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# **PALMERSTON NORTH CITY COUNCIL**

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## **AGENDA**

# **ECONOMIC GROWTH COMMITTEE**

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**9AM, WEDNESDAY 21 JUNE 2023**

COUNCIL CHAMBER, FIRST FLOOR  
CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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# MEMBERS

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**Leonie Hapeta (Chair)**  
**William Wood (Deputy Chair)**  
**Grant Smith (The Mayor)**

**Mark Arnott**  
**Brent Barrett**  
**Rachel Bowen**  
**Vaughan Dennison**  
**Roly Fitzgerald**

**Lorna Johnson**  
**Debi Marshall-Lobb**  
**Billy Meehan**  
**Orphée Mickalad**

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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Te Marae o Hine | 32 The Square  
Private Bag 11034 | Palmerston North 4442 | New Zealand  
[pncc.govt.nz](http://pncc.govt.nz)

**PALMY**<sup>™</sup>  
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PALMERSTON  
NORTH  
CITY



# **ECONOMIC GROWTH COMMITTEE MEETING**

21 June 2023

## **ORDER OF BUSINESS**

**1. Karakia Timatanga**

**2. Apologies**

**3. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

**4. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

**5. Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made.

**6. Confirmation of Minutes**

Page 7

"That the minutes of the Economic Growth Committee meeting of 12 April 2023 Part I Public be confirmed as a true and correct record."

**7. Palmerston North Airport Limited - Final Statement of Intent for 2023/24 to 2025/26**

Page 15

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

**8. Central Economic Development Agency (CEDA) - Final Statement of Intent 2023/24**

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Memorandum, presented by David Murphy, Chief Planning Officer.

**9. Palmerston North Strategic Networks 2023**

Page 97

Memorandum, presented by James Miguel, Senior Transport Planner.

**10. Central City Transformation - Streets for People Project**

Page 149

Report, presented by Hamish Featonby, Group Manager - Transport & Development.

**11. Update on Infill Lighting Required to Achieve Compliance in P and V Categories**

Page 167

Memorandum, presented by Hamish Featonby, Group Manager - Transport & Development.

**12. Palmerston North Quarterly Economic Update - June 2023**

Page 173

Memorandum, presented by Stacey Bell City Economist.

**13. Tamakuku Terrace Six Monthly Update**

Page 195

Memorandum, presented by Bryce Hosking, Group Manager - Property and Resource Recovery.

**14. Work Schedule - June 2023**

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**15. Exclusion of Public**

To be moved:

"That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
16.	Te Utanganui Central New Zealand Distribution Hub - Master Plan	Privacy, Third Party Commercial and Prevent Improper Gain or Advantage	s7(2)(a), s7(2)(b)(ii) and s7(2)(j)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

*[Add Third Parties]*, because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

**17. Karakia Whakamutunga**



## **PALMERSTON NORTH CITY COUNCIL**

### **Minutes of the Economic Growth Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 12 April 2023, commencing at 9.04am**

**Members Present:** Councillor Leonie Hapeta (in the Chair), The Mayor (Grant Smith) and Councillors William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan and Orphée Mickalad.

**Non Members:** Councillors Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

The Mayor (Grant Smith) was not present when the meeting resumed at 1.34pm. He entered the meeting again at 2.11pm during consideration of clause 13. He was not present for clause 13.

Councillor Lew Findlay was not present when the meeting resumed at 1.34pm. He was not present for clauses 13 to 17 inclusive.

#### **Karakia Timatanga**

Councillor Fitzgerald opened the meeting with karakia.

#### **9-23 Confirmation of Minutes**

Moved William Wood, seconded Rachel Bowen.

#### **The COMMITTEE RESOLVED**

1. That the minutes of the Economic Growth Committee meeting of 22 February 2023 Part I Public be confirmed as a true and correct record.

Clause 9-23 above was carried 15 votes to 0, with 1 abstention, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.



**Abstained:**

Councillor Leonie Hapeta.

## REPORTS

**10-23 Palmerston North Airport Limited - Interim Report for 6 months to 31 December 2022**

Memorandum, presented by Cameron McKay, Chief Financial Officer, and Murray Georgel, Palmerston North Airport Ltd Chair and Jonathan Baker, Palmerston North Airport Ltd Chief Financial Officer.

In discussion the Mayor mentioned the heritage of aviation in Palmerston North and acknowledged the attendance of Lindsay Elston who is a relative of Len Mangham a past contributor to our regions aviation history.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Interim Report and Financial Statements of Palmerston North Airport Ltd for the period ended 31 December 2022, presented to the Committee on 12 April 2023.

Clause 10-23 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

**11-23 Palmerston North Airport Limited - Draft Statement of Intent for 2023/24 to 2025/26**

Memorandum, presented by Cameron McKay, Chief Financial Officer, and Murray Georgel, Palmerston North Airport Ltd Chair and Jonathan Baker, Palmerston North Airport Ltd Chief Financial Officer.

In discussion an additional two motions were passed requesting inclusion of a 10 year financial outlook and an expectation to commence dividend payments from 24/25 (Y2).

The meeting adjourned at 10.37am.

The meeting resumed at 10.57am.

Moved Grant Smith, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Palmerston North Airport Ltd (PNAL) draft Statement of Intent for 2023/24 to 2025/26, presented to the

Economic Growth Committee on 12 April 2023.

Clause 11-23 above was carried 15 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock and Kaydee Zabelin.

**Against:**

Councillor Karen Naylor.

Moved Grant Smith, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

2. That Palmerston North Airport Limited be advised:

- a. Council supports the proposed direction and implementation strategy;
- b. PNAL adjusts the target for tangible net worth from \$50m to \$80m;
- c. Council recognises the projected requirement for loans totalling \$31.7m by 30 June 2024 and that Palmerston North Airport Limited will be seeking to utilise the loan facility provided by the Council to fund a significant portion of this.

Clause 11-23 above was carried 12 votes to 4, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock and Kaydee Zabelin.

**Against:**

Councillors Mark Arnott, Brent Barrett, Lorna Johnson and Karen Naylor.

Moved Lorna Johnson, seconded Leonie Hapeta.

2. That Palmerston North Airport Limited be advised:

- d. that the SOI 2023/24 to 2025/26 includes a 10 year financial outlook to provide shareholder confidence in the ability of the airport to manage its debt.

Clause 11-23 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

Moved William Wood, seconded Karen Naylor.

2. That Palmerston North Airport Limited be advised:

- e. that the SOI 2023/24 to 2025/26 include an expectation of a dividend of 10% of net profit after tax to be paid in 24/25 (Y2) and 20% in 25/26 (Y3).

Clause 11-23 above was carried 9 votes to 7, the voting being as follows:

**For:**

Councillors William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Lew Findlay, Karen Naylor and Kaydee Zabelin.

**Against:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, Vaughan Dennison, Roly Fitzgerald, Billy Meehan, Orphée Mickalad and Patrick Handcock.

The meeting adjourned at 11.58am.

The meeting resumed at 12.04pm.

**12-23**

**Central Economic Development Agency (CEDA): Six-Month Report 1 July to 31 December 2022 and Draft Statement of Intent 2023-24**

Memorandum, presented by David Murphy, Chief Planning Officer, Bobbie O'Fee, CEDA Chairperson, Jerry Shearman, CEDA Chief Executive, Jacqui Middleton, CEDA Finance and Operations Manager, and Janet Reynolds, CEDA Marketing and Communications Manager.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Central Economic Development Agency (CEDA) Six-Month Report 1 July to 31 December 2022 (Attachment 1).
2. That the Committee receive the Central Economic Development Agency (CEDA) draft Statement of Intent 2023-24 (Attachment 3).
3. That the Committee agree that the recommended comments on the draft Statement of Intent 2023-24 outlined in Table 1 be advised to the Central Economic Development Agency (CEDA).

Clause 12-23 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

The meeting adjourned at 12.37pm.

The meeting resumed at 1.34pm.

The Mayor (Grant Smith) and Councillor Lew Findlay were not present when the meeting resumed.

**13-23**

**College Street and Botanical Road Intersection**

Report, presented by Chris Lai, Activities Manager – Transport, and Kathy Dever-Tod, Acting Chief Infrastructure Officer.

Officers corrected an error in the report under Option 1 which should read “Install the right turn phases” and not “Install the right turn bay and phases”.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee refer an additional Capital New Programme of \$120,000 to the 2023/24 Annual Budget deliberations to enable the right turn infrastructure and phases change work to be implemented at the College St/ Botanical Road intersection (Option 1).

Clause 13-23 above was carried 12 votes to 2, the voting being as follows:

**For:**

Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad and Kaydee Zabelin.

**Against:**

Councillors Patrick Handcock and Karen Naylor.

Moved Leonie Hapeta, seconded William Wood.

2. That the Committee refer the cycleway improvement work at the College Street/ Botanical Road intersection for consideration to the 2024-34 Long Term Plan process (Option 1).

Clause 13-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

**14-23**

**Vogel Street Safety Improvements**

Report, presented by Chris Lai, Activities Manager – Transport, and Kathy Dever-Tod, Acting Chief Infrastructure Officer.

The Mayor (Grant Smith) entered the meeting at 2.11pm.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee note that public engagement will be undertaken to seek community feedback on Vogel St safety improvement packages.

Clause 14-23 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

**15-23**

**6-monthly report on International Relations and Education Activities**

Memorandum, presented by Gabrielle Loga, International Relations Manager.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee note the progress on the International Relations and Education activity over the past six months, contributing to the Economic Development Plan and Innovative and Growing City Strategy.

Clause 15-23 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

**16-23**

**Palmerston North Quarterly Economic Update - March 2023**

Memorandum, presented by Stacey Bell - City Economist.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That Committee receives the following reports for information:
  - a. Palmerston North Quarterly Economic Update – March 2023; and the,
  - b. Palmerston North electronic card spending report – December quarter 2022

Clause 16-23 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Patrick Handcock, Karen Naylor and Kaydee Zabelin.



## **17-23 Work Schedule - April 2023**

Moved Leonie Hapeta, seconded Kaydee Zabelin.

The **COMMITTEE RESOLVED**

1. That the Committee receive its work schedule for April 2023.

Clause 17-23 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

## **Karakia Whakamutunga**

Councillor Fitzgerald ended the meeting with karakia.

The meeting finished at 2.42pm

Confirmed 21 June 2023

**Chair**



## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 21 June 2023

**TITLE:** Palmerston North Airport Limited - Final Statement of Intent for 2023/24 to 2025/26

**PRESENTED BY:** Steve Paterson, Strategy Manager - Finance

**APPROVED BY:** Cameron McKay, Chief Financial Officer

### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

**That the Committee agree the Statement of Intent for Palmerston North Airport Limited for 2023/24 to 2025/26 (Attachment 2)**

#### 1. ISSUE

- 1.1 Palmerston North Airport Ltd (PNAL) has provided its final version of the Statement of Intent (SOI) for 2023/24 to 2025/26 and this is attached for acceptance by the Committee.

#### 2. BACKGROUND

- 2.1 PNAL provided a first draft of its SOI for 2023/24 to 2025/26 in February 2023. This was considered by the Economic Growth Committee on 12 April 2023 and its proposed direction and implementation strategy endorsed.
- 2.2 The Committee requested the final SOI include the following:
- An increase in the target for net tangible worth from \$50m to \$80m
  - A 10-year financial outlook to provide shareholder confidence in the ability of the Company to manage its debt
  - An expectation of a dividend of 10% of net profit after tax to be paid in 2024/25 (relating to the 2023/24 year) and 20% in 2025/26 (relating to the 2025/26 year).
- 2.3 The Local Government Act requires that the final versions of SOIs adopted by the Boards of council-controlled organisations be delivered to the shareholder by 30 June 2023. PNAL has met that requirement.
- 2.4 The **final version of the SOI** and a letter from the Chief Executive Officer explaining the changes from the draft is **attached**. The final version addresses each of the issues requested by the Committee.

- 2.5 The 10-year financial projection provided comes with a number of caveats (i.e. relies on a number of significant assumptions) and will need to be updated each year as circumstances change and/or once particular decisions are made. The projections assume a dividend of 20% paid after the second year and show that although paying dividends and reducing debt levels should be possible it comes at the expense of the ability to invest further in Council's income diversification objectives for PNAL.

### 3. NEXT STEPS

- 3.1 The SOI will be published on websites of the Council and PNAL.

### 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Economic Development	
The action is: Work with the airport company to ensure the airport's strategic intent aligns with the City's aspirations	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The airport is a key strategic gateway to the City.

### ATTACHMENTS

1. Cover letter from Chief Executive Officer [↓](#) 
2. Final Statement of Intent 2023/24 to 2025/26 [↓](#) 
3. 10 year financial projection [↓](#) 



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25<sup>th</sup> May 2023

The Shareholder,  
Palmerston North Airport Limited  
C/- Mr Waid Crockett  
Chief Executive Officer  
Palmerston North City Council  
Private Bag 11034  
**PALMERSTON NORTH**

Dear Waid,

#### **FINAL STATEMENT OF INTENT 2024-2026**

Please find enclosed Palmerston North Airport Limited's (PNAL) Final Statement of Intent (SOI) for FY24 through to FY26.

The SOI has been reviewed and approved by the PNAL Board of Directors and has been updated following the presentation to PNCC's Economic Growth Committee on Wednesday 12<sup>th</sup> April 2023.

Updates have been made to reflect the latest changes to forecasts and anticipated revenue and expenditure over the SOI period. These changes have had minimal impact on the overall forecast profit (\$0.19m higher in FY24 compared to the draft SOI).

Forecast capital spend has also been adjusted, with total capex over the three-year SOI increasing by \$3.6m to \$55.9m. This is largely the result of deferred capital spend from FY23 (current year) being added to the SOI period (i.e. a timing difference), together with adjustments to airside expenditure in Year 3 (FY26 of the SOI) to reflect additional critical works.

Total debt in Year 1 and Year 2 (FY24 and FY25) has decreased compared to the draft budget, while total debt in Year 3 has increased by \$1.2m to \$55.1m. This additional debt is partly required to meet the shareholder expectation of paying a dividend from FY24.

As mentioned above, the final SOI now includes an expectation of a return to dividends from Year 1 (FY24) of the SOI. This was requested by the shareholder on 12<sup>th</sup> April 2023. We note that payment of any dividend will be subject to evaluation against PNAL's dividend policy and liquidity position at the time.

Key metrics remain largely unchanged from the draft SOI presented.

#### **LONG TERM PROJECTION 2024-2034**

Also enclosed is a 10-year financial model, including PNAL's estimated Statements of Financial, Performance and Key Metrics. This was requested by the Shareholder on 12<sup>th</sup> April 2023.

We note that a 10-year projection requires significant judgements to be made and as such, is subject to change. The final results will vary from those presented here. Key judgements to bring to your attention include an assumption that PNAL will not reinvest available debt in Ruapehu Aeropark but will instead focus on repaying debt. An assumed dividend of 20% of Net Profit After Tax (excluding fair value gains) has also been included from Year 2 (FY25).

We understand that the key driver of wanting this model is to illustrate PNAL's ability to service debt into the future. As such, this model has been prepared on a debt reduction basis in order to illustrate that PNAL could, if required, reduce debt and pay a dividend. The alternative scenario is this debt capacity will be reinvested in Ruapehu Aeropark over the next decade, in order to pursue income diversification and Te Utanganui development objectives.

Highlights of this 10-year model include:



- Debt remains elevated at ~\$55m until FY29 before reducing to ~\$32m by FY34.
- Income continues to grow from \$14.2m in FY24 to \$27.4m by FY24, albeit much of this income is generated from aeronautical (i.e. non-diversified) sources.
- Shareholder equity increases from \$87.7m in FY24 to \$119.6m in FY34.
- Total dividends paid over the 10 year period total \$8.2m. An alternative scenario not modelled would consider reinvesting the dividend in PNAL's debt reduction and/or the acceleration of investment in Ruapehu Aeropark.
- All financial metrics show an improvement from Year 3 (FY26) of the SOI. This trend continues throughout the 10-year model.
- The interest cover ratio (PNAL's debt covenant) remains compliant throughout the 10 year period.
- The long term target of Net Debt / EBITDA of less than 4.5 is achieved from FY30 onwards. The long term target of Funds from Operations / Net Debt is achieved from FY27 onwards. These are long term targets only and it is accepted that PNAL may fall outside of these targets during periods of high capital expenditure.

Please let us know if you have any questions.

Yours sincerely



David Lanham  
Chief Executive Officer



PALMERSTON NORTH  
AIRPORT LIMITED

# Statement of Intent 2024 - 2026



Final 25/05/2023

# INTRODUCTION

This Statement of Intent is presented by the Directors of Palmerston North Airport Limited ("PNAL") in accordance with section 64 of the Local Government Act 2002.

PNAL falls within the definitions of both a Council-Controlled Organisation and a Council-Controlled Trading Organisation pursuant to section 6 of the Local Government Act 2002 as a consequence of the Palmerston North City Council's (PNCC) shareholding.

The purpose of the Statement of Intent is to publicly declare the activities and intentions of PNAL and provide an opportunity for shareholders to influence its direction.

It also provides a basis for accountability of Directors of PNAL to the Shareholder for performance. It is intended to comply with Schedule 8 of the Local Government Act and be consistent with PNAL's Constitution.

This Statement of Intent has been informed by PNCC's Statement of Expectation dated 21 November 2022.

The Statement of Intent has been prepared under the Public Benefit Entity (PBE) Standards based on International Public Sector Accounting (IPSAS) Standards.

Directors and team members of PNAL continue to acknowledge mana whenua Rangitāne and their customary relationship to this region. PNAL appreciates their manaakitanga shown towards the airport and all airport users. PNAL looks forward to further enriching its partnership with Rangitāne, mana whenua and other local iwi over the coming years.

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## Contact Details

Contact details for both the Chair and the Chief Executive are:

Palmerston North Airport Limited  
First Floor, Terminal Building  
Palmerston North Airport  
Airport Drive  
P O Box 4384  
Palmerston North 4442

Phone: +64 6 351 4415  
Email: [info@pnairport.co.nz](mailto:info@pnairport.co.nz)  
Web: [www.pnairport.co.nz](http://www.pnairport.co.nz)



# NATURE AND SCOPE OF ACTIVITIES

Palmerston North Airport Limited (PNAL) owns and operates Palmerston North Airport, having purchased the airport business on 30 January 1990.

Palmerston North Airport is an asset of regional and national importance managed by PNAL. The airport services a regional catchment which includes Ruapehu District in the north, Whanganui, Rangitikei, Manawatu, and Horowhenua in the south, and across to Wairarapa, Tararua and Southern Hawkes Bay. A population base of close to one million live within two hours' drive of the airport.

Our purpose of "Launching our communities into a promising future" reflects our true reason for being and references our role as facilitating regional growth in social, economic, and environmental terms. This includes growing long-term shareholder value, and serving our communities whether defined by geographical location, ethnicity or socially, and further enriching our special relationship with mana whenua, Rangitāne and other local iwi.

Our aspirational vision of being "New Zealand's leading regional airport" emphasises our airport's leadership amongst regional peers across many aspects of our airport business. These include asset management, safety and compliance, iwi engagement, environmental sustainability, customer experience, community engagement, freight & logistics, aviation tertiary training, property development and the wellbeing of our team.

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## Purpose

**Launching our communities into a promising future**

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## Vision

**New Zealand's leading regional airport**



# STRATEGIC OBJECTIVES

PNAL's principal objectives are outlined with the Five C's framework of Culture, Customer, Community, Commercial, and Compliance as follows;

## Customer

**We continue to improve the customer experience for all airport users.**

- Our customers include all airport users; contractors, tenants, staff, passengers, meeters and greeters, and other airport visitors.
- We lead the way in terms of delivering a high quality and efficient regional airport experience.
- We promote Palmerston North Airport as the gateway and lower North Island commercial hub to our 90-minute drive market.

## Commercial

**We are a financially sustainable business enabling long-term success.**

- We maintain and develop core infrastructure that is business critical.
- We diversify and grow revenue streams through a focus on both aeronautical and non-aeronautical income activities.
- We operate a successful enterprise with the objective of growing long-term shareholder value and providing a return to our shareholder when we have surplus funds to our on-going investment and operating requirements.
- We facilitate regional economic development by growing passenger and airfreight volumes.

## Culture

**We empower our team members and work as one-team.**

- Our people are the key to our success. We will care for each other's well-being, and develop skills, commitment, engagement and resourcefulness across our team recognising achievement.
- Our one-team ethos is supported by the five pillars of Leadership, Trust & Respect, Communication, Empowerment and Celebrating Success.

## Community

**We contribute to regional prosperity.**

- We are kaitiaki for the environment by operating in a sustainable manner in all of our business activities.
- We recognise our community is multi-cultural and will engage with mana whenua and all ethnic groups.

## Compliance

**We maintain a safe and secure operation**

- The safety and security of all airport users is our critical concern. We have a Zero Harm approach to those who visit and work within our airport community.
- We will continue to meet our regulatory and statutory obligations including Civil Aviation Rule Part 139, Resource Management Act, Palmerston North and Manawatu District Plans.



# EXECUTIVE SUMMARY

With the impacts of Covid-19 on aviation now dissipating Palmerston North Airport is entering an exceptional period, unlike any that has occurred in its 90-year history.

The Terminal Development Plan (TDP), discussed in detail in this document, is an intergenerational investment with long lasting and wide-reaching consequences on PNAL, the Shareholder and the wider community and region.

With an estimated price tag of \$40m, the TDP is an unavoidable spend that severely constrains PNAL's ability to deliver against broader Shareholder expectations in the short-medium term, as available debt capacity is absorbed by the TDP and investment in critical airside infrastructure. The TDP overshadows all other aspects of this three-year SOI.

With these constraints, comes restraint, with PNAL unable to invest in the Ruapehu Aeropark (formerly Ruapehu Business Park), further diversify its revenue base, or contribute towards the development of Te Utanganui during the SOI period, without the support of a strategic partner(s). Strategic partners are therefore a key focus for PNAL within this SOI, with external investment required for PNAL to achieve even a moderate level of development within Ruapehu Aeropark.


PNAL is projecting to contribute circa \$4 million to the Shareholder over the three-year SOI period in the form of property rates, development contributions, consenting fees and lending facility charges. This is in addition to PNAL continuing to unlock shareholder value in the form of growth in Shareholder equity, and significant broader benefits to the Shareholder, community and region.

The TDP will ensure we can continue to offer our city and region an appropriate and resilient air gateway and continue to sustainably grow air services and to play our role within Te Utanganui. We will manage the ongoing maintenance of Airport Drive, a major arterial route for our city which PNAL maintains at no cost to the Shareholder. More broadly we will continue to support PNCC's vision and Long Term Plan goals through our own initiatives including the continuation of our decarbonisation journey, promotion of the city and region, and enhancing our community engagement and support including our relationships with Rangitāne, and other local community groups.

PNAL recognises the need to return to paying dividends when financial performance metrics improve. To that end, PNAL has revised its dividend policy, outlined in detail in this document. This new policy is aligned with many of PNAL's peer regional airports and provides a robust and objective set of criteria which will be considered by PNAL's Board annually, when assessing whether a dividend will be declared. We seek the Shareholder's support with a move to this new policy. Notwithstanding the policy, PNAL have been instructed by the shareholder to include an expectation that a dividend will be paid in respect of the first year of this SOI (FY24). This has been reflected in this SOI.



Murray George  
Chair



David Lanham  
Chief Executive

# TERMINAL DEVELOPMENT PLAN (TDP)

Investment in critical infrastructure is the primary area of focus for PNAL during the three-year SOI period commencing 1 July 2023. With an estimated cost of \$40 million, the TDP is the single largest investment ever undertaken by the airport.

The proposed 5,200 m2 new build facility will ensure operational and seismic resilience, while also future proofing the terminal to accommodate projected growth in passenger volumes and enhance the customer experience. The redevelopment will also cater for the introduction of passenger and hold-bag screening, thereby allowing the reintroduction of jet services and ensuring Palmerston North Airport is ready should mandatory screening be introduced at regional airports.

The existing terminal is not fit for purpose. The current price tag of \$40 million is a significant increase on previous cost estimates, which anticipated a refresh. Additional information relating to seismic resilience shows this is no longer an option as it would incur an equivalent cost and take longer to complete with associated detrimental impacts on customer experience.

Asset and revenue protection is a fundamental priority for PNAL to ensure continued commercial viability and success. This is a key driver behind maintaining a safe and well-maintained airside environment. It is also the underlying reason why the TDP is a must have.

Many of the benefits of the TDP are non-financial in nature and benefit stakeholders beyond PNAL. These include the Shareholder, community and all other airport users. These benefits do not drive any direct or short term financial benefit to PNAL, but nevertheless are necessary for the long term success of the airport and for driving regional growth and shareholder value.

The TDP cannot be considered from purely a short term financial perspective. Rather it must be considered with reference to the wider benefits while appreciating the long term pay back period. The extensive capital investment required, additional debt and interest costs and greater depreciation are immediate costs which are shown in this three year SOI period. Conversely the partial recovery of this investment will take PNAL upwards of 15 years.

This has significant, wide ranging and unavoidable repercussions on PNAL's short to medium-term financial performance. These include:

- A record level of debt and interest - \$55.1 million of debt during the three-year SOI period.
- Constrained financial metrics – debt covenants are maintained but show tightening during the three year SOI period. Other (long term) financial metrics also drop below target levels, but show an improvement in the third year.
- An inability for PNAL to deliver against other Shareholder objectives regarding income diversification and a greater contribution towards Te Utanganui's growth. PNAL cannot make further investment in freight & logistics warehousing, commercial developments within Wairaka Place, or wider investment in customer experience initiatives, without the support of a third party strategic partner(s).
- A constrained ability for PNAL to deliver dividends to the Shareholder during the SOI period.

The TDP is not a short-term initiative but rather an intergenerational investment for the long term benefit of the Shareholder, City and region. While it cannot be considered only in the context of a three year SOI or only PNAL's balance sheet it does highlight the importance of ongoing Shareholder support.

# GUARDIANSHIP / KAITIAKITANGA

## OneTeam / Whānau Kotahi

Our highly skilled people are our greatest asset. We will continue to develop our OneTeam / Whānau Kotahi wellness plan to further enhance engagement, our culture and overall staff experience.

OneTeam / Whānau Kotahi improves the ability of PNAL to support team and individual wellbeing and keep this at the forefront of all activities, ultimately increasing personal health levels, teamwork, engagement, and productivity. These benefits contribute to our employee value proposition (EVP) and expect to have a flow-on effect of improved attraction and retention of our people.

The objectives of the wellness programme include;

- Improving team member wellbeing with the associated positive flow-on benefits in physical and mental health, staff engagement, and improved employee retention and productivity.
- Meeting the intent of PNAL's Culture and Health & Safety Policy objectives.
- Fostering inclusivity and providing opportunities to grow and develop through increasing knowledge and learning of wellness.
- Being achievable, sustainable and cost-effective.
- Contributing to PNAL being an employer of choice.
- Encouraging creativity and openness for change and development.

## Our Community

We are acutely aware of how dynamic and non-permanent our social license to operate is and how quickly community beliefs and opinions can change as time passes, events occur, and new information is acquired. Investing in and actively engaging in our communities is another way to ensure we continue to meet the expectations placed on us by our community.

In the past two years, our community focus has primarily been in the Manawatū area however, going forward the focus will be placed on re-engaging within the 90-minute drive market with priority given to Whanganui, Rangitikei, the Horowhenua/Kāpiti Coast, Southern Hawkes Bay, Tararua and Wairarapa. By re-engaging with these communities, we will be able to build longstanding and worthy relationships that allow us to increase and grow brand awareness, strengthen our sponsorship partnerships and allow us to better understand how we can improve our customers journey with us.

A key focus remains working with Rangitāne to extend our support for mana whenua. An exciting opportunity to collaborate on aviation career pathways for rangatahi while in its infancy will be developed over the SOI period.

## Our Environment

We are committed to doing all we can to minimise our impact on the environment by reducing carbon emissions and energy consumption. This can only be achieved through long term planning, with a focus on continual improvement to achieve these aims, and by following a structured programme. Our science-based target for scope 1 & 2 emissions will remain a primary focus of in-house initiatives, however we also intend to extend our focus to scope 3 emissions.

The next major steps are based on Airport Council International's (ACI) Airport Carbon Accreditation (ACA) Level 4 requirements and will involve the Airport company embarking on the selection of, and collaboration with, a third-party business operator (e.g., terminal tenant) to reduce their carbon emissions. Such collaboration is a key requirement to achieve Level 4 and demonstrates our leadership of going beyond just our core business in order to reduce overall carbon emissions. Alongside Level 4 initiatives, we will continue to investigate and implement new ways to further reduce waste and potable water consumption.



# CUSTOMER EXPERIENCE / MANAAKITANGA

## Customer Experience Roadmap

In our desire to deliver on our vision to be New Zealand's leading regional airport, the Tiaki Promise to care for people, place, and culture, and to improve the Manaakitanga / hospitality for all airport customers and visitors, we have progressed with our action plans included in our customer experience roadmap. This includes engaging with customers via 'think tank' focus groups and continuing to innovate ways to receive valuable insights from those using our services and facilities.

Initiatives in planning and to be delivered in this SOI period, include the enhancement of our wayfinding and signage, creation of customer personas and journey maps and the refinement of our brand and engagement. Maintaining our Gold Sustainable Tourism Business Award with Qualmark annually and across this period is on our radar.

## Market Development

We recognise the important role we play as the air gateway to eight regions, located within our 90-minute drive market. We don't take this role lightly, we have strong competition and so we must continue to build awareness of our value proposition focused on convenience and ease of use, enhance our customer experience, and further leverage of the Fly Palmy brand to ensure people choose Palmerston North Airport when booking their travels.





# INFRASTRUCTURE

## Terminal Development (TDP)

The single largest planned investment in the Airport company's history. The proposed \$40 million three-year project is a must have, our present facility is not fit for purpose, and it is not economically viable to undertake a refurbishment due to seismic and geotechnical constraints. The replacement facility will future proof our airport as air travel grows beyond the present terminal's capabilities, facilitate passenger and hold bag screening if required due to the re-introduction of jet services, or if mandated by Government, and will provide seismic resilience.

The TDP will ensure the Airport company can deliver an appropriate air gateway for the city and region, facilitate the growth of air services and regional economic activity, reinforce our role as the primary freight & logistics hub for the lower North Island, and as a core transport mode within Te Utanganui / The Central New Zealand Distribution Hub.

From an environmental perspective the new terminal will provide the opportunity to incorporate improved waste recycling and repurposing, water-saving technologies, and new and alternative green power sources.

## Airside / Landside Projects

A total of \$4.8 million is planned to be spent on the ongoing upgrade of critical airside infrastructure including pavement works, customer experience improvements and roadway upgrades.



# COMMERCIAL RESILIENCE

## Air Service Development

Passenger volumes are projected to grow to 654,000 by FY26, close to pre-covid levels. This will be achieved with the support of airline partners as we grow financially viable air services.

Work will progress on the A320 pathway project with the objective of seeing the re-introduction of jet services on the Auckland- Palmerston North route from mid 2026.

## Income Diversification

The Airport company's commercial property development strategy involves the development of commercial property on airport land to diversify income away from reliance on travelling passengers and the revenue generated from sources connected to their presence at the airport. In more recent times, the impact of Jetstar's arrival and then withdrawal from regional New Zealand ports as well as the Covid-19 pandemic, has highlighted the volatility existing within the aviation industry and the direct impacts this volatility can have on the aeronautical income. Activity is focused within Ruapehu Aeropark (previously known as Ruapehu Business Park), the Airport Company's 30-hectare business park spanning the length of Airport Drive.

## Te Utanganui / Strategic Partnerships

Palmerston North Airport's non-curfew operational capability, coupled with our position within Te Utanganui, the integrated multimodal freight transportation system combining road, rail, air and sea, provide significant strategic value and enhance the opportunity to develop Ruapehu Aeropark.

The Shareholder's expectation that we will facilitate the development of Te Utanganui via ongoing investment in freight & infrastructure facilities will be met within the SOI period by the planned investment in 6,000 m2 of prime warehousing south-west of the terminal on Airport Drive. Given funding constraints due to the bow wave of critical infrastructure works being undertaken, the planned \$12 million warehouse project will require the Airport company to identify a like-minded investment partner if the investment is to proceed. Similarly all other planned investment within Ruapehu Aeropark is on hold during the SOI period pending the identification of suitable investment partners.

The introduction of an investment partner may result in changes to the way particular developments are reflected within PNAL's accounts. These changes have not been reflected in this SOI, as any changes are yet to be confirmed.

# COMPLIANCE

## Health & Safety

Underlying all activity is our core focus on keeping all airport users safe. During the SOI period we will continue to foster a strong aerodrome-wide safety culture, and further refine the Airport Company's Safety Management System. The Airport company's five year Part 139 re-certification will occur in FY24, along with the second annual SMS audit and aerodrome-wide engagement survey.

## District Plan

With the benefit of curfew free operations and located within just 100 meters of our closest residential neighbours and within 5 kms of the CBD we recognise that importance of ensuring noise emissions from ground operations and aircraft are managed within District Plan limits.

As Ruapehu Aeropark and airside areas are developed we recognise the requirement for additional stormwater management interventions. We will continue to work with PNCC to ensure compliance with stormwater and runoff regulations.



Palmerston North Airport Limited | Statement of Intent 2024 - 2026



# FINANCIAL PERFORMANCE TARGETS

## Passenger Movements

The three-year passenger movement projections to FY26 represent a mid-point passenger demand scenario which balances the current recovery in air travel against potential headwinds associated with geo-political and macro-economic conditions including, the global economic slowdown, impacts of inflation, the cost of living, and labour shortages.

Passenger volumes are assumed to continue to recover in FY24 the first year of the three-year SOI period, with 581,000 passenger movements projected, 9% ahead of the latest forecast for FY23. Similar growth is anticipated in FY25 with passenger movements increasing to 637,000, followed by a return to annual increases more in line with long term averages of 3% or 654,000 passengers in FY26. By FY26 passenger movements will be close to pre-Covid levels.

## Income

Notwithstanding the income diversification programme outlined earlier the primary driver of revenue forecasts remains passenger movement projections outlined above, with growth in land & building lease income and carpark receipts also contributing. Budgeted revenue for FY24 of \$14.1m represents an increase of \$1.23m or 9.5% on the FY23 forecast.

## Operating Costs

Total costs (excl depreciation and interest) are projected to increase 28% to \$8.38 million, \$1.85 million above the FY23 forecast. Terminal and airfield related expenditure, after being held artificially low during FY21 and FY22, are projected to continue to increase in line with the growth in passenger volumes before returning to a long-term average based on CPI levels. The single largest contribution to the increased expenditure is \$0.74m on a runway rejuvenation project, while other drivers include other proactive airfield maintenance, cleaning and rescue fire related costs.

Insurance and PNCC rates are also anticipated to increase at levels above long-term averages.

Employment costs are projected to increase in line with present wage inflation before settling into a long-term average growth rate.

The increase in marketing spend reflects a desire to re-engage with our customers and communities after activity were suppressed during the FY21 and FY22 periods.

## Capex

The FY24-FY26 capital expenditure budget of \$55.9 million is dominated by the TDP at an estimated cost of \$40 million. This has severely reduced PNAL's ability to spend on any other projects, beyond critical infrastructure projects estimated at \$6.0 million. Commercial development is severely constrained due to funding shortages, we have a contingency of \$5.8 million over the three-year period equivalent to 50% of the value of the proposed 6,000m2 warehouses located to the South-West of the terminal on Airport Drive.

# PERFORMANCE METRIC TARGETS

For 12 months to 30 June

	2022/23 Forecast	2023/24 SOI	2024/25 SOI	2025/26 SOI
Total Debt	\$11.7m	\$29.3m	\$50.3m	\$55.1m
To maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above \$80 million	\$85.9m	\$87.7m	\$89m	\$91m
Debt to Equity ratio	14%	33%	56%	61%
A ratio of surplus before interest/tax/depreciation/revaluations to total assets	6%	4%	5%	6%
A ratio of net surplus after tax to consolidated shareholder funds inclusive of revaluation reserve	3%	2%	2%	3%
To maintain a ratio of consolidated shareholders funds to total assets of at least 40%	78%	67%	58%	57%
To maintain an interest coverage ratio of EBITDA (excl revaluations) to interest of at least 2.5	11.3	5.3	2.9	3.0
Net Debt* / EBITDA less than 4.5 (long term target)	1.8	5.0	6.7	5.8
Funds from Operations (FFO**) / Net Debt greater than 11% (long term target)	40.4%	13.5%	8.5%	9.7%

\*Net Debt equals total borrowings less cash on hand

\*\*FFO equals EBITDA less interest cash

# KEY OBJECTIVES

	<i>Strategic Project</i>	<i>Measure</i>	<i>Completion</i>
<b>Compliance</b>	CAA Part 139 Compliance	<ul style="list-style-type: none"> <li>Recertification achieved</li> </ul>	FY 2024
	Ongoing SMS Development	<ul style="list-style-type: none"> <li>FY22 audit recommendations adopted</li> <li>FY23 audit</li> </ul>	FY 2023*
	Asset Management Plan	<ul style="list-style-type: none"> <li>Landside asset register completed</li> <li>Airside register updated</li> </ul>	FY 2023*
	Noise Management (Air and Ground Noise Compliance)	<ul style="list-style-type: none"> <li>Air noise management plan reviewed</li> <li>Ground noise mapping completed</li> </ul>	FY 2023* FY 2023*
	PFAS Management	<ul style="list-style-type: none"> <li>Global consent approved</li> </ul>	FY 2023*
<b>Customer</b>	Terminal Development Plan	<ul style="list-style-type: none"> <li>Concept design complete</li> <li>Detailed design complete</li> <li>Construction complete</li> </ul>	FY 2023* FY 2024 FY 2026
	Customer Loyalty	<ul style="list-style-type: none"> <li>Net Promoter Score of at least 45</li> </ul>	Ongoing
	Carpark Upgrades - Products & Systems	<ul style="list-style-type: none"> <li>Phase 1 - Northern pick up/drop off covers installed</li> <li>Phase 2 - Infrastructure/technology updates</li> </ul>	FY 2023* FY 2024
<b>Community</b>	Sustainability	<ul style="list-style-type: none"> <li>Airport Carbon Accreditation Level 4 achieved</li> <li>Additional Scope 1 &amp; 2 carbon reduction initiatives implemented</li> <li>Additional waste &amp; potable water initiatives implemented</li> </ul>	FY 2024
	Community Engagement	<ul style="list-style-type: none"> <li>Community Engagement Plan implemented</li> </ul>	FY 2024

# KEY OBJECTIVES

	Strategic Project	Measure	Completion
Culture	Continual improvement of aerodrome safety culture	<ul style="list-style-type: none"><li>• Zero lost time injuries</li><li>• Improved aerodrome safety culture scores</li></ul>	Ongoing
	OneTeam / Whānau Kotahi Wellness Plan	<ul style="list-style-type: none"><li>• Wellness Plan updated annually and implemented</li><li>• Increased team engagement scores</li></ul>	Ongoing
Commercial	Commercial Partnership Strategy	<ul style="list-style-type: none"><li>• Partner secured for Zone D Warehouses</li></ul>	FY 2023*
	Zone D Warehouses	<ul style="list-style-type: none"><li>• Construction complete</li></ul>	FY 2024
	Air Service Development	<ul style="list-style-type: none"><li>• Introduction of A320 operations from FY2026</li></ul>	FY 2026
	Passenger volumes	<ul style="list-style-type: none"><li>• 581,100</li><li>• 637,000</li><li>• 654,000</li></ul>	FY 2024 FY 2025 FY 2026

\* The FY23 Strategic Projects aimed for completion by June 2023 are in progress at the time of writing the SOI and noted as they may provide for continuity in the SOI period.

# STATEMENT OF FINANCIAL PERFORMANCE

For 12 months to 30 June

	2022/23 SOI	2022/23 Forecast	2023/24 SOI	2024/25 SOI	2025/26 SOI
<b>Income</b>	<b>9,919,610</b>	<b>12,956,061</b>	<b>14,188,600</b>	<b>16,051,710</b>	<b>18,298,887</b>
Operating Expenditure	3,532,634	2,834,890	4,326,904	4,366,339	4,532,523
Administration Expenditure	2,989,504	3,680,431	4,000,107	4,140,531	4,237,083
Extraordinary Items*	50,000	12,500	50,000	51,750	53,561
<b>Total Operating Expenditure</b>	<b>6,572,138</b>	<b>6,527,821</b>	<b>8,377,011</b>	<b>8,558,620</b>	<b>8,823,167</b>
Profit from Sale of Assets	-	261,348	-	-	-
<b>EBITDA</b>	<b>3,347,472</b>	<b>6,689,588</b>	<b>5,811,589</b>	<b>7,493,090</b>	<b>9,475,720</b>
Depreciation & Amortisation	1,624,118	2,049,456	2,021,713	2,572,972	2,921,389
<b>EBIT</b>	<b>1,723,354</b>	<b>4,640,132</b>	<b>3,789,876</b>	<b>4,920,118</b>	<b>6,554,331</b>
Interest Expense	688,539	570,524	1,104,141	2,586,428	3,175,703
<b>Profit before Income Tax</b>	<b>1,034,815</b>	<b>4,069,608</b>	<b>2,685,735</b>	<b>2,333,690</b>	<b>3,378,628</b>
Income Tax Expense	289,748	1,139,490	752,006	653,433	946,016
<b>Net Profit after Tax</b>	<b>745,067</b>	<b>2,930,118</b>	<b>1,933,729</b>	<b>1,680,257</b>	<b>2,432,612</b>

\*The Extraordinary Items are soil, sediment, surface and ground water sampling for PFAS at Palmerston North Airport and adjacent sites including the Mangaone Stream.

