



PALMERSTON NORTH CITY COUNCIL

AGENDA

ECONOMIC GROWTH COMMITTEE

1:00 PM, WEDNESDAY 11 JUNE 2025

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

MEMBERS

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 | Civic Administration Building, 32 The Square
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Waid Crockett

Chief Executive | PALMERSTON NORTH CITY COUNCIL

Te Marae o Hine | 32 The Square
Private Bag 11034 | Palmerston North 4442 | New Zealand
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PALMERSTON
NORTH
CITY

ECONOMIC GROWTH COMMITTEE MEETING

11 June 2025

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.

6. **Petition to Install Traffic Calming Measures on Ascot and Pahiatua Street** Page 7

7. **Confirmation of Minutes** Page 11
 That the minutes of the Economic Growth Committee meeting of 9 April 2025 Part I Public be confirmed as a true and correct record.

8. **Central Economic Development Agency (CEDA) Final Statement of Intent 2025/26** Page 23
 Memorandum, presented by David Murphy, General Manager Strategic Planning.

9. **Palmerston North Airport Limited - Final Statement of Intent for 2025/26 to 2027/28** Page 67
 Memorandum, presented by Steve Paterson, Manager - Financial Strategy.

10. **Manawatū Regional Economic Structure Report 2024** Page 115
 Memorandum, presented by Stacey Andrews, City Economist.

11. **International Relations and Education Annual Plan and Performance Measures 2025/26** Page 169
 Memorandum, presented by Gabrielle Loga, Manager International Relations and Kate Harridge, International Relations and Education Advisor.

12. **Tamakuku Terrace Six Monthly Update** Page 179
 Memorandum, presented by Glenn Bunny, Manager Property and Anna Saunders, Capital Projects Officer.

13. **Committee Work Schedule - June 2025** Page 191

14. **Karakia Whakamutunga**

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
12.	Amendments 1 and 3 : Tamakuku Terrace Six Monthly Update	Commercial Activities Third Party Commercial	s7(2)(h) and s7(2)(b)(ii)

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].

PETITION

TO: Economic Growth Committee

MEETING DATE: 11 June 2025

TITLE: Petition to Install Traffic Calming Measures on Ascot and Pahiatua Street

RECOMMENDATION(S) TO ECONOMIC GROWTH COMMITTEE

1. That the Economic Growth Committee receive the petition for information.

SUMMARY

Petition to be presented by Alexis Boniface and Brian Ahern, residents.

Petition Text

Collectively, we, the undersigned homeowners and residents of Ascot and Pahiatua Street in Hokowhitu strongly feel that Palmerston North City Council has a responsibility to commit to an action greater than speed limit signs to protect the safety of our vulnerable road users, and request the following actions:

- Conduct a comprehensive safety review of Ascot Street and the intersection of Ascot and Pahiatua Street to assess traffic speeds, configuration of the intersection and its impact on safety.
- Install speed bumps on Ascot Street to force drivers to maintain a safer speed (similar to those on East Street).
- Install an island with a give way sign at the intersection of Pahiatua and Ascot Street to reduce speed travelled, prevent burnouts and stop drivers from cutting the corner when turning into Ascot Street.
- Consider painting yellow no parking lines in front of 35 Pahiatua Street to improve visibility when turning right from Ascot.

Signed by 25 residents

BACKGROUND

Anti-social driving (e.g., burnouts), excessive speeding and dangerous driving regularly takes place on Ascot Street, and the intersection of Pahiatua and Ascot Street. Vehicular traffic on Ascot Street has become increasingly busy due to it being used as a “shortcut” to and from Ruahine Street. Pahiatua Street is also frequently used as a drag strip (drivers travelling at speeds of more than 50kph), and drivers cut the corner while turning into Ascot Street at excessive speeds. This has resulted in several collisions with parked cars and properties (see images below).



Vehicle speeding down Ascot Street to evade the police, losing control, flipping and landing in the front garden of 6 Ascot Street.



Driver turning left off Pahiatua into Ascot Street at excessive speeds, losing control, and crashing into a parked vehicle on the other side of the road. Vehicle had been pushed back 20ft due to the impact and bumper torn off. Police attended the incident and the residents vehicle was a total write-off. This was the second vehicle to be written off in front of 2 Ascot Street in less than 2 years.

Ascot Street is extensively used by a large number of pedestrians and cyclists from the neighbourhood with the demographic being predominantly primary school students and parents with young children in strollers (given the close proximity to Winchester, St James, and Hokowhitu Primary Schools and Hokowhitu Kindergarten), as well as a large number of retired residents with pets. We are deeply concerned about the welfare and safety of the vulnerable road users in this area and the potential loss of life due to the extremely dangerous and careless driving that is currently taking place. What if the next time it is not just a parked car, fence or front garden?

The Palmerston North City Council has identified and included Ascot Street in the zone with a [permanent 30km](#) speed limit proposal. Evidence is also stated in the ['Safer speeds around schools'](#) consultation document.

Support emails from homeowners and residents are included in the appendices below. A copy of this petition will also be sent to the Senior Sergeant in charge of the city road traffic police.

We look forward to communicating and connecting with the PNCC on this matter. We are available for personal consultation.

Ngā mihi nui,

Alexis and Phil Boniface

Ruth and Brian Ahern

Josephine Kendrick

ATTACHMENTS

Nil

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 09 April 2025, commencing at 9.00am.

