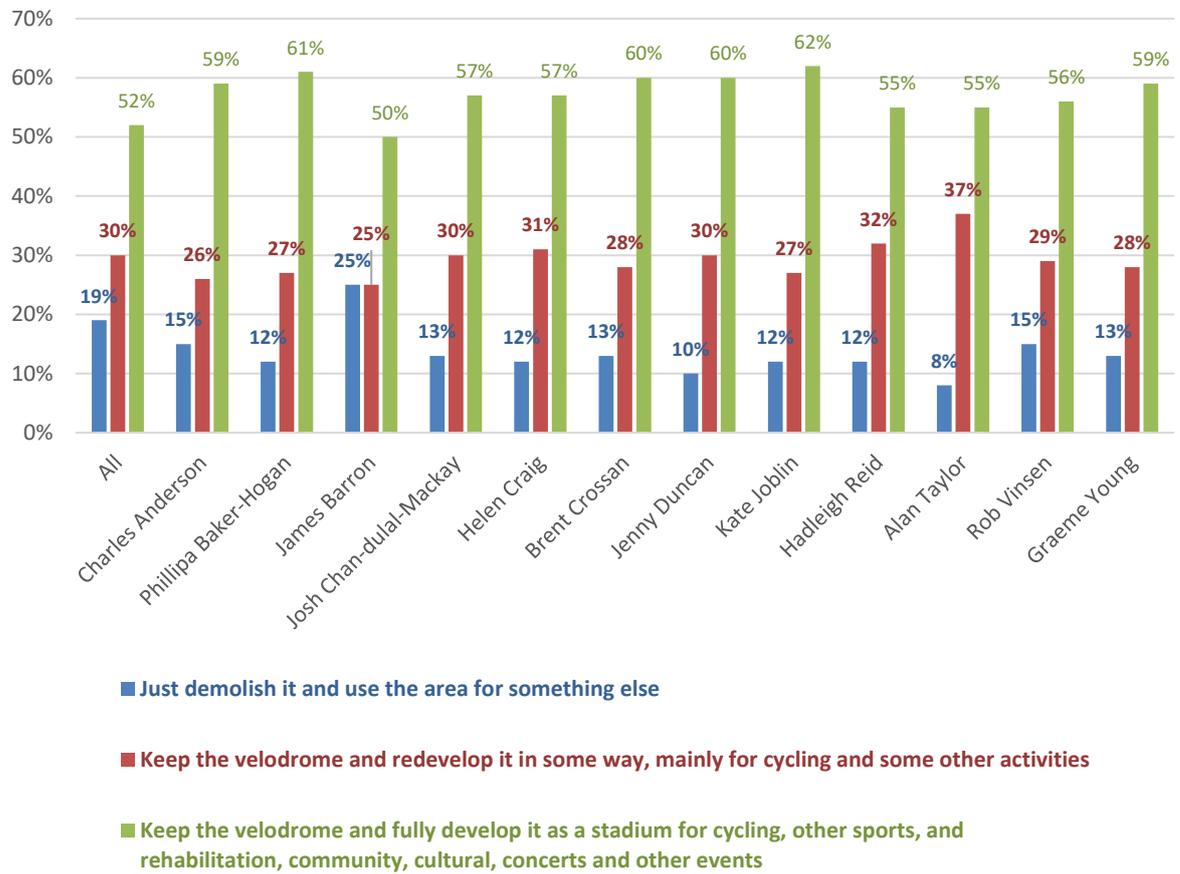
What voters for each councillor would prefer:

If there is no Government shovel-ready grant, majorities of those who voted for all councillors currently on the Whanganui District Council want the council to go ahead with a full velodrome stadium development.

More than 60% of voters for each of Kate Joblin, Jenny Duncan (Deputy Mayor), Brent Crossan, Philippa Baker-Hogan support full development if there is no Government funding.

59% of voters for Graeme Young and Charles Anderson support full development.

What WDC should do if no Govt funding - by Councillor voted for in 2019



APPENDIX 1 – SAMPLE

Sample

418 adults who are members of Horizon Research’s HorizonPoll panel and a third-party online research panel.

The survey was conducted between 22 and 27 July 2020. Results are weighted by age and gender to represent the Whanganui adult population at the 2018 census. At a 95% confidence level, the maximum margin of error is $\pm 4.9\%$ overall.

This survey was conducted by Horizon Research for the Regional Velodrome Development Trust and managed by Grant McInman, Manager, Horizon Research Limited.

134 of the 418 respondents left verbatim comments at the end of the survey and these are available in full through the Horizon Research online results platform.

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