The impact of revaluations or vesting of any assets to PNCC has not been included in the Statement of Financial Performance

# STATEMENT OF FINANCIAL POSITION

As at 30 June

	2022/23 SOI	2022/23 Forecast	2023/24 SOI	2024/25 SOI	2025/26 SOI
<b>Current Assets</b>					
Bank Accounts	56,254	58,049	52,539	54,092	53,261
Receivables	1,008,143	947,596	1,294,197	1,475,300	1,721,393
Prepayments	297,861	381,226	403,528	426,980	455,831
Other Current Assets	102,043	207,174	207,174	207,174	207,174
<b>Total Current Assets</b>	<b>1,464,301</b>	<b>1,594,045</b>	<b>1,957,438</b>	<b>2,163,546</b>	<b>2,437,658</b>
<b>Non Current Assets</b>					
<i>Tangible Assets</i>					
Land	29,010,130	32,855,065	32,855,065	32,855,065	32,855,065
Buildings	17,889,103	15,477,046	34,956,542	55,960,818	61,538,978
Infrastructural - Land	17,418,967	11,131,485	12,411,485	13,481,485	13,806,485
Infrastructural - Air	29,089,898	37,735,091	39,235,091	41,140,091	43,701,091
Plant & Equipment	3,700,613	3,030,145	3,230,145	3,900,145	4,070,145
Furniture & Fittings	404,199	359,278	399,278	439,278	479,278
Computers	237,334	222,532	247,532	272,532	297,532
Motor Vehicles	1,325,153	1,462,782	1,462,782	1,462,782	1,462,782
Investment Property	12,752,840	14,900,000	14,900,000	14,900,000	14,900,000
Accumulated Depreciation	(11,627,032)	(8,846,496)	(10,863,329)	(13,431,420)	(16,350,352)
<b>Total Tangible Assets</b>	<b>100,201,204</b>	<b>108,326,928</b>	<b>128,834,591</b>	<b>150,980,776</b>	<b>156,761,004</b>
Intangible Assets	12,670	12,217	7,336	2,456	-
<b>Total Non Current Assets</b>	<b>100,213,875</b>	<b>108,339,144</b>	<b>128,841,927</b>	<b>150,983,232</b>	<b>156,761,004</b>
<b>Total Assets</b>	<b>101,678,175</b>	<b>109,933,189</b>	<b>130,799,365</b>	<b>153,146,778</b>	<b>159,198,662</b>
<b>Current Liabilities</b>					
Payables	1,924,711	1,254,700	2,821,061	2,826,458	1,844,644
GST/VAT	(174,796)	(64,486)	(217,860)	(113,431)	66,184
Income Tax	95,748	381,445	524,728	488,161	574,177
Loans Payable	-	-	-	-	-
Provisions	397,646	600,191	600,191	600,191	600,191
Other Current Liabilities	103,284	172,534	135,034	135,034	135,034
<b>Total Current Liabilities</b>	<b>2,346,593</b>	<b>2,344,384</b>	<b>3,863,155</b>	<b>3,936,413</b>	<b>3,220,231</b>
<b>Working Capital</b>	<b>(9,274,932)</b>	<b>(750,339)</b>	<b>(1,905,717)</b>	<b>(1,772,867)</b>	<b>(782,572)</b>
<b>Non Current Liabilities</b>					
Loans Payable	23,159,973	11,727,038	29,334,086	50,264,036	55,086,012
Other Non Current Liabilities	6,516,634	9,941,306	9,941,306	9,941,306	9,941,306
<b>Total Non Current Liabilities</b>	<b>29,676,607</b>	<b>21,668,344</b>	<b>39,275,392</b>	<b>60,205,342</b>	<b>65,027,318</b>
<b>Total Liabilities</b>	<b>32,023,200</b>	<b>24,012,728</b>	<b>43,138,548</b>	<b>64,141,755</b>	<b>68,247,549</b>
<b>Net Assets</b>	<b>69,654,975</b>	<b>85,920,461</b>	<b>87,660,818</b>	<b>89,005,023</b>	<b>90,951,113</b>
<b>Capital and Reserves</b>					
Share Capital	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400
Reserves	36,461,598	49,634,711	49,634,711	49,634,711	49,634,711
Retained Earnings	23,812,977	26,905,350	28,645,707	29,989,912	31,936,002
<b>Total Capital and Reserves</b>	<b>69,654,975</b>	<b>85,920,461</b>	<b>87,660,818</b>	<b>89,005,023</b>	<b>90,951,113</b>
<b>Total Equity</b>	<b>69,654,975</b>	<b>85,920,461</b>	<b>87,660,818</b>	<b>89,005,023</b>	<b>90,951,113</b>

The impact of revaluations or vesting of any assets to PNCC has not been included in the Statement of Financial Position

# STATEMENT OF CHANGES IN EQUITY

For 12 months to 30 June

	2022/23 SOI	2022/23 Forecast	2023/24 SOI	2024/25 SOI	2025/26 SOI
<b>Equity at the Beginning of the Year</b>	<b>68,909,908</b>	<b>82,990,345</b>	<b>85,920,463</b>	<b>87,660,819</b>	<b>89,005,025</b>
Asset Revaluation Reserve Movement	-	-	-	-	-
Total Comprehensive Income/Loss	745,067	2,930,118	1,933,729	1,680,257	2,432,612
Dividends Declared*	-	-	(193,373)	(336,051)	(486,522)
<b>Equity at the End of the Year</b>	<b>69,654,975</b>	<b>85,920,463</b>	<b>87,660,819</b>	<b>89,005,025</b>	<b>90,951,115</b>

\*Declared dividends are paid in the following financial year

# STATEMENT OF CASHFLOWS

For 12 months to 30 June

	2022/23 SOI	2022/23 Forecast	2023/24 SOI	2024/25 SOI	2025/26 SOI
<b>Cash Flows from Operating Activities</b>					
<i>Cash was provided from:</i>					
Receipts from Customers	11,210,561	15,228,005	15,932,788	18,278,363	20,797,627
Interest Received	-	-	-	-	-
Income Tax Refund	-	-	-	-	-
<b>Operating Cash Inflows</b>	<b>11,210,561</b>	<b>15,228,005</b>	<b>15,932,788</b>	<b>18,278,363</b>	<b>20,797,627</b>
<i>Cash was disbursed to:</i>					
Payment to Suppliers and Employees	6,718,236	9,229,236	7,240,789	6,619,520	10,071,331
Tax Loss Payment to PNCC	-	-	-	-	-
Payment of Income Tax	284,608	692,460	608,723	690,000	860,000
Interest Payments	688,539	570,524	1,104,141	2,586,428	3,175,703
<b>Operating Cash Outflows</b>	<b>7,691,383</b>	<b>10,492,220</b>	<b>8,953,653</b>	<b>9,895,948</b>	<b>14,107,034</b>
<b>Net Cash Flows from Operating Activities</b>	<b>3,519,178</b>	<b>4,735,785</b>	<b>6,979,135</b>	<b>8,382,412</b>	<b>6,690,593</b>
<b>Cash Flows from Investing Activities</b>					
<i>Cash was provided from:</i>					
Sale of Property Plant and Equipment	-	486,516	-	-	-
<b>Investing Cash Inflows</b>	<b>-</b>	<b>486,516</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Cash was applied to:</i>					
Acquisitions of Property, Plant & Equipment	12,668,323	2,743,108	24,591,694	29,117,439	11,177,348
Acquisitions of Investment Property	-	-	-	-	-
<b>Investing Cash Outflows</b>	<b>12,668,323</b>	<b>2,743,108</b>	<b>24,591,694</b>	<b>29,117,439</b>	<b>11,173,348</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(12,668,323)</b>	<b>(2,256,592)</b>	<b>(24,591,694)</b>	<b>(29,117,439)</b>	<b>(11,177,348)</b>
<b>Cash Flows from Financing Activities</b>					
<i>Cash was provided from:</i>					
Borrowings	9,455,000	1,288,718	18,070,520	21,230,800	5,941,500
<b>Financing Cash Inflows</b>	<b>9,455,000</b>	<b>1,288,718</b>	<b>18,070,520</b>	<b>21,230,800</b>	<b>5,941,500</b>
<i>Cash was applied to:</i>					
Repayment of Borrowings	303,600	3,820,91	463,471	300,850	1,119,524
Repayment of Dividend	-	-	-	193,373	336,051
<b>Financing Cash Outflows</b>	<b>303,600</b>	<b>3,820,091</b>	<b>463,471</b>	<b>494,223</b>	<b>1,455,575</b>
<b>Net Cash Flows from Financing Activities</b>	<b>9,151,400</b>	<b>(2,531,373)</b>	<b>17,607,049</b>	<b>20,736,577</b>	<b>4,485,925</b>
<b>Net Increase/(Decrease) in Cash, Cash Equivalents and Bank Overdrafts</b>	<b>2,255</b>	<b>(52,180)</b>	<b>(5,510)</b>	<b>1,553</b>	<b>(830)</b>
<b>Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year</b>	<b>53,999</b>	<b>110,229</b>	<b>58,049</b>	<b>52,539</b>	<b>54,092</b>
<b>Cash, Cash Equivalents and Bank Overdrafts Year End</b>	<b>56,254</b>	<b>58,049</b>	<b>52,539</b>	<b>54,092</b>	<b>53,262</b>



# CAPITAL EXPENDITURE PROGRAMME

For 12 months to 30 June

	2022/23 SOI	2022/23 Forecast	2023/24 SOI	2024/25 SOI	2025/26 SOI
Land	-	-	-	-	-
Buildings	410,000	60,000	500,000	-	-
Terminal Development	2,830,000	526,235	14,250,000	19,550,000	5,578,160
Infrastructure - Landside	905,000	1,184,933	710,000	525,000	275,000
Infrastructure - Airside	1,495,000	341,000	1,500,000	1,905,000	2,561,000
Plant & Equipment	400,000	138,504	180,000	650,000	150,000
Furniture & Fittings	40,000	12,358	40,000	40,000	40,000
Computers	25,000	25,000	25,000	25,000	25,000
Rescue Fire	20,000	140,017	20,000	20,000	20,000
Ruapehu Aeropark & Airport Drive Development	5,822,000	595,159	5,299,496	1,999,276	50,000
<b>Total Capital Expenditure</b>	<b>11,947,000</b>	<b>3,023,205</b>	<b>22,524,496</b>	<b>24,714,276</b>	<b>8,699,160</b>

# GOVERNANCE AND SHAREHOLDER

## Governance Objectives

The Board's approach to governance of PNAL is to preserve and enhance shareholder value. The Board is committed to ensuring a high level of governance of company processes and policies, including health and safety and encouraging ethical and responsible decision making to ensure Management effectively achieve the Company's goals.

Due to the everchanging commercial environment of the aviation and airport industry, the Board is committed to ensuring regular reviews of all aspects of the business and the implementation of best practice.

## Regulatory Framework and Statement of Intent

The Board is responsible for the proper direction and control of PNAL's activities and is accountable to the shareholder within the strategic framework set out in this Statement of Intent, PNAL's Constitution, and the provisions of the Local Government Act 2002 (LGA), and the Companies Act 1993.

## Shareholder Statement of Expectation

The Board is also responsible for ensuring it meets the requirements of the shareholder's Statement of Expectations dated 21 November 2022 for the three-year period of the Statement of Intent, with particular reference to Schedule 8, Part 2 LGA, Section 64B (1) and 64B (2). Importantly the Board will ensure alignment of the Company's objectives with the Shareholder's vision, goals and key strategies and the District Plan

## Board Composition and Fees

The Board is comprised of five to six Directors appointed by the Shareholder in accordance with PNAL's Constitution. Director appointments are for a period of three years with retiring directors able to be reappointed by the Shareholder.

The Board normally meets eleven times per year with intervening meetings in person or by other means as required. To enhance efficiency, the Board may formally document and delegate some of its powers and authorities to the Chief Executive or other senior executives.

PNAL has an Audit & Risk Committee (ARC) comprised of three directors of the PNAL Board. The Committee has a board-approved Charter, outlining its membership, authority, primary and secondary roles and reporting procedures.

The ARC meets three to four times each year and is responsible for overseeing the financial accounting, financial statements and audit activities of PNAL. This includes the adequacy and effectiveness of internal controls, external auditor performance, insurances, risk management and financial and accounting policies.

PNAL also established a Terminal and Property Development Committee (TPDC), comprised of three directors of the PNAL Board, in September 2022. The Committee has a board-approved Terms of Reference, outlining its membership, authority and purpose.

The TPDC meets bi-monthly (or more frequently where required) and is comprised of three directors of the PNAL Board. The TPDC acts as a steering group to PNAL's Board, reviews feasibility studies and business cases, and provides oversight of PNAL's vertical and horizontal property development in Ruapehu Aeropark, as well as the redevelopment of the terminal. This Committee was set up to provide adequate governance over PNAL's increasing capital expenditure and increasing complexity of commercial development and the terminal.

Fees for the Board are reviewed annually. The Board recommends fee levels to the Shareholder for approval based on commercial or near-commercial rates.

## Shareholders Equity in PNAL

PNAL's land, building, and airside infrastructure assets are revalued on a three yearly cycle, unless warranted earlier. PNAL's land and buildings and airside infrastructure were last revalued at 30 June 2022. Fair value assessments and/or revaluations will be conducted annually at year-end.

PNAL's investment property is revalued annually, in line with accounting standards.

Shareholder equity as shown in the Statement of Financial Position as at 30 June 2022 is \$82.99 million.

The ratio of consolidated shareholder's equity to total assets will be maintained at no less than 40%. For the purposes of this ratio, 'consolidated shareholder's equity' is total shareholder funds inclusive of retained earnings and revaluation surplus, and 'total assets' are current assets plus net book value of fixed assets plus future tax benefit (if any).

## Information to be Provided to the Shareholder

The Shareholder will receive:

- An Annual Report including audited financial statements within three months of balance date.
- A summary of PNAL's achievements of the Key Objectives and its performance against the metric targets as outlined in this SOI.
- An Interim Report including non-audited financial statements within two months of the end of the first half of the financial year.
- A Statement of Intent submitted for shareholder consideration in accordance with the Local Government Act 2002.
- Other interim reports as agreed with the Shareholder.

Timeframes for the Interim and Annual Reports are legislative maxima. However, PNAL will meet the reporting and governance requirements of the Shareholder.

## Accounting Policies

The accounting policies adopted by PNAL are consistent with New Zealand's Financial Reporting Standards, with PNAL designated as a Public Benefit Entity (PBE) for financial reporting purposes.

The policies are included in PNAL's Annual Report which is available on PNAL's website: [www.pnairport.co.nz/corporate/corporate-profile](http://www.pnairport.co.nz/corporate/corporate-profile).

## Forecast Financial Statements

The financial information contained in the SOI is a forecast for the purposes of the PBE financial reporting standard (FRS) 42. This information may not be appropriate for purposes other than those described. It has been prepared on the basis of assumptions as to future events that PNAL reasonably expects to occur, associated with the actions it reasonably expects to take, as at the date the forecast was prepared. The actual results are likely to vary from the information presented and may vary materially depending on the circumstances that arise during the period.

## Compensation Sought From the Shareholder

PNAL acknowledges that the Palmerston North City Council holds shares in PNAL for strategic reasons and that PNAL needs to facilitate the development and promotion of both aeronautical and complimentary non-aeronautical business activities. As well as direct benefit to PNAL this impacts through to the economic development of the city and the wider region.

At the request of the shareholder, PNAL may undertake activities that are not consistent with normal commercial objectives subject to the Shareholder providing a specific subsidy to meet the full commercial cost for providing such activities.

PNAL anticipates significant future capital investment within this SOI period and will be required to materially increase its debt levels in order to fund this investment. Refer to the separate debt funding section below for further details.

## Debt Funding via the Shareholder

PNAL currently has two separate debt funders, the Bank of New Zealand (BNZ) and PNCC (indirect LGFA funding).

BNZ facilities total \$16.1m while the PNCC funding facility limit is tied to approved SOI debt plus 10%, to a maximum of \$50m. The current maximum available debt is therefore \$66.1m, above the maximum debt forecast within the SOI period of \$55.1m.

The PNCC facility was established in FY22 in order to save PNAL~\$6m in financing costs over the next 10 years. In exchange, PNAL pays PNCC a fair market margin (above LGFA interest rates) on this debt.

PNAL's Performance Metric Targets above include three metrics specific to debt funding. These are:

1. PNAL's debt covenant to maintain an interest coverage ratio of EBITDA to interest of not less than 2.5;
2. A long term target to achieve Net Debt / EBITDA of less than 4.5 and;
3. A long term target to achieve FFO / Net Debt greater than 11%.

It is accepted that PNAL may not achieve the two long term targets in any one financial year, dependent upon the capital expenditure requirements at the time.

During the period of the SOI, PNAL is anticipated to comply with the debt covenant throughout the three years, while the long term, aspirational targets are anticipated to fall below target levels for the three years, due to the substantial capital investment required. Notwithstanding this, the third year of the SOI shows a trend towards achieving these targets, which is expected to occur after the SOI period.

## Dividend Policy

PNAL is focussed on delivering against strategic objectives as outlined in this Statement of Intent. The achievement of these strategies will ensure PNAL is well placed in the medium to long-term to generate enhanced financial returns and to maximise value to our Shareholder through an appropriate balance between regional social and economic outcomes, re-investment and dividends.

In total \$55.9 million of capital expenditure is projected to be undertaken over the three-year SOI period. The level of investment is unprecedented in PNAL's history with the TDP alone anticipated to cost \$40 million. The company's financial performance is projected to improve, however with debt at historical highs the gearing risks assumed to achieve strategic objectives is high. Given debt levels and the Shareholder expectations the Airport company must actively seek like-minded investment partners who can support the commercial development priorities outlined within Ruapehu Aeropark and Te Utanganui.

In this context the Airport company's focus on prudent cashflow management remains as critical as it did during the Covid-19 pandemic. Any dividend declaration must therefore carefully consider actual and projected performance. In establishing a dividend recommendation, the directors will consider;

1. The scale of the company's capital expenditure plans including shareholder expectations,
2. The company's financial performance including cashflows from operations,
3. The Company's ability to raise debt finance and the terms thereof,
4. Compliance with performance metric targets,
5. The risks associated with airline schedule uncertainty in the short to medium term.

Notwithstanding the above policy, PNAL has been instructed by the shareholder to include an expectation in this SOI that dividends should recommence from FY24. An indicative dividend of 10% of NPAT (excluding fair value gains/losses) has been included for FY24, with an indicative dividend of 20% of NPAT (excluding fair value gains/losses) included for FY25 and FY26.

Payment of any dividend will be subject to meeting the above policy conditions and assessment by the Board of PNAL's liquidity, prior to payment.



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PALMERSTON NORTH  
AIRPORT LIMITED

# Palmerston North Airport Limited

## 10 Year Model



# STATEMENT OF FINANCIAL PERFORMANCE

	2022/23 Forecast	2023-24 SOI	2024/25 SOI	2025/26 SOI	2026/27 Estimate*	2027/28 Estimate*	2028/29 Estimate*	2029/30 Estimate*	2030/31 Estimate*	2031/32 Estimate*	2032/33 Estimate*	2033/34 Estimate*
<b>Income</b>	<b>12,956,061</b>	<b>14,188,600</b>	<b>16,051,710</b>	<b>18,298,887</b>	<b>20,737,805</b>	<b>21,462,613</b>	<b>22,391,304</b>	<b>23,764,283</b>	<b>24,503,064</b>	<b>25,265,472</b>	<b>26,310,619</b>	<b>27,389,077</b>
Operating Expenditure	2,834,890	4,326,904	4,366,339	4,532,523	4,804,474	5,092,743	5,398,307	5,722,206	6,065,538	6,429,470	6,815,238	7,224,153
Administration Expenditure	3,680,431	4,000,107	4,140,531	4,237,083	4,593,841	4,814,312	5,046,945	5,293,637	5,548,796	5,816,887	6,100,017	6,397,485
Extraordinary Items	12,500	50,000	51,750	53,561	56,775	60,181	63,792	67,620	71,677	75,978	80,536	85,368
<b>Total Operating Expenditure</b>	<b>6,527,821</b>	<b>8,377,011</b>	<b>8,558,620</b>	<b>8,823,167</b>	<b>9,455,090</b>	<b>9,967,236</b>	<b>10,509,044</b>	<b>11,083,463</b>	<b>11,686,011</b>	<b>12,322,335</b>	<b>12,995,791</b>	<b>13,707,006</b>
Profit from Sale of Assets	261,348	-	-	-	-	-	-	-	-	-	-	-
<b>EBITDA</b>	<b>6,689,588</b>	<b>5,811,589</b>	<b>7,493,090</b>	<b>9,475,720</b>	<b>11,282,715</b>	<b>11,495,377</b>	<b>11,882,260</b>	<b>12,680,820</b>	<b>12,817,053</b>	<b>12,943,137</b>	<b>13,314,828</b>	<b>13,682,071</b>
Depreciation & Amortisation	2,049,456	2,021,713	2,572,972	2,921,389	3,084,866	3,261,288	3,450,096	3,571,077	3,641,016	3,710,935	3,785,420	3,863,992
<b>EBIT</b>	<b>4,640,132</b>	<b>3,789,876</b>	<b>4,920,118</b>	<b>6,554,331</b>	<b>8,197,849</b>	<b>8,234,089</b>	<b>8,432,164</b>	<b>9,109,743</b>	<b>9,176,037</b>	<b>9,232,202</b>	<b>9,529,408</b>	<b>9,818,079</b>
Interest Expense	570,524	1,104,141	2,586,428	3,175,703	3,239,030	3,271,141	3,068,065	2,998,183	2,750,871	2,479,926	2,196,624	1,900,069
<b>Profit before Income Tax</b>	<b>4,069,608</b>	<b>2,685,735</b>	<b>2,333,690</b>	<b>3,378,628</b>	<b>4,958,819</b>	<b>4,962,948</b>	<b>5,364,099</b>	<b>6,111,560</b>	<b>6,425,166</b>	<b>6,752,276</b>	<b>7,332,784</b>	<b>7,918,010</b>
Income Tax Expense	1,139,490	752,006	653,433	946,016	1,388,469	1,389,625	1,501,948	1,711,237	1,799,047	1,890,638	2,053,179	2,217,043
<b>Net Profit after Tax</b>	<b>2,930,118</b>	<b>1,933,729</b>	<b>1,680,257</b>	<b>2,432,612</b>	<b>3,570,350</b>	<b>3,573,323</b>	<b>3,862,151</b>	<b>4,400,323</b>	<b>4,626,119</b>	<b>4,861,638</b>	<b>5,279,605</b>	<b>5,700,967</b>
<b>Dividends Declared**</b>	<b>-</b>	<b>(193,373)</b>	<b>(336,051)</b>	<b>(486,522)</b>	<b>(714,070)</b>	<b>(714,664)</b>	<b>(772,430)</b>	<b>(880,065)</b>	<b>(925,224)</b>	<b>(972,328)</b>	<b>(1,055,921)</b>	<b>(1,140,194)</b>

\*Long term estimates are based on specific assumptions that may or may not eventuate. These estimates are subject to change.

\*\*Declared dividends are paid in the following financial year



STATEMENT OF FINANCIAL POSITION

	June 23 Forecast	June 24 SOI	June 25 SOI	June 26 SOI	June 27 Estimate*	June 28 Estimate*	June 29 Estimate*	June 30 Estimate*	June 31 Estimate*	June 32 Estimate*	June 33 Estimate*	June 34 Estimate*
Current Assets												
Bank Accounts	58,049	52,539	54,092	53,261	56,836	58,373	56,856	52,573	58,648	57,200	54,977	54,530
Receivables	947,596	1,294,197	1,475,300	1,721,393	1,793,878	1,863,255	1,952,121	2,083,452	2,154,185	2,227,183	2,327,209	2,430,428
Prepayments	381,226	403,528	426,980	455,831	486,412	518,829	553,191	589,614	628,223	669,148	712,529	716,409
Other Current Assets	207,174	207,174	207,174	207,174	207,174	207,174	207,174	207,174	207,174	207,174	207,174	207,174
Total Current Assets	1,594,045	1,957,438	2,163,546	2,437,658	2,544,300	2,647,631	2,769,342	2,932,813	3,048,230	3,160,705	3,301,888	3,408,540
Non Current Assets												
Tangible Assets												
Land	32,855,065	32,855,065	32,855,065	32,855,065	32,855,065	32,855,065	32,855,065	32,855,065	32,855,065	32,855,065	32,855,065	32,855,065
Buildings	15,477,046	34,956,542	55,960,818	61,538,978	61,583,978	61,628,978	61,673,978	61,718,978	61,763,978	61,808,978	61,853,978	61,898,978
Infrastructural - Land	11,131,485	12,411,485	13,481,485	13,806,485	15,306,485	16,806,485	18,306,485	19,806,485	21,306,485	22,806,485	24,306,485	25,806,485
Infrastructural - Air	37,735,091	39,235,091	41,140,091	43,701,091	48,281,091	53,331,091	58,831,091	59,831,091	60,551,091	61,261,091	62,261,091	63,261,091
Plant & Equipment	3,030,145	3,230,145	3,900,145	4,070,145	4,320,145	4,580,145	4,850,545	5,131,761	5,424,226	5,728,389	6,044,719	6,373,702
Furniture & Fittings	359,278	399,278	439,278	479,278	499,278	519,278	539,278	559,278	579,278	599,278	619,278	639,278
Computers	222,532	247,532	272,532	297,532	322,532	347,532	372,532	397,532	422,532	447,532	472,532	497,532
Motor Vehicles	1,462,782	1,462,782	1,462,782	1,462,782	1,462,782	1,462,782	1,462,782	1,462,782	1,462,782	1,462,782	1,462,782	1,462,782
Investment Property	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000
Accumulated Depreciation	(8,846,496)	(10,863,329)	(13,431,420)	(16,350,352)	(19,435,218)	(22,696,506)	(26,146,602)	(29,717,679)	(33,358,696)	(37,069,630)	(40,855,050)	(44,719,041)
Total Tangible Assets	108,326,928	128,834,591	150,980,776	156,761,004	160,096,138	163,734,850	167,645,154	166,945,293	165,906,741	164,799,970	163,920,880	162,975,872
Intangible Assets	12,217	7,336	2,456	-	-	-	-	-	-	-	-	-
Total Non Current Assets	108,339,144	128,841,927	150,983,232	156,761,004	160,096,138	163,734,850	167,645,154	166,945,293	165,906,741	164,799,970	163,920,880	162,975,872
Total Assets	109,933,189	130,799,365	153,146,778	159,198,662	162,640,437	166,382,481	170,414,495	169,878,106	168,954,971	167,960,675	167,222,768	166,384,412
Current Liabilities												
Payables	1,254,700	2,821,061	2,826,458	1,844,644	2,389,814	2,499,688	2,668,732	2,417,524	2,512,237	2,639,324	2,836,596	2,963,857
GST/VAT	(64,486)	(217,860)	(113,431)	66,184	33,631	27,971	24,581	88,059	90,267	88,767	86,384	93,599
Income Tax	381,445	524,728	488,161	574,177	722,646	722,272	759,219	840,456	894,503	955,140	1,038,320	1,130,363
Loans Payable	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	600,191	600,191	600,191	600,191	600,191	600,191	600,191	600,191	600,191	600,191	600,191	600,191
Other Current Liabilities	172,534	135,034	135,034	135,034	135,034	135,034	135,034	135,034	135,034	135,034	135,034	135,034
Total Current Liabilities	2,344,384	3,863,155	3,936,413	3,220,231	3,881,317	3,985,156	4,187,757	4,081,265	4,232,232	4,418,456	4,696,525	4,923,044
Working Capital	(750,339)	(1,905,717)	(1,772,867)	(782,572)	(1,337,018)	(1,337,525)	(1,418,415)	(1,148,452)	(1,184,002)	(1,257,751)	(1,394,636)	(1,514,504)
Non Current Liabilities												
Loans Payable	11,727,038	29,334,086	50,264,036	55,086,012	55,010,421	55,789,968	56,529,661	52,579,504	47,804,507	42,734,675	37,495,017	31,869,366
Other Non Current Liabilities	9,941,306	9,941,306	9,941,306	9,941,306	9,941,306	9,941,306	9,941,306	9,941,306	9,941,306	9,941,306	9,941,306	9,941,306
Total Non Current Liabilities	21,668,344	39,275,392	60,205,342	65,027,318	64,951,727	65,731,274	66,470,967	62,520,810	57,745,813	52,675,981	47,436,323	41,810,672
Total Liabilities	24,012,728	43,138,548	64,141,755	68,247,549	68,833,044	69,716,430	70,658,724	66,602,075	61,978,045	57,094,437	52,132,847	46,733,716
Net Assets	85,920,461	87,660,818	89,005,023	90,951,113	93,807,393	96,666,051	99,755,772	103,276,030	106,976,926	110,866,238	115,089,921	119,650,695
Capital and Reserves												
Share Capital	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400
Reserves	49,634,711	49,634,711	49,634,711	49,634,711	49,634,711	49,634,711	49,634,711	49,634,711	49,634,711	49,634,711	49,634,711	49,634,711
Retained Earnings	26,905,350	28,645,707	29,989,912	31,936,002	34,792,282	37,650,940	40,740,661	44,260,919	47,961,815	51,851,127	56,074,810	60,635,584
Total Capital and Reserves	85,920,461	87,660,818	89,005,023	90,951,113	93,807,393	96,666,051	99,755,772	103,276,030	106,976,926	110,866,238	115,089,921	119,650,695
Total Equity	85,920,461	87,660,818	89,005,023	90,951,113	93,807,393	96,666,051	99,755,772	103,276,030	106,976,926	110,866,238	115,089,921	119,650,695

\*Long term estimates are based on specific assumptions that may or may not eventuate. These estimates are subject to change.

PERFORMANCE METRICS

	2022/23 Forecast	2023-24 SOI	2024/25 SOI	2025/26 SOI	2026/27 Estimate***	2027/28 Estimate***	2028/29 Estimate***	2029/30 Estimate***	2030/31 Estimate***	2031/32 Estimate***	2032/33 Estimate***	2033/34 Estimate***
Total Debt	\$11.7m	\$29.3m	\$50.3m	\$55.1m	\$55m	\$55.8m	\$56.5m	\$52.6m	\$47.8m	\$42.7m	\$37.5m	\$31.9m
To maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above \$80 million	\$85.9m	\$87.7m	\$89.0m	\$91.0m	\$93.8m	\$96.7m	\$99.8m	\$103.3m	\$107.0m	\$110.9m	\$115.1m	\$119.7m
Debt to Equity ratio	14%	33%	56%	61%	59%	58%	57%	51%	45%	39%	33%	27%
A ratio of surplus before interest/ tax/ depreciation/revaluations to total assets	6%	4%	5%	6%	7%	7%	7%	7%	8%	8%	8%	8%
A ratio of net surplus after tax to consolidated shareholders' funds inclusive of revaluation reserve	3%	2%	2%	3%	4%	4%	4%	4%	4%	4%	5%	5%
To maintain a ratio of consolidated shareholders funds to total assets of at least 40%	78%	67%	58%	57%	58%	58%	59%	61%	63%	66%	69%	72%
To maintain an interest coverage ratio of EBITDA (excl revaluations) to interest of at least 2.5	11.3	5.3	2.9	3.0	3.5	3.5	3.9	4.2	4.7	5.2	6.1	7.2
Net Debt* / EBITDA less than 4.5 (long term target)	1.8	5.0	6.7	5.8	4.9	4.8	4.8	4.1	3.7	3.3	2.8	2.3
Funds From Operations (FFO**) / Net Debt greater than 11% (long term target)	40.4%	13.5%	8.5%	9.7%	12.1%	12.3%	12.9%	15.2%	17.3%	20.1%	24.2%	30.1%

\*Net Debt equals total borrowings less cash on hand  
\*\*FFO equals EBITDA less interest less tax  
\*\*\*Long term estimates are based on specific assumptions that may or may not eventuate. These estimates are subject to change.

## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 21 June 2023

**TITLE:** Central Economic Development Agency (CEDA) - Final Statement of Intent 2023/24

**PRESENTED BY:** David Murphy, Chief Planning Officer

**APPROVED BY:** David Murphy, Chief Planning Officer

### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Committee agree the final Statement of Intent 2023/24 submitted by the Central Economic Development Agency (Attachment 1).

#### 1. ISSUE

- 1.1 The Central Economic Development Agency (CEDA) has provided its final Statement of Intent (SOI) for 2023/24. This is included as Attachment 1 for agreement by the Committee.

#### 2. BACKGROUND

- 2.1 CEDA provided a first draft of its SOI for 2023/24. This was considered by the Economic Growth Committee on 12 April 2023 and its proposed direction and content was supported by Council.
- 2.2 As joint shareholders of CEDA, Palmerston North City Council and Manawatu District Council (MDC) sought minor changes to the draft SOI. CEDA has included the following minor changes in the final SOI:

Section / page number	Minor change
Front cover	2023-26 title changed to 2023-24, and word 'Draft' removed
Page 10	Palmerston North Integrated Transport Initiative (PNITI) reference added to the commentary on Te Utanganui
Page 11	Sentence on Māori business and tourism sectors added to Sector Development commentary
Pages 15 and 27	'Unified positioning' language changed to 'collective voice' in Statement of Service Performance outcomes

	for profiling the region
Page 15	Additional sentence on featuring key business and visitor attractions in collaboration with PNCC and MDC added under Featuring the Region Through Media commentary
Page 23	Thought Leaders changed to Innovators (about us)
Page 28-29	MDC priorities changed to first in order under Alignment with our Shareholders
Page 43	's' added to Feilding and District Promotions

- 2.3 The Local Government Act requires that the final version of SOIs adopted by the Boards of council-controlled organisations be delivered to the shareholder by 30 June 2023. CEDA has met that requirement.

### 3. NEXT STEPS

- 3.1 The SOI will be published on the websites of Council and CEDA.
- 3.2 The current CEDA funding agreement finishes on 30 June 2024. The councils will need to initiate discussions with CEDA alongside the preparation of their 2024-34 Long Term Plans in order to provide CEDA with a level of certainty regarding future funding as we work towards 30 June 2024. One option may be to provide CEDA with a funding agreement extension, or written funding commitment, prior to the adoption of 2024-34 Long Term Plans. This commitment could note that the final funding arrangements beyond 30 June 2024 will be confirmed as part of the 2024-34 Long Term Plans and it is anticipated that the total funding will be no less than the 2023/24 year.

### 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>

The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Economic Development	
The action is:	
<ul style="list-style-type: none"> <li>• Agree a Statement of Intent with CEDA</li> <li>• Carry out regular performance monitoring and reporting for CEDA</li> </ul>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>The Innovative and Growing Strategy includes the following:</p> <p>Increasing economic wellbeing will depend on Council working well with businesses, support agencies, central government and other local authorities. The Central Economic Development Agency (CEDA) will support business development and retention and will promote a diverse economy. CEDA will focus on helping young people develop the skills they need for the changing jobs market.</p>

## ATTACHMENTS

1. CEDA Final Statement of Intent 2023/24 [↓](#) 



# Te Tauākī Takune Statement of Intent

**2023–2024**

1 March 2023

# Te Tauākī Takune

## Statement of Intent

### 2023–2024

#### Rārangitanga Umanga

##### Company Directory

##### Central Economic Development Agency Limited

Level 1, TSB Tower,  
1-19 Fitzherbert Avenue  
Palmerston North, 4410

Phone: 06 350 1830

Website: CEDA.nz

##### Chief Executive

Jeremy Shearman

##### Directors

Robyn O'Fee (Bobbie) (Chairperson)  
Paul Bayly  
Margharita Mare (Margy)  
David Norman  
Robbie Pickford  
Te Ahu Teki (interim)

##### Registered Office

Morrison Creed Advisory  
236 Broadway Avenue  
Palmerston North 4410

##### Bankers

Westpac New Zealand Limited

##### Legal Status

Central Economic Development Agency Limited ("CEDA") was incorporated in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawātū District Council (50%) CEDA is a Council Controlled Organisation as defined in section 6 of the Local Government Act 2002.

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# Kupu Takamua

## Foreword

Tēnā koutou katoa,

We are pleased to present our Statement of Intent for 2023/24.

Our regional economy continues to perform well despite the challenges we have faced in Aotearoa over the last couple of years. We have a diverse range of sectors, with our central North Island location and ongoing investment in capital projects already in the pipeline that have undoubtedly protected us somewhat from the economy slowing down. Whilst our region won't avoid the impacts of the cooling economic conditions, the diversity of our regions key sectors will continue to buffer these impacts relative to places with greater reliance on private sector employment and discretionary spending.

As we reflect on the previous 12 months, with a new Board Chair and CEO, and a refreshed Vision we are cautiously optimistic for the year ahead and confident that our approach to the work we do under the key economic pillars of Business, People, and Place, which are underpinned by our partnerships and relationships, is the right one to continue fostering, connecting, and driving growth and opportunity for Manawātū and beyond.

This Statement of Intent is focused on priority projects, partnerships and ensuring that we as a region are well positioned to respond to future economic opportunities. As the regional economic development agency, we will continue to focus on areas of potential for the region such as supporting and growing existing businesses, attracting new businesses to the region, and showcasing Manawātū to attract more talent, investment, and visitors to our region.

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There are several exciting long-term regional kaupapa that we have been working on over the previous few years that CEDA will continue to lead through 2023-2024. The progression of Te Utanganui, the Central New Zealand Distribution Hub, will cement the region's position as the third node in New Zealand's national transport and freight network. This kaupapa is a classic 'growth pole' economic development activity that will see medium and long term economic, social and environmental benefits for the region and Aotearoa. Te Utanganui is already here with businesses inside the precinct, the airport and rail freight connections in place, and significant expansion and investment plans underway that will see the project bear fruition over a number of decades.

The Manawātū Food Strategy will come to life in this year, with CEDA working in partnership with industry, iwi, and key partners on a multi-stakeholder action plan to deliver on the core theme of sustainable nutrition and getting us closer to the regions ambition of becoming Aotearoa's most progressive region by 2030.

The Manawātū Destination Management Plan, which sets the strategic direction for the city and regions visitor sector, seeks to grow visitor activity and value for the benefit of our communities. The Plan is a shared vision for the region, and we look forward to facilitating and driving the implementation of the Plan over the coming year to deliver on the identified key priorities and projects for the sector.

CEDA has some key partners who enable our mahi that we would like to acknowledge including Rangitāne o Manawātū, The Factory, Sprout Agritech, FoodHQ, UCOL

| Te Pukenga, Massey University, IPU, Manawātū Business Chamber, Talent Central, and Feilding and District Promotion, who like us are champions for the region and partner to develop and attract innovation, investment and talent, facilitate business growth, and bring people and visitors to our slice of Aotearoa.

In my first year as CEDA Chair, I've been buoyed by the connectivity and support amongst our businesses and stakeholder community, and the passion and resilience that is so intrinsic with the people of Manawātū. It is this that will help us get to an eventual economic bounce back in the coming years.

Finally, I'd like to thank our shareholders, the CEDA board and team, iwi, partners and stakeholders and the wider community for their continued support for CEDAs vision for the region. All that CEDA does relies on strong partnership and shared ambition to achieve economic growth for the region, and we are grateful to have that support.

**He matawhānui tiritahi, he rautaki tiritahi mā te katoa**  
With shared vision and strategy for everyone

Ngā mihi nui ki a koutou katoua,



Bobbie O'Fee  
Heamana  
Chairperson

### **Purpose of the Statement of Intent**

This Statement of Intent is presented by Central Economic Development Agency Limited (CEDA) in accordance with the requirements of Section 64(1) of the Local Government Act 2002 (LGA 2002).

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intentions of CEDA for the next three years, and the objectives to which those activities will contribute.

This Statement of Intent takes the shareholder Statement of Expectations comments into consideration and includes performance measures and targets as the basis of organisational accountability.

### **COVID-19 Impact**

COVID-19 will continue to impact businesses in our region, as may other unforeseen events, and we will continue to adapt programmes of work and areas of focus to help support our business community with their needs.