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: Councillor Lew Findlay, Councillor Patrick Handcock, Councillor Karen Naylor and Councillor Kaydee Zabelin.

The Mayor (Grant Smith) left the meeting at 11.46am during consideration of clause 4. He entered the meeting again at 12.03pm during consideration of clause 5. He was not present for clause 4.

Councillors Rachel Bowen and Billy Meehan were not present when the meeting resumed at 3.40pm. They were not present for clauses 9 to 14 inclusive.

Councillor Lew Findlay left the meeting at 4.14pm after consideration of clause 9. He was not present for clauses 10 to 14 inclusive.

Councillors Brent Barrett and Vaughan Dennison left the meeting at 4.25pm after consideration of clause 11. They were not present for clauses 12 to 14 inclusive.

Councillor Karen Naylor left the meeting at 4.38pm after consideration of clause 12. She was not present for clauses 13 and 14 inclusive.

Karakia Timatanga

Councillor Roly Fitzgerald opened the meeting with karakia.

1-25 Public Comment

Brian Holmes, owner of Ebony Coffee, made a public comment against of Item 7 – Featherston Street Safety Improvements Project Update.

Chris Teo-Sherrell, made a public comment in support of Item 7 – Featherston Street Safety Improvements Project Update. He encouraged the Council to keep extending the cycleway in the future.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the public comment for information.

Clause 1-25 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.

2-25

Confirmation of Minutes

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the minutes of the Economic Growth Committee meeting of 20 November 2024 Part I Public be confirmed as a true and correct record.

Clause 2-25 above was carried 15 votes to 0, with 1 abstention, 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, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

Abstained:

The Mayor (Grant Smith).

3-25

Featherston Street Safety Improvements Project Update

Memorandum, presented by Glen O'Connor, Manager Transport and Development and Michael Bridge, Service Manager Active Transport.

Elected Members put several additional motions to consider improvements to the Featherston Street changes.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Featherston Street Safety Improvements Project Update' presented to the Economic Growth Committee on 9 April 2025.

Clause 3-25 above was carried 14 votes to 2, 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, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

Against:

Councillors Leonie Hapeta and Lew Findlay.

The meeting adjourned at 10.40am.

The meeting resumed at 10.58am.

Moved Grant Smith, seconded William Wood.

2. Refer a new capital programme to the Annual Budget Deliberations to reinstall left hand turning lanes onto Rangitikei Street from Featherston Street, and safely direct cyclists onto the footpath to create shared pathway at the Intersection, on receiving an officer report.

Clause 3-25 above was carried 11 votes to 5, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Billy Meehan, Lew Findlay and Kaydee Zabelin.

Against:

Councillors Brent Barrett, Debi Marshall-Lobb, Orphée Mickalad, Patrick Handcock and Karen Naylor.

Moved Grant Smith, seconded William Wood.

3. Work with NZTA to re-sync traffic lights – so that more cars can travel through on each phase, on receiving an officer report.

Clause 3-25 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 Grant Smith, seconded William Wood.

4. Direct Chief Executive to investigate bus and vehicle pick ups and drop offs off-road zone and other options, in large green space-road reserve on Featherston Street opposite Boys High, to inform future annual budgets.

Clause 3-25 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 Leonie Hapeta]

Note:

On a motion to: Refer repositioning and/or removal of the four in-lane bus stops on Featherston Street between Aroha Street and North Street to a kerbside position, with bikes riders passing to the right of stationary buses by entering the live traffic lane, to the 25/26 Annual Budget Deliberations.

The motion was lost 7 votes to 9, the voting being as follows:

For:

Councillors Leonie Hapeta, William Wood, Mark Arnott, Vaughan Dennison, Roly Fitzgerald, Billy Meehan and Lew Findlay.

Against:

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Lorna Johnson, Debi Marshall-Lobb, Orphée Mickalad, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

4-25

Street Light Infill

Memorandum, presented by Glen O'Connor, Group Manager - Transport and Development.

The Mayor (Grant Smith) left the meeting at 11.46am

Moved Leonie Hapeta, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the Committee receive the report 'Street Light Infill,' presented to the Economic Growth Committee on 9 April 2025.

Clause 4-25 above was carried 15 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, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

5-25

Road Maintenance Contract - 6 Monthly Update

Memorandum, presented by Glen O'Connor, Manager - Transport and Development.

The Mayor (Grant Smith) entered the meeting again at 12.03pm.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Road Maintenance Contract - 6 Monthly Update' presented to the Economic Growth Committee on 9 April 2025.

Clause 5-25 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 12.05pm.

The meeting resumed at 1.06pm.

6-25

Palmerston North Airport Limited – Interim Report for 6 months to 31 December 2024

Memorandum, presented by Steve Paterson, Manager - Financial Strategy, and from the Palmerston North Airport: Murray Georgel, Chair, David Lanham, Chief Executive Officer, and Jonathon Baker, Chief Financial Officer.

Elected Members requested a briefing about the new terminal project so as to be fully informed.

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 2024, presented to the Economic Growth Committee on 9 April 2025.
2. To direct the Chief Executive to request PNAL-present a confidential briefing to Council prior to the construction commencing on final detailed plans for the terminal development – to fully inform Council.

Clause 6-25 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.

7-25

Palmerston North Airport Limited - Draft Statement of Intent for 2025/26 to 2027/28

Memorandum, presented by Steve Paterson, Manager - Financial Strategy, and from the Palmerston North Airport Limited (PNAL): Murray Georgel, Chair, David Lanham, Chief Executive Officer, and Jonathon Baker, Chief Financial Officer.

Elected Members agreed additional motions for consideration by the PNAL board in preparing its Statement of Intent to improve delivery capacity.

Moved Grant Smith, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Palmerston North Airport Limited (PNAL) draft Statement of Intent for 2025/26 to 2027/28, presented to the Economic Growth Committee on 9 April 2025.

Clause 7-25 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 Grant Smith, seconded Leonie Hapeta.

2. That Palmerston North Airport Limited be advised:
 - a. Council supports the proposed direction and implementation strategy;

Clause 7-25 above was carried 13 votes to 3, the voting being as follows:

For:

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

Against:

Councillors Mark Arnott, Brent Barrett and Karen Naylor.

Moved Grant Smith, seconded William Wood.

- b. Council recognises the projected requirement for loans totalling \$40.9m by 30 June 2026 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 7-25 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 William Wood.

- c. Council expects PNAL to consider engaging a commercial development partner for the delivery of the Ruapehu Aeronautical Park.

Clause 7-25 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, Rachel Bowen, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Billy Meehan, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

Against:

Councillor Brent Barrett.

Moved Grant Smith, seconded William Wood.

- d. Council expects PNAL to explore opportunities to divest up to 25% of developable land to accelerate investment in delivery of the Ruapehu Aero Park and to support the city's economic growth.

Clause 7-25 above was carried 14 votes to 2, the voting being as follows:

For:

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

Against:

Councillors Brent Barrett and Rachel Bowen.

Moved Grant Smith, seconded William Wood.

Note:

On a motion that 'Council asks that the redundant road carriage-way next to the terminal to be closed. Any existing access to be redirected into the carpark for taxis, car-shares and buses. Carriageway in front of the terminal to be dug up and returned into a landscaped, grassed and pathed airside terminal entranceway that is much more welcoming', the motion was tied 8 votes to 8. The chairperson declared the motion lost, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Roly Fitzgerald, Debi Marshall-Lobb and Billy Meehan.

Against:

Councillors Rachel Bowen, Vaughan Dennison, Lorna Johnson, Orphée Mickalad, Lew Findlay, Patrick Handcock, Karen Naylor and Kaydee Zabelin.

8-25

Central Economic Development Agency (CEDA): 6 month Report 1 July 2024 to 31 December 2024 and Draft Statement of Intent 2025/26

Memorandum, presented by Jerry Shearman, Chief Executive, CEDA, Bobbie O'Fee, Board Chair, CEDA, Jacqui Middleton, Finance and Operation Manager, CEDA.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Central Economic Development Agency (CEDA) 6 Month Report 1 July 2024 to 31 December 2024 (Attachment 1) presented to the Economic Growth Committee on 9 April 2025.
2. That the Committee receive Central Economic Development Agency (CEDA) draft Statement of Intent 2025-26 (Attachment 3) presented to the Economic Growth Committee on 9 April 2025.
3. That the Committee approve the comments outlined in the Central Economic Development Agency (CEDA) draft Statement of Intent 2025-26 (Table 1) presented to the Economic Growth Committee on 9 April 2025.

Clause 8-25 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 3.22pm.

The meeting resumed at 3.40pm.

Councillors Rachel Bowen and Billy Meehan were not present when the meeting resumed.

9-25

Draft Parking Framework - Approval for Public Consultation

Report, presented by James Miguel, Senior Transport Planner.

Elected Members instructed the Chief Executive to progress on the actions proposed in the draft Parking Framework and prepare parking management plans accordingly, leaving consultation with the community to a later stage once particular information is available.

Moved William Wood, seconded Kaydee Zabelin.

The **COMMITTEE RECOMMENDS**

1. That the Chief Executive progress the supporting actions listed in the draft Parking Framework.
2. That the Chief Executive begin development of the parking management plans for future consultation.

Clause 9-25 above was carried 11 votes to 3, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Brent Barrett, Vaughan Dennison, Roly Fitzgerald, Debi Marshall-Lobb, Lew Findlay, Karen Naylor and Kaydee Zabelin.

Against:

Councillors Lorna Johnson, Orphée Mickalad and Patrick Handcock.

Moved Brent Barrett, seconded Patrick Handcock.

Note:

On a motion that 'the Council adopt the Parking Framework (Attachment 1)', the motion was lost 4 votes to 10, the voting being as follows:

For:

Councillors Brent Barrett, Debi Marshall-Lobb, Orphée Mickalad and Patrick Handcock.

Against:

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Vaughan Dennison, Roly Fitzgerald, Lorna Johnson, Lew Findlay, Karen Naylor and Kaydee Zabelin.

Councillor Lew Findlay left the meeting at 4.14pm.

10-25

Central City Transformation - Streets for People Six Monthly Update

Memorandum, presented by Glen O'Connor, Group Manager - Transport and Development, and James Miguel, Senior Transport Planner.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Central City Transformation – Streets for People Six Monthly Update' presented to the Economic Growth Committee on 9 April 2025.
2. That the Committee note that six-monthly updates will pause until the Central City Transformation Steering Group is next convened.