Note in the 2019-20, 2020-21, and 2021-22 financial years, figures and outcomes include support given to business through the Regional Business Partner Programme, and tourism sector support as a result of additional government funding to support businesses and the visitor sector through the impacts of COVID-19. This additional funding has impacted on numbers and outcomes in relation to standard funding and resource capability from previous years, and throughout these years. Some additional funding remains for the 2023-24 year (to end December 2023) specifically to support implementation of the He Ara Kotahi, Hei Ara Kōrero project.



# Tā Mātou Matawhānui

## Our Vision

Manawatū 2030; Ko te rohe  
tino ahu whakamua o Aotearoa

### New Zealand's most progressive region

Our vision is purposely bold, and it encompasses the aspirations of both our shareholder Councils. It requires our region to be ambitious, proactive, and future focused, and to be adaptable to the fast-moving economic landscape we face. We believe that Manawatū has strong leadership and the ingredients to position itself on the national stage - a vibrant and innovative region that will be first choice for talent, business, visitors, and investment.

Our three big goals that show we are on our way to achieving this vision are:



Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business, talent and visitors



Manawatū is a world leading agrihub



Manawatū is a leading distribution hub, and leverages off its role in central New Zealand

To achieve this vision CEDA must work in partnership with our shareholders, central government, Māori, iwi and hapu, industry, and other regional stakeholders - it cannot be achieved alone.

# Ā Mātou Whāinga Rautaki

## Our Strategic Objectives

### Te Whakatutuki i te Matawhānui

#### Achieving our vision

CEDA works across the three strategic pillars of economic development; Business, People, and Place, and our success is underpinned and enabled by the strength of our relationships with our regional and national partners.

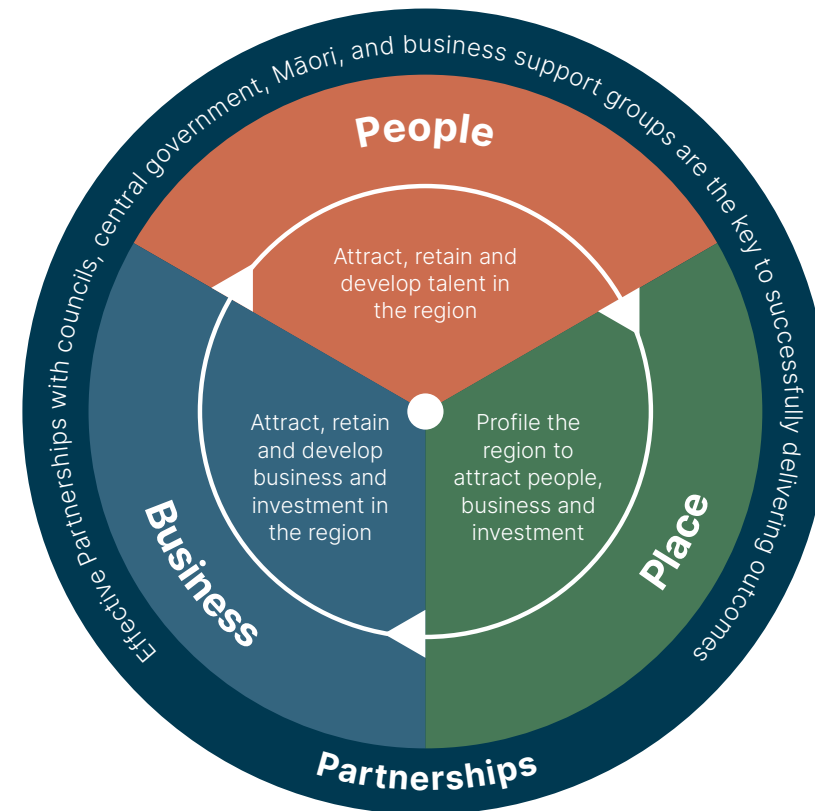
Our core objectives, programmes and activities are all aligned to these pillars, and are designed to create the environment, stimulus, outcomes, and impact that will power our economic prosperity and achieve our vision for Palmerston North city and Manawātū district.

These key objectives guide the development of our short and medium-term programmes of work as articulated through this Statement of Intent for 2023/24.

When considering how to prioritise our efforts, based on our current resources and functions, and guided by our intervention logic, we focus on programmes and activities that offer the greatest opportunities for economic prosperity.

These are identified through research, monitored, and reviewed using the latest data, and viewed through a regional, national, and international lens.

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# Ā Mātou Mahi What We Do

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# Tā Mātou Mahere Arorau

## Our Intervention Logic

CEDA operates within a simplified intervention logic that shows the connection between the programmes of work and activities undertaken, and the desired outcomes for the region.

This is supported by key performance indicators in the Statement of Service Performance table, project deliverables, and through the measurement of stakeholder (biennial) and client satisfaction.

Together these form the basis of CEDA's accountability and performance reporting. Long term regional outcomes are also monitored through regional monitoring indicators measured by CEDA's shareholders.

VISION			
Manawatū: Ko te rohe tino ahu whakamua o Aotearoa hei te 2030 <b>Manawatū: New Zealand's most progressive region 2030</b>			
GOALS			
<ul style="list-style-type: none"> <li>Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business, talent and visitors</li> <li>Manawatū is a world leading agrihub</li> <li>Manawatū is a leading distribution hub, and leverages off its role in central New Zealand</li> </ul>			
STRATEGIC PILLARS	Business	People	Place
STATEMENT OF INTENT OUTCOMES	Attract, retain, and develop, business and investment in the region	Attract, retain, and develop talent in the region	Profile the region to attract people, business, and investment
PROJECTS/ACTIVITIES STRATEGIES	<ul style="list-style-type: none"> <li>Te Utanganui Central New Zealand Distribution Hub Strategy</li> <li>Manawatū Food Strategy</li> <li>Inward Investment Framework</li> <li>Destination Management Plan</li> <li>Sector development</li> <li>Business Attraction, Retention and Expansion</li> <li>Start-up and innovation support</li> </ul>	<ul style="list-style-type: none"> <li>Talent &amp; Skills attraction and retention</li> <li>Profiling the region</li> <li>Success stories and business profiles</li> <li>Talent and workplace development</li> <li>Integrated industry groups</li> <li>Pathways to employment</li> </ul>	<ul style="list-style-type: none"> <li>Regional Identity</li> <li>PR Machine</li> <li>Featuring the region through media</li> <li>Direct media features</li> <li>ManawatuNZ.co.nz and social media engagement</li> </ul>
Partnerships – The connections that make our region tick			
STATEMENT OF INTENT OUTCOMES		PROJECTS/ACTIVITIES	
Lead inclusive and sustainable economic development for the region		Partnership agreements with key partners and iwi, outcomes aligned with partnership and funding agreements, iwi lead projects, Rangitāne o Manawatū Māori Tourism Strategy, research, data and insights, economic updates, stakeholder and business community e-newsletters, reporting and legislative requirements.	

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# BUSINESS

## **Whakamaneatia, puritia, whakawhanaketia ngā pakihi me ngā haumitanga ki roto i te rohe**

Attract, retain, and develop business and investment in the region

Business development and expansion in the region, and attracting business and investment to the region, is at the core of economic development and at the forefront of CEDA's objectives for Manawātū to be a leading distribution hub, be recognised as one of the top agrifood

hubs in the world, and a magnet for investment, business, talent, and visitors. We have a strong competitive edge to achieve these outcomes with our central location, comparatively affordable land and development costs, and a growing culture of innovation and entrepreneurship.

## BUSINESS

Support the development and growth of business and sectors of strength in the region including inward investment

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TE TAUĀKI TAKUNE  
STATEMENT OF INTENT 2024

### **Inward Investment Strategy Implementation, with regional partners, to attract investment to the region**

#### **Te Utanganui, The Central New Zealand Distribution Hub**

Manawatū offers exceptional locational advantages for businesses and investors, with room to grow, and a unique central location. The strategic approach to developing Te Utanganui will cement Manawatū as the third node of distribution in New Zealand's national freight network and future proof our region's economic opportunities.

Te Utanganui is a long-term project that will provide economic, social, and environmental benefits for the region and the country. Leveraging the regions comparative advantages, Te Utanganui seeks to maximise the value of infrastructure investments already committed across the central North Island and will stimulate private investment and business opportunities, aligning with the key strategic outcomes of the Palmerston North Integrated Transport Investment project.

CEDA's role is championing and driving this project, with a focus on attracting and facilitating both public and private investment, advocacy and profile of the opportunity and benefits, including to central government, and enhancing inter-regional collaboration for the benefit of the central North Island and the national freight network.

#### **Manawatū Food Strategy**

Manawatū as a region has some unique opportunities in relation to food which do not exist in other regions of Aotearoa, or in very few other places in the world. These opportunities are linked to the significant cluster of innovation capability that exists in the region, the exceptional growing conditions and soils here, and our region's central North Island location.

The Manawatū Food Strategy is focussed on the core theme of Sustainable Nutrition. Sustainable Nutrition in the context of this Strategy means understanding the needs of current generations, while enhancing the ability for future generations to find solutions to meet their needs, from the field to the consumer, both here and around the world. This theme encompasses threads through the opportunities in the near, medium, and long-term for each part of the value chain, including research and innovation, sustainable production, health-sustaining food, and the consumer journey.

#### **Inward Investment Opportunities**

CEDA will continue to lead the positioning of Manawatū as a strategic investment location, providing support for stakeholders looking to grow the region's economy through their own activities, and acting on inward investment leads provided or identified. We will target public and private investment opportunities and leverage our relationships with central government to further advocate for our region's significant strengths and opportunities.

While specific focus will be placed on our key inward investment activity related to Te Utanganui, the Manawatū Food Strategy, and the Manawatū Destination Management Plan, CEDA will remain agile in responding to any opportunities that benefit our regions strengths and vision.



## Developing our priority sectors through targeted business development and retention initiatives

### Destination Management Plan

The Manawātū Destination Management Plan went through a significant refresh in 2022, to ensure a long term, strategic approach for the region. The plan identifies the priorities, barriers and catalyst projects required to future proof the region and support the visitor economy to thrive for the benefit of our communities.

CEDA will continue focus on building the capability of key visitor sector operators to help stimulate growth in the visitor economy and provide quality experiences for visitors and residents alike. This includes the continued development and growth of trade and industry partnerships, enhancing The Country Road experiences, providing a visitor economy lens to support projects such as Te Āpiti - Manawātū Gorge, and our core functions as the Regional Tourism Organisation for Palmerston North city and Manawātū.

### Sector Development

Through CEDAs business engagement programmes of work we will look to support identified opportunities for growth focusing on the regions sectors of strength. This will be supported through the development of sector led industry groups who will drive the recommendations and actions of sector development initiatives in an integrated approach CEDAs work in the development of the talent and skills pipeline to support the future proofing of our businesses and these key sectors for the region. This work also includes support of the regions Māori business and tourism sectors, further information on this is detailed on page 18.

### Business Attraction, Retention & Expansion initiatives

Business attraction, retention and expansion are well established economic development tools, and are key areas of focus for any economic development agency. CEDA will continue supporting business attraction, retention, and expansion, primarily through targeted business support, tailored programmes, and supporting key projects and inward investment opportunities in the region. The delivery of the Regional Business Partner Programme continues to be an important component of our business engagement toolbox, with continued business support activities and a focus on Māori business, connections, and referrals to other key regional agencies.

Building on this work, we will continue to focus on engagement with businesses across industries and connecting with key business leaders and stakeholders. These engagements will ensure we have access to the latest insights into business sentiment, regional opportunities through connections and trends, and are able to proactively respond to and support business expansion and investment opportunities.

### Supporting innovation and start-ups in the region

Fueling innovation is key to fostering our competitive advantage as a region, and in creating jobs and investment opportunities. CEDA focuses on delivering on these outcomes through key partnerships with The Factory and Sprout Agritech. CEDA are also the conduit to the market for Callaghan Innovation, supporting innovation and research and development services to suit each stage of business growth.

The Factory's Innovate programme has been designed to help potential entrepreneurs transform ideas into early-stage start-up businesses. CEDA contributes to the partnership by way of funding and mentoring support to help facilitate and grow the next generation of innovators and entrepreneurs.

The Sprout Agritech Accelerator programme selects national and international start-ups and businesses to undergo an intensive mentorship process to accelerate innovation with a view to commercialising technology. The Accelerator is rapidly becoming a highly effective mechanism to attract start-up interest in the region, and as a key partner of Sprout Agritech, proving funding and support, and working with Sprout on the selection process to ensure successful outcomes for the programme and highlight the capability we have within the region.

# People

## **Whakamaneatia, puritia, whakawhanaketia ngā iho pūmanawa ki roto i te rohe**

### Attract, retain, and develop talent in the region

Through our data and research, we know that the biggest barrier to business growth in the region is the ability to attract the right people for the job. The development of a talent pipeline for the region that includes the attraction of those with the skills and experience our businesses need, the training and development of the people they

already have, the recruitment of students to the region is key. This along with an understanding of the future needs of our sectors and businesses will support the region being able to grow and prosper by 2030, becoming recognised for our exceptional lifestyle and competitive advantages.

## PEOPLE

Develop the talent pipeline to grow a skilled workforce and better utilise the existing labour market

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### Lead and support the 'Manawatu Talent and Skills Framework' with an integrated sector approach

#### Talent Attraction – Reputation and profiling of the region

Profiling the regions competitive lifestyle advantages and career opportunities through the development of tools, content, and targeted marketing initiatives. CEDA will support the regions business community to collectively showcase our regions offerings and opportunities.

CEDA will support talent attraction in a number of ways using ManawatuNZ as a key platform to showcase the regions as a great place to live and do business, by sharing success stories and business profiles focusing on our sectors of strength. Further development of the regions online Investment Prospectus to attract new investment that will lead to future employment opportunities. Also, through engagement with key tertiary providers and industry sectors to raise the regional profile in a consistent way.

#### Pathways to Employment – Future Proofing the talent pipeline

CEDA will continue its work with secondary schools and employers to support transitions and pathways into employment. This will include activities that provide opportunities for rangitahi, secondary school students, and staff to engage with employers, with a focus on vocational pathways, such as the New Zealand Careers Expo, Manawatu.

Critical to future proofing our regions talent pool are the development of sector led industry groups who will drive the recommendations and actions for our sectors of strength in relation to talent and skills needs, integrated with broader sector development initiatives.

#### Talent and Workplace Development – Skills of existing workforce

We will continue the development and roll out of tools to support businesses and their talent and skills development and retention needs, through our digital Employer and Workplace Hub on CEDA.nz. The tools are aimed at building organisations capabilities to support the attraction, integration, development, and retention of talent and skills in the region and within their businesses.

We will continue to partner with our key tertiary education collaborators (Massey University, UCOL | Te Pūkenga, and IPU) to provision for future skills needs, and ensure that key regional projects such as Te Utanganui the Central New Zealand Distribution Hub, are supported in identifying and fulfilling the training, attraction, and retention needs to support the growth and ambitions of the region's priority investment projects.

# Profile

## **Whakatairangatia te rohe hei whakamanea i te tangata, i te pakihi me te haumitanga**

### Profile the region to attract people, business and investment

Profiling the region to highlight our strengths, our people and our places through a shared regional identity, targeted storytelling and partnerships ensures Palmerston North city and Manawātū district is renowned for its exceptional lifestyle, competitive advantages and is a magnet for investment, business, and talent.

A coordinated approach to better showcasing the strengths of our region and profiling our successes is key to achieving recognition as one of the top three global agrifood hubs by 2025.

## PLACE

# Profile Manawatū locally, nationally, and globally

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TE TAUĀKI TAKUNE  
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## Lead and develop stories of Manawatū, creating a narrative and collective voice, incorporating the cultural heritage of iwi

### Regional Identity

Leveraging the Regional Identity, CEDA will work with our shareholders and partners to raise the profile of the Manawatū region as a compelling destination for investment, business, talent, and visitors through targeted storytelling and media partnerships.

This work will be woven across our projects and strategic plans including inward investment, destination management, visitor sector marketing, talent and skills attraction and retention, and business attraction and retention. Using key channels, and working with regional stakeholders and partners, we will work to grow the profile of our city and region and collectively showcase on our distinct and respected value proposition through the Regional Identity to build momentum and awareness of the city, district, and region\*.

CEDA will focus on building the awareness of Manawatū and what the region has to offer, by managing and executing on the messaging and tone, imagery, campaign work, digital presence and every touch point we have going forward, to ensure that the Regional Identity is a legacy for Manawatū and creates maximum impact as a distinctive and compelling proposition.

### Featuring the region through media

Our work with local, national, and international media ensures a strong and consistent regional presence and rhetoric across all traditional and digital channels. CEDA will continue to leverage existing media relationships and proactively build new ones to pitch stories and features to national and local media organisations and publications to attract investment, business, visitation, and talent\*.

In our role as the Regional Tourism Organisation for Palmerston North and Manawatū, we work with key national organisations including Tourism New Zealand, Air New Zealand, Tourism Industry Aotearoa and more to ensure we are maximising our relationships and opportunities for the region in featuring key business and visitor attractions, working in collaboration with PNCC and MDC.

## PLACE

### Grow engagement on regional web and digital platforms for increased promotion of and information on the region

#### ManawatuNZ.co.nz and social media\*

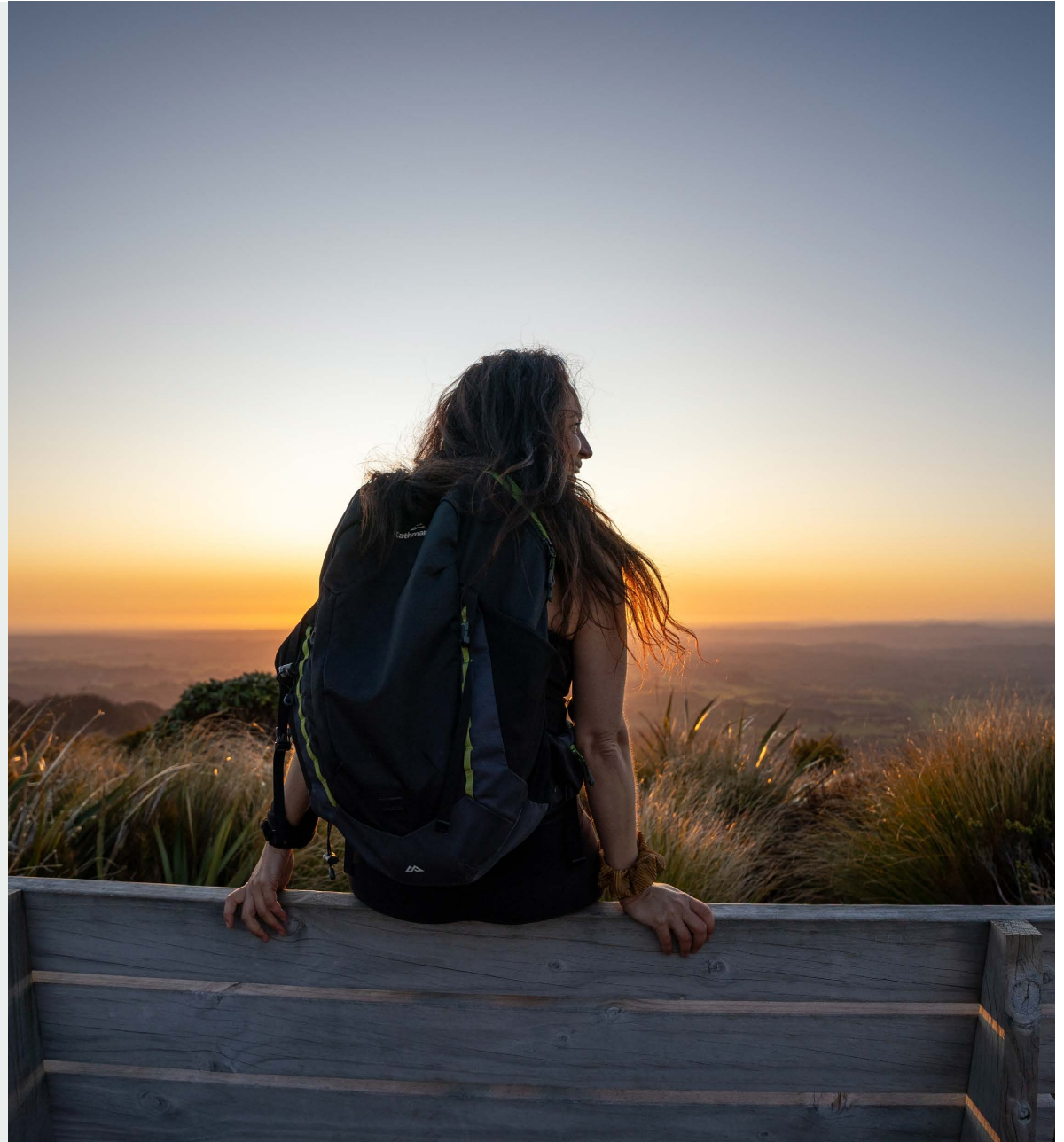
Digital marketing plays a key role in connecting with our main audiences and profiling the region's strengths to attract talent and investment into the region, showcasing our lifestyle advantages, inspire visitation, and help tell our region's stories.

Our digital platforms are one of our biggest, most efficient, tools in building increased awareness of the breadth of what Palmerston North and Manawatū has to offer. Through our regional social media channels and the regional website ManawatuNZ.co.nz, CEDA will continue to build on our narrative as a region to ensure we can collectively profile the region on a local, national, and global stage.

The ManawatuNZ.co.nz regional website Trade and Media Hub will further support our partners, stakeholders, business community, and media with fresh, engaging imagery and content of the city and region to build a consistent and strong rhetoric of Manawatū's strengths, opportunities, and identity.

\* Through investment made by the government for the 2022-23 year, CEDA has been able to significantly increase the amount of media coverage and profile, digital engagement, and content pieces delivered. This funding ceased on 31 December 2022, and as a result outcomes in these areas are expected to significantly reduce this financial year.

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# Partners

## **Aratakina ngā whakawhanaketanga ohaoha kauawhi, toitū anō hoki mō te rohe**

Lead inclusive and sustainable economic  
development for the region

A strength of our region is the ability to work together using our combined resources, connections and skills to compete nationally and globally. Collaborative relationships and partnerships with key regional and

national stakeholders, central and local government, Māori, and iwi are key to ensuring our strategic outcomes for the city and district.

## PARTNERS

### Develop strategic partner relationships, leveraging opportunities

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### Grow relationships with Māori, iwi and hapu in the region

We work collaboratively with regional iwi through our key strategic projects for the region to increase business and employment opportunities for Māori, and, but also supporting iwi led projects such as the Rangitāne o Manawatū Māori Tourism Strategy, ongoing profile and use of the Regional Identity, and Te Urungi – Innovate Aotearoa, He Ara Kotahi, Hei Ara Kōrero project, to provide an iwi-led and owned platform to share and protect the stories of Rangitāne o Manawatū, and delivery of data and insights.

We continue to develop partnerships with Māori business networks such as Te Au Pakihi, Te Manu Atatū, and the Poutama Trust, through a dedicated Māori business growth Advisor role shared with Whanganui & Partners under the Regional Business Partner Programme, to enable access to support programs that build capability for Māori business.

We also continue to work on developing CEDA's internal capability in understanding te reo and tikanga, to support strategic relationship with Tangata Whenua and ensure we have meaningful relationships with iwi and Māori organisations.

### Build on relationships with shareholders, central government agencies, and regional stakeholders

Strategic relationships with partners, iwi, central government, economic development agencies and key regional stakeholders, such as Rangitāne o Manawatū, Ngati Kauwhata, Ngati Raukawa, The Factory, Sprout Agritech, Manawatū Business Chamber, Feilding and District Promotion, Massey University, UCOL | Te Pūkenga, IPU, Talent Central, Air New Zealand, Tourism New Zealand, Regional Tourism New Zealand, and Immigration New Zealand, enable CEDA to connect, discover and leverage mutual opportunities.

We review our partnership agreements and workplans, including identifying new opportunities for partnerships, to ensure plans are in place to support working collectively and identifying opportunities across all that we do.



## PARTNERS

# Data and Insights communications on the performance of the region's economy

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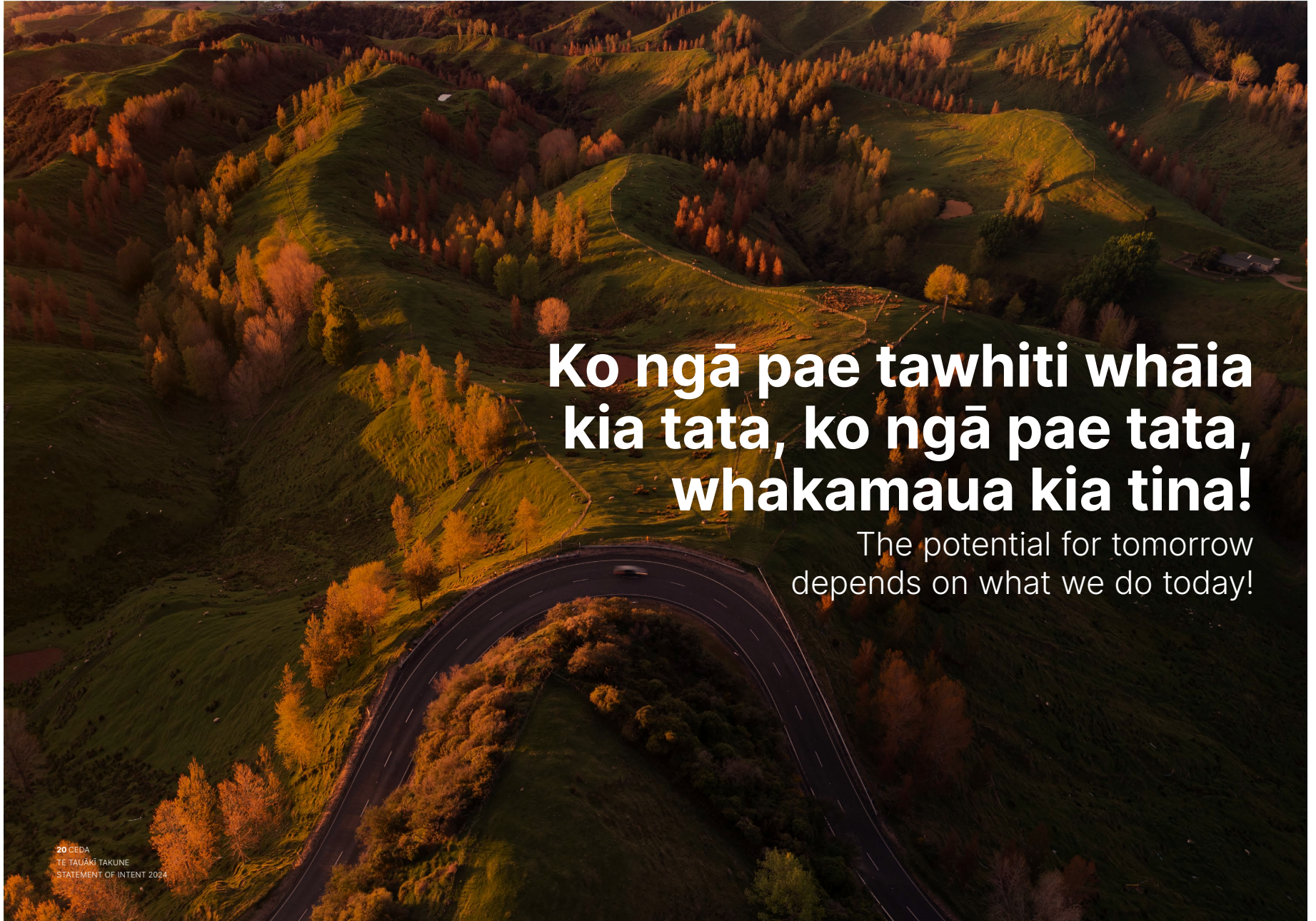
## Economic impact information regularly communicated to stakeholders and business

CEDA works with national agencies including Verisk, Data Ventures, Infometrics, Statistics New Zealand, Tourism New Zealand, and the Ministry of Business, Innovation and Employment to provide the latest information from the visitor and retail sectors, our sectors of strength and key growth indicators such as GDP, population, housing prices, consents, employment, and more. These relationships ensure CEDA is able to share this data and to add context to enable our business communities and stakeholders to easily absorb and understand the information relevant to them, while monitoring and responding to trends and opportunities.

## Business and stakeholder communications

Providing comprehensive regional data and insights is crucial to supporting businesses, investors and communities in making informed decisions. Partnering with Palmerston North City Council and Manawātū District Council, and key industry leaders, CEDA works to analyse the data and insights of our economy and provide context and commentary around how the region's economy is performing in a local and national context, in an informative and engaging manner. We will continue to partner on sector profiles, adding the sector insights and commentary at a micro and macro level.

This includes publishing this information on a regular basis through targeted communication channels such as 60 Seconds (e-newsletter), developing the Manawātū Quarterly Economic Snapshots, and engaging media to help profile our economic pulse. This work covers data, insights and trends on our sectors of strength and key growth indicators, retail reports, and updates on regional projects and economic development activities, ensuring our stakeholders, businesses and communities have access to and an understanding of what is happening in the local economy, the impact it may have on their businesses, and even identify shared project opportunities.



**Ko ngā pae tawhiti whāia  
kia tata, ko ngā pae tata,  
whakamaua kia tina!**

The potential for tomorrow  
depends on what we do today!

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TE TAUAKI TAKUNE  
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## Where we focus our time and money

CEDA receives funding from Palmerston North City Council and Manawātū District Council, its shareholders, and also funding from institutions and central government partners for initiatives that bring benefit to the wider region and New Zealand.

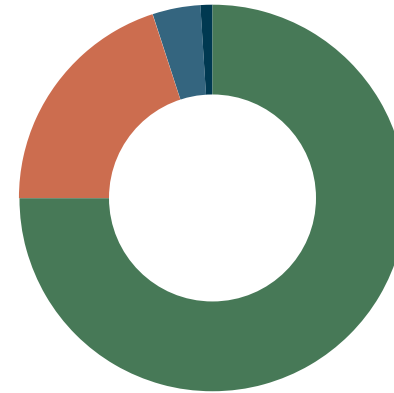
This funding gives us the ability to deliver and partner in programmes of work across the region, business and community including targeted sector specific sector work that will bring benefit to the wider region in the long term.

Further funding may also be received from stakeholders or industry for support of programmes and joint projects.

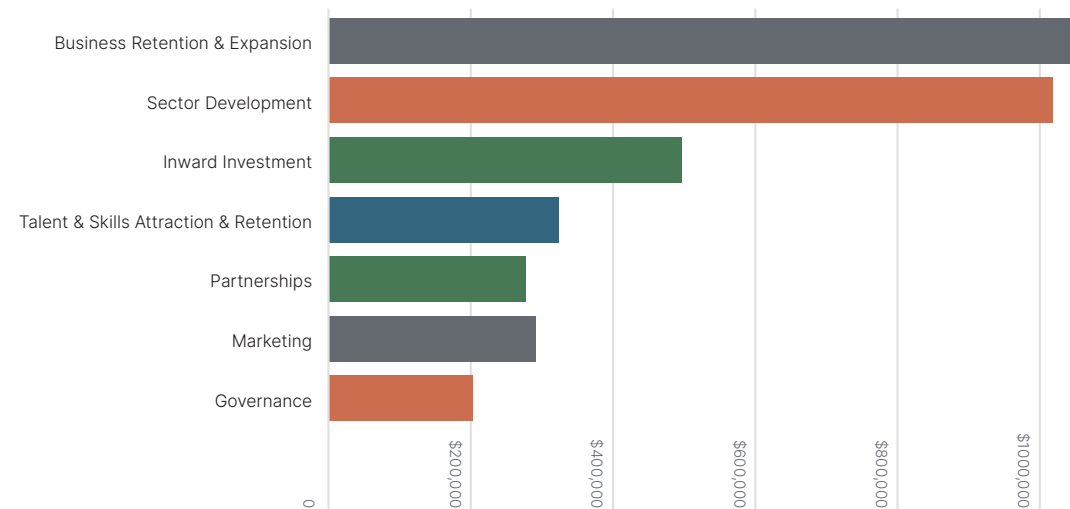
Additional central government funding has been received for specific sector support with a focus on protecting Māori stories (Mātauranga Māori), to be spent in this financial year.

### Our funding

- Council funding **75%**
- Central Government funding **21%**
- Industry contribution **4%**
- Other revenue **0.2%**



### How we're going to allocate our funding\*



\*Note:

- Marketing costs where directly related to an activity are included in the budgeted costs for that activity
- Sector Development expenses include expenses in relation to additional central government funding for the He Ara Kotahi, Hei Ara Kōrero project
- Business Retention and Expansion **includes** the Regional Business Partner programme
- Employee and operating expenses where not directly related to an activity have been allocated on a percentage of expenditure basis



# Ko Mātou Who we are

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TE TAUĀKI TAKUNE  
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KO MĀTOU  
WHO WE ARE

### CEDA is a team of people who are passionate about our region.

We are innovators, subject matter experts, and doers, working together with the common purpose of prosperity for our region and its people.

Our success is underpinned by our people, connections, partnerships, and networks locally, nationally, and internationally.

We are committed to operating efficiently and effectively, and as a future-focused organisation, to supporting initiatives that enhance and protect our natural and built environment.

### Our values



**Mā te mahi tahi  
e puta ai he hua  
whakaharahara**

Together we can achieve  
exceptional outcomes



**Me whakapono ki ō  
mahi me te āhua o tō  
kawe i aua mahi**

Believe in what you do  
and how you do it



**Kia poho kererū,  
kia mairangatia  
te hautūtanga**

Be proud and  
show leadership

## KO MĀTOU WHO WE ARE

### Te Tiriti o Waitangi

We recognise the principles of Te Tiriti o Waitangi and acknowledge the importance of partnering with local iwi and recognition of Tangata Whenua in the region through localised partnering.

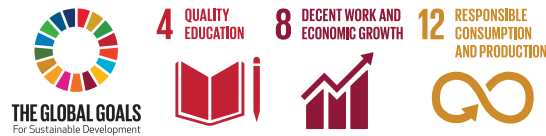
Our focus will continue to be on Participation through our growing relationships with regional iwi and mana whenua across Palmerston North and Manawātū. Through Partnerships, we aim to work together with our regional iwi for agreed outcomes that benefit the region, and we will ensure Protection is a priority focus by incorporating te reo and tikanga across our projects and programmes, and continued development of the team's cultural awareness and, knowledge and understanding, of the principals of te Tiriti.

### Sustainable Development Goals

We are committed to sustainable practices in both CEDA's office environment and the environment within which we work and live. We value diversity in both our team at CEDA and our commitment to promoting diversity in age, culture, ethnicity, and gender in all that we do.

The Sustainable Development Goals or Global Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The Goals were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

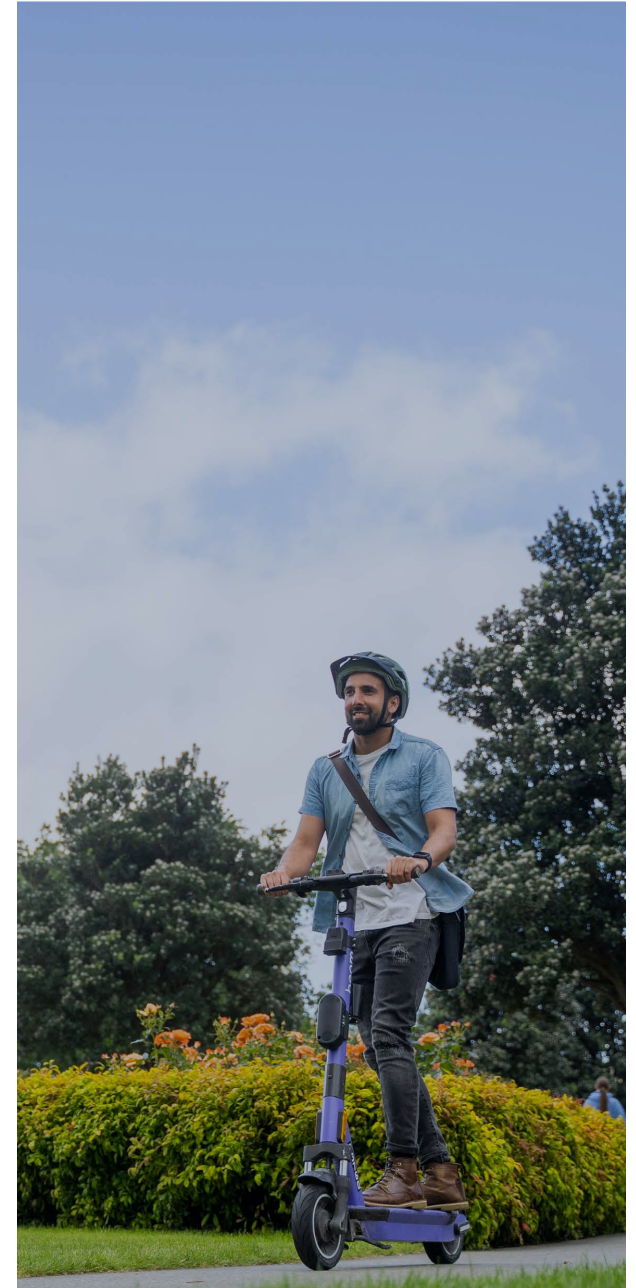
CEDA's top three Sustainable Development Goals we use to inform our programmes of work are:



### The Environment and Carbon Emissions

CEDA works with businesses through its regular business engagements to encourage considerations around carbon emission reduction and sustainability options for their operations. When looking at opportunities for investment in the region we consider the environmental impacts of any businesses looking to relocate here.

CEDA also advocates for sustainability through our business and community engagements such as e-newsletters and social media and ensuring we as an organisation are doing what we can through procurement and waste reduction initiatives.







# A Mātou Paearu Tutukinga Our Performance Measures

CEDA's performance measure framework identifies quantifiable measures of our programmes and activities aligned to our key strategic outcomes. These form the basis of our accountability and will be

reported on six-monthly. In our reporting, additional commentary will be used to inform on the delivery and effectiveness of the full range of CEDA's activity.

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**A MĀTOU PAE ARU TUTUKINGA**  
OUR PERFORMANCE MEASURES

Service Level Statement	Performance Measure	2023/24	2024/25	2025/26
Support the development and growth of business and sectors of strength in the region including inward investment	Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects	Te Utanganui implementation through 10 advocacy engagements and identification of 6 potential investment opportunities	Te Utanganui implementation through 10 advocacy engagements and identification of 6 new potential investment opportunities	Te Utanganui implementation through 10 advocacy engagements and identification of 6 new potential investment opportunities
		Support implementation of the Manawatū Food Strategy through delivery of 3 outcomes that relate to the strategic priorities identified	Support implementation of the Manawatū Food Strategy through delivery of 3 new outcomes that relate to the strategic priorities identified	Support implementation of the Manawatū Food Strategy through delivery of 3 new outcomes that relate to the strategic priorities identified
		4 leads/activities linked to other investment opportunities or promoting the region for investment	4 further leads/activities linked to other investment opportunities or promoting the region for investment	4 further leads/activities linked to other investment opportunities or promoting the region for investment
	Development of priority sectors through targeted business development and retention initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives
		Deliver 6 sector development initiatives to support the regions sectors of strength	Deliver 6 sector development initiatives to support the regions sectors of strength	Deliver 6 sector development initiatives to support the regions sectors of strength
		400 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme	420 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme	450 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme
		Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives	Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives	Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives
	Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent

**A MĀTOU PAEARU TUTUKINGA**  
OUR PERFORMANCE MEASURES

Service Level Statement	Performance Measure	2023/24	2024/25	2025/26
		Deliver 3 talent and skills initiatives to support industry in the region	Deliver 3 talent and skills initiatives to support industry in the region	Deliver 3 talent and skills initiatives to support industry in the region
		Deliver 2 initiatives that support youth into employment	Deliver 2 initiatives that support youth into employment	Deliver 2 initiatives that support youth into employment
Profile Manawatū locally, nationally, and globally	Lead and develop the stories of Manawatū, creating a narrative and collective voice, incorporating the cultural heritage of iwi	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity
		20 direct media features published profiling the region, with a reach of more than 1.5 million**	20 direct media features published profiling the region, with a reach of more than 1.5 million**	20 direct media features published profiling the region, with a reach of more than 1.5 million**
	Grow engagement on regional web and digital platforms for increased promotion of and information on the region	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement
Develop strategic partner relationships, leveraging opportunities	Grow and foster relationships with Māori, iwi and hapu in the region	Deliver 3 initiatives to support iwi engagement including support of iwi led projects	Deliver 3 initiatives to support iwi engagement including support of iwi led projects	Deliver 3 initiatives to support iwi engagement including support of iwi led projects
	Build on relationships with shareholders, central government agencies, and regional stakeholders	10 Partnership and funding agreements in place Completion of an independent Customer Satisfaction survey with key insights shared with Shareholders	10 Partnership and funding agreements in place	10 Partnership and funding agreements in place
Data and insights communications on the performance of the region's economy	Economic impact information regularly communicated to stakeholders and business	50 communications to key sectors and businesses in the region including economic updates	50 communications to key sectors and businesses in the region including economic updates	50 communications to key sectors and businesses in the region including economic updates

# Te Aronui ki te Hunga Whaipānga

## Alignment with Our Shareholders

It is imperative that CEDA's objectives are aligned with our shareholder council's plans and visions for the city and district. The Palmerston North City and Manawātū District Councils signed Long Term Plans which outline these objectives.