Clause 10-25 above was carried 12 votes to 1, the voting being as follows:

For:

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

Against:

Councillor Karen Naylor.

11-25

Manawatū Regional Freight Ring Road - Update

Memorandum, presented by James Miguel, Senior Transport Planner.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Manawatū Regional Freight Ring Road – Update' presented to the Economic Growth Committee on 9 April 2025.

Clause 11-25 above was carried 13 votes to 0, the voting being as follows:

For:

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

Councillors Brent Barrett and Vaughan Dennison left the meeting at 4.25pm.

12-25

Palmerston North Quarterly Economic Update - April 2025

Memorandum, presented by Stacey Andrews, City Economist.

Moved Grant Smith, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Palmerston North Quarterly Economic Update – April 2025, including:
 - a. Palmerston North Economic Growth Indicators - April 2025 (Attachment 1), and
 - b. Palmerston North Quarterly Economic Card Spending Report – December 2024 (Attachment 2)
- presented to the Committee meeting on 9 April 2025.

Clause 12-25 above was carried 11 votes to 0, the voting being as follows:

For:

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

Councillor Karen Naylor left the meeting at 4.38pm.

13-25

6 month report on International Relations and Education Activities

Memorandum, presented by Gabrielle Loga, Manager International Relations, and Kate Harridge, International Relations and Education Advisor.

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Committee receive the '6 month report on International Relations and Education Activities', presented to the Economic Growth Committee on 9 April 2025.

Clause 13-25 above was carried 10 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Orphée Mickalad, Patrick Handcock and Kaydee Zabelin.

14-25 Committee Work Schedule - April 2025

Moved Leonie Hapeta, seconded William Wood.

The **COMMITTEE RESOLVED**

1. That the Economic Growth Committee receive its Work Schedule dated April 2025.

Clause 14-25 above was carried 10 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Leonie Hapeta, William Wood, Mark Arnott, Roly Fitzgerald, Lorna Johnson, Debi Marshall-Lobb, Orphée Mickalad, Patrick Handcock and Kaydee Zabelin.

Karakia Whakamutunga

Councillor Roly Fitzgerald closed the meeting with karakia.

The meeting finished at 4.47pm

Confirmed 11 June 2025

Chair

MEMORANDUM

TO: Economic Growth Committee

MEETING DATE: 11 June 2025

TITLE: Central Economic Development Agency (CEDA) Final Statement of Intent 2025/26

PRESENTED BY: David Murphy, General Manager Strategic Planning

APPROVED BY: Waid Crockett, Chief Executive

RECOMMENDATION(S) TO ECONOMIC GROWTH COMMITTEE

1. That the Committee agree the final Statement of Intent 2025/26 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 2025/26. This is included as Attachment 1.

2. BACKGROUND

- 2.1 CEDA provided a draft of its SOI for 2025/26. This was considered by the Economic Growth Committee on 9 April 2025 and its proposed direction and content was supported. No significant changes to the draft SOI were sought by the Committee, as the shareholding partner.
- 2.2 During presentation of the draft SOI on 9 April 2025 there was a question regarding CEDA's ability to include a monitoring indicator regarding carbon intensity (tonnes of CO₂ equivalent per \$1M GDP). This monitoring indicator has been included in the final SOI, but due to differences in data quality for carbon emissions for PNCC and MDC, it will need to be reported separately for both councils, as opposed to one combined indicator¹.
- 2.3 Manawātū District Council indicated that measuring carbon emissions is not a driver for them at present.

¹ Note that citywide greenhouse gas emissions per capita for Palmerston North is monitored on the City Dashboards at: <https://www.pncc.govt.nz/Council/City-dashboards> and carbon Intensity is included in the quarterly economic updates.

- 2.4 The carbon intensity indicator and some additional partner organisations (Horizons Regional Council, Federated Farmers and NZ Defence) are the only changes made from the Draft SOI.
- 2.2 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 2025. CEDA has met that requirement.
- 2.3 CEDA will be in attendance at the meeting to answer any questions on the final SOI.

3. NEXT STEPS

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

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu</p> <p>Goal 1: An innovative and growing city</p>	
<p>The recommendations contribute to this plan:</p> <p>2. Mahere whakawhanake ohaoaha</p> <p>2. Economic Development Plan</p> <p>The objective is: We want an innovative, resilient and low carbon city economy, where communities prosper and achieve their goals.</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>CEDA SOI directly delivers on the following from the Economic Development Plan:</p> <p>Our city's economic wellbeing depends on opportunities to improve our standard of living and reduce economic disadvantage. A profitable business sector, knowledge and skills, work, health, environmental amenity, and housing, all contribute to living standards. We will partner with agencies and</p>

	<p>organisations to improve wellbeing. We will focus on delivering the conditions needed to support economic activity in the city, now and into the future.</p>
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ATTACHMENTS

1. CEDA Final Statement of Intent 2025/26 [↓](#) 



CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY

Te Tauākī Takune Statement of Intent

2025-26

1 June 2025

Te Tauākī Takune Statement of Intent 2025–26

Company Directory

Central Economic Development Agency Limited

Level 1, 5 Broadway Avenue
Palmerston North 4410
Phone: 06 350 1830
Website: CEDA.nz

Chief Executive

Jeremy Shearman

Directors

Robyn O'Fee (Bobbie) (Chairperson)
Kathleen Brosnahan (Katie)
Margharita Mare (Margy)
David Norman
Robbie Pickford

Registered Office

Morrison Creed Advisory
236 Broadway Avenue
Palmerston North 4410

Bankers

Westpac New Zealand Limited

Auditors

Grant Thornton Audit New Zealand Limited (on behalf of the Office of the Auditor General)

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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He matawhānui tiritahi, he rautaki tiritahi mā te katoa

Foreword

Tēnā koutou katoa

We are pleased to present our Statement of Intent for 2025-26.

The Manawātū region continues to be innovative and resilient in the ever-changing economic landscape. Looking ahead, it is anticipated that we are in for another year or so of resetting the economic thermostat, which Manawātū is well positioned to do with our diversity of sectors and our long-term pillar projects holding us relatively firm.

Our 2025-26 Statement of Intent focuses on priority projects including the development of our regional visitor sector, while also being ready to identify any emerging and future economic opportunities. As the region's economic development agency, CEDA's key areas of work continue in attracting new businesses to the region, showcasing Manawātū to attract more talent, investment, and visitors, and supporting and growing existing businesses. Our key priorities for the year ahead remain, taking a long-term view to growing the region and ensuring a thriving economic future. These projects include Te Utanganui – the Central New Zealand Distribution Hub, implementing the Manawātū Regional Food Strategy, progressing the Manawātū Destination Management Plan and inward investment in the Feilding and Palmerston North central business districts.

Te Utanganui is a key pillar project from an economic development perspective and is one that will see medium and long term economic, social and environmental benefits for the region and Aotearoa for decades to come. A recent strategy refresh has realigned Te Utanganui as the leader for the national distribution and logistics sector. The progress of key strategic infrastructure projects including the planned Regional Freight Hub at Bunnythorpe and progress of the Manawātū Regional Freight Ring Road remain a focus. This enabling infrastructure, complementary to the existing infrastructure, will unlock central government investment and attract more business and investment into the region.

The Manawātū Regional Food Strategy is now well embedded, and we will continue to work with industry, iwi, and key partners in a project-based implementation approach aligned to the key theme of sustainable nutrition. The Strategy is focused on three core themes, five workstreams, and a roadmap of 13 key priorities that provides direction for our sector work in this important space.

Implementation of the Manawātū Destination Management Plan continues as we look to grow and broaden the experiences visitors to the region can access. The Plan cuts across a number of focus areas and largely informs our work as the regional tourism organisation, including

product development, industry capability, and access to trade markets.

CEDA remains committed to growing the profile of our region and raising awareness of our stories and strengths to key audiences and stakeholders. This includes targeted marketing campaigns, curated content pieces, targeted PR and media, and the development and enhancement of regional collateral including the regional website.

We continue to work on collaboration and development of our partnerships, and we'd like to acknowledge the support we have from key regional partners including Manawātū District and Palmerston North City Councils Rangitāne o Manawātū, Ngāti Kauwhata, and Ngāti Raukawa, The Factory, Sprout Agritech, Manawātū Business Chamber, and Feilding and District Promotion. We'd also like to acknowledge Massey University, UCOL, and IPU along with Horizons Regional Council and Accelerate35 who all share our passion for and commitment to the region. It is through these partnerships that we can work to foster innovation, attract investment and talent, facilitate business growth, and bring people and visitors to Manawātū.

Having connection with entities such as Air New Zealand, KiwiRail, Waka Kotahi, Tourism New Zealand, Regional Tourism New Zealand, and the Ministry of Business, Innovation and Employment enables CEDA to take a

FOREWORD

national view across our work and in particular allows us to advocate for key projects and influence national policy settings and thinking.

We are excited to continue to deliver to for the region over the next 12 months across our broad portfolio and remain confident that our work will position Manawātū well for not only our regional economy, but for the New Zealand economy now and into the future.

Once again thank you to our shareholders, the CEDA board and team, iwi and mana whenua, partners, and stakeholders for your continued support and shared passion for the region's vision. CEDA is thankful for your input and guidance as we champion the region, its people and businesses, as they continue to feed our economic performance.

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, through the Statement of Service Performance, and financial forecasting.

Monitoring Indicators

In addition to CEDAs 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. CEDAs shareholder councils have the responsibility to report on these indicators.

As per the 2024-2027 Statement of Expectations from the shareholders have identified the following additional monitoring indicators:

- Job growth
- Increase in median household income

These are represented by the following economic data collated by Palmerston North City Council, and will be reported in CEDAs Annual Report:

- Change in total number of jobs
- Change in median salaries and wages
- Change in total earnings (salaries, wages and self-employed income)

Two further indicators as detailed in the Statement of Expectations are reported through CEDAs Statement of Service Performance each year.

- Number of investment leads and deals secured
- Strength of the relationship with strategic partners (reported biennially)

Other indicators that we will report on in CEDAs Annual Report include:

- Change in total GDP
- GDP per capita
- Electronic card spending by visitors in Manawatū region
- Number of guest nights in Manawatū region
- Carbon intensity (CO2 per GDP)

Ki te kahore he whakakitenga, ka ngaro te iwi

Our Vision

Ko Manawatū 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 investment, business, talent and visitors.

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 and mana whenua, industry, and other regional stakeholders – He waka eke noa, it cannot be achieved alone.