CEDA plays a critical part in delivering outcomes identified in the relative Long-Term Plans as outlined below:

MDC Long Term Plan Priorities	CEDA Service Level Statement alignment
A prosperous, resilient economy <i>He kāinga ka tōnui tōna ōhanga</i>	<ul style="list-style-type: none"> <li>Lead and support the regions attraction and retention of talent and skills through an integrated approach.</li> <li>Support the development and growth of business and sectors of strength in the region including inward investment.</li> <li>Profile Manawātū locally, nationally, and globally.</li> <li>Develop strategic partner relationships, leveraging opportunities.</li> <li>Data and insights communications on the performance of the region's economy.</li> </ul>
Infrastructure fit for future <i>He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā</i>	<ul style="list-style-type: none"> <li>Support the development and growth of business and sectors of strength in the region including inward investment.</li> </ul>
A future planned together <i>He kāinga ka whakamahereā tahitia tōna anamata e te hāpori tonu</i>	<ul style="list-style-type: none"> <li>Lead and support the regions attraction and retention of talent and skills through an integrated approach.</li> <li>Support the development and growth of business and sectors of strength in the region including inward investment.</li> <li>Profile Manawātū locally, nationally, and globally.</li> <li>Develop strategic partner relationships, leveraging opportunities.</li> <li>Data and insights communications on the performance of the region's economy.</li> </ul>
An environment to be proud of <i>He kāinga ka rauhītia tōna taiao</i>	<ul style="list-style-type: none"> <li>Support the development and growth of business and sectors of strength in the region including inward investment.</li> <li>Profile Manawātū locally, nationally, and globally.</li> </ul>

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## ALIGNMENT WITH OUR SHAREHOLDERS

PNCC Long Term Plan Strategic Goals	CEDA Service Level Statement alignment
An Innovative and Growing City <i>He tāone auahwa, he tāone tiputipu</i>	<ul style="list-style-type: none"> <li>• Lead and support the regions attraction and retention of talent and skills through an integrated approach.</li> <li>• Support the development and growth of business and sectors of strength in the region including inward investment.</li> <li>• Profile Manawātū locally, nationally, and globally.</li> <li>• Develop strategic partner relationships, leveraging opportunities.</li> <li>• Data and insights communications on the performance of the region's economy.</li> </ul>
A Creative and Exciting City <i>He tāone whakaihihi tapatapahi ana</i>	<ul style="list-style-type: none"> <li>• Lead and support the regions attraction and retention of talent and skills through an integrated approach.</li> <li>• Support the development and growth of business and sectors of strength in the region including inward investment.</li> <li>• Profile Manawātū locally, nationally, and globally</li> </ul>
A Connected and Safe Community <i>He hāpori tūhonohono, he hāpori haumarū</i>	<ul style="list-style-type: none"> <li>• Support the development and growth of business and sectors of strength in the region including inward investment.</li> <li>• Data and insights communications on the performance of the region's economy.</li> </ul>
An Eco city <i>Te tāone tautaiāo</i>	<ul style="list-style-type: none"> <li>• Support the development and growth of business and sectors of strength in the region including inward investment.</li> <li>• Data and insights communications on the performance of the region's economy.</li> </ul>

# Ngā Tohu Aroturuki Monitoring Indicators

In addition to our performance measures, the shareholders have identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our control, for example: exchange rates, natural disasters, government policy. As the region's

economic development agency, we have a role in monitoring and influencing these indicators where we can, however we do not measure the performance of our organisation against them. The Councils have the responsibility to report on these indicators.

Indicator	2024	2025	2026	Regional target*
Change in total number of jobs	1.9% increase	1.9% increase	1.9% increase	1.9% average annual increase over three years
Change in median salaries and wages	2.6% increase	2.6% increase	2.6% increase	2.6% pa increase
Change in total earnings (salaries, wages, and self-employment income)	3.7% increase	3.7% increase	3.7% increase	3.7% pa increase, average annual increase of \$104 million
Change in total GDP and per capita GDP	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% average annual increase in total GDP 0.6% average annual increase in per capita GDP
Estimated population change	1,350 increase	1,350 increase	1,350 increase	1,350 population increase pa, 1.2% average increase pa
- 65 years and over population (for demographic monitoring)	530 increase	530 increase	530 increase	Estimated 530 population increase pa, 3.3% pa
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain
Spend by visitors in Manawātū region (domestic and international)	5.7% increase	5.7% increase	5.7% increase	5.7% pa increase, average annual increase of \$22 million
Number of visitor nights in Manawātū region	1.6% increase	1.6% increase	1.6% increase	1.6% pa increase
Change in MSD benefit numbers	1.6% decline	1.6% decline	1.6% decline	1.6% pa decline, average annual decline of 130 people
Reputation of Manawātū / Palmerston North as a great place to live and do business**	1% increase	1% increase	1% increase	3% increase over 3 years

\*excludes any annual inflation increase

\*\*as measured by UMR Research compiled 3 yearly, first measured 2016

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STATEMENT OF INTENT 2024

# Mō CEDA About CEDA



The Central Economic Development Agency (CEDA) was incorporated with the Companies Office in October 2015 and began full operations in September 2016. CEDA is a Council Controlled Organisation jointly owned by the Palmerston North City Council and the Manawātū District Council.

## **CEDA's Purpose**

To drive and facilitate the creation and growth of economic wealth for Manawātū and beyond.

## **CEDA's Constitution Objectives**

- (a) The principal objectives of the Company are to achieve the objectives of the shareholders, both commercial and non-commercial as specified from time to time in the Statement of Intent and, in particular, to drive and facilitate the creation and growth of economic wealth for Manawātū and beyond;
- b) be a good employer;
- c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when reasonably able to do so.

## **CEDA's Structure and Governance**

The Board of up to seven (currently six) independent directors is responsible for the strategic direction and control of CEDA's activities.

The Board guides and monitors the business and affairs of CEDA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Company's Constitution and this Statement of Intent.

The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to all shareholders and reporting to both the Manawātū District Council and Palmerston North City Council

The Chief Executive is responsible for the day-to-day operations of CEDA, engaging and oversight of staff and reporting to the directors on performance against CEDA's objectives.





# Tutukinga Ahumoni

## Financial Performance

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TE TAUAKI TAKUNE  
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# Group Statement of Comprehensive Revenue & Expenses

Central Economic  
Development Agency  
Limited

For the 12 Months to June

	Notes	2023-24 Budget	2024-25 Forecast	2025-26 Forecast
<b>Income</b>				
Council Funding	1	2,645,261	2,777,525	2,916,401
Other Services Income	2	930,887	543,000	543,000
<b>Total Income</b>		<b>3,576,148</b>	<b>3,320,525</b>	<b>3,459,401</b>
<b>Cost of Sales</b>				
Other Services Expenses	2	1,452,511	1,054,624	1,156,201
<b>Total Cost of Sales</b>		<b>1,452,511</b>	<b>1,054,624</b>	<b>1,156,201</b>
<b>Gross Surplus (Deficit)</b>		<b>2,123,637</b>	<b>2,265,901</b>	<b>2,303,200</b>
<b>Other Income</b>				
Sundry Income		10,000	4,000	3,000
<b>Total Other Income</b>		<b>10,000</b>	<b>4,000</b>	<b>3,000</b>

# Group Statement of Comprehensive Revenue & Expenses

Central Economic Development Agency Limited

For the 12 Months to June

	Notes	2023-24 Budget	2024-25 Forecast	2025-26 Forecast
<b>Expenses</b>				
Depreciation		3,900	3,120	3,000
Directors' Fees		180,000	180,000	180,000
Employee Expense		1,594,538	1,704,265	1,789,478
Financing Expenses		200	200	200
Other Operating Expenses		433,610	394,510	407,906
<b>Total Expenses</b>		<b>2,212,248</b>	<b>2,282,095</b>	<b>2,380,584</b>
<b>Net Surplus (Deficit) Before Tax</b>		<b>(78,611)</b>	<b>(12,194)</b>	<b>(74,384)</b>
<b>Taxation</b>				
Income Tax Expense		0	0	0
<b>Total Taxation</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Surplus (Deficit) after tax</b>		<b>(78,611)</b>	<b>(12,194)</b>	<b>(74,384)</b>

1. Assumes 4.3% annual CPI/local government increase

2. Includes MBIE Regional Business Partner Programme, and Ministry of Culture and Hertiage (2023-24) funding

## Group Statement of Financial Position

Central Economic  
Development Agency  
Limited

As at 30 June

	30 June 2024 Budget	30 June 2025 Forecast	30 June 2026 Forecast
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	810,717	802,610	731,475
Receivables and Accruals	57,106	54,656	55,987
Prepayments	1,400	1,400	1,400
<b>Total Current Assets</b>	<b>869,223</b>	<b>858,666</b>	<b>788,862</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	22,104	18,984	15,984
<b>Total Non-Current Assets</b>	<b>22,104</b>	<b>18,984</b>	<b>15,984</b>
<b>Total Assets</b>	<b>891,327</b>	<b>877,650</b>	<b>804,846</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables and Deferred Revenue	133,947	132,464	134,044
Employee Entitlements	92,935	92,935	92,935
<b>Total Current Liabilities</b>	<b>226,882</b>	<b>225,399</b>	<b>226,979</b>
<b>Total Liabilities</b>	<b>226,882</b>	<b>225,399</b>	<b>226,979</b>
<b>Net Assets</b>			
<b>Net Assets</b>	<b>664,445</b>	<b>652,251</b>	<b>577,867</b>
<b>Equity</b>			
Contributed Capital	1,000	1,000	1,000
Retained Earnings	663,445	651,251	576,867
<b>Total Equity</b>	<b>664,445</b>	<b>652,251</b>	<b>577,867</b>

35 CEDA  
TE TAUĀKI TAKUNE STATEMENT OF INTENT  
1 MARCH 2023

# Group Statement of Cash Flows

Central Economic  
Development Agency  
Limited  
For the 12 Months to June

	30 June 2024 Budget	30 June 2025 Forecast	30 June 2026 Forecast
<b>Cash Flows from Operating Activities</b>			
Receipts of council funding	3,041,008	3,192,887	3,352,529
Interest received	10,000	4,000	3,000
Receipts from other operating activities	633,432	628,173	624,456
GST	(166,100)	(279,153)	(284,707)
Payments to suppliers and employees	(3,952,524)	(3,553,813)	(3,766,213)
Finance costs	(200)	(200)	(200)
<b>Total Cash Flows from Operating Activities</b>	<b>(434,384)</b>	<b>(8,106)</b>	<b>(71,135)</b>
<b>Net Cash Flows</b>	<b>(434,384)</b>	<b>(8,106)</b>	<b>(71,135)</b>
<b>Cash Balances</b>			
Cash and cash equivalents at beginning of period	1,245,112	810,728	802,622
Cash and cash equivalents at end of period	810,728	802,622	731,487
<b>Net change in cash for period</b>	<b>(434,384)</b>	<b>(8,106)</b>	<b>(71,135)</b>

See Appendix for Accounting Policies



# Ngā Here a te Hunga Whaipānga

## Shareholder requirements

### Reporting to Shareholders

The Shareholders will invite CEDA to formally report to each Shareholder twice per year, being the 6-month report and Annual Report.

The role of the formal reports to each shareholder is to:

- Review the performance of CEDA, and report to shareholders on that performance on a periodic basis
- Undertake performance monitoring of CEDA, as per section 65 of the Local Government Act
- Approve the appointment, removal, replacement, and remuneration of directors
- Review and approve any changes to policies, or the SOI, requiring their approval

The Board aims to ensure that the shareholders are informed of all major developments affecting CEDA's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public.

CEDA will adhere to a 'no surprises' approach in its dealings with its shareholders.

### Statement of Expectations

By 1 December in each year the shareholders will deliver to CEDA a Statement of Expectations. The Statement of Expectations is intended to provide direction on issues that are important to both Councils, and to assist in the development of CEDA's next SOI. A Statement of Expectations for 2023/24 has been delivered to CEDA.

### Statement of Intent

By 1 March in each year CEDA will deliver to the shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the shareholders received by 30 April, the Board will deliver the completed SOI to the shareholders on or before 15 June each year.

### Half Yearly Report

By the end of February each year, CEDA will provide to the shareholders a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Director's commentary on operations for the relevant six-month period
- Comparison of CEDA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity and Statement of Cashflows

### Annual Report

By 30 September each year, CEDA will provide its shareholders an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002 and the Companies Act.

The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report
- Financial Statements incorporating a Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts
- Comparison of CEDA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances
- Auditor's Report on the financial statements and the performance targets
- Any other information that the directors consider appropriate

### Shareholder Meetings

CEDA will hold an Annual General Meeting (AGM) between 30 September and 30 November each year to present the Annual Report to all shareholders unless it is agreed between CEDA and the shareholders that the business of the AGM will be done by resolution in writing.

### Shareholder Approval

Any subscription, purchase, or acquisition by CEDA of shares in a company or organisation will require shareholder approval by special resolution as will the other matters outlined in clause 3 of CEDA's Constitution.

### Dividend policy

CEDA is a not for profit Council Controlled Organisation, as such the Board is not intending to pay any dividends in the foreseeable future.



# Āpitihanga Appendices

## Accounting Policies

### 1. Reporting Entity

Central Economic Development Agency Ltd (CEDA) was established and commenced operations in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawātū District Council (50%). CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

CEDA has designated itself as a public benefit entity (PBE) for financial reporting purposes.

### 2. Statement of Accounting Policies

#### Basis of Preparation

The financial statements are prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period, unless otherwise stated.

#### Statement of Compliance

The financial statements of CEDA have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993, and the Financial Reporting Act 2013. This includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduced Disclosure Regime (RDR). CEDA is eligible and has elected to report in accordance with Tier 2 PBE standards RDR on the basis the entity has no public accountability and has expenses > \$2m and < \$30m.

#### Presentation Currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

#### Historical Cost

These financial statements have been prepared on a historical cost basis.

#### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period. New group standards have been applied but have resulted in no impact to the financial statements.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured. Specific accounting policies for significant revenue items are explained below:

Sales of goods are recognised when the goods are sold to the customer.

Sales of services are recognised in the period by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Interest received is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest method.

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donated assets. Where a physical asset is gifted to or acquired by CEDA for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue.

The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

Inventories

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus (deficit) in the period of the write-down.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Depreciation

Account	Method	Rate
Leasehold Improvements	Diminishing Value	10%
Office Furniture & Equipment	Diminishing Value	0% - 50%
Office Furniture & Equipment	Straight Line	8.5% - 10.5%
Vehicles	Diminishing Value	30%
Websites	Straight Line	40%

Income Tax

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Receivables are recorded at their face value, less any provision for impairment.

**Impairment of financial assets**

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

*Loans and receivables*

Impairment is established when there is evidence CEDA will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits or bonds are recognised directly against the instrument's carrying amount.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

**Payables**

Short-term creditors and other payables are recorded at their face value.

**Equity**

Equity is the shareholders' interest in CEDA and is measured as the difference between total assets and total liabilities.

**Good and Services Tax**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

**Employee Entitlements**

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Short-term employee entitlements - Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date, and sick leave. These are classified as a current liability.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

CEDA does not provide for long service or retirement leave entitlements.

**Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

**Leases - Where CEDA is the Lessee**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.



24 January 2023

Bobbie O'Fee  
Chair  
Central Economic Development Agency Ltd  
Level 1/1-19 Fitzherbert Avenue  
PALMERSTON NORTH 4410

Dear Bobbie,

#### **CEDA Statement of Expectations 2023-2024**

The purpose of this Statement of Expectations is to provide CEDA with the Shareholders' focus and priorities for delivery, against its purpose of driving and facilitating the creation and growth of economic wealth in the Manawatu region and beyond.

When working beyond the Manawatu, there must be a causal link of the outcomes or benefits back to the Manawatu region based on the core functions and measures of success outlined below.

It is also expected that CEDA will use this letter to guide the development of the Statement of Intent (SOI) for 2022-2023.

#### **Strategic Relationships**

Taking a leadership position and building strategic relationships in the Manawatu region and beyond, is fundamental for CEDA to achieve its purpose. CEDA must be relationship-driven at all levels and we appreciate your commitment to this. From our perspective (both as shareholders and partners), this means CEDA developing a deep understanding of the roles of its strategic partner organisations, what their priorities and strengths are, and how CEDA can add value to the relationship (and vice versa) to achieve better economic outcomes for the region.

CEDA formalising these strategic relationships, is important to us as shareholders, to ensure we have cohesion in the region around economic development activities. We would like this to be driven further by CEDA through mutually agreed partnership agreements or similar, to ensure everyone is on the same page and provide the basis for a consistent and collective approach with measurable outcomes.

Ongoing review of the existing strategic partnership agreements already in place is expected.

The shareholders have identified the following strategic partners for CEDA: Palmerston North City Council, Manawatu District Council, Iwi, Manawatu Chamber of Commerce, Talent Central, The Factory, and key central government agencies.

The Shareholders and CEDA will continue to work together to update the existing list of strategic partners.

2

There may be opportunities for CEDA to leverage existing strategic relationship agreements entered into by the shareholders, e.g. NZ Defence Force and Accelerate 25.

#### **Key Agreed Functions and Outcomes**

We understand that to be effective, CEDA must be able to focus on key outcomes within a well-defined mandate. We also recognize this is a challenge given there can be differing stakeholder expectations.

This means CEDA focusing on the delivery of its core functions and outcomes in:

- Stimulate inward investment (both national and international), retention and expansion of business in the Manawatu region, along with business recovery to COVID-19.
- Developing a talent pipeline
- Support Domestic Visitation and tourism recovery post COVID-19.

Top priorities for MDC are:

- Promotion and development of key tourism and visitor destinations, including the country road tourism route.
- Stimulate inward investment for Manawatu district.
- Promote Manfeild as a conference and events venue option
- Deliver on the Regional Identity implementation.
- Identify activities that help resolve labour shortages in the district.

Top priorities for PNCC are:

- Implementation of the Central NZ Distribution Hub Strategy.
- Support advocacy on the Palmerston North Integrated Transport Investment project.
- Stimulate inward investment in Palmerston North city.
- Continue to stimulate visitor activity in Palmerston North city, in conjunction with the PNCC marketing unit and MDC

A specific joint priority of MDC and PNCC is:

- Development of a Food Strategy that addresses the total value chain from primary production, farmers and growers to agri-business clusters, e.g. rural banks, real estate, insurance, vets, sale yards, stock firms, grain & seed merchants, agri-retail and rural tourism with a Manawatu District focus, through to agri-tech & science, including supporting the Factory and Food HQ with its aspirations.

In balancing the priorities of each council, and within its resources, CEDA is expected to adhere to its purpose in the constitution of "driving and facilitating the creation and growth of economic wealth in the Manawātū region and beyond" and take into account the priorities identified in regional strategic planning documents, including the Regional Spatial Plan.

While International Education is now a function that primarily sits with Palmerston North City Council, the shareholders expect CEDA to continue to consider the aspirations of the International Education sector with respect to the delivery of its other core functions.

Action plans to deliver on these core functions should identify KPIs based on clear intervention logic.

It is expected that CEDA will work very closely with key stakeholders of the regions strengths of research/agri-food/agri-business/land/horticulture, distribution and logistics, defence, health, visitor, education (domestic and international), digital and technology, and a growing Māori economy.

CEDA is expected to scan for new opportunities, whether or not it is a key strength, where this can benefit the region.

CEDA's success will be measured by the shareholders using the following indicators of the health of the regional economy:

- Job growth
- Increase in median household income
- Number of investment leads and deals secured
- Strength of the relationship with strategic partners

The shareholders acknowledge that the first two measures are not directly under CEDA's control. Significant changes in international and national economic factors will be taken into account when the Shareholders measure CEDA's performance.

Understanding the strategic drivers of the Councils and aligning CEDA's core functions to those drivers is critical to the partnership between the Councils and CEDA. The Councils have a key role in setting the economic environment for business to flourish and CEDA acts on the Councils behalf in facilitating opportunities for improved economic outcomes. CEDA is the Councils Agency for the delivery of economic development across the region.

Therefore, it is expected that CEDA will engage with the Councils in the development and implementation of their strategies and plans (such as Inward Investment Strategy, Labour Market Plan, Visitor Strategy and Māori Engagement Plan). These strategies and plans are expected to demonstrate active engagement with other strategic partners in their development.

The Councils are obliged to ensure that our services are delivered effectively and efficiently. As a Council-Controlled Organisation (CCO), this expectation extends to CEDA. The Shareholders require CEDA to provide an activity-based budget so the Council can effectively communicate levels of service and value for money to their ratepayers. In addition, there are many opportunities where shared resourcing, expertise and services should be explored and we would like to discuss these opportunities from both a short-term and long-term perspective.

To ensure the Shareholders and CEDA are on the same page, the focus, scope of activity, and priorities will be set through the Statement of Intent (SOI), and delivery managed through any relationship agreement that is put in place.

The shareholders expect that where CEDA is marketing the Manawātū region and this requires differentiating between the Manawatu, Feilding and Palmerston North, that this will continue to be delivered by CEDA in close collaboration with both shareholders.

The Shareholders would like to continue the monthly team meeting between the Mayors, Council CE's and relationship managers with the CEDA Chair and CE, although the purpose and participation at these meetings should be reviewed in collaboration with the shareholders.

The Shareholders will invite CEDA to formally report to each Shareholder twice per year, being the 6-month report and Annual Report.

CEDA will host two informal meetings with the Shareholders together to share progress on key priorities and connect outside of the formal reporting processes.

We look forward to working with CEDA to develop an economic development model that successfully delivers. We thank the Board, CEDA CE, and CEDA staff for their continued commitment to economic growth in the Manawātū region.

Yours sincerely



Grant Smith  
Mayor  
PALMERSTON NORTH CITY COUNCIL



Helen Worboys  
Mayor  
MANAWATŪ DISTRICT COUNCIL

## Ō Mātou Hoa Mahi Tahi Our Partner Organisations

### Local

Central Skills Hub  
Central Region Talent and Skills Advisory Group  
Feilding and District Promotion  
FoodHQ  
IPU New Zealand  
Lamberts  
ManawaTech  
Manawatū Business Chamber  
Manawatū District Council  
Manawatū Young Chamber  
Manawatū Standard  
Manawatū Young Professionals Network  
Manfeild  
Massey University  
National Driver Training Centre  
Palmerston North City Council  
Palmerston North Airport  
Poutama Trust  
Rangitāne o Manawatū  
Regional Schools  
Spearhead Manawatū  
Sport Manawatū  
Sprout Agritech  
Talent Central

Te Au Pakihi  
Te Manawa  
The Factory  
UCOL | Te Pūkenga  
Welcoming Communities

### Regional

Accelerate25  
Business Central and Export NZ  
Horizons Regional Council  
Horowhenua District Council  
Rangitikei District Council  
Regional Skills Leadership Group – Manawatū-Whanganui  
Ruapehu District Council  
Taranaki District Council  
Te Manu Atatū  
Te Utanganui partners, Kiwirail and Napier Ports  
The Horowhenua Company  
Venture Taranaki  
Whanganui and Partners

### National

AgResearch  
Air New Zealand  
Business Mentors New Zealand  
Callaghan Innovation  
Economic Development New Zealand  
Fonterra Cooperative Group  
Immigration New Zealand  
Ministry of Business, Innovation and Employment  
Ministry of Culture and Heritage  
Ministry of Social Development  
New Zealand Careers Expo  
New Zealand Trade and Enterprise  
New Zealand Motor Caravan Association  
Regional Tourism New Zealand  
Regional Business Partners Network  
Regional Tourism Organisations New Zealand  
Stuff  
Te Tāhuhu o te Māturanga – Ministry of Education  
Tourism Industry Aotearoa  
Tourism New Zealand  
Waka Kotahi  
Workforce Development Councils





**CEDA**  
CENTRAL ECONOMIC  
DEVELOPMENT AGENCY

## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 21 June 2023

**TITLE:** Palmerston North Strategic Networks 2023

**PRESENTED BY:** James Miguel, Senior Transport Planner

**APPROVED BY:** David Murphy, Chief Planning Officer

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### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Committee lift the report "Palmerston North Strategic Networks 2023" from the table.

### RECOMMENDATION TO COUNCIL

2. That Council endorse the Palmerston North Strategic Networks 2023 (Attachments 1 & 2) to inform future Council decision-making on transport matters, including the 2024-2034 Long Term Plan and supporting documents
- 

#### 1. ISSUE

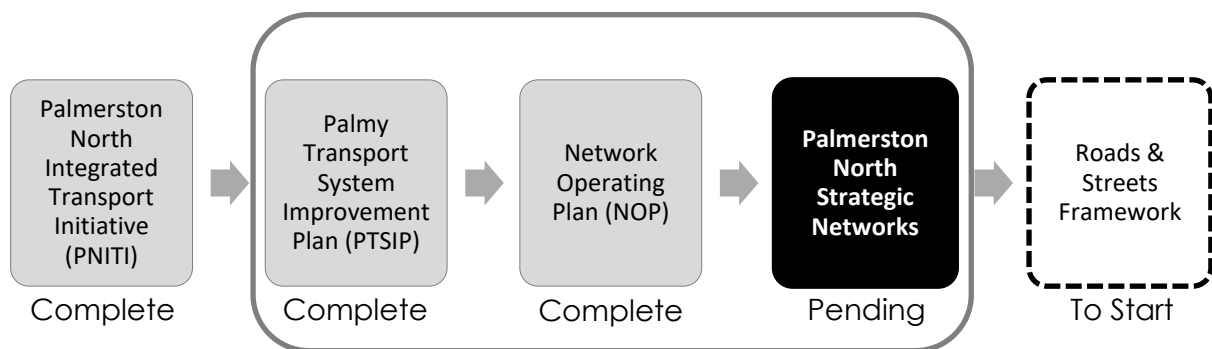
- 1.1 On 22 February 2023, the Economic Growth Committee was presented a memorandum titled "[Palmerston North Strategic Transport Networks](#)" with an accompanying recommendation to adopt the Strategic Networks as a key strategic document.
- 1.2 Following concerns expressed regarding certain components of the Palmerston North Strategic Networks 2023 (Strategic Networks) documentation, and the insufficient time to consider the material, the Economic Growth Committee resolved to lie the report on the table so that a workshop could be scheduled with elected members.
- 1.3 Two workshops with Elected Members were held in May 2023.
- 1.4 Endorsement of the Strategic Networks will assist Council in working with Waka Kotahi and Horizons Regional Council to align work programmes and investment proposals in order in order to maximise co-funding opportunities.

#### 2. BACKGROUND

- 2.1 The Strategic Networks represents a natural progression of the Palmerston North transport planning work programme. The Strategic Networks seeks to

summarise traditional internal-facing technical documents and present a simple public-facing plan, in the interests of transparency and accountability.

- 2.2 The Strategic Networks is the culmination of a number of pieces of work, including the Palmy Transport System Improvement Plan (PTSIP) and the Network Operating Plan (NOP), which is a Waka Kotahi requirement. PTSIP was the first action within Palmerston North Integrated Transport Initiative (PNITI).
- 2.3 There are two key components of the Strategic Networks:
  - a) The Strategic Networks summary document. This is included as attachment 1.
  - b) The priority routes web-maps. This is included as Attachment 2.
- 2.4 Figure 1 below outlines the links between Strategic Networks and other transport planning documents.



*Figure 1 - Where the Strategic Networks fit within council's work programme*

- 2.5 Strategic Networks will be a primary input into the development of the Roads and Streets Framework, an action within the Strategic Transport Plan within the current Long-Term Plan (LTP).

### **3. DISCUSSION**

- 3.1 Following the decision to lie the Strategic Networks report on the table, Council officers arranged two workshops with elected members. The workshops were held on 10 May 2023 and 17 May 2023. Fifteen elected members attended one or both of workshops.
- 3.2 At the workshops Council officers provided elected members with further background on the Strategic Networks, including its relationship to the PNITI and subsequent PNITI work programmes. The slides presented at the workshop have been included as Attachment 3. Representatives of Waka Kotahi and Horizons Regional Council also attended the workshops and helped prepare and present the material.

- 3.3 The Strategic Networks seeks to support good decision-making and help Council prioritise and coordinate investment in the transport network. For example, supporting investment that directs the right mode of transport to the most appropriate route. This is integral to Council securing funding from Waka Kotahi for its future work programmes.
- 3.4 Some of the concerns raised by elected members at the 22 February 2023 Economic Growth Committee meeting and the subsequent workshops with elected members related to specific comments regarding parking and speed limits contained in the NOP and PTSIP.
- 3.5 The NOP alongside PTSIP are technical reference documents. The NOP is consistent with the Waka Kotahi One Network Framework and is designed to be a starting point for the identification of the priority routes. The NOP uses a holistic and network-wide approach to consolidate the long-term transport vision detailed in PNITI. It identifies steps that can be taken in the short term towards achieving PNITI. The purpose of the PTSIP is to form an integrated multi-modal view of place and movement priorities as we transition to the outcomes detailed in PNITI.
- 3.6 Both the NOP and PTSIP are guidance documents intended to support the material represented in the Strategic Networks. They help inform, as opposed to direct, future Council decision-making. As detailed in the workshop material, included as Attachment 3, key decisions on matters such as parking and speed limits will continue to require Council input and formal Council decisions. For example, the proposed Parking Framework and the current speed management proposals.




#### 4. NEXT STEPS

- 4.1 Upon the endorsement of the Strategic Networks, the following actions will be undertaken:
  - Mayor/Chief Executive to provide the foreword for the Strategic Networks.
  - A communications plan will be prepared to socialise the Strategic Networks and help clarify public comments and concerns regarding the future management of parking, particularly in the city centre.
  - The priority routes web-map and Strategic Networks document will be uploaded onto the Council website.
  - Provide an explicit link between the Strategic Networks document and the priority routes web-map so the public can easily navigate between both documents.
  - Work with Waka Kotahi and Horizons Regional Council to align work programmes and investment proposals with the Strategic Networks in order to maximise co-funding opportunities.

## 5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	<b>No</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Transport	
The action is: Complete the Streets and Roads Framework to replace the Street Design Manual	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>The Strategic Networks 2023 have been developed in order to give effect to higher order transport planning documents and present a simple public-facing plan, in the interests of transparency and accountability.</p> <p>Endorsement of the Palmerston North Strategic Networks 2023 gives effect to all the actions within the Transport Plan, and is a key element in future co-funding decision-making with Waka Kotahi.</p>

## ATTACHMENTS

1. Strategic Networks 2023 - Summary Document [↓](#) 
2. Strategic Networks 2023 - Priority Routes [↓](#) 
3. Transport Planning, Strategic Networks & Priority Routes Workshop Slides [↓](#) 



# Strategic Networks 2023









# FOREWORD

TBC MAYOR / CEO / CPO



# Our approach

Managing Palmerston North's transport system is a complicated process, with many competing demands and users to balance and cater for. As the city's population grows and existing congestion, road safety issues and maintenance deficits become more significant, there's a need to adopt a more proactive and planned approach to managing our transport network.

## We need to balance competing demands within the limited available space

While we will always strive to provide high quality roads and enough transport capacity for the needs of our city, there is increasingly a need to achieve the best use and value for money of our existing assets. Opting to build our way out of our transport issues by increasing capacity for vehicles – such as building more traffic lanes or providing more city centre carparking without understanding the wider network – is expensive, technically challenging, aggravates our current road safety and emissions issues, and with induced demand<sup>1</sup>, will only provide benefits for a very short period of time.

**Induced demand**<sup>1</sup> is the phenomenon that describes how increasing the supply of an item actually leads to higher demand of said item. In transport terms, providing more capacity than required – either through more lanes, reduced travel time or cheap/free carparking – directly leads to more congestion.

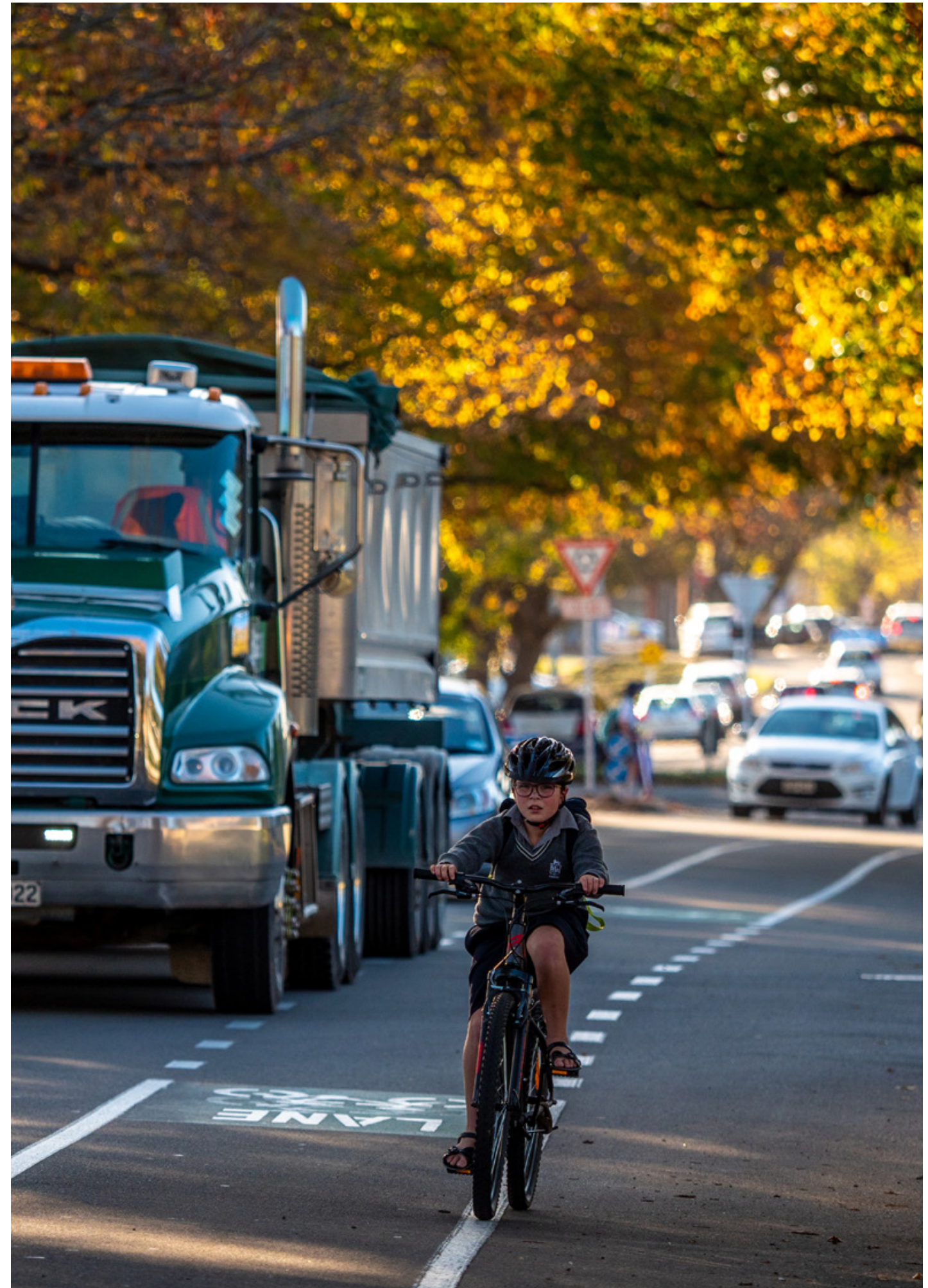
## Getting the most out of our transport assets is the only way for Palmerston North to grow sustainably and efficiently

In contrast, adopting an approach to maximise the use of existing transport infrastructure by providing quality travel choices across the city is a much cheaper, more feasible and more effective approach. It will also lead to reduced maintenance costs, transport emissions, deaths and serious injuries and a higher quality urban realm.

To do this, PNCC needs to have a clear strategy on how the transport network should function, how road space is allocated for certain uses, and how certain uses/modes are prioritised across certain corridors. The Palmerston North Strategic Networks presents a simple, integrated, evidence-based view of where modes are prioritised across the transport network now and in the future.

## The right mode for the right road

The Palmerston North Strategic Networks include some of the immediate planning actions within the Palmerston North Integrated Transport Initiative (PNITI) – endorsed by Palmerston North City Council and the Waka Kotahi board. PNITI is the highest priority project across the Horizons Region as stated in the Regional Land Transport Plan (RLTP) 2021-31<sup>2</sup>.



4 Strategic Networks

<sup>1</sup> Adapted from Building Bigger Roads Actually Makes Traffic Worse, wired.com

<sup>2</sup> Horizons Regional Council



# Context

Palmerston North's unique central location and regionally significant road, rail and air connections acts as a critical gateway and hub to the wider Horizons Region. The city generates 13.5<sup>1</sup> million tonnes of freight across 8% of New Zealand's total land area. Palmerston North itself contributed around \$5.5bn to the national economy in the year to September 2021<sup>1</sup>. With \$8billion of infrastructure investment planned and underway in and around our city, we need to find the right balance between catering for regionally significant freight activities while ensuring Palmerston North is a safe, inviting and accessible city for the 90,500 people that call it home.

## Integrating our land use planning and transport planning is critical

Our Long Term Plan 2021-31 seeks to strengthen our existing "small city benefits" such as quality of life while simultaneously striving for "big city ambition" such as the education and economic opportunities available in larger cities. How we will do this over the next 10 years is presented across the fifteen Council plans and strategies shown opposite.

The way Palmerston North's transport network is designed, maintained, renewed and managed will be determined by Council's ability to achieve the targets set out in these plans. For example, reducing our city's emissions by 30%<sup>2</sup> within the next 10 years will be challenging and require major changes in how our people and goods move about our city. Ensuring our community has a range of legitimate, feasible and safe choices in how they move across the city will require fundamental changes to our city's physical transport network.

<sup>1</sup> Infometrics  
<sup>2</sup> Horizons Regional Council  
<sup>3</sup> PNCC Long Term Plan 2021-31



6 Strategic Networks

## Council plans and strategies



7

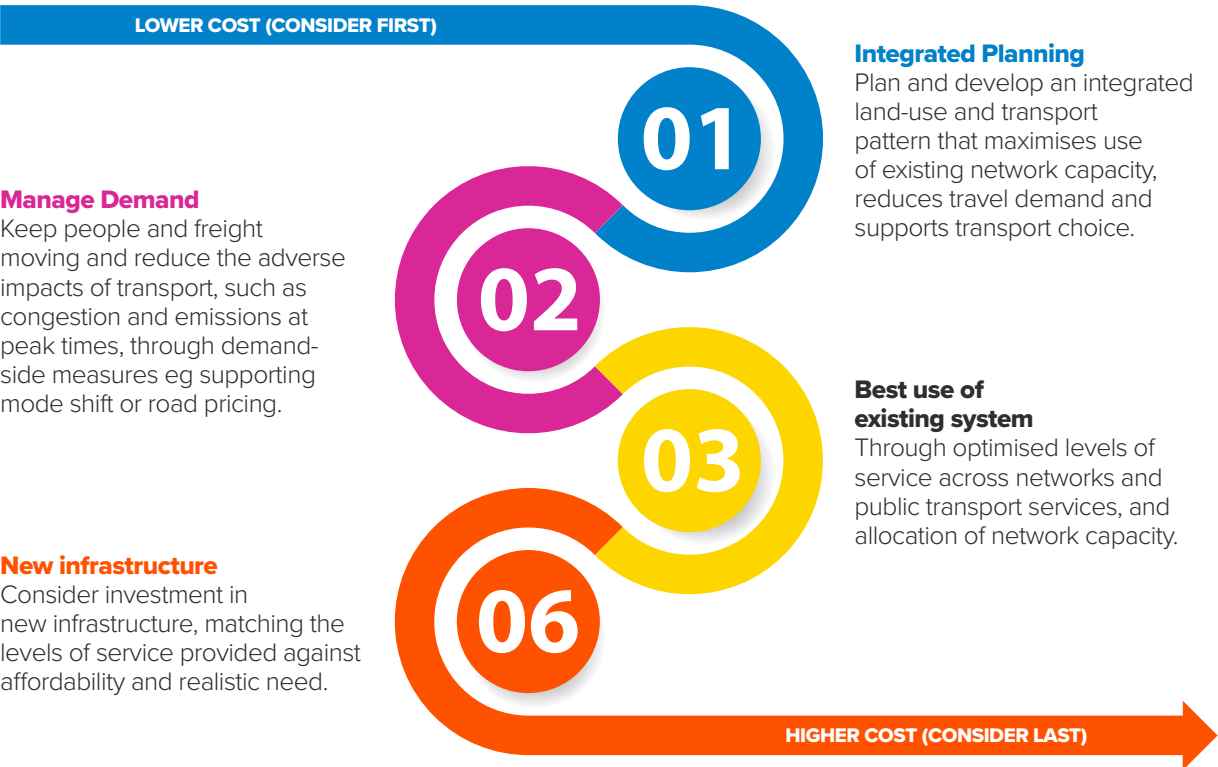
# Our national priorities

Central government guidance and direction in this space is clear. Councils are required to clearly demonstrate that their activities align with the Government Policy Statement on Land Transport (GPS) – prioritising safety, access, value for money and reducing climate change effects.