Ā Mātou Whāinga Rautaki Our Strategic Objectives

Achieving our vision

CEDA works across the three 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 aligned across 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 strategic objectives guide the development of our short and medium-term programmes of work as articulated through our Statement of Intent.

When considering how to prioritise our efforts, based on our current resources, and guided by our intervention logic and the strategic priorities from our shareholder councils, 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.





Mahia te mahi hei painga mō te iwi What We Do

8 CEDA
TE TAUĀKĪ TAKUNE STATEMENT OF INTENT
1 JUNE 2025



Mā whero, mā pango ka oti ai te mahi

Our Intervention Logic

CEDA operates within a simplified intervention logic that shows the connection between the programmes of work and activities undertaken, the strategic objectives for the region, and strategic priorities of our shareholder

councils. This is supported by key performance indicators in the Statement of Service Performance table, project deliverables, and through the measurement of stakeholder 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 2030; Ko te rohe tino ahu whakamua o Aotearoa New Zealand’s most progressive region			
GOALS	 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
ECONOMIC PILLARS	Business	People	Place
STRATEGIC OBJECTIVES	Attract, retain, and develop, business in the region	Attract, retain, and develop talent in the region	Profile the region to attract people, business, and investment
STRATEGIC PRIORITIES	Te Utanganui Central New Zealand Distribution Hub • Manawatū Regional Food Strategy • Manawatū Destination Management Plan • Central Business District Investment		
INITIATIVES LINKED TO STRATEGIC OBJECTIVES AND PRIORITIES	<ul style="list-style-type: none">• Implementation or identification of initiatives and opportunities to support investment to the region• Initiatives to support development of priority sectors• Business engagement to support growth retention and expansion• Support of startups and innovation through partnerships	<ul style="list-style-type: none">• Initiatives to support the attraction of talent to the region or retention of talent in the region• Supporting industry to attract and retain talent• Initiatives that support youth into employment or employment pathways	<ul style="list-style-type: none">• Strengthening the regions narrative and unified positioning through the regional identity• Online initiatives that support attraction of investment, people and business to the region• Growing awareness of and information on the region's strengths and opportunities, including economic trends and data
Partnerships			
Effective Partnerships with councils, government, Māori, and business support groups are the key to successfully delivering outcomes			
STRATEGIC OBJECTIVE		INITIATIVES	
Lead inclusive and sustainable economic development for the region		Initiatives that grow and foster relationships with mana whenua and support Māori sector development. Partnerships with shareholders, key partners and central government to enable shared regional outcomes	

Business

He mahi kai te taonga

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

Driving business development and expansion while attracting investment to the region is at the core of economic development. This is at the forefront of CEDA's key outcomes for Manawātū. CEDA's work focuses on our

sectors of strength including food, transport and logistics, and the visitor sector, profiling the region, developing a targeted pipeline, and removing barriers to investment.

BUSINESS

Mahia te mahi

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

Identification and development of investment opportunities with regional partners to support attraction of investment to the region

Te Utanganui, the Central New Zealand Distribution Hub

The appointment of a dedicated Te Utanganui Programme Director has lifted the profile of this key pillar project. The next steps for CEDA are to firm up commercial options inside the key projects including the Manawātū Regional Freight Ring Road and the planned Regional Freight Hub. We will be using the recently updated strategy and investment collateral to progress with targeting further inward investment in both land and the development of facilities inside Te Utanganui.

We will continue to advocate and profile the project at a local and national level, demonstrating best practice in the cluster development. A key document for outlining the economic impact and benefits for the wider Te Utanganui project will be a key asset as we move forward with direct advocacy to central government, including continuing to seek government support in both policy setting and accessing funding for Te Utanganui.

Manawātū Regional Food Strategy

creating a secure and resilient food system that enhances community wellbeing, empowers producers, and fosters sustainability. By leveraging our scientific expertise and agricultural innovation, Manawātū aims to play a crucial role in New Zealand's evolving food narrative through Sustainable Nutrition.

CEDA will support sector-driven opportunities and facilitate inward investment to implement the strategy, helping to grow this vital sector for the region.

Central Business District Investment

With a new focus on both the Feilding town centre and Palmerston North city centre, initial activity has been in relation to hotels, serviced accommodation, office space and retail opportunities. We will work with our shareholder Councils to define and scope CEDAs focus in this space to support the targeting of our work to the areas that will derive the greatest benefit for the city and town, supported through our relationships with real estate agencies and commercial property developers.

Other Inward Investment Opportunities

CEDA will continue to lead the positioning of Manawātū as a strategic investment location. This will include opportunities identified in the Manawātū Destination Management plan such as Te Āpiti – Manawātū Gorge and commercial accommodation developments, including our work to further the opportunities in green energy and hyperdata centres. We will remain agile to other opportunities that are identified through our stakeholder relationships, particularly where it relates to our regions sectors of strength.

BUSINESS

Development of priority sectors through targeted business development, retention initiatives, and innovation partnerships

Sector Development

Our approach to sector development is focused around delivering impact through our strategic pillar projects: Te Utanganui, the Manawātū Regional Food Strategy, and the Manawātū Destination Management Plan. These projects represent the foundation of our efforts to drive sustainable economic growth, enhance regional resilience, and unlock the full potential of the Manawātū region.