## Making the best of use of what we've got before building our way out

Also, building new capital infrastructure to accommodate future transport demand is increasingly seen as the last – and most expensive – resort only to be chosen when all other options such as those outlined in Waka Kotahi's Intervention Hierarchy are exhausted. Using Palmerston North Strategic Networks to outline how we prioritise certain modes and functions across our existing transport network, will ensure that more cost-effective, environmentally friendly and adaptable interventions are implemented before the development of new infrastructure.



# Our local priorities

Locally, PNCC's Transport Asset Management Plan 2020 identifies a critical need to better balance movement and place functions across Palmerston North's roads. This means ensuring corridors prioritised for movement are efficient and reliable while those prioritised for place functions are safe, appealing and serve the needs of people first.

## Movement

The function of a road acting as a conduit for the passage of people and goods



## Place

The function of a road and roadside activities acting as a destination in its own right





# Our issues

The effects of our city's growth are starting to be felt across Palmerston North, with more people (1.0% average growth per annum<sup>1</sup>) making more trips and therefore competing for limited space and capacity across our roads, carparks and public spaces.

The number of crashes involving freight traffic on roads not intended to carry freight increased by nearly 70% between 2015 and 2019<sup>2</sup>. Palmerston North boasted the highest proportion of trips to work by walking or cycling in the country every census till 1996 but our place has fallen significantly in every subsequent census.

**Around 250 people have died or been seriously injured on our roads over the past decade, with the annual rate increasing – particularly at intersections and for those using active modes. Around 65% of our road pavements are over 40 years old<sup>3</sup> compared with a typical design life of 25 years<sup>4</sup> and the number of customer requests related to potholes has more than doubled across the last 10 years<sup>5</sup>.**

In 2021 41% of our total city-wide carbon emissions were attributed to transport activities.

PNCC's most recent Freight Demand Study indicated that heavy freight vehicles tend to permeate through Palmerston North's urban streets to find the easiest and most convenient routes across the city. These 'rat-run' routes generally occur on residential streets, past schools and/or recreational facilities, and on roads not designed to carry significant heavy freight traffic.

The high prevalence of these movements on "place" streets indicates the lack of a clear roading hierarchy across our city, and suggests the "movement" routes that should be prioritising the safe and efficient movement of people and goods aren't optimised for their intended function.

Furthermore, there are signals that Palmerston North's transport deficiencies are beginning to constrain future development, with implications to our city's economic prosperity if the way we manage our transport system isn't significantly overhauled. During engagement with the freight and logistics industry during the development of PNITI, participants highlighted current constraints with transport connectivity to the North East Industrial Zone as a significant factor in why they hadn't relocated or expanded their operations in Palmerston North.

If the city is unable to make the necessary changes across the network to ensure the right modes are prioritised along the right roads, the existing issues around road safety, rat-running, transport emissions and congestion at peak times (i.e. travel time variability) will only compound.

**The damage to our roads caused by one pass of a heavy vehicle can be equivalent to 10,000 passes of a typical private car.<sup>5</sup>**

<sup>1</sup> Infometrics

<sup>2</sup> PNITI

<sup>3</sup> PNCC Transport Asset Management Plan 2020

<sup>4</sup> New Zealand guide to pavement evaluation and treatment design

<sup>5</sup> Analysis of car and truck pavement impacts, Bradley & Thiam





# Our aims

Our vision, goals and targets, along with those from regional and central government, have been strongly reflected across the development of the Strategic Networks with a particular focus on:

1. **Enabling more travel choices** by providing safe, easy to access and well-connected networks for all modes.
2. **Encouraging uptake of sustainable travel options to reduce transport emissions** by making public transport, walking and cycling appealing, safe, accessible and enjoyable.
3. **Developing a transport system where no-one is killed or seriously injured** by prioritising routes on corridors where high-quality infrastructure is in place, and separating priority routes for the highest risk modes to reduce conflicts.
4. **Matching modal priorities with movement/place functions** by prioritising general traffic and freight movements where people are less likely to spend time, while prioritising active modes and public transport in place-based areas.

These objectives are strongly aligned to the central government transport outcomes set out in the GPS on Land Transport and the Ministry of Transport Outcomes Framework – both of which set the direction for central government investment prioritisation via the National Land Transport Fund (NLTF). Aligning our programme of transport activities with the outcomes in the GPS on Land Transport puts us in the best possible position of achieving central government co-funding, allowing us to deliver more benefits to our community at lower cost to our ratepayers.

# The Strategic Networks

**The Palmerston North Strategic Networks combine several existing plans and strategies – at national, regional and local levels – into a single and simple network plan.**

They outline the most important (i.e. priority) uses/modes along certain corridors across Palmerston North and inform where and how all five modes are balanced against each other along our movement corridors.

All five modes collectively contribute to the safe and efficient movement of people and goods across our city, so it's essential that the function of each mode is carefully integrated with others in a pragmatic, cohesive and safe manner to unlock their full potential.

If a corridor is identified as a priority route for a certain mode, it doesn't mean the route will exclusively cater for that mode, nor does it mean that the selected mode can't use other routes if required. However, it does mean that the priority modes along a route will take precedence over other non-priority modes, and the design/operation of the route will reflect this.

For example, though all modes of transport will likely be able to use a public transport priority route, priority will be given to public transport through specific treatments such as bus lanes, bus priority traffic lights and/or in-lane bus stops. On the other hand, public transport services may also operate on routes prioritised for another mode but will experience a deliberately lower level/quality of service than the mode prioritised along that route.

The Strategic Networks are presented in a web-based platform to outline how the priority routes for each mode may change over time as a result of changing land-use, city growth, policy decisions and the continued implementation of our city's infrastructure programme.



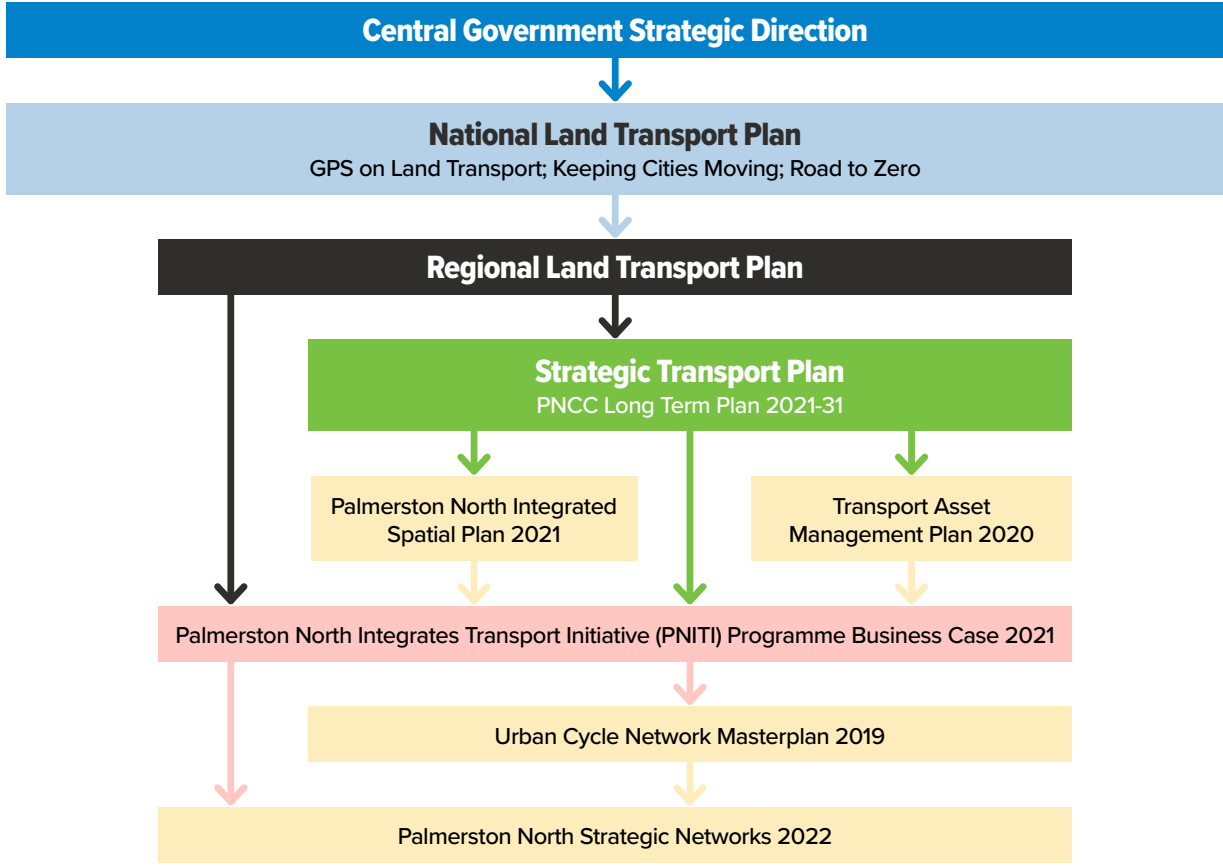
# How did we develop our Strategic Networks?

The Palmerston North Strategic Networks are a simplified and more accessible version of our Network Operating Plan 2022 – a Waka Kotahi and AUSTROADS approved methodology to link strategic intent with operational and planning decisions across a city’s transport network. It promotes proactive and objective decision-making on the prioritisation of transport corridors for particular functions and evaluates the trade-offs and opportunity costs of these decisions.

The Network Operating Plan provides an integrated approach to managing congestion, safety and competing demands for limited road space across our city. It also supports future planning and development of transport and travel choices by establishing the future networks with modal priority attached to deliver our agreed strategic goals.



The Palmerston North Network Operating Plan 2022 – just like the Strategic Networks 2022 it informs – is a summary and collation of several upstream strategic documents that set out how Palmerston North’s transport system will be designed, managed and operated. Therefore, the outputs of both the Strategic Networks 2022 and the Network Operating Plan 2022 are consistent with the outputs of the plans and strategies further upstream.



The evidence base used to develop the Strategic Networks 2022 is substantial as it includes the evidence used to justify the documents, plans and decisions made further upstream. In addition, we also evaluated the following information to develop the Network Operating Plan 2022:

- Average annual daily traffic (AADT) estimates from RAMM
- Collective and Personal Risk measurements from MegaMaps
- Crash history for cyclists, pedestrians and buses over the five years 2017-2021 from the Crash Analysis System (CAS)
- Level of Service scores for each modes from AUSTROADS
- Waka Kotahi’s Pedestrian Network Guidance (PNG) and Cycling Network Guidance (CNG)





**Te Kaunihera o Papaioea**  
**Palmerston North City Council**

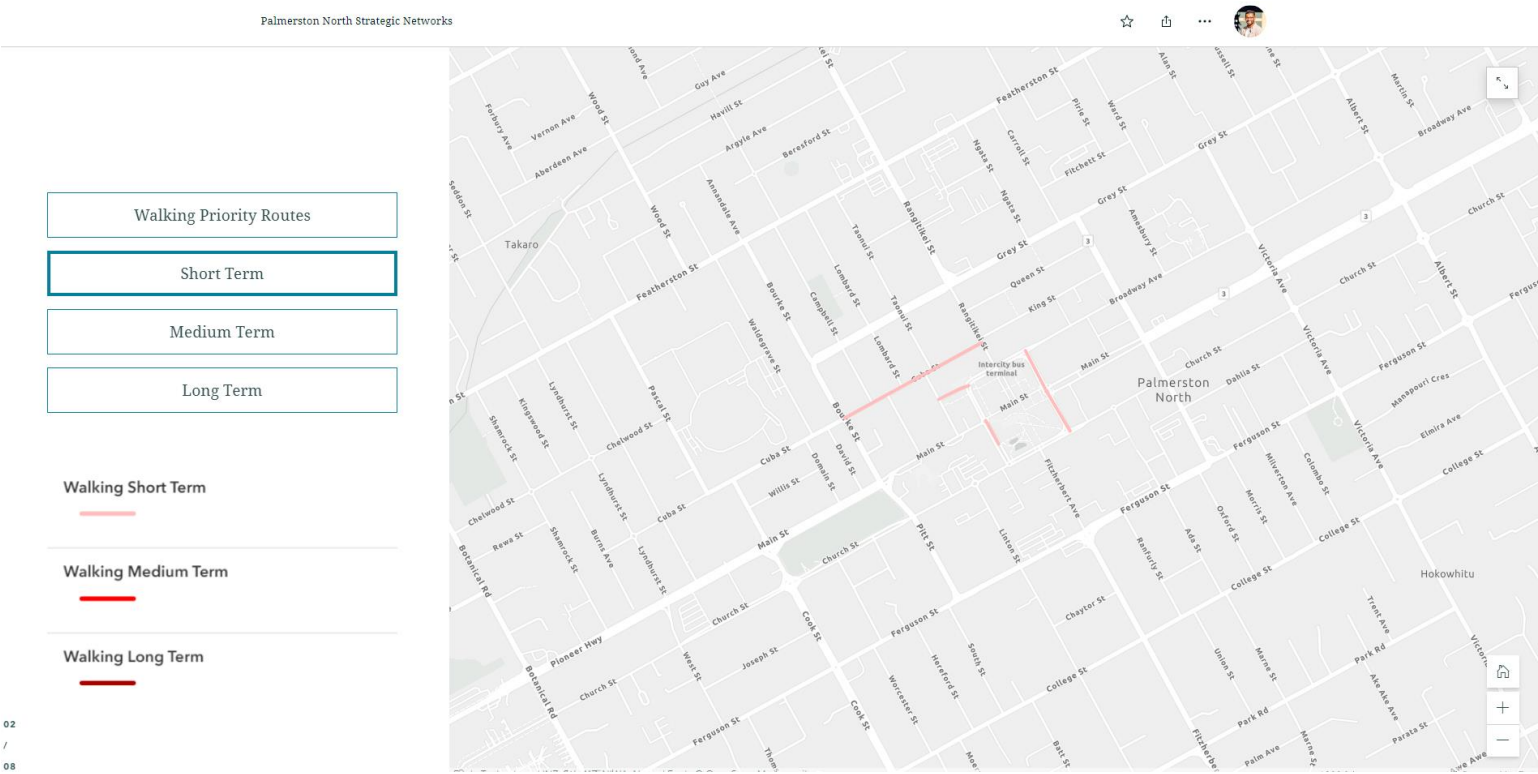
[pncc.govt.nz](http://pncc.govt.nz)  
[info@pncc.govt.nz](mailto:info@pncc.govt.nz)  
06 356 8199





## Strategic Networks 2023 – Maps

Walking





- Walking Priority Routes
- Short Term
- Medium Term
- Long Term

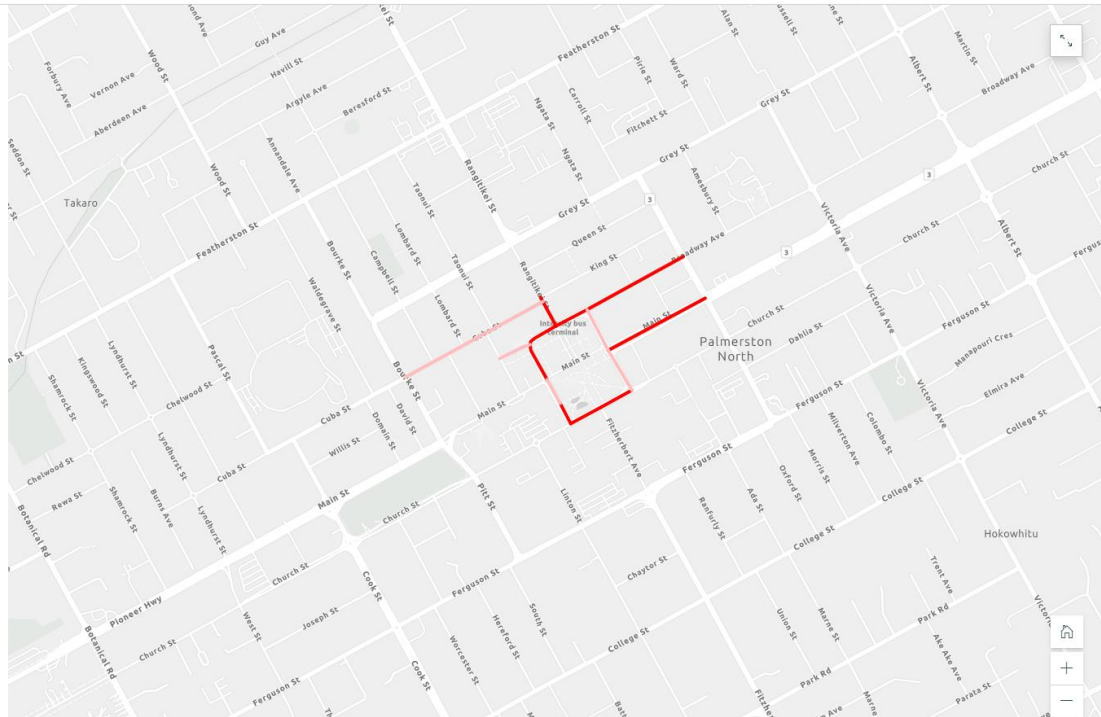
Walking Short Term



Walking Medium Term



Walking Long Term



- Walking Priority Routes
- Short Term
- Medium Term
- Long Term

Walking Short Term



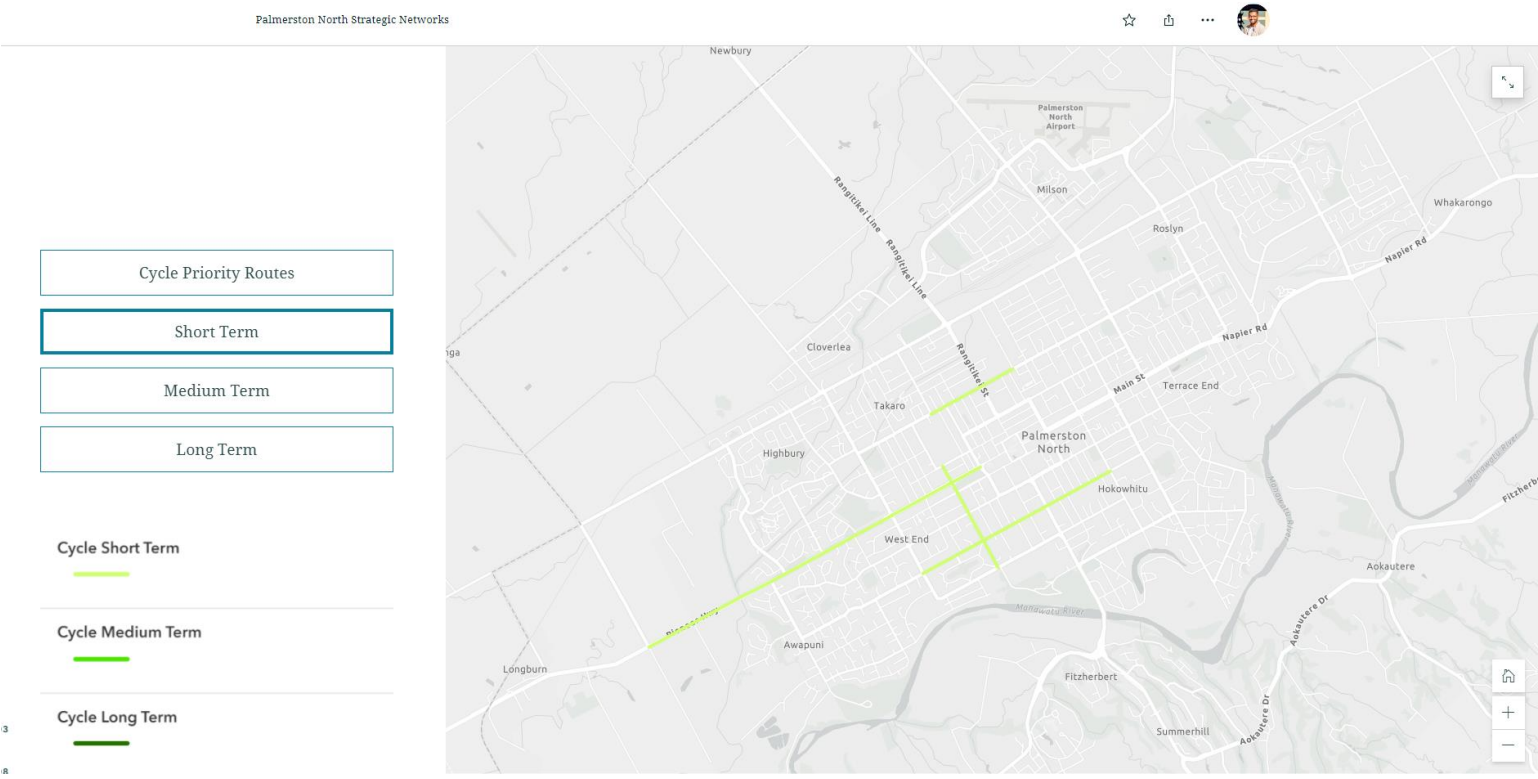
Walking Medium Term



Walking Long Term



Cycling





- Cycle Priority Routes
- Short Term
- Medium Term**
- Long Term

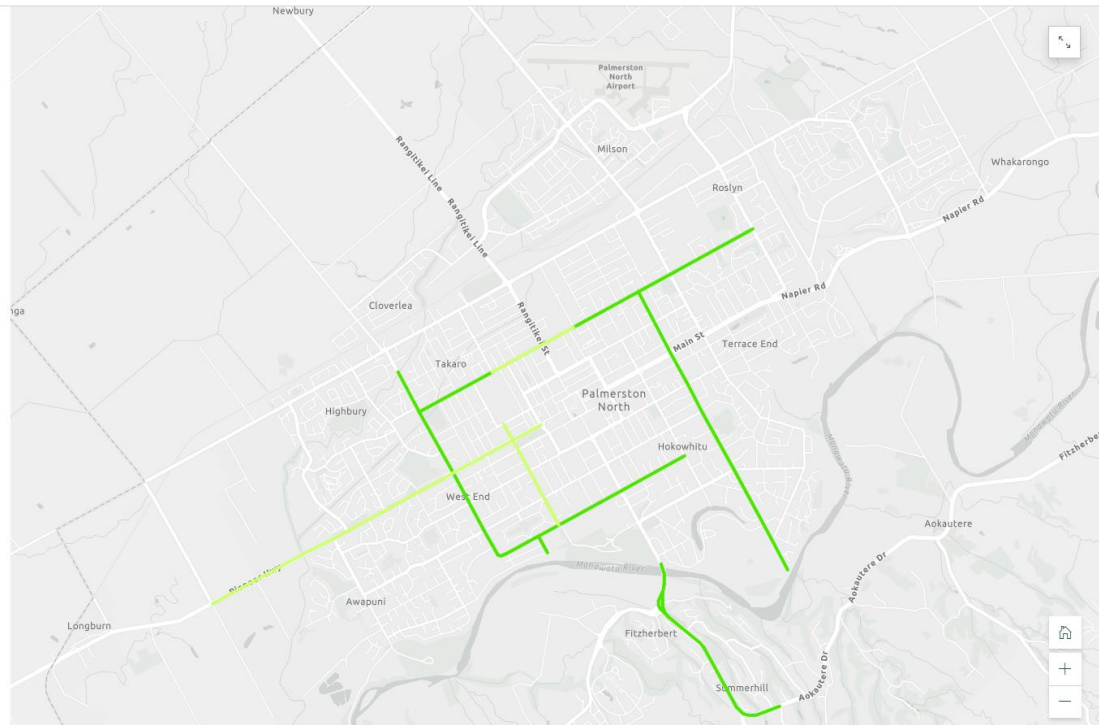
Cycle Short Term

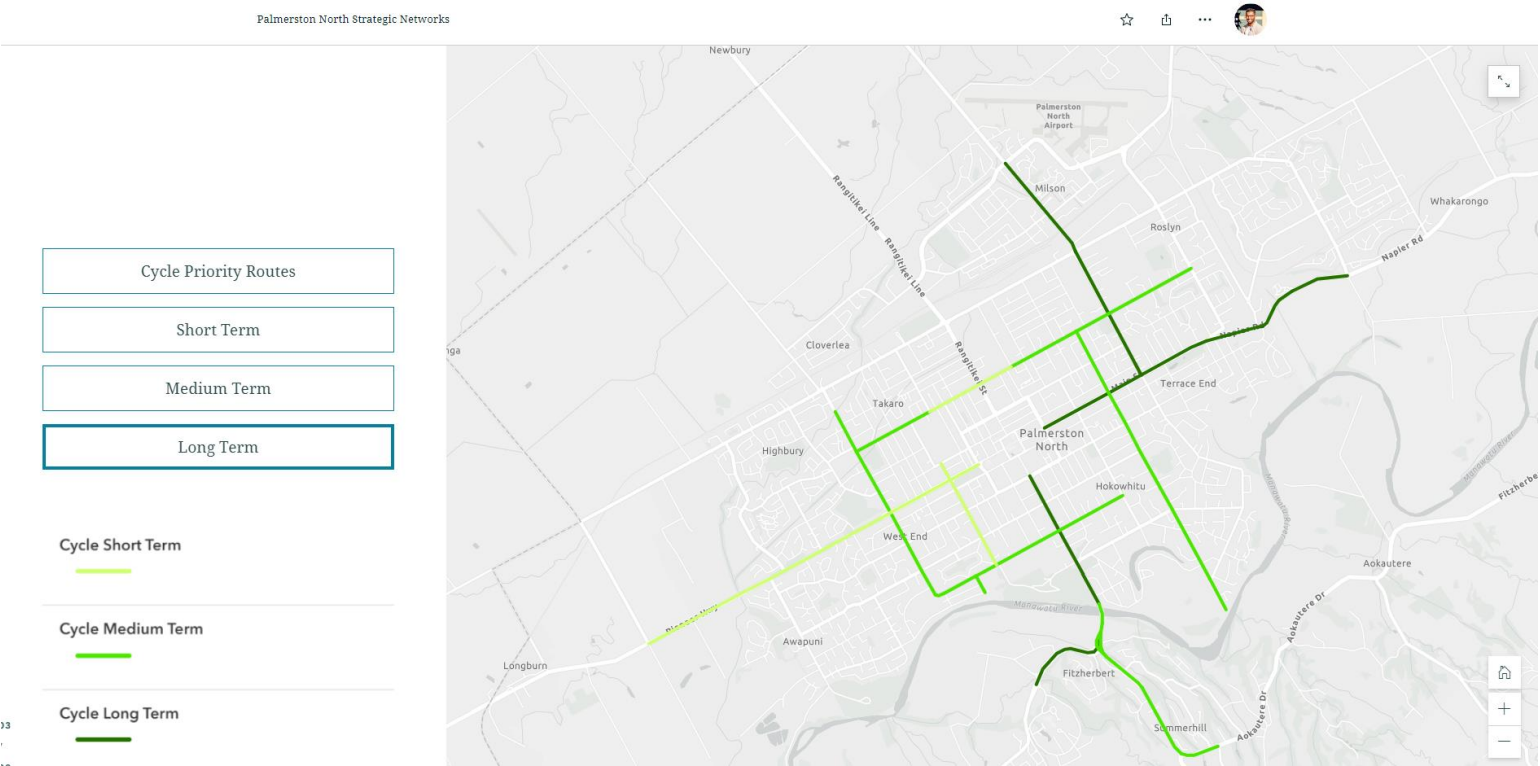


Cycle Medium Term



Cycle Long Term





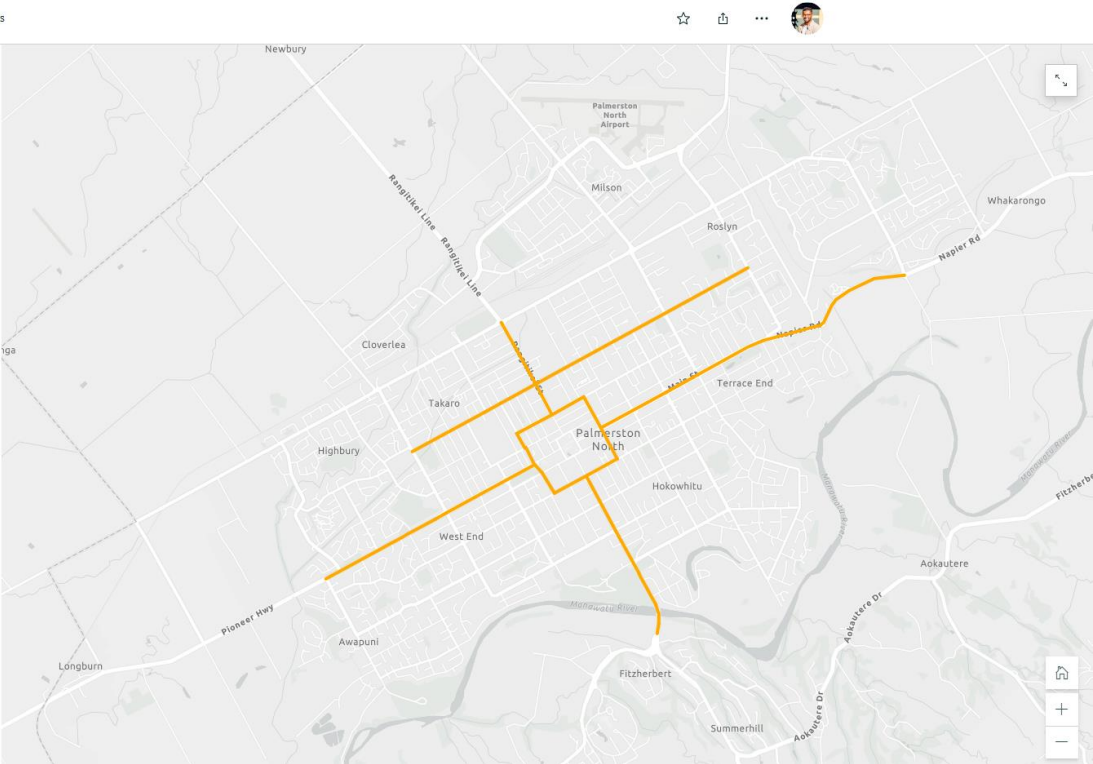
13  
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Public Transport