Initiatives aligned to the identified workstreams of 'Land Diversification' and 'Productivity' will be our primary focus in relation to the Manawātū Regional Food Strategy. Our visitor sector work continues to focus on developing high standards in our operators with a push towards establishing our positioning in the international visitor market whilst continuing to grow our domestic market.

Our broader sector development work will be aligned with leveraging the region's sectors of strength and pursuing high-value opportunities with scale. This targeted approach ensures we focus our efforts on areas with the greatest potential for long-term growth, innovation, and economic contribution.

Targeted and regular engagements with key businesses, sector organisations and visitor sector operators will be a critical component of the delivery of this work.

Business Development

We will continue to focus on engagements with businesses across sectors of strength and by 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.

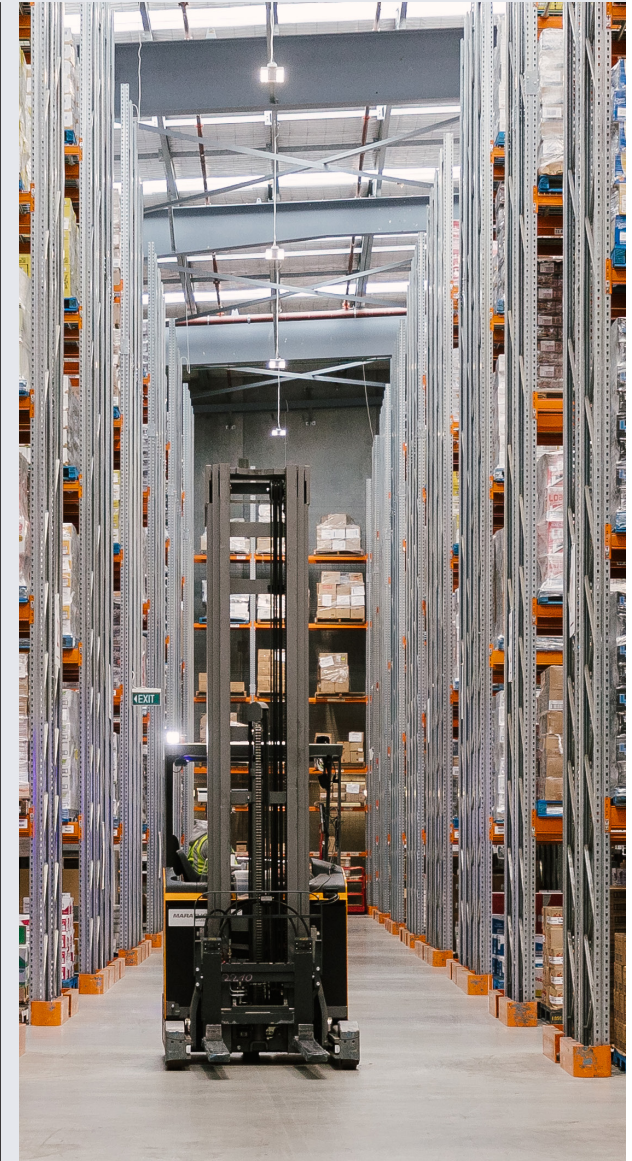
Business growth support will focus on capability fundamentals through workshops targeting businesses with growth/productivity potential and/or export potential. This will include connections to relevant support services, referrals, including to the Regional Business Partner Programme, Business Mentors and other support tools.

Supporting innovation and start-ups in the region

Driving innovation is essential to strengthening our region's competitive edge while generating jobs and attracting investment. CEDA achieves these goals by partnering with organisations like The Factory and Sprout Agritech.

The Factory is the champion for bold start-ups. Their incubator programs aim to support entrepreneurs who are creating high-growth start-ups that are out to make a difference in this world. CEDA contributes to the partnership by way of funding and mentoring support to help facilitate and grow the next generation of innovators and entrepreneurs.

Sprout is New Zealand's leading agritech and foodtech accelerator and investor based in the Manawatu. As the Economic Development partner of Sprout, CEDA provides funding and support, and works with Sprout to drive value and successful outcomes for the programme and highlight the capability we have within the region.



Ka rere a Tama-nui-te-rā, Ka mārama te rangi

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. Developing a robust pipeline is crucial. This includes supporting industries, attracting skilled professionals, and investing in the

training and development of existing employees. Coupled with a clear understanding of the future needs of our sectors and businesses, this approach will empower the region to grow and thrive.

PEOPLE

Mauri tū, Mauri ora
Develop the talent pipeline to grow a skilled workforce and better utilise the existing labour market

Support the development of the regions attraction and retention of talent and skills

Pathways to employment and future proofing the talent pipeline

CEDA will continue to provide opportunities for connecting rangatahi (youth) and job seekers with businesses through programs like Accelerate Academy, and the Young Enterprise Scheme. By working closely with secondary schools, career advisors, and trade, we can support students to be inspired and equipped to transition into local employment opportunities.

To future-proof our workforce, CEDA integrates talent and skills programmes with wider regional strategies, including Te Utanganui, the Manawatū Destination Management Plan, and the Manawatū Regional Food Strategy. By taking a sector-focused approach, we align talent attraction and retention efforts with regional strengths, ensuring our work contributes to Manawatū's long-term prosperity.

Connecting and sharing regional insights with central government agencies enables emerging needs to be highlighted at a national level.