Palmerston North Strategic Networks

- Public Transport Priority Routes
- Short Term
- Medium & Long Term

- Public Transport Short Term
- Public Transport Medium & Long Term



14

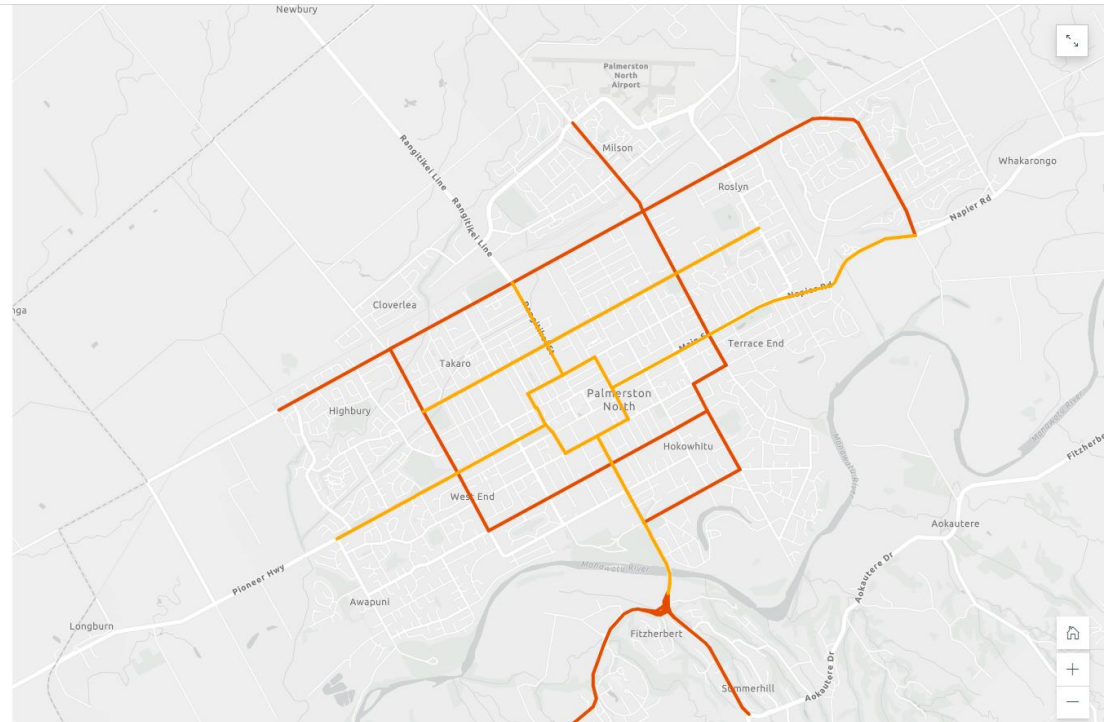
Public Transport Priority Routes

Short Term

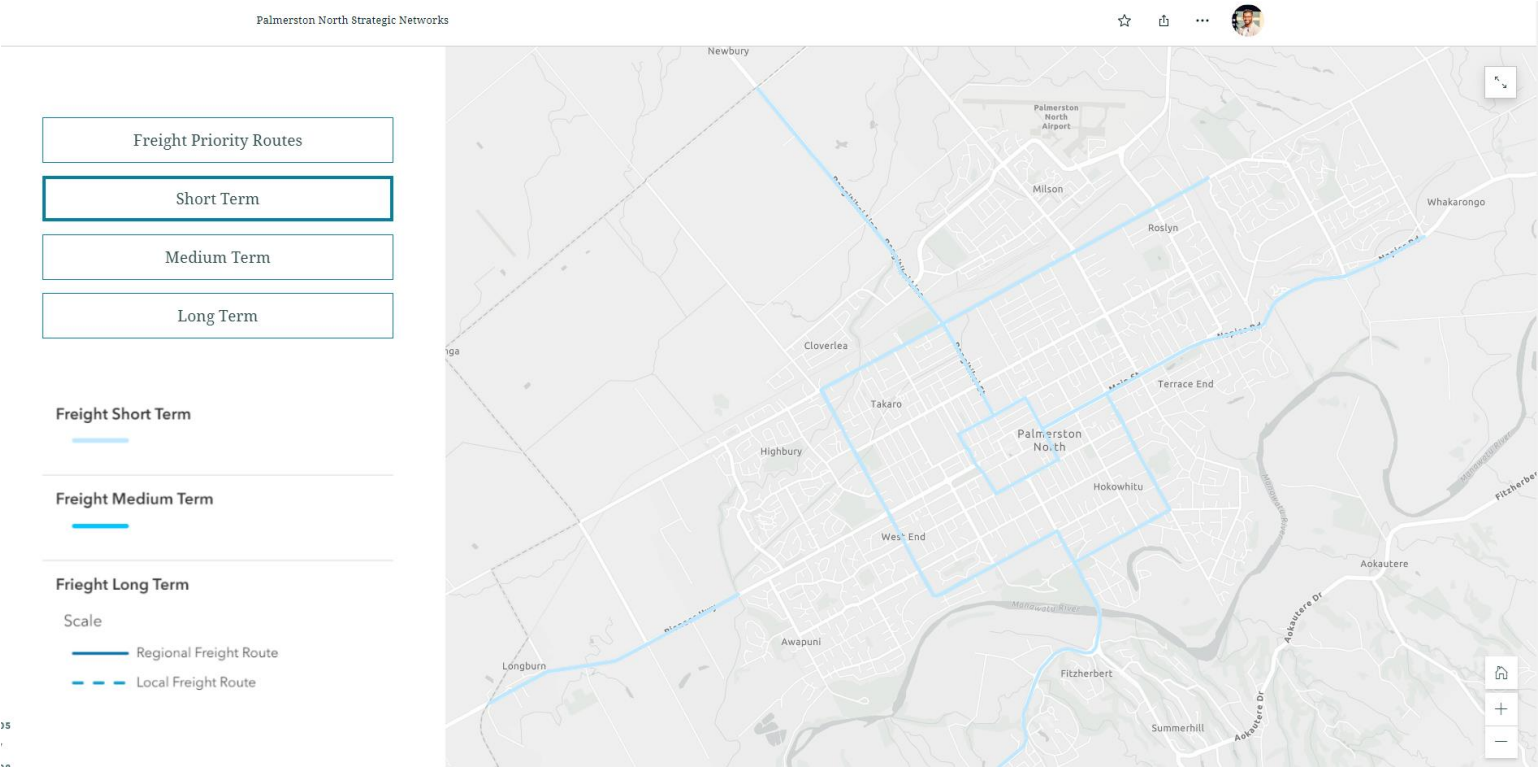
Medium & Long Term

Public Transport Short Term

Public Transport Medium & Long Term

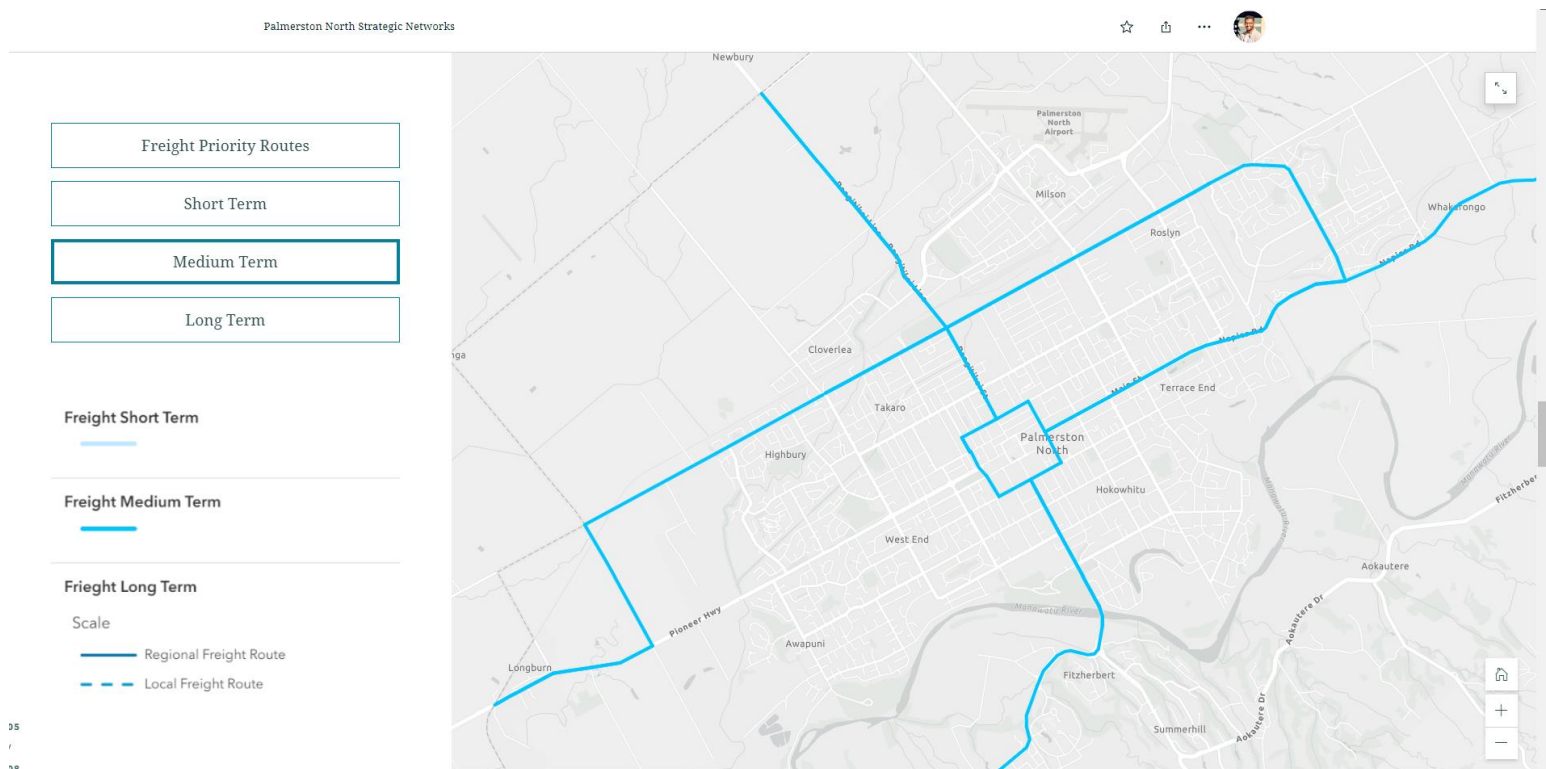


Freight



25  
1  
25





- Freight Priority Routes
- Short Term
- Medium Term
- Long Term

Freight Short Term



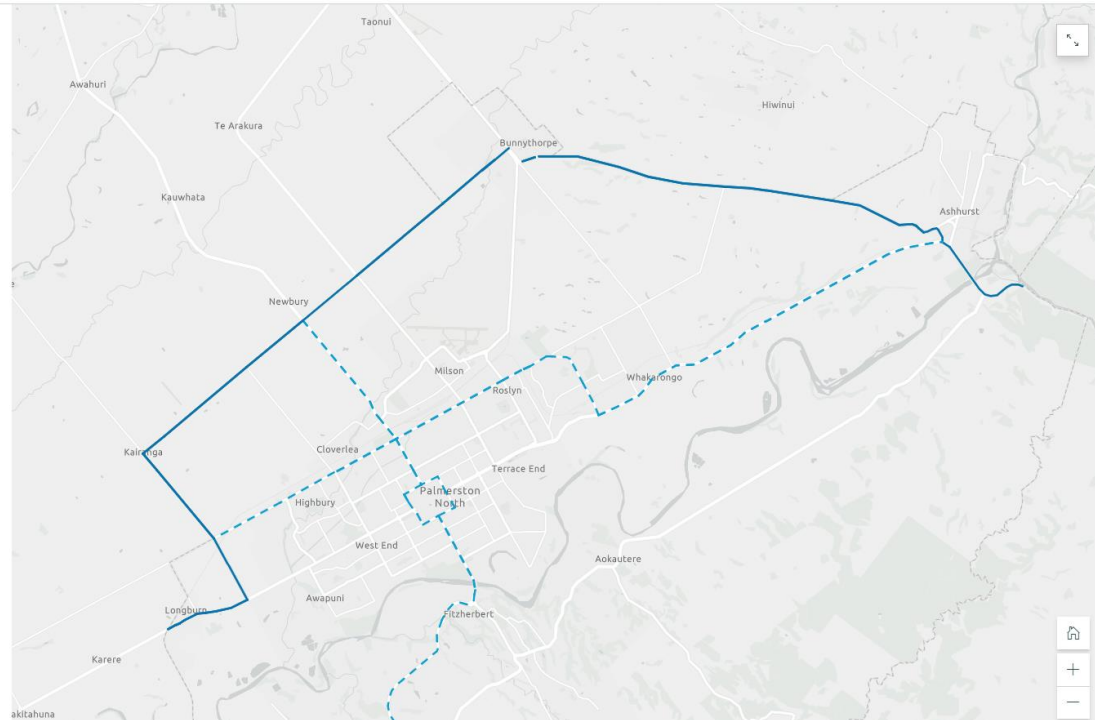
Freight Medium Term



Freight Long Term

Scale

- Regional Freight Route
- Local Freight Route



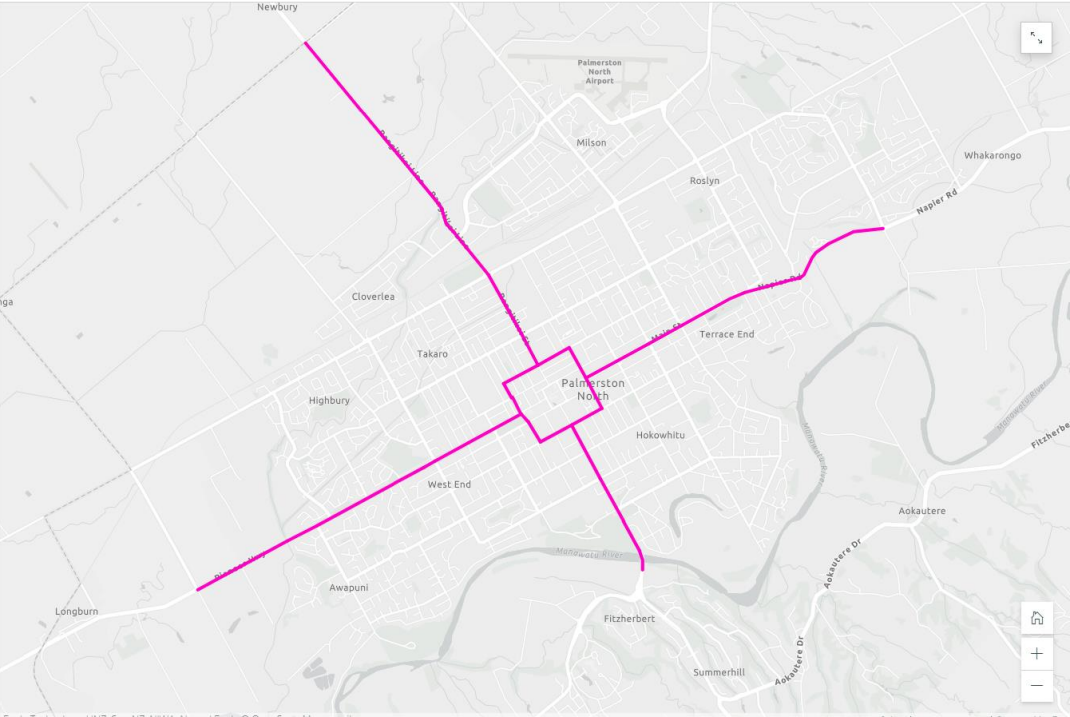
General Traffic

Palmerston North Strategic Networks



General Traffic

06  
/  
08





# TRANSPORT PLANNING, STRATEGIC NETWORKS & PRIORITY ROUTES

COUNCIL BRIEFING 10 MAY 2023





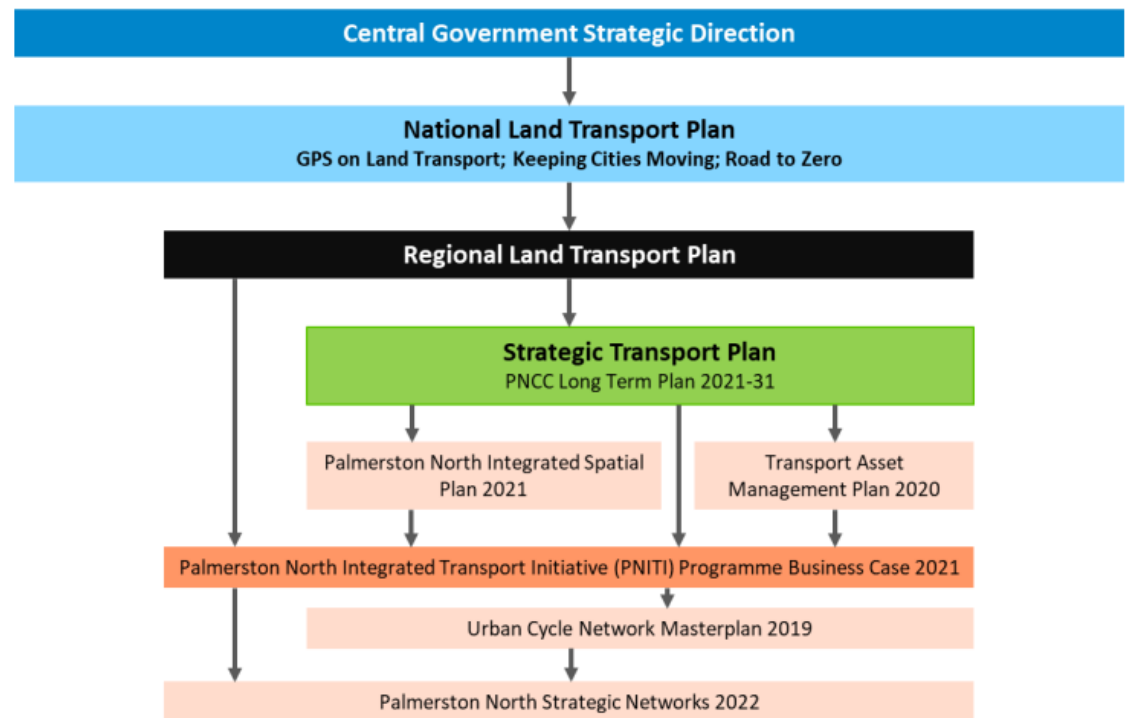
# PARTNERSHIPS

- Waka Kotahi, Horizons and PNCC all have transport planning functions
- Alignment is important
- There is flex in the system for different points of view
- Waka Kotahi are a co-funding partner
- With co-funding comes expectations
- Officer advice takes account of national, regional and local direction and seeks to position Palmerston North to secure Waka Kotahi co-funding
- Strategic direction does change – PNITI priorities flexible
- Transport networks evolve and change over long periods of time



# TRANSPORT PLANNING SYSTEM & HIERARCHY

- Large and complex system
- Strategic Networks and Priority Routes sought to provide a simple, public-facing document
- PTSIP and NOP are technical documents (attachments to the 22 February strategic networks report)

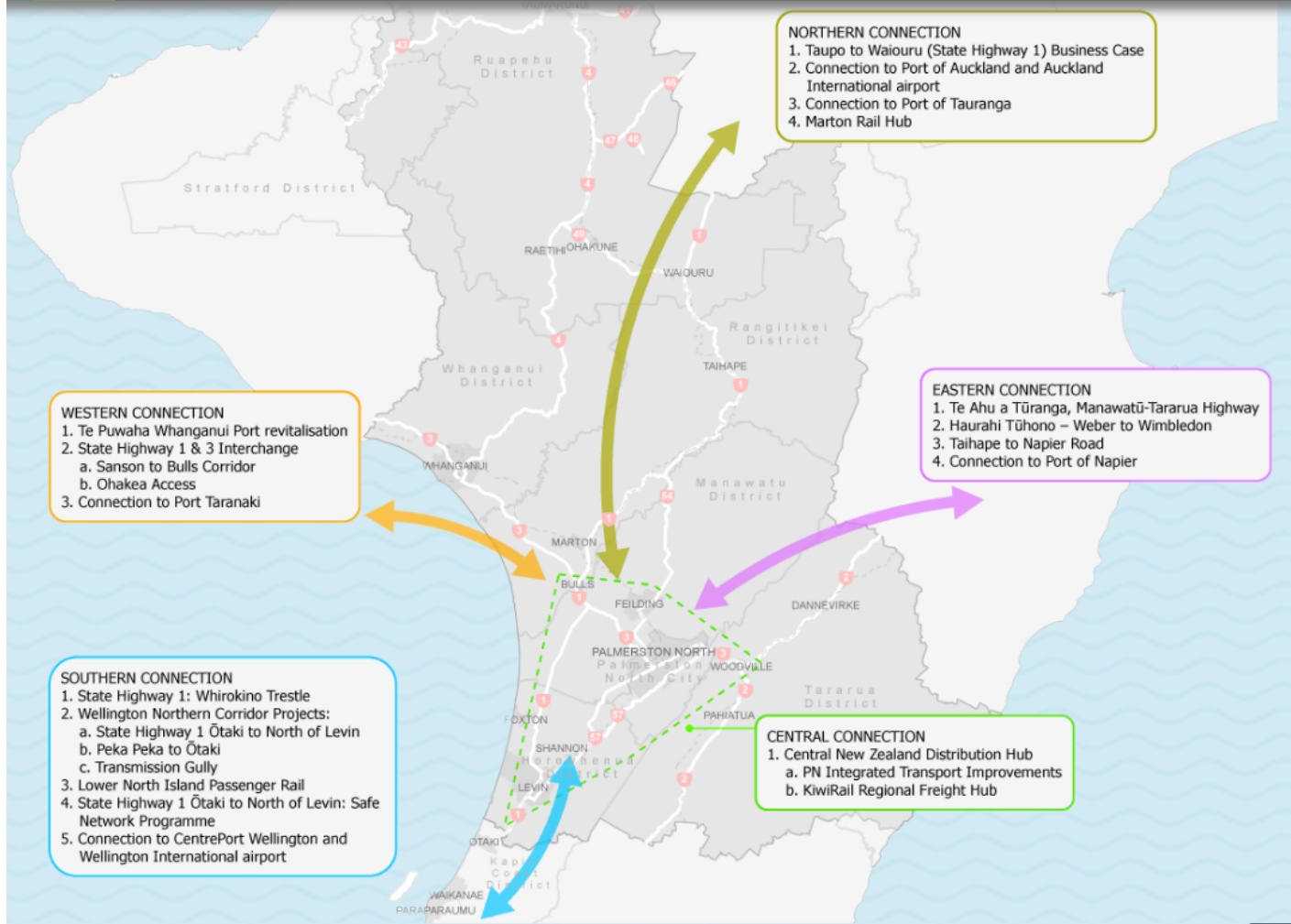


# PNITI

- PNITI means Palmerston North is well-positioned for success and co-investment by Waka Kotahi
- PNITI is the No.1 priority in the RLTP
- PNITI evolved following closure of Manawatu Gorge
- Waka Kotahi shortlisted four options.
- One of options interacted differently with the urban transport network and would have activated the former “eastern growth corridor”
- Mayoral-led deputation sought that a broader integrated plan was developed alongside the delivery of Te Ahu a Turanga
- PNITI developed and endorsed by Waka Kotahi board and PNCC
- PNITI is a network options report / strategic business case



## TRANSPORT INITIATIVES ACROSS THE REGION

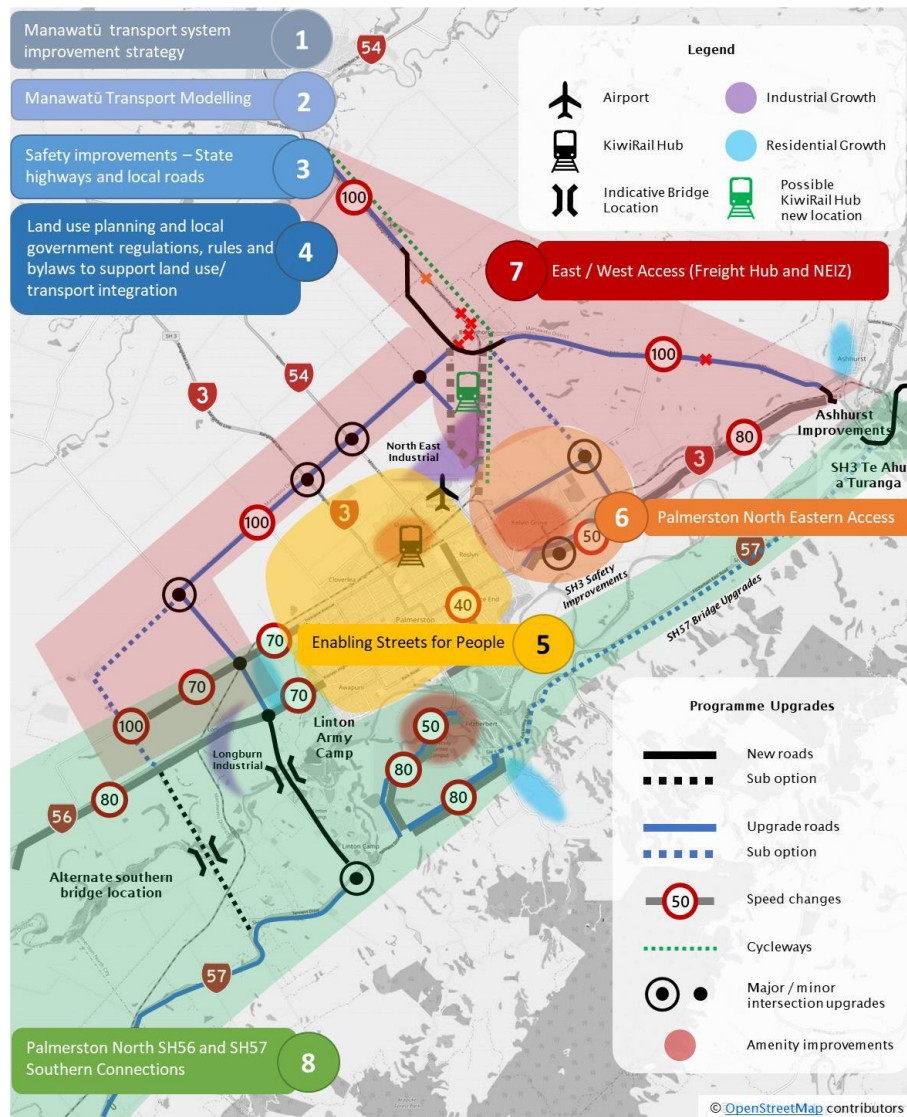


# PNITI

- PNITI provides for eight packages of work
- It is a comprehensive land-use & transport plan for Palmerston North
- The regional freight ring road is a significant component of PNITI
- The investment timeframes can be shifted
- There are triggers for investment, e.g. KiwiRail Regional Freight Hub
- Implementation supports land-use planning direction
- Acceleration & alternative funding routes, e.g. CIP, toll?







# PNITI: 8 PACKAGES OF WORK

	PNITI PROGRAMME PACKAGE	KEY OUTCOMES	LEAD	KEY TRIGGER(S) /DEPENDENCIES	INDICATIVE TIMING	INDICATIVE COST
-	PNITI monitoring	●	All, Joint PNITI working grp	Complete first	2021, ongoing	N/A
1	Palmerston North regional transport system improvement plan (PNRTSIP)	●	PNCC and WK	Complete first	2021	N/A
2	Palmerston North regional transport model update	●	PNCC and WK	Required for future investigations	2021-24, ongoing	N/A
3	Safety improvements – State highways	● ●	WK (SNP)	Imp based on safety risk; integrate with Local Rd safety works	2021/30	\$75-120m
	Safety improvements – Local Roads	● ●	PNCC + Local Rd SNP	Connected to packages 4 and 5	2021-24	\$12-19m
4	Land use planning, Council regulations, rules, and bylaws	● ●	PNCC and MDC	Supports and enables better accessibility and road safety	Ongoing	TBD
5	Enabling streets for people – improving safety and access	● ●	PNCC, Horizon, and WK	Implementation of speed management tools, and PNRTSIP completed	2021-27	TBD
	Enabling streets for people – amenity and active modes	● ●	PNCC and WK	PNRTSIP completed	2021-30	TBD
6	PN Eastern Access	● ●	WK and KiwiRail	KPIs and measures for growth and freight	Safety and access improvements underway; longer term works 2024-30	\$20-26m
7	East/ West Access via ring route (KiwiRail Freight Hub and NEIZ)	● ●	WK, PNCC and MDC	Ring route IBC complete. Timing dependent on KiwiRail investment decisions and staging for Freight Hub and monitoring of KPIs/ measures.	Likely to be 2021-27 for planning; 2027-30 + for delivery to match Freight Hub phasing	\$130-175m
8	PN SH56 and 57 Southern Connections	● ● ●	PNCC and WK	Freight Hub and PNRTSIP implementation. Package 5 complete.	2027-33 +	\$75-115m (\$200-300m incl. SH57 south of Akers Rd to SH56/57 – ACNZ scope)

● Access ● Amenity ● Freight Access ● Housing supply ● Safety ● Urban development ● N/A

Wairarapa  
CITY

# STRATEGIC NETWORKS

- Strategic Networks has previously also been referred to as:
  - Palmerston North regional transport system improvement plan (PNRTSIP), and
  - Manawatu Transport System Improvement Strategy
- 1<sup>st</sup> action within PNITI programme
- Same planning process as the nationally consistent Network Operating Framework (NOF)



# STRATEGIC NETWORKS

Purpose:

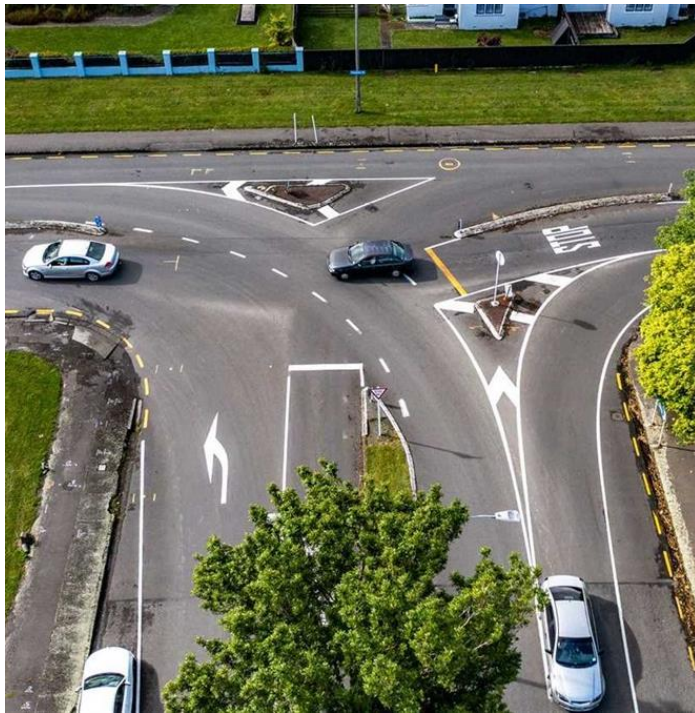
- Objective and evidence-based way to balance competing demands within the limited road space available
- Present PNCC's transport vision *"into a single and simple network plan"*
- Figure out *"the right mode for the right road"*

# NETWORK OPERATING PLAN





# STRATEGIC NETWORKS APPLIED



**PALMY**  
PAPAIOEA  
PALMERSTON  
NORTH  
CITY



# STRATEGIC NETWORKS APPLIED



**PALMY**  
PAPAIOEA  
PALMERSTON  
NORTH  
CITY

# STRATEGIC NETWORKS APPLIED



# STRATEGIC NETWORKS APPLIED

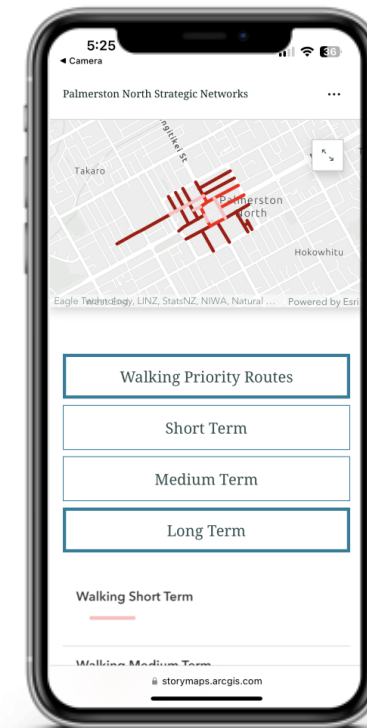


**PALMY**  
PAPAIOEA  
PALMERSTON  
NORTH  
CITY



# PRIORITY ROUTES

→ Beta webmap: <https://arcg.is/1XqnTS0>



# UPCOMING PROCESSES AND NEXT STEPS

- GPS Review
- RLTP Review
- PNITI priority projects:
  - City centre business case
  - Bus terminal business case
  - Transport model
  - Speed management planning
  - Business case for all sections of ring road
  - Network business case
- NLTF round

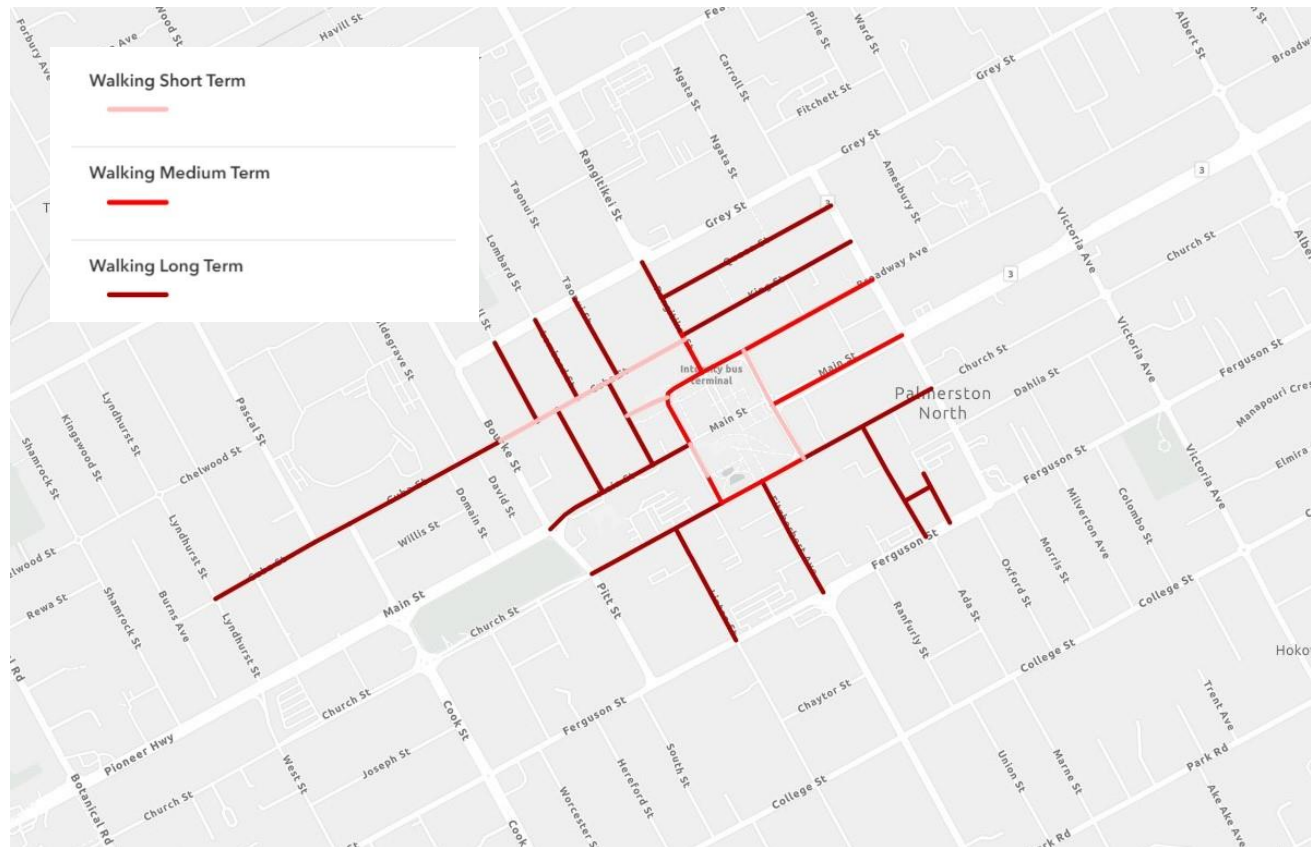


# UPCOMING PROCESSES AND NEXT STEPS

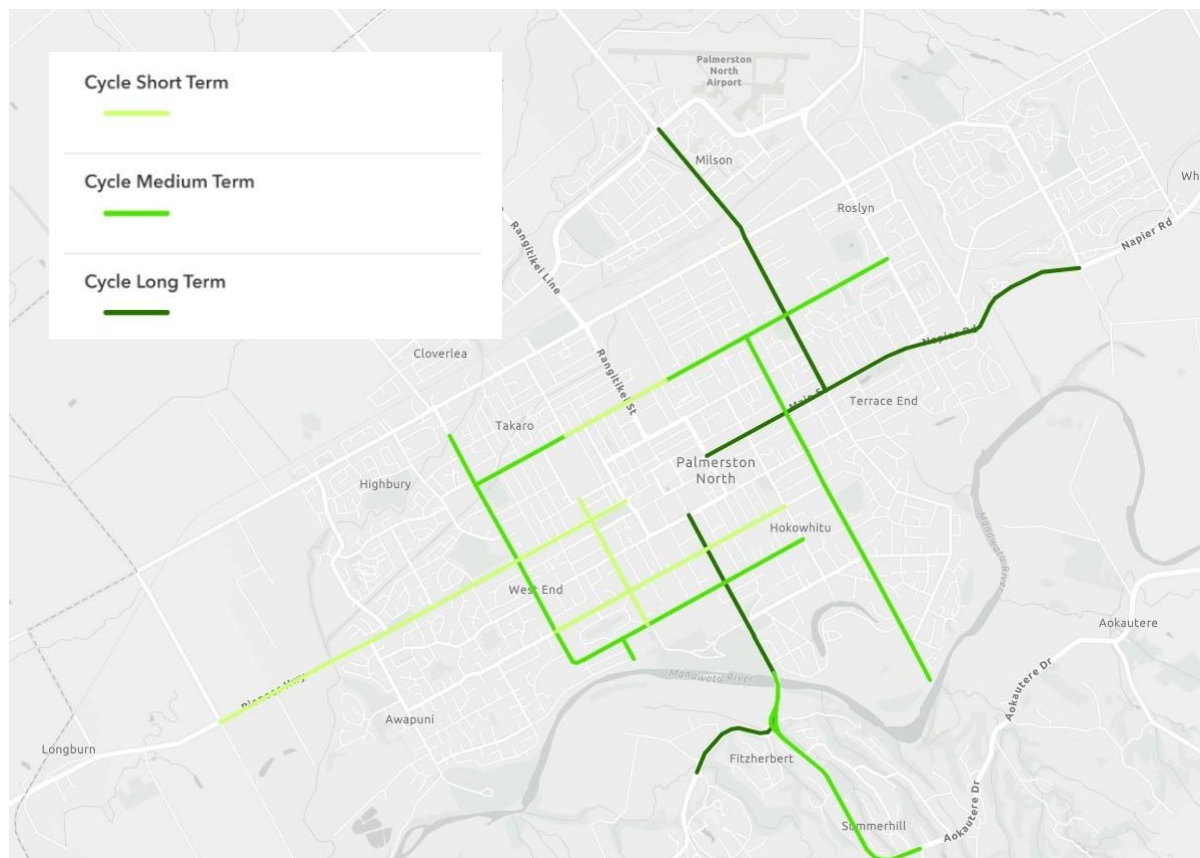
- Strategic Networks and Priority Routes:
  - EM Input
  - Review and update
  - Report back to Economic Growth Committee
- Network Operating Plan:
  - Remain as an operational document
  - Key decisions such as Speed Management, Parking Framework, Streets and Road Framework are all reported through Council



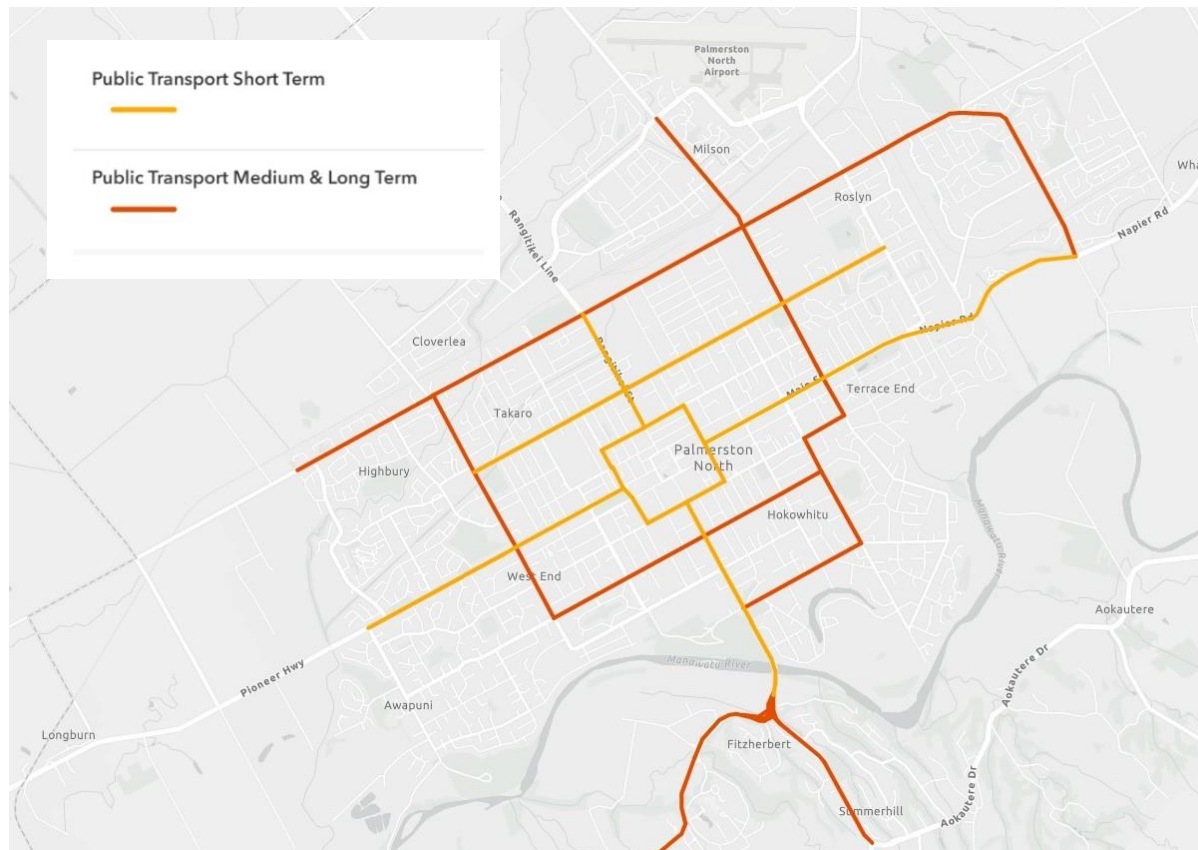
# PRIORITY ROUTES - WALKING



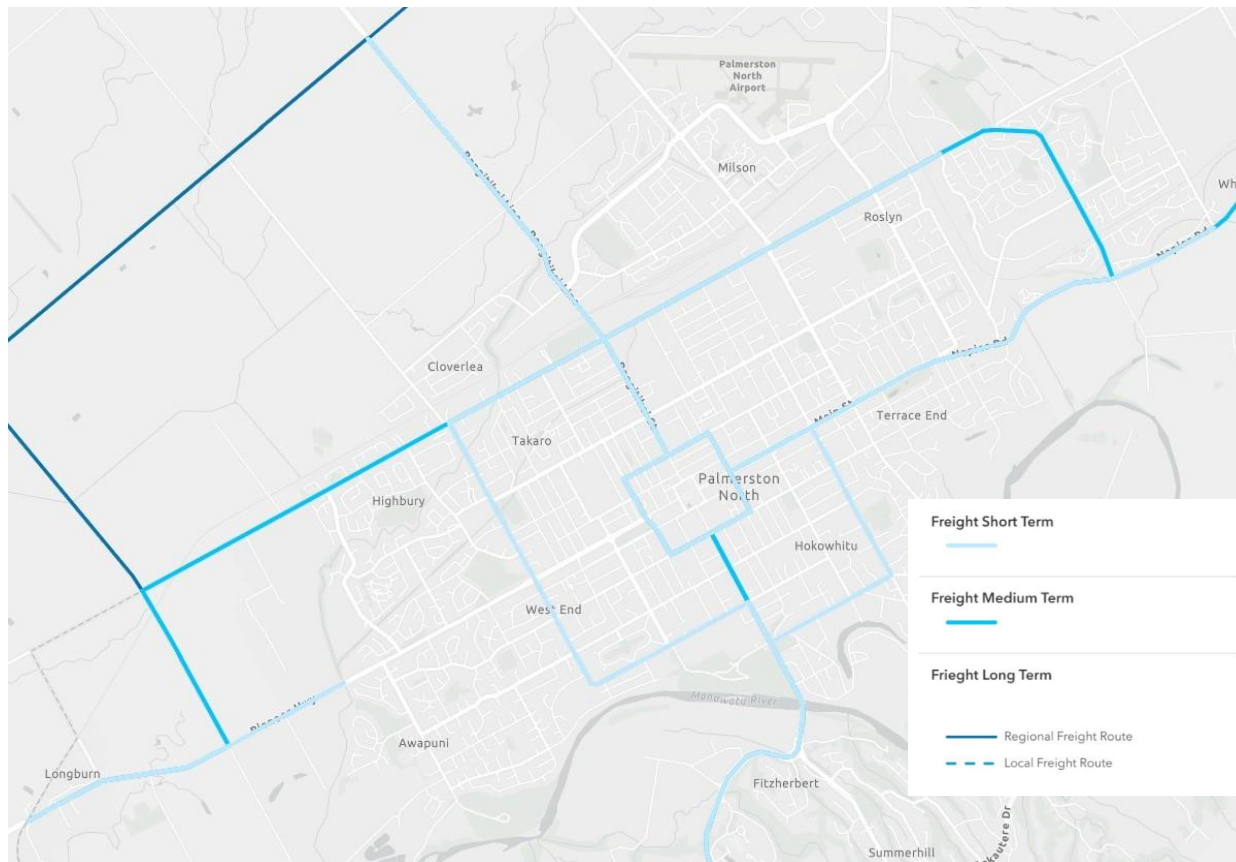
# PRIORITY ROUTES - CYCLING



# PRIORITY ROUTES – PUBLIC TRANSPORT



# PRIORITY ROUTES - FREIGHT



## REPORT

**TO:** Economic Growth Committee

**MEETING DATE:** 21 June 2023

**TITLE:** Central City Transformation - Streets for People Project

**PRESENTED BY:** Hamish Featonby, Group Manager - Transport & Development

**APPROVED BY:** Bryce Hosking, Acting Chief Infrastructure Officer

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### RECOMMENDATIONS TO COUNCIL

1. That Council adopt the Terms of Reference for the Central City Transformation Project Steering Group (Attachment 1).
  2. That Council approve the Mayor's recommendation for membership of the Central City Transformation Project Steering Group: The Mayor, Councillors Hapeta, Bowen, Dennison, and Handcock.
  3. That Council receive the 60% Detail Design Plans (developed design) for the entire Central City Transformation (streets for people) project area (Attachment 2).
  4. That Council delegate authority to the Chief Executive to vary the GST exclusive contract sum of Contract 3923 (Professional Services Design for City Centre Streetscape Upgrade) by \$254,000. Noting that this will increase the contingency of the project from \$96,000 to \$350,000 and that this increase can be accommodated within the existing budget within Programme 2122.
- 

### 1. ISSUE

- 1.1 The Streets for People Programme for improvements to the Central Business District streets is funded through Programme 2122 (CBD Streets for People).
- 1.2 The Streets for People Programme aligns with the city's strategic aspiration for the road network and is one of the key work activities of the Palmerston North Integrated Transport Initiative (PNITI).
- 1.3 The purpose of this paper is to:
  - Seek approval of the proposed Terms of Reference for a new Central City Transformation Project Steering Group.
  - Provide an update on the Streets for People Programme and seek approval to vary the design contract value to enable the completion of the design phase. Noting that the increase of funding required can be accommodated within existing budgets.

## 2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

### Background

- 2.1 In 2010 Council commenced a new urban design journey for the City, including the city centre. This resulted in the development of both the City Centre Framework 2013 and City Centre Streetscape Plan 2016 to inform and guide future city centre urban and streetscape development. The Framework and Plan outline the steps for making the city centre a vibrant place that locals are proud of and that leaves a lasting positive impression on visitors.
- 2.2 The Streets for People Programme was put in place to implement the City Centre Streetscape Plan and was incorporated into Council's 2018-28 Long Term Plan. The objective of the programme is to invest into the public realm resulting in the following benefits:
  - Improved vitality in the city centre, more people, more often, more interaction with the streetscape.
  - Slow traffic speeds and decreased through traffic volumes – with pedestrians prioritised.
  - A range of population demographics actively using the streets; and
  - Improved multi-mode share for getting to and moving around the streets.
- 2.3 Enabling Streets for People in the central city is an early action arising from PNITI and one which Council has been delivering for a number of years through various projects and plans.
- 2.4 Currently, no overarching business case exists for our existing programme of transport-related capital works within the city centre. As a consequence, Council is unable to access co-funding from Waka Kotahi for the activities that are included within the Streets for People Programme. To address this issue, officers are currently initiating an Indicative Business Case for the city centre, which will align the Programme alongside other works to wider transport goals for the city and the region.
- 2.5 A map of Streets for People Programme (2122) is outlined in red dashed lines below, noting that the portion that is in faded red is the already completed portion.





- 2.6 The first stages of the programme, Square East (Stages 1 and 2) between Church Street and Main Street, were completed in June 2020. This resulted in new wider footpaths, reduction of on street parking and improved street amenity, including trees and seating. These stages were tendered publicly with Higgins Construction Limited being awarded both contracts.

#### Previous Council Decisions

- 2.7 The following previous decisions were made by Council:

Date	Committee	Decision
Jun. 2020	Council	Procurement process approved for the design of the entire Streets for People project.
Dec. 2021	Council	Endorsement to directly engage a construction contractor for Square East Stages 3 and 4 (Main Street to Broadway Avenue).  The Contractor was engaged to provide buildability and risk input through the design phase prior to delivery of the work.
Oct. 2022	Council	Presentation of the final design plan for Square East Stage 3 and 4.
Nov. 2022	Council	Request made to establish a new Streets for People Steering Group.

### Design Contract – Beca Limited

- 2.8 In November 2020, Council awarded a contract to Beca Limited to undertake design services for the CBD Streetscape Upgrade. Bundling the design for the entire CBD streetscape upgrade project into a single design contract enabled price efficiencies, and ensured the coordinated development a comprehensive, cohesive, and connected streetscape plan.
- 2.9 As an added benefit, a complete set of detail design drawings would also allow Council to undertake early contractor engagement to explore delivery options such as construction contract bundling, which in turn could decrease construction costs and enable efficiencies in construction programming to reduce the overall length of disruption to the public, retailers and other stakeholders.

### **3. TERMS OF REFERENCE – CENTRAL CITY TRANSFORMATION STEERING GROUP**

- 3.1 In [November 2022](#), as part of the report Appointment of Council representatives to external bodies, the Mayor recommended the creation of a new Steering Group for the Programme.
- 3.2 The Mayor also nominated the appointment of the following elected members to the Central City Transformation Steering Group: The Mayor, Councillors Hapeta, Bowen, Dennison, and Handcock. As this was a new group, these appointments are being brought in parallel with the proposed Terms of Reference for the Steering Group (Attachment 1).

### **4. PROJECT UPDATE**

- 4.1 The detailed design for the Square East (Stages 3 and 4) portion of the project is now complete, and the design phase for the overall project now 60% completed.
- 4.2 Beca issued the '60% Detail Design Package' to seek feedback from both internal and key external stakeholders such as Rangitāne and the Disability Reference Group. Please refer to Appendix 2: Developed Design Plans for a high-level version of this design package.
- 4.3 Below is a summary of some of the key features of, and inputs into, the design:

#### Design Intent

- 4.4 The design has sought to provide a balance between all street user requirements and aesthetics. Some of the key focuses to date have been:
  - Completing the principal north-south retail spine linking The Plaza to Broadway Avenue with the consistent arrangement and alignment of the recently completed Square East Stage 1 & 2 works.
  - Facilitate easy interaction for pedestrians with The Square and to support outdoor street occupation.

- Provide wider pavements, frequent crossings, and pedestrian amenity.
- To enhance, create and sustain green Infrastructure in the city centre.
- To express culture and creativity throughout the city centre and ensure all public projects in the city centre include creative elements.
- To acknowledge the spatial layout, including placement of street furniture, garden beds and materiality acknowledges the circulation of pedestrians and vehicles around Te Marae o Hine, as well as the wider city context.

#### Rangitāne o Manawatū Co-Design

- 4.5 Rangitāne and officers have continued to work closely through a series of co-design sessions which have focused on integrating cultural artwork within the design in the form Pouwhenua art structures, and specialised pavement design arrangements at the corners and the crossing points to Te Marae o Hine were a focus in these sessions. This is particularly evidenced through pavement design of the project.

#### Street Layout

- 4.6 The street layout, footpath widths, vehicular travel lane widths and geometry have been designed to continue the form of Square East Stage 1 and 2. The carriageways are narrowed at intersections. This is to provide a visual and functional continuity around Te Marae o Hine The Square.
- 4.7 Footpaths: The footpaths have been spilt into two public space zones using different size paving units.
- The larger unit paver (Pavement Type 1) runs along the pedestrian thoroughfare zone. The large unit paver is the key linking material between Stage 1 and 2 and the rest of the streets.
  - The smaller unit paver (Pavement Type 2) will reinforce the contrast between the retail spill out zones and pedestrian thoroughfare zone.
- 4.8 The footpath on the Te Marae o Hine side of the street has been changed from granite paver units, as used in Stage 1, to in-situ poured concrete with exposed aggregate finish.
- This design will ensure a similar aesthetic whilst using a lower cost material which will have lower cleaning requirements. This was a learning from Stage 1.
- 4.9 Street Furniture and Materiality: Continuation of the Stage 1 and 2 street furniture type throughout the streets.
- There is the opportunity to customise, through colour, the different retail zones within the project area.

- Modifications will be made to furniture from the learnings from the earlier stages, including engaging with local suppliers to facilitate manufacture and installation.

4.10 Cycle facilities: The design provides for cycle storage racks giving an increase over the current allocation. Grouping stands together will enable the installation of e-charging stations.

4.11 Lighting and Utilities: Preliminary lighting design was undertaken by Council and incorporated into the streetscape lighting and electrical design with upgraded poles matching the style used in Square East Stage 1 & 2 style.

#### Parking

4.12 Vehicular parking types, sizes and alignments are also reflective of those adopted in the Stage 1 and 2 works. The main change will be the removal of the parking in the centre of the street in:

- Square East (Stages 3 and 4).
- Square North.
- Square West.

4.13 The changes to the parking are as follows:

Parking Type	Current	Proposed	Change
Accessible	11	22	Increase by 11
Parallel	48	46	Decrease by 2
Angled	255	140	Decrease by 115
Loading	15	9	Decrease by 6
Motorcycles	6	8	Increase by 2
Electric	2	4	Increase by 2
<b>Total</b>	<b>337</b>	<b>229</b>	<b>Decrease by 108</b>

4.14 The main reduction is in the amount of angled parking provided. Angled parking on the south side of Broadway (the sunny side of the street) will be replaced by parallel parking to enable the widening on of the footpath. The reduction in on-street parking will enable the creation of wider pedestrian thoroughfare zones that along with retail spill out zones to attract retailers and customers, and the ability to successfully invest into green infrastructure.

### Rain Gardens and Planting

- 4.15 An important feature in the 2016 City Centre Masterplan is the inclusion of rain gardens in the city centre where possible. Through the co-design process, Rangitāne expressed their interest in rain garden infrastructure as an important stormwater treatment method.
- The detailed design for Square East Stage 3 and 4 provides rain garden infrastructure that manages and treats stormwater from the carriageway and footpaths. The details developed for this stage will be used throughout the rest of the project.
  - It is acknowledged that there is an increase in the operational costs to maintain the additional gardens over and above the existing operational requirements in this section.
  - The selection of planting species for the project is subject to the Council's Vegetation Framework which is currently in development.
  - In addition, Rangitāne have expressed interest in specific planting species that commemorate and acknowledge traditional uses. Work with Rangitāne, Urban Design and Parks is ongoing to finalise the species selection for this area and align it with the Vegetation Framework.

### Street Edge Canopy

- 4.16 The design includes the installation of one street edge canopy. The purpose of the canopy is to encourage greater use of the street. The seating areas in Stage 1 and 2 are well used when the weather is suitable. The proposed canopy would increase the time that retail spill out zone would be able to be used, increasing the attractiveness of the area to retailers and customers.

### Traffic Modelling

- 4.17 The consultant is currently preparing a traffic modelling report. This is expected to be complete and with Council by mid-June. The report will cover the impacts on traffic movement within the inner ring, because of the proposed changes to the intersection.

## 5. FINANCIAL

5.1 The Programme has the following budget:

Programme 2122 (CBD Streets for People)								
	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
Capital Cost (000s)	600	403	5,973	6,602	7,118	3,920	696	25,083
Inflation		0	149	341	570	428	97	1,586
<b>Total</b>	<b>600</b>	<b>403</b>	<b>6,123</b>	<b>6,944</b>	<b>7,688</b>	<b>4,348</b>	<b>793</b>	<b>26,669</b>

5.2 A cost review has been undertaken on the 60% Detail Design and this indicates a circa construction cost of \$48M.

### Variation to the Contract Sum Required

5.3 When entering the contract with Beca a 10% contingency was approved in addition to the contract sum. This equated to circa \$96K.

5.4 However, the decision to commence sole source negotiations with a contractor for construction for Square East Stages 3 and 4 in December 2021, meant that the consultant focused output on the Detail Design for this section and halted design work on the other streets.

5.5 The change to the delivery of the design impacted the consultant's resourcing allocation, sequencing of works and the need to pause the design process while Council implemented the Stage 3 & 4 procurement process. This resulted in increased costs of circa \$350K for the design phase of the programme.

5.6 Using the \$96K contingency, this leaves circa \$254K of costs that need to be covered.

5.7 Whilst there is sufficient budget in the Programme to accommodate the \$254K difference, as the overall sum of the contract is over the Chief Executive's delegation, approval must be sought from Council to increase the contingency amount.

5.8 No additional variations are anticipated for the design, so approval to increase the contingency from \$96K to \$350K will enable the completion of the project by 30 June 2023.



## 6. CONCLUSION

- 6.1 Overall, the design work is proceeding as planned and is due for completion by 30 June 2023.
- 6.2 A variation to the contingency for the Streets for People project is required to cover the additional costs incurred through changing the delivery plan of the design project. This can be accommodated within existing budgets in Programme 2122.
- 6.3 Once the Terms of Reference are approved the Steering Group will be established for the remainder of the project.

## 7. NEXT ACTIONS



- 7.1 Complete the detailed design for the entire project by 30 June 2023.
- 7.2 Establish the Project Steering Group and begin regular meetings which will work on next steps such as public consultation and project milestone timings.

## COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	<b>No</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in City Shaping	
The action is:	
<ul style="list-style-type: none"> <li>The city centre contributes positively to the perception of Palmerston North.</li> <li>Visible public life and pedestrian counts increase.</li> <li>There is increased demand for floor space.</li> <li>The city centre has a series of places with a strong place identity; and</li> <li>The City Centre Streetscape Plan is delivered, with Square East the initial priority.</li> </ul>	
Contribution to	A vibrant city centre will make Palmerston North even more

strategic direction and to social, economic, environmental, and cultural well-being	<p>attractive for work and play, provide more opportunities for locals and visitors to connect with the city and the people who live here, and bring significant benefits for the local economy.</p> <p>The Streets for People programme provides for investment in the public space to ensure our roads are places for people, not just vehicles. It emphasises pedestrian friendly public spaces, cultivating a lively economy after 5pm, and attracting more private investment in the city centre.</p>
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## ATTACHMENTS

1. Terms of Reference - Central City Transformation Project Steering Group [↓](#) 
2. Developed Design General Arrangement Plans [↓](#) 

## Central City Transformation

### Project Steering Group - Terms of Reference

#### Purpose

The Central City Transformation Project (Streets for People) Steering Group will provide strategic and leadership oversight to ensure the successful delivery of the City Centre Streetscape Plan 2016 (CCSP) through the Council's 10 year Streets for People programme.

Outcomes will be:

- Providing strategic leadership and influence over the delivery of the project
- Ensuring the Project maintains City sponsorship, internal and external funding availability
- Fostering a culture of accountability and transparency.
- Providing oversight and guidance to improve the potential for success.
- Improving lines of communication within the organisation
- Ensuring decisions are made in a timely manner and at the appropriate management level.

#### Scope

The Steering Group will provide:

- Feedback on the Central City Transformation Design
- Ongoing review of the Central City Transformation project to ensure continued alignment with the objectives of:
  - Providing a balance for all street users, slowed traffic speeds and decreased through traffic volumes – putting people first over traffic;
  - Facilitate easy interaction for the public within The Square – Te Marae O Hine and to support outdoor street and public space occupation
  - Improved vitality in the city centre, more people, more often, more interaction with the streetscape;
  - Enhance, create and sustain green Infrastructure in the city centre
  - Express culture and creativity throughout the city centre and ensure all public projects in the city centre include creative elements.
  - Through the spatial layout, including placement of street furniture, garden beds and materiality acknowledging the circulation of pedestrians and vehicles around The Square - Te Marae o Hine, as well as the wider city context.
- Provide oversight on the implementation of the Central City Transformation Project

## Functions

The main functions of the Steering Group are to

- Consider and review Central City Transformation Design
- Identify other stakeholders or user groups and seek their input and views to ensure that these are available for consideration by the Steering Group
- Advocate with the BID, Manawatu Chamber of Commerce, central city landlords, the development community and local business for the successful implementation of the Central City Transformation Project
- Advocate with externals as required, including; Public Sculpture Trust, Heritage NZ etc
- Provide guidance and support to the Project Sponsor for the delivery of the project

## Accountability

The Central City Transformation steering group will report back to Council or Strategy & Planning committee every 6 months

## Membership

Group membership shall be made up from the following:

- Group Manager Transport & Development (Chair)
- Mayor
- Councillors; Pat Hancock, Rachel Bowen, Vaughan Dennison and Leonie Hapeta
- BID and the Chamber of Commerce
- Rangitāne o Manawātū
- Planning Manager
- Project administrator (be responsible for taking minutes and circulating agendas)

## Meeting Frequency

- Steering Group meetings will be convened on a bi-monthly basis
- The Steering Group will be provided with documentation and information in advance of any meeting.
- Meeting minutes will be made for each Steering Group meeting and will be circulated to the Steering Group following each meeting for review and comment. Notes will be approved by the Steering Group at the following meeting.

## Delegations

The Group does not hold any delegations and has no authority to make decisions or commitments on behalf of Council other than the authority of any individual member set out in the Council's Delegations.

## Term of Steering Group

- The Central City Transformation Steering Group will commence on 1 July 2023 and be discharged at the end of the Council term October 2025
- Appointments will be for the term of the Group unless otherwise stipulated above.

DEVELOPED DESIGN PLAN – SQUARE WEST





DEVELOPED DESIGN PLAN – SQUARE NORTH

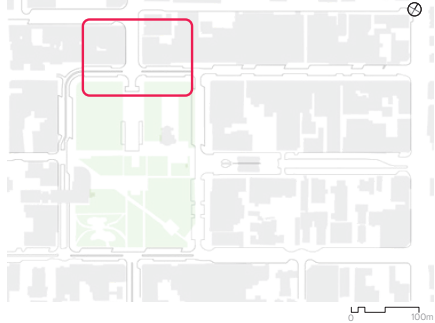


Figure 2. Concept Plan - Square North

KEY

- Pavement Type 1
- Pavement Type 2
- Concrete
- Stone unit pedestrian paving

- Timber slat seat type 1
- Boardwalk
- Stone unit kerb ramp

- New street light
- Bicycle Racks

Pedestrian Environment

- 1 Barnes dance signalled crossing
- 2 Pedestrian thoroughfare zone
- 3 Social infrastructure zone
- 4 Green infrastructure zone
- 5 Square access path
- 6 Boardwalk Access to Square

Parking and Traffic

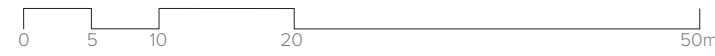
- 7 Loading Zone
- 8 Raised table ramp
- 9 Bicycle Racks



DEVELOPED DESIGN PLAN – SQUARE EAST



Figure 3. Concept Plan - Square East











DEVELOPED DESIGN PLAN – BROADWAY (WEST)



Figure 4. Concept Plan - Broadway (1)

KEY

- |  |  |  |
|--|--|--|
|  Pavement Type 1              |  Timber slat seat type 1    |  New street light |
|  Pavement Type 2              |  Timber stage / seat type 2 |  Bicycle Racks    |
|  Stone unit pedestrian paving |  Stone unit kerb ramp       |  |

Pedestrian Environment

- ① Barnes dance signalised crossing
- ② Pedestrian thoroughfare zone
- ③ Social infrastructure zone
- ④ Green infrastructure zone
- ⑤ Street edge canopy
- ⑥ Driveway

Parking and Traffic

- ⑦ Loading Zone
- ⑧ Accessible parking zone
- ⑨ Raised table ramp
- ⑩ Bicycle Racks



DEVELOPED DESIGN PLAN – BROADWAY (EAST)



Figure 5. Concept Plan - Broadway (2)

KEY

- Pavement Type 1
- Pavement Type 2
- Stone unit pedestrian paving

- Timber slat seat type 1
- Stone unit kerb ramp

- New street light
- Bicycle Racks

- Pedestrian Environment
- 1 Pedestrian thoroughfare zone
  - 2 Social infrastructure zone
  - 3 Green infrastructure zone
  - 4 Street edge canopy
  - 5 Driveway

- Parking and Traffic
- 6 Loading Zone
  - 7 Accessible parking zone
  - 8 Raised table ramp
  - 9 Bicycle Racks



DEVELOPED DESIGN PLAN – CHURCH STREET



Figure 6. Concept Plan - Church Street

KEY

- Pavement Type 1
- Pavement Type 2
- Concrete

- Timber slat seat type 1
- Boardwalk
- Stone unit kerb ramp

- New street light
- Bicycle Racks



- Pedestrian Environment
- 1 Barnes dance signalised crossing
  - 2 Pedestrian thoroughfare zone
  - 3 Social infrastructure zone
  - 4 Green infrastructure zone
  - 5 Square access path
  - 6 Boardwalk Access to Square
  - 7 Sculpture Rangitane
  - 8 Historical Hitching Post
  - 9 Street edge canopy

- Parking and Traffic
- 10 Loading Zone
  - 11 Raised table ramp
  - 12 Accessible parking zone
  - 13 Bicycle Racks

## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 21 June 2023

**TITLE:** Update on Infill Lighting Required to Achieve Compliance in P and V Categories

**PRESENTED BY:** Hamish Featonby, Group Manager - Transport & Development

**APPROVED BY:** Bryce Hosking, Acting Chief Infrastructure Officer

### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Committee receive the report titled 'Update on Infill Lighting Required to Achieve Compliance in P and V Categories' presented on 21 June 2023.

#### 1. ISSUE

- 1.1 Programme 1367 (Streetlight Infill Improvements) was included in the 2018-28 LTP with a total budget of \$5.73M spread over seven (7) years. This programme funded the upgrading of lighting across the city to address any non-compliance in terms of the light levels provided by the current pedestrian (P) and vehicle (V) category streetlights.
- 1.2 Elected members requested regular updates on programme progress through the implementation of the programme of work. Council officers presented the first of these updates to the Finance & Performance Committee in August 2019, and then to the Infrastructure Committee in September 2020 and March 2022. For clarity, the change in which committee the updates were presented to was guided by the committee terms of reference at that time.
- 1.3 This report provides a list of the streets that have been addressed in 2022/23 along with the streets planned to be addressed in 2023/24 and beyond until the compliance programme is complete. Please refer to the attachment of this report for this list.

#### 2. BACKGROUND

- 2.1 Please refer to the [report](#) presented to the Infrastructure Committee on 16 March 2022 for detail on the history of the programme and the works undertaken in previous financial years.
- 2.2 The programme of work started in the 2018/19 financial year and is currently scheduled to be completed in 2024/25, delivered through a separate

contractor and contract from the Fulton Hogan led Street Light component of the Road Maintenance Renewal & Capital Improvements Contract.

### 3. PROGRESS UPDATE

- 3.1 The 2022/23 financial year utilised the budget of \$720k to make good progress on 28 streets from the list of non-compliant streets within the city.
- 3.2 The 2023/24 financial year includes work on up to 29 streets. The first 11 are designed already and construction will begin during July. The remainder will be designed in the time up to Christmas and then delivered during the remainder of the year depending on budget levels following the design and cost estimation process.
- 3.3 Noting that cost escalations since the programme's inception have slowed the implementation progress and meant fewer streets were able to be addressed within the existing budgets over the last few years. Any outstanding works in the programme at the end of the 2023/24 financial year will be proposed through the 2024-34 LTP. For reference the 7<sup>th</sup> year of the originally forecasted programme equates to year 1 of the 2024-34 LTP.

### 4. NEXT STEPS

- 4.1 The list of streets for 2023/24 outlined in the attached document will be progressed for infill lighting.
- 4.2 Officers will report to the Economic Growth Committee in June 2024 with what has been achieved in the financial year.

### 5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Transport	



The action is: Prioritise transport programmes that deliver on the Council goals, the purpose of this plan and the Government Policy Statement on Transport.

Contribution to strategic direction and to social, economic, environmental and cultural well-being

Continuation of the infill lighting programme ensures areas of the network where lighting has been identified as being inadequate are addressed, improving the safety for night-time users.

## ATTACHMENTS

1. Street Light Infill Programme [↓](#) 



## Palmerston North Street Light Infill Project as at 20/5/23

Locations of street light infill work completed or planned



### Completed in 22/23

Aspiring Avenue
Langley Avenue
Acacia Street
Hilton Grove
Motuoapa Place
Hillcrest Drive
Karamea Crescent
Mahia Place
Rhodes Drive
Cargill Grove
Lyndale Place
Anakiwa Street
Wairau Place
Peter Hall Drive
Colonial Place
Suzanne Grove
Forbes Place
Charwell Place
Chelmarch Place
Marybank Mews
Old West Road
Abraham Crescent
Holdsworth Avenue
Hunter Street
Kaituna Street
Rennie Avenue
Moyne Avenue
Cohen Place

### Planned for 23/24

Catlins Crescent	First 6 Months (Already designed)
Jasper Place	
Flygers Line	
Dunk Place	
Denver Place	
Moa Street	
Terry Crescent	
Papawai Place	
Pinedale Place	
Paradise Place	
Palliser Place	Second 6 Months
Drayton Place	
Lancaster Street	
Monowai Place	
Turakina Street	
Otaki Place	
Halswell Crescent	
Tiki Place	
Downing Street	
Admiral Place	
Henley Court	
Cecil Place	
Waltham Court	
Matipo Street	
Argyle Avenue	
Aroha Street	
Clausen Street	
Seddon Street	
Brett Place	

### Planned for Year 1 & 2 (potentially) of next LTP

Marama Crescent	Moana Street
Russell Street (South)	Croxley Place
Battersea Place	Heatley Avenue
Weber Place	Hind Place
Woodfield Avenue	Waterloo Crescent
Sharon Place	Heathcote Place
Rakino Place	Clifton Terrace
Coronet Place	Fernwood Palce
Capri Place	Hillgrove Place
Grant Place	Parnell Heights Drive
Paul Place	Alpine Grove
Adrien Way	Branigan Parade
Anaru Place	Rosalie Terrace
Squires Place	Rodeo Drive
Haast Place	
Otira Place	
Drake Street	
Heath Place	
Cavendish Crescent	
Hammond Place	
Townshend Place	
Nathan Place	
Just Place	
Manawaroa Street	
Graham Place	
Ranfurly Street	
Roleston Street	
Seaton Court	
Tasman Place	



## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 21 June 2023

**TITLE:** Palmerston North Quarterly Economic Update - June 2023

**PRESENTED BY:** Stacey Bell City Economist

**APPROVED BY:** David Murphy, Chief Planning Officer

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### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Committee receive the following reports for information:
    - a. Palmerston North Quarterly Economic Update – June 2023
    - b. Palmerston North electronic card spending report – March quarter 2023
- 

#### 1. ISSUE

- 1.1 This memorandum presents a summary of the key themes in the Palmerston North Quarterly Economic Update to June 2023, and the Palmerston North City Centre Quarterly electronic card spending (retail and selected tourism sectors) for the March quarter 2023.
- 1.2 The quarterly economic update is prepared in-house, utilising data from a range of sources to provide the most up-to-date information available on the city economy. This includes national and global data, where appropriate, to inform of broader conditions that are impacting on local economic conditions.
- 1.3 The attached quarterly economic update is designed so that the first and final pages provide an overview of economic conditions in the city, with greater detail included in the body of the report. We take this approach to ensure the main points are conveyed concisely, while retaining detailed analysis on aspects of economic performance that are of interest. The contents of this report will continue to be developed over time to meet the needs of Committee.
- 1.4 The Palmerston North City Centre Quarterly electronic card spending report is also prepared in-house and provided as a resource to the city retail sector. This report includes information on retail spending across the city and by precinct, as well as data on retail flows, customer loyalty, and the origin of customers that are spending in Palmerston North. For this reason, it is now included within quarterly economic reporting to Committee to provide more detailed information of retail spending trends in the city.

## 2. PALMERSTON NORTH QUARTERLY ECONOMIC UPDATE – JUNE 2023

- 2.1 Economic performance in the city has exceeded national performance over the five-years to March 2023, with GDP growing by 20.5% compared with 14.4% nationally.
- 2.2 Over the year to March 2023, GDP increased by 2.8 percent in Palmerston North to reach a total value of \$6.34b. The national economy grew by 2.9 percent over the year.
- 2.3 The number of city residents in employment increased by 384 in March 2023 compared with the March quarter 2022. This is an increase of 1.1 percent from the March quarter 2022. Over the same period, earnings increased by 8.5 percent in the city. This compares with a 2.8 percent increase in jobs nationally and an 8.7 percent increase in earnings.
- 2.4 Tight labour market conditions continue with annual average unemployment in the city equal to the historically low national unemployment rate of 3.4 percent. This compares with regional unemployment of 3.5 percent over the same period.
- 2.5 The number of people receiving the Jobseeker benefit fell by 4.3 percent over the year to March 2023. Numbers fell across all age groups with jobseeker numbers in the city now below pre-pandemic levels. This bucks the national trend with national jobseekers rising by 11.0 percent since March 2020.
- 2.6 Retail spending increased by 7.6 percent over the year to April 2023. Spending on tourism-related expenditure drove the increase. Comparing the April quarter 2023 with the same quarter in 2022, accommodation spending was up 58.8 percent, spending on arts, recreation and visitor transport rose 24.5 percent, and spending at bars, cafes and restaurants increased 24.1 percent.
- 2.7 While aggregate spending held up over the year, discretionary spending fell over the April quarter as higher mortgage interest rates and living costs weighed on non-essential spending. Other consumer spending, which includes cars and motorcycles, fell by 37.2 percent in the April quarter 2023 compared with the April quarter 2022, while home and recreational retail spending fell by 3.7 percent over the same period.
- 2.8 Tourism spending increased by 13.1 percent in Palmerston North over the year to March 2023. Domestic spending was up by 8.0 percent over the year, while international tourism spending increased by 135.9 percent.
- 2.9 New dwelling consents have strengthened in 2023 after a weaker 2022. Consents for new dwellings in the city peaked over the year to July 2020, with a record 572 consents for new dwellings issued over the year:



- a. There was a total of 443 consents for new dwellings issued in the city over the year to April 2023. Activity has been particularly strong in 2023 with 161 new dwellings consented in the first four months of the year. This compares with 114 new dwelling consents issued over the first four months of 2022.
  - b. A total of \$410.4m in consents were issued over the year to April 2023, an increase of 10.0 percent compared with the year ended April 2022. Residential consent values fell 2.0 percent versus the previous year, while non-residential construction values increased by 28.2 percent over the same period. The increase in consent values was driven by central government investment in health facilities at Te Whatu Ora Te Pae Hauora o Ruahine o Tararua MidCentral.
- 2.10 The Palmerston North housing market is showing signs of stabilisation, as median house prices remain relatively unchanged over the first four months of 2023. While house sales volumes continue to be suppressed due to higher interest rates and tougher financial conditions, the fall in sales in Palmerston North over the year to April 2023 is significantly less than the fall in national sales volumes.
- a. Sales volumes fell 15.8 percent in Palmerston over the year to April 2023, compared with 26.6 percent nationally.
  - b. The average number of days to sell fell to 46 days in the Manawātū-Whanganui Region compared to 45 days nationally.
  - c. The average house price in Palmerston North was \$637,370 in April 2023. Average house prices in the city fell 13.5 percent over the year to April 2023. This compares with a national fall of 10.9 percent. Average prices in the city remain 27.3 percent above the pre-pandemic average price of \$500,702<sup>1</sup>.
  - d. The median house price in Palmerston North was \$606,000 in April 2023. Median house prices in the city fell 12.0 percent over the year to April 2023. This compares with a national fall of 10.9 percent. Median house prices in the city remain 15.4 percent above the pre-pandemic median price of \$525,000<sup>2</sup>.
- 2.11 The number of families awaiting public housing in the city fell by 18.9 percent over the year to March 2023. This trend is emerging across the country with a 10.4 percent annual decline in families on the public housing register, nationally.
- 2.12 Rental prices continue to rise but at a slower rate. The number of rental properties formally rented in Palmerston North increased by 276 over the year to March, to a total of 7,839.

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<sup>1</sup> February 2020 average price.

<sup>2</sup> February 2020 median price.

2.13 Domestic inflation remains elevated, however the outlook is improving as interest rates appear to stabilise and supply pressures ease. Treasury now anticipates inflation will fall back within range by late 2024 with unemployment peaking lower than previously anticipated. Net international migration and the recovery in tourism is helping to sustain business activity amidst the pullback in demand from New Zealand households. There will be hard times however for families and businesses vulnerable to higher interest rates and living costs.

2.14 The Palmerston North Quarterly Economic Update - June 2023 is attached as Appendix 1.

### **3. PALMERSTON NORTH ELECTRONIC CARD SPENDING REPORT – MARCH 2023**

3.1 Total electronic card spending was \$354.9 million in Palmerston North in the March quarter 2023. Of this total, 55.7 percent was spent in the city centre.

3.2 Spending increased 7.8 percent in Palmerston North over the year to March 2023. This compares with an 8.3 percent increase in spending in the city centre and a 10.6 percent increase across New Zealand. The strong lift in national spending is due to recovery from Covid restrictions that had a greater impact on national spending over the year to March 2022.

3.3 The annual inflation rate to March 2023 was 6.7 percent, indicating real spending is holding up in the city.

3.4 The loyalty rate, explained as the percentage of spending by Palmerston North residents at local retailers was 81.4 percent over the year to March 2023. This compares with 81.9 percent the previous year.

3.5 There was a \$302.8m net gain from spending flowing into the city, compared with spending flowing out of the city over the year to March 2023. This is a 14.4 percent increase in retail spending flowing into the city, compared with the previous year.


3.6 Spending in the Palmerston North City Centre increased by 8.3 percent over the year to March 2023. Spending across the rest of Palmerston North increased by 9.2 percent over the same period while spending at Terrace End fell by 1.2 percent over the same period. The rest of Palmerston North covers all locations outside Terrace End, the CBD and Broadway Avenue.

3.7 Spending on arts, recreation and visitor transport, accommodation and fuel and automotive increased the most over the year to March 2023. As previously indicated, other consumer spending fell in the April 2023 quarter compared with the April 2022 quarter, indicating the more recent impact of rising costs on discretionary spending.

3.8 The Quarterly Economic Card Spending Report for March 2023 is attached as Appendix 2.

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual: To receive city economic performance data	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant, do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Economic Development	
The action is: Implement Inward Investment Strategy	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Reporting on economic trends in the city and Manawātū region and the longer-term outlook for growth, is important for encouraging local business to invest in growing their business and attracting new businesses to the city.

## ATTACHMENTS

1. Palmerston North Quarterly Economic Update - June 2023 [↓](#) 
2. Palmerston North City Centre Quarterly Electronic card spending report - March 2023 [↓](#) 

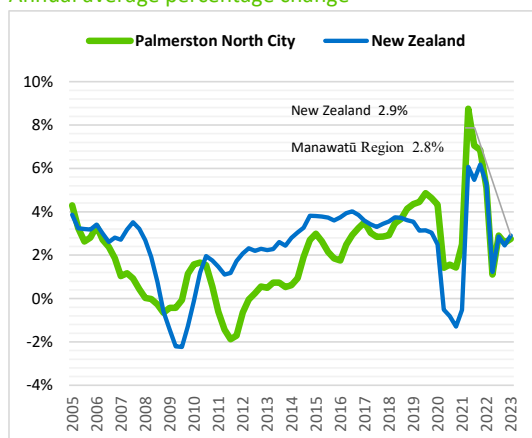
## 1 Palmerston North Quarterly Economic Update – June 2023

The Palmerston North economy continued to perform well in the year to March 2023. While there are clear signs that some parts of the economy are under pressure, the city economy is proving resilient as economic activity and employment continues to perform above expectation.

**GDP growth in Palmerston North for the year ended March 2023 remained close to national growth, rising 2.8 percent compared with 2.9 percent nationally.**

This follows a period of high growth for the city and the expectation that GDP growth would fall well below national growth from the latter part of 2022, as the national economy recovered from the greater impacts of COVID-19 restrictions in 2021.

**Palmerston North Gross domestic product growth**  
Annual average percentage change



Source: Infometrics QEM, March 2023

**Strong public sector investment and employment alongside robust private sector activity has supported economic activity in the city with GDP growing by 20.5 percent over the five-years to March 2022, compared with 14.4 percent nationally.**

The New Zealand economy overall, has proven resilient. Earlier forecasts of recession have been abandoned as net international migration and labour market resilience exceed expectation and inflation expectations ease.

Interest rates have stabilised. The RBNZ surprised markets by limiting the rise in the Official Cash Rate to the signalled 25 basis points at their last meeting in May, citing slowing domestic demand and easing supply chain and inflationary pressures.

The Treasury echoed this sentiment in the May Economic and Fiscal Update with the unemployment

rate now forecast to peak lower than previously anticipated and annual inflation to fall back within range by late 2024.

**The latest economic data reflects the resilience of the city economy overall, but challenges remain.**

Economic performance has exceeded the expectations of our leading economic agencies, however, conditions remain volatile and the impact of economic conditions, uneven. Businesses and households vulnerable to higher costs and interest rate increases are doing it tough and signs are emerging that hardship is spreading to higher income households. There is reason for optimism relative to earlier predictions, but challenges remain in 2023.

This report employs March quarter data and, where available, more recent monthly data, to provide an up-to-date understanding of the factors that are impacting on economic activity and wellbeing in the city.

### Economic highlights:

- Palmerston North GDP hit \$6.34b in the year to March 2023.
- City residents in employment increased by 1.1 percent in the March quarter 2023 compared with the March quarter 2022. Earnings from salaries and wages increased by 8.5 percent over the same period.
- Tight labour market conditions continue with the unemployment rate in the city, equal to the national unemployment rate of 3.4 percent.
- Earnings growth and a rebound in tourism activity is supporting business activity in the city. However, spending on high value and discretionary items is falling as rising costs weigh on real incomes.
- Construction sector activity is ticking up, as planned investment flows through to building consent values in the city.
- Housing market indicators continue to suggest that house prices are nearing the bottom of the cycle.
- Impacts on economic wellbeing are mixed:
  - Household living costs continue to rise with hardship spreading to higher income families;
  - Rental price growth continues but at a slower rate, while rental stocks increase in the city;
  - Public housing register numbers continue their downward annual trend; and,
  - Jobseeker benefits have fallen below pre-pandemic numbers in the city for the first time, bucking the national trend

## 2 Palmerston North Quarterly Economic Update – June 2023

**Strong growth in earnings continues in the city over the year to March 2023, with earnings up 8.5 percent compared with the March quarter 2022. National earnings increased 8.7 percent over the same period.**

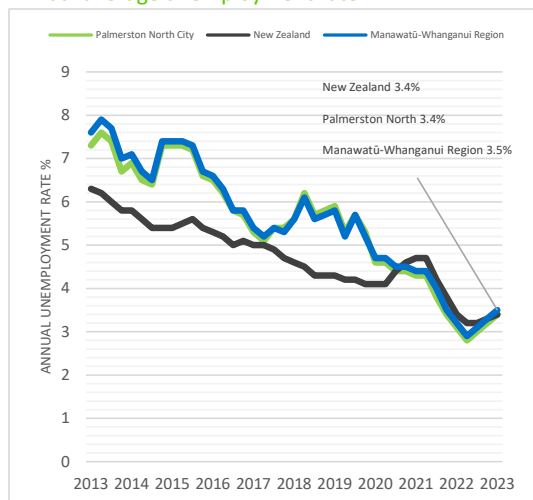
Annual earnings from salaries and wages in the city increased to a total of \$2.32b, substantially outweighing the increase in employed residents up 1.1 percent over the same period.

**There was a total of 47,027 filled jobs located in the city in March 2023 and 35,161 city residents in employment<sup>1</sup>.**

Tight labour market conditions continue, with the unemployment rate for the city equal to the low national unemployment rate of 3.4 percent. Greater than anticipated net international migration is expected to ease labour market pressures over 2023.

### Palmerston North and New Zealand

#### Annual average unemployment rate



Source: Infometrics, QEM, March 2023

**High employment and earnings growth have supported retail spending in the city.**

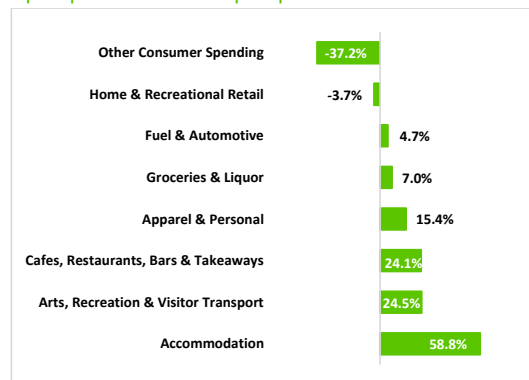
Retail spending increased by 7.6 percent over the year to April 2023. This is above the annual inflation rate of 6.7 percent indicating real growth in spending over the year. Spending growth continues to be driven by tourism related expenditure alongside core spending on groceries, personal items, and fuel and automotive.

Retail data for the April 2023 quarter, reflects the pullback in spending on discretionary goods more

recently as the high cost of living impacts on more New Zealand families. As below, other consumer spending<sup>2</sup>, fell 37.2 percent with home and recreational spending down 3.7 percent in the April quarter 2023

### Palmerston North retail spending

#### April quarter 2023 vs April quarter 2022



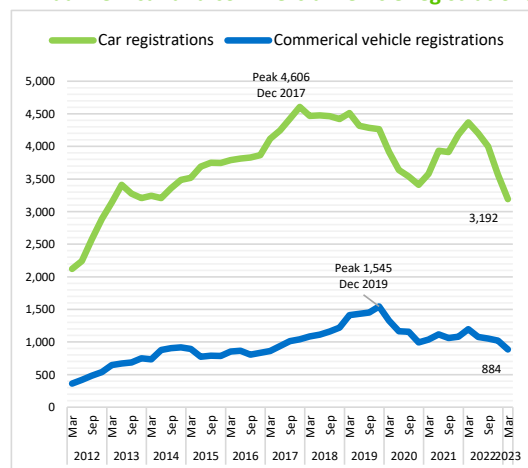
Marketview, April 2023

**The pullback in discretionary spending on big ticket items continues to be reflected in falling volumes of new cars and commercial vehicle registrations.**

New car registrations in the city fell 27.0 percent over the year to March 2023 while new commercial vehicle registrations fell by 26.1 percent over the same period.

### Palmerston North

#### Annual new car and commercial vehicle registrations



Source: Infometrics, QEM, March

This trend is observed across the Manawatu-Whanganui region with registrations of new cars and commercial vehicle falling by 25.5 percent and 30.3

<sup>1</sup> Figures do not include jobs and earnings from self-employed.

<sup>2</sup> Other consumer spending includes cars and motorcycles.



### 3 Palmerston North Quarterly Economic Update – June 2023

percent respectively over the March 2023 year. Nationally, car registrations fell by 16.2 percent over the year while new commercial vehicle registrations fell 31.6 percent over the same period.

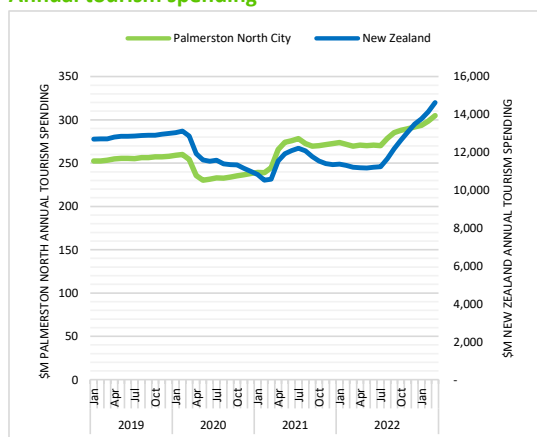
#### Recovery in tourism related spending in the city is boosting spending to local businesses.

Tourism spending rebounded to \$304.9m in the city over the year to March 2023, up 13.1 percent compared with the year ended March 2022. Domestic spending increased 8.0 percent while international spending increased 135.9 percent over the year.

Due to the strong domestic tourism base in the city, spending held up relatively well from 2020-2022. National tourism spending is now rebounding strongly in response to the abandonment of border restrictions, and the removal of restrictions on events and activities.

#### Palmerston North and New Zealand

##### Annual tourism spending



Guest nights in the city increased by 34.1 percent in the March year 2023. Unsurprisingly, national guest nights increased by a substantial 52.0 percent over the year, while the Manawatū-Whanganui region posted a 34.6 percent increase.

#### Building consent activity picks up in 2023

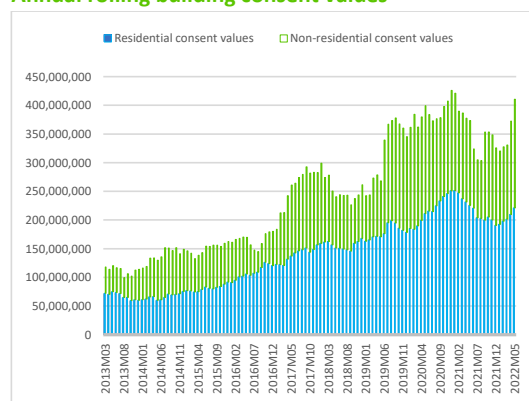
The value of building consents lifted to \$410.4m over the year to April 2023. This is an increase of 10.0 percent compared with the year ended April 2022.

Residential consent values hit \$221m falling by 2.0 percent from a very strong April 2022 year, while non-residential consent values increased by 28.2 percent to \$189.4m. The increase in consent values was driven by central government investment in health facilities at Te Whatu Ora Te Pae Hauora o Ruahine o Taranui MidCentral.

Building consent values peaked at \$426m over the year to November 2021. Residential consents were valued at \$251m while \$175m in non-residential consents were issued over the year.

#### Palmerston North construction investment

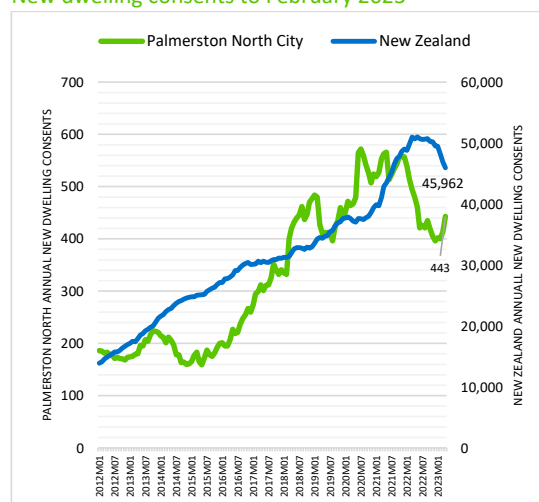
##### Annual rolling building consent values



Over the year to April 2023, 443 new dwelling consents were issued in Palmerston North city.

#### Palmerston North and New Zealand

##### New dwelling consents to February 2023



Source: Statistics NZ, April 2023

#### New dwelling consents in the city are rebounding from weaker volumes in the latter half of 2022.

Dwelling consents peaked early in Palmerston North, with a record 572 consents for new homes issued over the year to July 2020. This compares with a later peak of 51,015 new dwelling consents issued across the country over the year to May 2022. New dwelling consents are now falling sharply across the country as higher mortgage interest costs and tight financial conditions impact on residential investment.

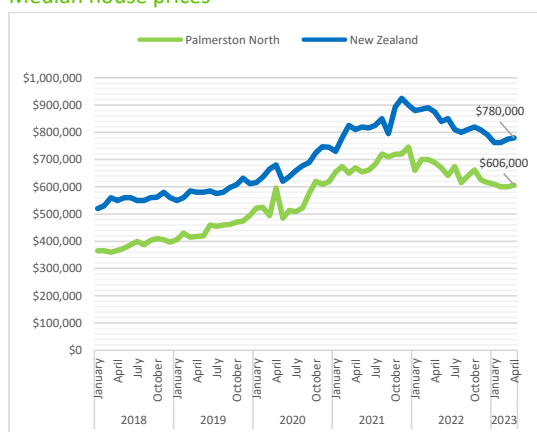
## 4 Palmerston North Quarterly Economic Update – June 2023

### The housing market continues to show signs of stabilisation.

The housing market was the first casualty of higher borrowing costs and tighter financial market settings. In 2023, there are signs of stabilisation as house prices in the first four months of 2023 have remained relatively stable in the city. House prices both nationally and in the city remain well above pre-pandemic prices. Economic conditions remain challenging, however, and downside risk to house prices remain.

#### Palmerston North and New Zealand

##### Median house prices



Source: REINZ, April 2023

The following table shows the change in average and median house prices from pre-pandemic prices (as at February 2020) and over the year to April 2023 for Palmerston North city and New Zealand as a whole.

#### Palmerston North and New Zealand

##### Pre-pandemic and annual house price change

Area	Average house price	Median house price
New Zealand	\$928,656	\$780,000
	+28.5% from pre-pandemic price	+22.8% from pre-pandemic price
	-10.3% year on year	-10.9% year on year
Palmerston North	\$637,370	\$606,000
	+27.3% from pre-pandemic price	+15.4% from pre-pandemic price
	-13.5% year on year	-12.0% year on year

Source/s: Corelogic, REINZ, April 2023

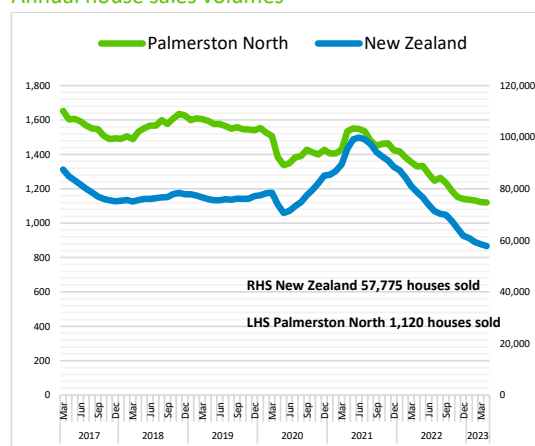
House sales in the city remain suppressed compared with the previous year, however the fall in sales volumes is substantially weaker than the decline in national sales volumes.

House sales fell 15.8 percent in Palmerston North over the year to April 2023 compared with 26.6 percent nationally.

The average number of days to sell in the region declined from 59 days in February 2023, to 43 days in April 2023. This compares with 47 days nationally.

#### Palmerston North and New Zealand

##### Annual house sales volumes



Source: REINZ, February 2023

#### Economic wellbeing

The continuation of high labour demand, and earnings growth is supporting many families to cover the rising costs of goods and services.

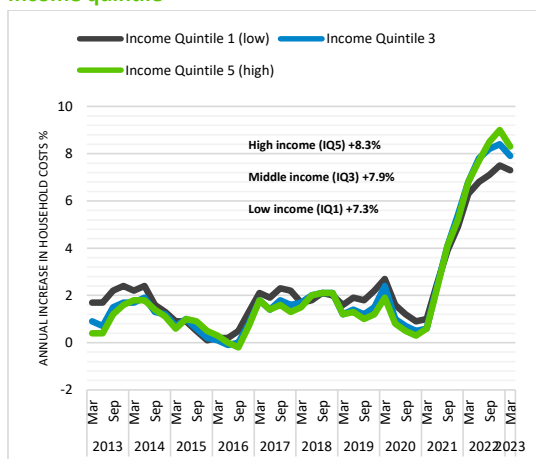
There are those in our community however, who do not benefit from rising incomes or who have been particularly affected by rising interest rates.

**Average household living costs were up 7.7 percent in the March quarter 2023 compared with the March quarter 2022. Food prices increased by 12.1 percent over the same period, with fruit and vegetable prices up 22.2 percent over the year.**

Living cost pressures were higher for middle to higher income households due to the impact of interest rates on weekly costs. Some families have the capacity to absorb these extra costs, however anecdotal evidence suggests growing demand for support from middle to higher income families.

## 5 Palmerston North Quarterly Economic Update – June 2023

### National household living cost index Income quintile



### The rental market

The average weekly rent in Palmerston North was \$453 per week, up 7.1 percent over the year to March 2023. This compares with an average weekly rent of \$525 nationally, up 5.0 percent from the previous year.

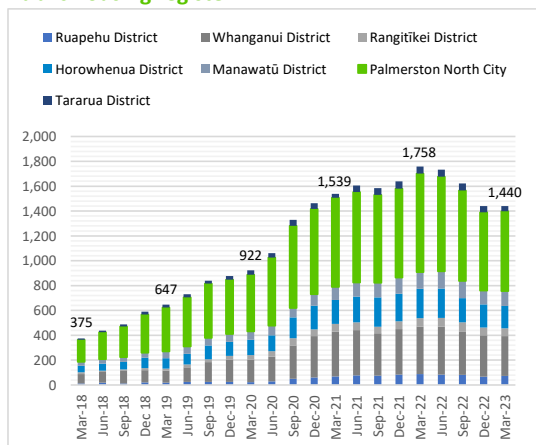
The supply of rental properties is increasing nationally with an additional 16,527 properties added to the formal rental market over the year to March 2023. This upward trend was observed in Palmerston North with 276 rental properties added to the formal rental market. A total of 7,839 properties were rented in the city as at March 2023.

### Public housing

The number of households on the register for public housing in Palmerston North fell by 18.9 percent over the year to March 2023, with 642 families remaining on the register.

### Manawātū-Whanganui region

#### Public housing register



### Jobseekers

The number of jobseekers in the city fell below pre-pandemic numbers in the March quarter, with 2,736 recipients compared with 2,742 in March 2020. This is a 0.2 percent fall on pre-pandemic benefits and is in contrast with the 11.0 percent increase in jobseekers nationally over the same period.

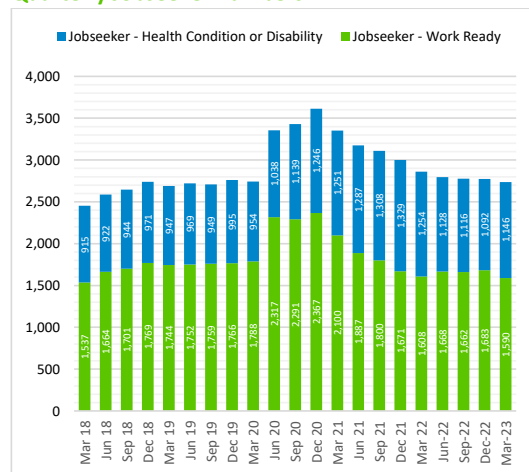
**Over the year, jobseekers in the city fell by 4.3 percent compared with a 5.1 percent fall nationally.**

Jobseeker characteristics have changed since 2020, with workready jobseekers making up a lower proportion of total jobseekers than prior to the pandemic (58.1 percent in 2023 versus 65.2 percent in 2020). This is consistent with the continuation of strong demand for workers across the regional economy as workready jobseekers exit for job opportunities.

Jobseeker numbers decreased across all age groups in the city, with the number of jobseekers on the benefit for more than a year falling by 6.7 percent.

### Palmerston North

#### Quarterly Jobseeker numbers



Source: MSD, March 2023

Nationally, the number of jobseekers has increased by 16,753 since March 2020, to a total of 168,498. The number of workready jobseekers grew by 9.1 percent over the period, while jobseekers with health conditions and disabilities were up 13.8 percent.

In the city, the number of workready jobseekers have fallen 11.1 percent since March 2020, while jobseekers affected by health conditions and disabilities increased by 20.1 percent.

## 6 Palmerston North: Economic snapshot - March 2023 quarter

(also available through [City Dashboards](#))

Level	Period	Palmerston North	New Zealand
Annual inflation rate	As at Mar 2023	6.7%	6.7%
Unemployment rate*	Average of 4 recent quarters	3.4%	3.4%
Indicator	Period	Palmerston North Annual average % change	New Zealand Annual average % change
<a href="#">Gross domestic product (provisional)*</a>	YE Mar 2023	<a href="#">+2.7%</a>	+2.9%
Consumer spending (Electronic Card Retail Spending)	YE Mar 2023	+7.8%	+11.6%
Employment (Place of residence)	YE Mar 2023	+0.9%	+2.2%
Health enrolments	YE Mar 2023	-0.1%	+0.6%
Residential consents (number)	YE Mar 2023	-16.4%	-7.9%
Non-residential consents (value)	YE Mar 2023	+11.3%	+11.1%
Commercial vehicle registrations	YE Mar 2023	-26.1%	-31.6%
<a href="#">Jobseeker support recipient</a>	Mar 2023 quarter	<a href="#">-4.3% compared to Mar 2022 quarter</a>	-5.1% compared to Mar 2022 quarter
<a href="#">Tourism electronic card transactions - domestic**</a>	YE Mar 2023	<a href="#">+8.0%</a>	+10.2%
<a href="#">Tourism electronic card transactions -international**</a>	YE Mar 2023	<a href="#">+135.9%</a>	+315.5%
Housing Indicator	Period	Palmerston North	New Zealand
Average house value***	Mar 2023	-12.4% compared to Mar 2022	-10.5% compared to Mar 2022
Average weekly rent** (based on rental bond data)	Mar 2023 quarter	+8.6% compared to Mar 2022 quarter	+3.4% compared to Mar 2022 quarter
<a href="#">Home ownership affordability*</a> (ratio of average house value to estimated annual average household income)	Mar 2023 quarter	<a href="#">5.6</a>	7.4
<a href="#">Rental affordability*</a> (% of average annualised rent to estimated annual average household income)	Mar 2023 quarter	<a href="#">20.8%</a>	21.8%

Sources: Stats New Zealand, \*Infometrics, \*\*MBIE, \*\*\*Corelogic

Note: YE = Year ending



**Palmerston North City Centre**  
**Quarterly electronic card spending**  
(retail and selected tourism sectors)

Mar 2023



This report presents analysis of electronic card retail spending (ie. total value of electronic card transactions made in person) in the city. The focus is on Palmerston North City Centre (consisting of CBD and Broadway Avenue precinct; and Outer CBD precinct); city as a whole (see map on page 6 for location of precincts); and comparison with New Zealand.

Data is obtained from Marketview and is based on information from Worldline (formerly known as Paymark) the largest electronic card payment network in New Zealand. Analysis covers eight retail sectors consisting of accommodation; apparel & personal; arts, recreation & visitor transport; cafes, restaurants, bars & takeaways; fuel & automotive; groceries & liquor; home & recreational retail; and other consumer spending (see retail sector classification on page 7).

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PRECINCT MAP	7
RETAIL SECTOR CLASSIFICATION	8

## Summary - Mar 2023

### Palmerston North: City at a glance

- For the quarter ending Mar 2023, total electronic card spending was \$355 million, an increase of 6.9% from the same period the previous year vs 5.1.% across New Zealand (NZ).
- For the year ending Mar 2023, total electronic card spending was \$1,471 million. There is a slight narrowing of the gap between the Palmerston North's year on year growth of 7.8% compared to New Zealand average of 10.6% for year ending Mar 2023 - see graph on "Electronic Card Retail Spending Annual Change (%)" on page 3.
- The annual growth rate of retail spending is higher than the annual inflation rate of 6.7% as reported in Mar 2023, indicating positive real growth.

### City Centre

- This quarter's electronic card retail spending in the city centre was \$197 million, increasing by 9.8% from Mar 2022 quarter vs 5.1.% across NZ.
- Annual electronic retail spending in the city centre was \$820 million, which accounted for 55.7% of spending in the city.
- Annual retail spending in the city centre increased by 8.3%, compared to 7.8% for Palmerston North, and 10.6% across New Zealand.
- The top three retails sectors were "Home and recreational retail" (35%), "Groceries and liquor" (30%) and "Café, restaurants, bars and takeaways" (15%). Together they represented 80% of retail electronic card spending. See pages 5 and 6 for breakdown by retail sectors.
- The retails sectors in the city centre with highest annual growth are related to travel and tourism: -
  - "Arts, recreation and visitor transport" (58%)
  - "Fuel and automotive" (41%)
  - "Accommodation" (39%)

## Retail Precincts

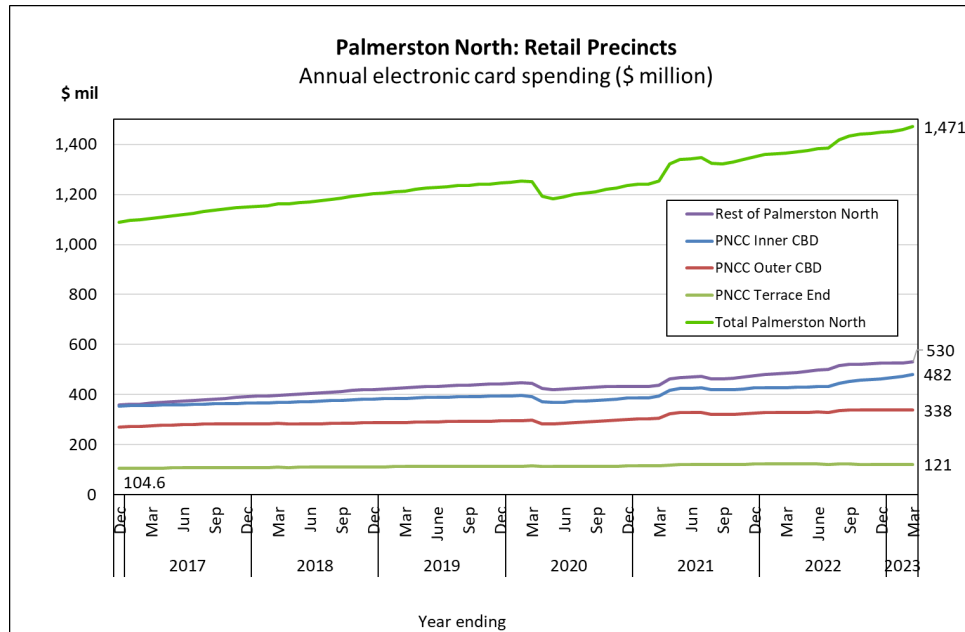
Retail Precincts	Mar 2023 quarter		Year ending Mar 2023		
	Value of spending (\$m)	Change from same quarter last year (%)	Value of spending (\$m)	Change from last year (%)	Precinct share (%)
Palmerston North CBD and Broadway Avenue	117.3	17.8%	481.6	12.5%	32.7
Palmerston North Outer CBD	79.9	-0.2%	338.0	2.8%	23.0
<b>Palmerston North City Centre*</b>	<b>197.2</b>	<b>9.8%</b>	<b>819.6</b>	<b>8.3%</b>	<b>55.7</b>
PNCC Terrace End	29.8	-3.6%	121.4	-1.2%	8.3
Rest of Palmerston North	127.9	2.8%	530.1	9.2%	36.0
<b>Total Palmerston North**</b>	<b>354.9</b>	<b>6.9%</b>	<b>1,471.1</b>	<b>7.8%</b>	<b>100%</b>
Total New Zealand	17,671	5.1%	73,565	10.6%	

Notes: \*Palmerston North City Centre spending consists of spending from: 1) CBD and Broadway Avenue (inner business zone) precinct, and 2) Outer CBD (outer business zones) precinct. \*\*Total Palmerston North City spending consists of spending from the city centre + Terrace End precinct + the rest of the city. See map on page 10 for location of the precincts.

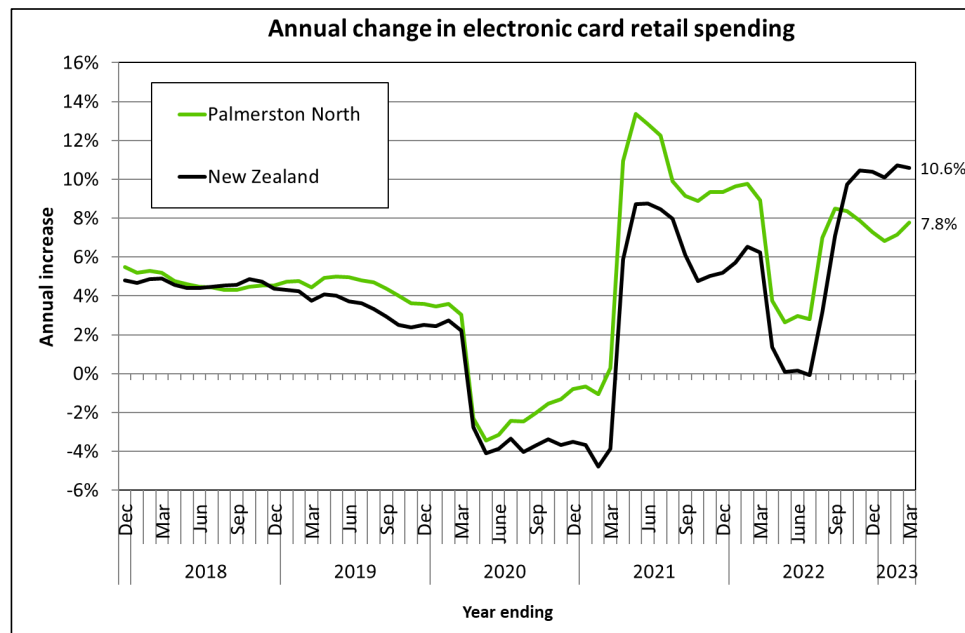
The time series of spending by precincts on the next page show upwards trend in spending in all precincts. Key observations are:

- The impacts of COVID is obvious in three of the precincts. "Terrace End" appears to be less affected by COVID, this could be due to the composition of retail store types and customer base. Spending growth seemed to have plateaued due to the boundary of this precinct.
- The "Rest of Palmerston North" has gradually taken the lead as the precinct with the highest spending since Dec 2016. While all precincts have a set boundary, this precinct was able to capture the excess of spending growth from other precincts.

Time series: Annual Electronic Card Spending (Dec 2016 – Mar 2023)



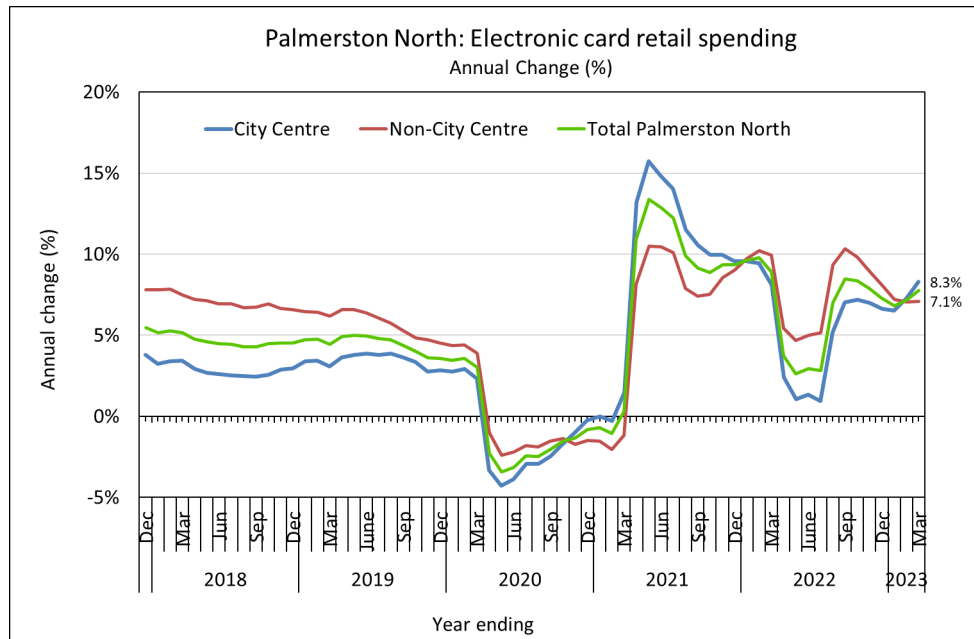
The time series below shows annual change in electronic card spending (Dec 2017 – Mar 2023) of Palmerston North and New Zealand. The annual growth rate for New Zealand began to increase higher than Palmerston North starting from October 2022, and is showing signs of narrowing since January 2023



The time series of annual change in spending by city centre vs “non-city centre” below shows a “dance” between city centre and non-city centre leading growth spending in Palmerston North from Oct/Nov 2021. This is likely due to: -

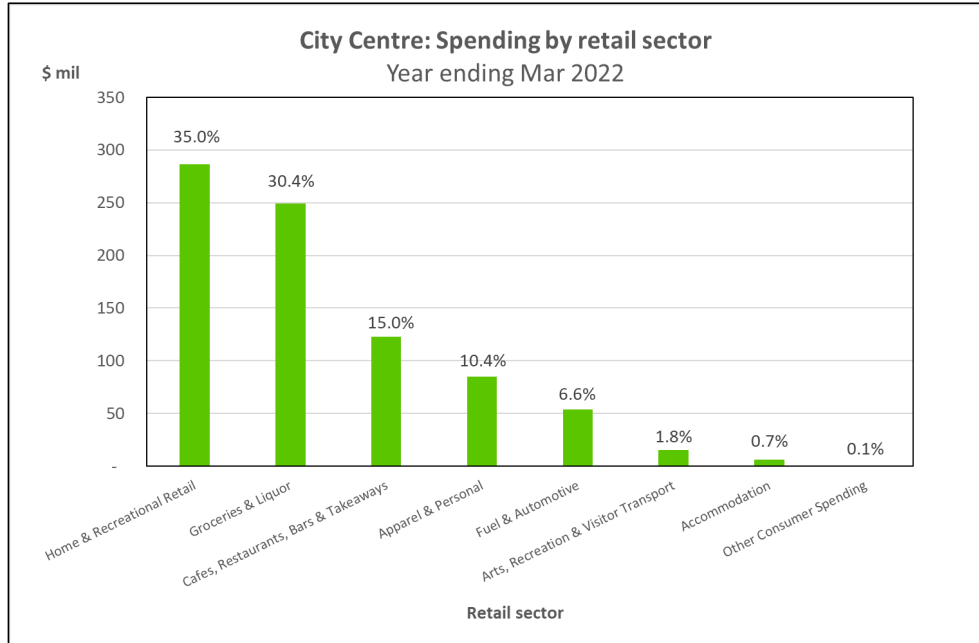
- spending pattern changes as a result of varying COVID alert levels and transitioning to the revival of global travel, and
- composition of store-types in the various precincts (*see breakdown of spending by retail sectors on the next page*)

Time series: Annual Change (Dec 2016 – Mar 2023)



## Retail sectors

The top three retail sectors in the city centre were “Home and recreational retail” (35%), “Groceries and liquor” (30%) and “Café, restaurants, bars and takeaways” (15%). Together they represented 80% of retail electronic card spending.



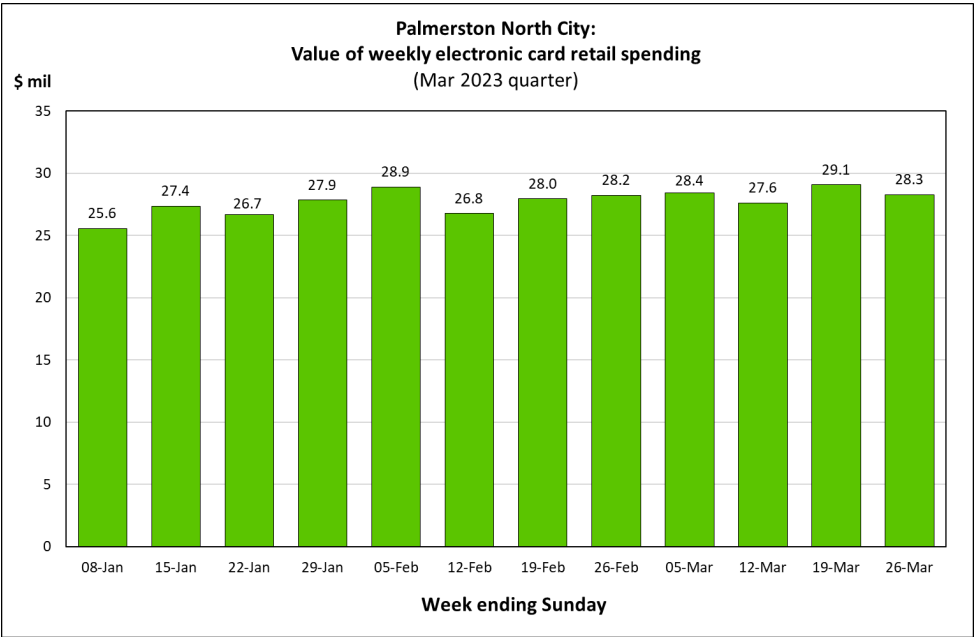


The annual growth in spending was supported by growth in retail sectors related travel and tourism: -

- “Arts, recreation and visitor transport” (58%)
- “Fuel and automotive” (41%)
- “Accommodation” (39%)

Retail sectors	Year ending Mar 2023						
	City Centre		Palmerston North		New Zealand		Palmerston North City Centre share of NZ
	Value of spending (\$m)	Change (from last year)	Value of spending (\$m)	Change (from last year)	Value of spending (\$m)	Change (from last year)	
Accommodation	6	38.8%	25	32.7%	1,790	44.8%	1.4%
Apparel & personal	85	7.3%	101	6.1%	4,358	16.7%	2.3%
Arts, recreation & visitor transport	15	57.6%	28	35.6%	2,170	58.8%	1.3%
Cafes, restaurants, bars & takeaways	123	16.9%	185	15.1%	10,199	18.2%	1.8%
Fuel & automotive	54	41.3%	253	20.8%	12,769	18.6%	2.0%
Groceries & liquor	249	5.6%	480	3.6%	25,223	2.6%	1.9%
Home & recreational retail	287	1.0%	396	0.5%	16,714	5.4%	2.4%
Other consumer spending	1	77.0%	3	11.0%	342	1.3%	0.9%
<b>Total</b>	<b>820</b>	<b>8.3%</b>	<b>1,471</b>	<b>7.8%</b>	<b>73,565</b>	<b>10.6%</b>	<b>2.0%</b>

Palmerston North: Weekly spending



Precinct Map



## Retail sector classification

### Accommodation

Accommodation

### Apparel & personal

Clothing retailing

Footwear retailing

Watch & jewellery retailing

Other personal accessory retailing

Hairdressing & beauty services

### Arts, recreation & visitor transport

Interurban & rural bus transport

Urban bus transport (including tramway)

Taxi & other road transport

Rail passenger transport

Water passenger transport

Air & space transport

Scenic & sightseeing transport

Passenger car rental & hiring

Other motor vehicle & transport equipment rental & hire

Travel agency & tour arrangement services

Museum operation

Zoological & botanical gardens operation

Nature reserves & conservation parks operation

Performing arts operation

Creative artists, musicians, writers & performers

Performing arts venue operation

Health & fitness centres & gymnasias operation

Sport & physical recreation clubs & sports professionals

Sports & physical recreation venues, grounds & facilities

Sport & physical recreation admin. & track operation

Horse & dog racing administration & track operation

Other horse & dog racing activities

Amusement parks & centres operation

Amusement & other recreation activities n.e.c

Casino operation

Lottery operation

Other gambling activities

### Cafes, restaurants, bars & takeaways

Cafes & restaurants

Takeaway food services

Catering services

Pubs, taverns & bars

Clubs (hospitality)

### Fuel & automotive

Motor vehicle parts retailing

Tyre retailing

Fuel retailing

Other automotive repair & maintenance

### Groceries & liquor

Supermarket & grocery stores

Fresh meat, fish & poultry retailing

Fruit & vegetable retailing

Liquor retailing

Other specialised food retailing

### Home & recreational retail

Sport & camping equipment

Entertainment media retailing

Toy & game retailing

Newspaper & book retailing

Marine equipment retailing

Department stores

Pharmaceutical, cosmetic & toiletry goods

Stationery goods retailing

Antique & used goods retailing

Flower retailing

Other store-based retailing n.e.c.

Furniture retailing

Floor coverings retailing

Houseware retailing

Manchester & other textile goods retailing

Electrical, electronic & gas appliance retailing

Computer & computer peripheral retailing

Other electrical & electronic goods retailing

Hardware & building supplies retailing

Garden supplies retailing

### Other consumer spending

Car retailing

Motor cycle retailing

Trailer & other motor vehicle retailing

Retail commission based buying & selling



## MEMORANDUM

**TO:** Economic Growth Committee

**MEETING DATE:** 21 June 2023

**TITLE:** Tamakuku Terrace Six Monthly Update

**PRESENTED BY:** Bryce Hosking, Group Manager - Property and Resource Recovery

**APPROVED BY:** Bryce Hosking, Acting Chief Infrastructure Officer

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### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Committee receive the memorandum titled 'Tamakuku Terrace Six Monthly Update', presented on 21 June 2023.
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#### 1. ISSUE

- 1.1 During the last term of Council, the Infrastructure Committee requested six-monthly updates be provided throughout the duration of the project. These updates will now be presented to the Economic Growth Committee.

#### 2. BACKGROUND

- 2.1 Tamakuku Terrace is a new 114-section subdivision within the Whakarongo Growth Area. Section sizes within the subdivision range from 275m<sup>2</sup> (a couple) through to 810m<sup>2</sup>, with the average section size being 463m<sup>2</sup>.
- 2.2 The development is being delivered through two stages:
  - Stage 1 – 79 sections; and
  - Stage 2 – The balance of 35 sections.
- 2.3 Construction of Stage 1 was completed in October 2022 with titles issued in December 2022.
- 2.4 Stage 2 is subject to the approval of the comprehensive discharge consent (CDC) for the entire Whakarongo Growth Area by Horizons Regional Council.

#### 3. STAGE 1 UPDATE – 30 APRIL 2023

- 3.1 Construction of Stage 1 was completed in October 2022 with titles issued in December 2022. An official opening of Stage 1 was held on 28 November 2022.

- 3.2 In February 2023 temporary speed humps were added within the development to assist with deterring street racing within the development. These will be removed once enough housing is built within the development.
- 3.3 Housing construction is underway from the private purchasers and group builders on the first of the sections that were sold.

#### Sales

- 3.4 Below is a summary of the situation:
  - Stage 1 of the development has 79 sections.
  - 20 sections are either under contract or settled.
  - 6 purchasers (in addition to the above) had to be released from their contracts due to not being able to settle.
- 3.5 For context we need to sell around 45-50 sections to breakeven on Stage 1, so around 25-30 more needed.
- 3.6 Homes for People are yet to formally commit to purchase any sections.

#### Marketing

- 3.7 The project team met with agents and the build partners to get an understanding of the market situation. The feedback was:
  - The consensus was that the market is a challenging environment at present, and this is unlikely to improve in the next six months.
  - Section enquiry remains low and infrequent throughout the city.
  - House and land enquiry are also down but there is more enquiry for new builds than there are for sections.
  - Buyers are taking longer to commit, and financing is the largest barrier.
  - Tamakuku Terrace is seen as a superior development in the market.
- 3.8 The marketing strategy over the next six (6) months will include:
  - Continuing to work with the current real estate agency and continuing with a base marketing effort which includes advertising on key websites and in publications.
  - Schedule open day on site with agents and build partners which could be focused around the build partners completing their first homes/residents moving in.
  - Investigate what assistance can be provided to assist build partners to convert interest and enable sales rather than reducing the price of sections.
  - Work with build partners to advertise different typologies of homes such as two-bedroom and duplexes and leverage their respective marketing channels to reach these potential buyers.



### Financial

- 3.9 Stage 1 of the project was delivered within budget with all construction variations being accommodated within the approved project contingency.
- 3.10 A high-level financial summary of the project costs is provided in the table below:

Stage 1 Only	\$ (excl. GST)
Budgeted total development cost	\$15.2M
Forecasted total development cost	\$14.2M
Potential total sale proceeds (79 sections at Jan. 2022 valuation figures)	\$23.2M
Completed settlements at 30 April 2023	\$4.95M

- 3.11 Overall Tamakuku Terrace is a development the city and Council can be proud of, despite it taking longer for the sections to sell than anticipated 12-18 months ago as the market has changed. Given current growth projections, officers are still confident the sections will be sold.

## **4. STAGE 2 WORKSTREAMS – 2023/24 FINANCIAL YEAR**

- 4.1 The neighbouring property owner is seeking a road connection by March 2025 to connect to their development. To facilitate this some workstreams need to be undertaken in 2023/24. These are:

Workstream	Commencement	Comments
Stage 2 detailed design and consent	July 2023	<ul style="list-style-type: none"> <li>Completing this workstream will provide construction flexibility.</li> <li>The Stage 2 resource consent is reliant on the wider Whakarongo consent. Once this consent is granted, the Stage 2 consent will follow.</li> </ul>
Culvert bypass construction	November 2023	<ul style="list-style-type: none"> <li>Recommend commencing in parallel with the oxbow construction to achieve efficiencies with the downstream infrastructure.</li> <li>Needs to be completed before Stage 2 earthworks can commence.</li> </ul>

4.2 The workstreams above have the following budget provision in 2023/24:

Item	\$ (excl. GST)
Detailed design and consent	\$150K
Culvert bypass construction	\$1.21M
Project and cost management	\$150K
Marketing of current sections	\$60K
<b>Total</b>	<b>\$1.57M</b>

#### Stage 2 Subdivision Construction

4.3 There are two (2) key variables that may potentially impact when Stage 2 progresses:

1. The market and the Stage 1 sell down period. A decision will need to be made in respect to what level of sales within Stage 1 will enable Stage 2 construction.
2. The downstream oxbow construction programme. The commencement is reliant on the oxbow infrastructure being completed and the culvert bypass being operational.

4.4 Earthworks will need a full summer earthworks season (Oct-Apr) to complete which means a tentative targeted works start in October 2024 to allow road access for the neighbouring property in (or near) March 2025.

### **5. NEXT STEPS**

5.1 Council officers will continue to sell the sections within Stage 1 of the development.

5.2 The detailed design and consent for Stage 2 be commenced in July 2023.

5.3 The construction on the culvert bypass, from the pond to the oxbow, be planned for late 2023 alongside the oxbow construction works.

### **6. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>

Does this decision require consultation through the Special Consultative procedure?		<b>No</b>
Is there funding in the current Annual Plan for these actions?		<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?		<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City		
The recommendations contribute to the achievement of action/actions in City Growth		
The action is: Housing development is initiated at Whakarongo.		
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	<p>Progressing with the Tamakuku Terrace subdivision development within the Whakarongo Growth Area will:</p> <ul style="list-style-type: none"> <li>• Provide additional sections to the marketplace to help reduce the supply vs. demand shortfall.</li> <li>• Provide choice to purchasers through a variety of section sizes and provide them the freedom to choose their preferred house builder.</li> <li>• Provide a best practice example to the private development community showcasing the opportunities and benefits of working closely with local iwi, urban designers, territorial authorities, and local experts to achieve excellent outcomes.</li> <li>• Support local contractors and the employment market.</li> </ul>	

## ATTACHMENTS

Nil



## COMMITTEE WORK SCHEDULE

TO: Economic Growth Committee

MEETING DATE: 21 June 2023

TITLE: Work Schedule - June 2023

### RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Economic Growth Committee receive its Work Schedule dated June 2023.

### COMMITTEE WORK SCHEDULE 2023/2024

	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause no.
1	21 June	<del>Update on infill lighting required to achieve compliance in P and V categories (update for Programme 1367)</del>	Chief Infrastructure Officer		<del>16 March 2022 Clause 3-22</del>
2	21 June	<del>Te Utanganui Master Plan</del>	Chief Planning Officer	Work in progress	Terms of Reference
3	21 June 2023	Palmerston North Strategic Transport Networks	Chief Planning Officer	laid on the table	
4	21 June 2023	Streets for People Update (6 monthly)	Chief Infrastructure Officer		Terms of Reference
5	21 June 2023	Presentation of Square East Stage 3 and 4 final design plan	Chief Infrastructure Officer		17 Aug 2022 Clause 17-22
6	21 June 2023	Quarter 3 Economic Report Jan-March 2023	Chief Planning Officer		Terms of Reference
7	21 June 2023	Streets for People - Options for delivery of the construction stage of the programme (Square East Stage 3+4).	Chief Infrastructure Officer		Council 5 Oct 2022 Clause 119-22

	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause no.
8	21 June 2023	Tamakuku Terrace Six Monthly Update	Chief Infrastructure Officer		Terms of Reference
9	21 June 2023	PNAL—Final Statement of Intent for 2023/26	Chief Financial Officer		Terms of Reference
10	21 June 2023	CEDA—Final Statement of Intent for 2023/26	Chief Planning Officer		Terms of Reference
11	21 June 30 Aug 2023	Road Maintenance Contract (six-monthly report on work programme and performance)	Chief Infrastructure Officer		<a href="#">16 March 2022</a> <a href="#">Clause 4-22</a>
12	30 Aug 2023	Quarter 4 Economic Report April-June 2023	Chief Planning Officer		Terms of Reference
13	25 Oct 2023	PN Airport – Annual Report for 2022/23	Chief Financial Officer		Terms of Reference
14	25 Oct 2023	CEDA – Annual Report for 2022/23	Chief Planning Officer		Terms of Reference
15	25 Oct 2023	PN Airport –Statement of Expectation for 2024/25	Chief Financial Officer		Terms of Reference
16	25 Oct 2023	Streets for People Update (6 monthly)	Chief Infrastructure Officer		Terms of Reference
17	25 Oct 2023	International Relations and Education Activities – 6 month update	Chief Planning Officer		Terms of Reference
18	25 Oct 2023	Vogel Street Safety improvements – community feedback and analysis.	Chief Infrastructure Officer		12 April 2023 Clause 14-23
19	6 Dec 2023	Quarter 1 Economic Report July-Sept 2023	Chief Planning Officer	Present to Council	Terms of Reference
20	6 Dec 2023	Tamakuku Terrace Six Monthly Update	Chief Infrastructure	Present to Council	Terms of Reference



	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause no.
			Officer		
21	April 2024	CEDA – Six Month Report and draft SOI	Chief Planning Officer		Terms of Reference
22	April 2024	PN Airport – Six Month Report and draft SOI	Chief Financial Officer		Terms of Reference
23	April 2024	International Relations and Education Activities – 6 month update	Chief Planning Officer		Terms of Reference
24	April 2024	Quarter 2 Economic Report Jan-March 2023	Chief Planning Officer		Terms of Reference
25	TBC	Sector Profiles: Construction (full and summary) Agriculture (full and summary) Manufacturing (full and summary) Education (full and summary) Defence (summary) Non-Profit (summary) Research, Science & Innovation (full and summary)	Chief Planning Officer	Future of sector profiles to be reported back to committee	