Talent and Workplace Development

CEDA is committed to equipping businesses with the tools and insights they need to grow. Through initiatives like the Employer and Workplace Hub on CEDA.nz, we help employers attract, onboard, and retain talent while supporting the growth and development of existing teams. These efforts are underpinned by a focus on future-proofing workforce needs across our key sectors.

We continue to strengthen relationships with tertiary education providers and align workforce training with the needs of significant regional projects like Te Utanganui, to address future skills requirements, and support Manawatū's workforce in meeting the demands of tomorrow, as well as today. Through collaborative initiatives, storytelling, and strategic partnerships, CEDA works to grow, retain, and develop a skilled workforce – helping businesses thrive.

Regional Identity to support recruitment of talent

A strong regional identity is central to attracting talent. In partnership with our key sectors, we will continue to promote the region's unique strengths to attract skilled professionals to live and work in the region.

To ensure consistency in our regional approach, we will support local businesses with curated content, targeted resources, and tools to support their recruitment efforts. Through platforms like ManawatuNZ.co.nz, we will help businesses showcase the lifestyle, businesses and career opportunities that make our region special.

Profile

Toitū te whenua whatungarongaro te tangata

Profile the region to attract people,
business and investment

CEDA profiles the region by showcasing its strengths, people and places through a shared regional identity, targeted storytelling, and strategic partnerships across the economic pillars of People, Place and Business. This approach aligns with our core areas of work and reinforces the interconnectedness of regional growth.

When you create a region that people want to visit, you have created a place where people will choose to live. If you have created a place where people want to live and work, then you have created a region where businesses will want to invest, and if you have created a region where businesses want to invest, then you have a place that people will want to visit.

PLACE

Te Mauri o Manawatū

Profile Manawatū locally, nationally, and globally

Lead and develop the stories of Manawatū, strengthening our narrative and unified positioning, incorporating the cultural heritage of mana whenua

Regional Identity

CEDA's focus on elevating the Manawatū region as a top destination for investment, business, talent, and visitors continues to be a strong priority, and integrated across our key areas of work. By crafting compelling narratives and forming strategic media partnerships, we will raise the region's profile both locally and globally.

This work will integrate seamlessly with CEDA's broader strategic initiatives, including inward investment, destination management, talent attraction and retention, and business growth. By leveraging strategic channels and working in close collaboration with regional stakeholders and partners, CEDA will work to amplify the profile of Manawatū and highlight its unique strengths.

With a sharp focus on managing the region's messaging, tone, imagery, and campaigns, our work ensures that every interaction – whether through digital platforms, marketing materials, or storytelling – reflects Manawatū's distinctiveness and competitive edge. Together, we will build momentum and awareness, positioning Manawatū as a highly attractive proposition for investment, business, and talent, and driving sustained growth for the region.

Featuring the region through media and stories

By strategically engaging with local, national, and international media, CEDA will ensure Manawatū's presence is consistently featured across both traditional and digital platforms. We will leverage and expand our media relationships, proactively pitching compelling stories and features to attract investment, business, talent, and visitors.

A key priority will be showcasing the region through authentic narratives that highlight the people, businesses, and unique opportunities of Manawatū. We will continue to develop, source, and share these stories across media outlets and with our wider stakeholder network, ensuring a cohesive and compelling narrative that captures the essence of our region.

The *ManawatuNZ.co.nz* regional website and Resource Hub will be central to this effort, providing fresh, engaging content, imagery, and stories that empower our partners, stakeholders, and media to consistently promote the region's strengths, identity, and potential.

As the Regional Tourism Organisation for Palmerston North and Manawatū, CEDA will also collaborate with key national and international partners – including Tourism New Zealand, Air New Zealand, and Tourism Industry Aotearoa – to maximize visibility and create targeted opportunities for investment and business profiling. Through these strategic media and industry relationships, we will amplify Manawatū's story, ensuring it reaches the right audiences and drives growth for the region.

PLACE

Deliver online initiatives to support the attraction of inward investment, people and business to the region

Reputation and profiling of the region

CEDA will elevate Manawatū's regional profile through a multi-faceted approach that showcases the area's competitive lifestyle advantages and career opportunities. By producing high-quality, targeted marketing initiatives and compelling content, CEDA will empower the local business community to collectively promote the region's unique offerings, ensuring a cohesive and impactful message.

To drive increased visitation and economic activity, CEDA will launch targeted campaigns aimed at extending visitor stays, particularly by capitalizing on high-impact events that provide tangible benefits to local businesses.

In alignment with our key strategies, CEDA will ensure that our regional collateral to attract and engage investors utilises the latest data and insights and positions Manawatū as an ideal location for business. By maintaining consistent messaging that highlights the region's strengths—from its appealing lifestyle to its robust business opportunities—CEDA aims to effectively profile Manawatū and distinguish it as an attractive destination for investors and businesses looking to expand.

Grow engagement on regional website for increased awareness of, and information on the region, including economic trends and data

ManawatuNZ.co.nz and social media

ManawatuNZ.co.nz serves as the digital cornerstone of CEDA's regional marketing strategy, functioning as the primary "shop window" to showcase Manawatū's unique strengths and opportunities. This digital platform plays a crucial role in connecting with diverse audiences by highlighting the region's lifestyle advantages, attracting talent and investment, and sharing compelling local stories. Through strategic use of the website and social media channels, CEDA aims to build a cohesive narrative that profiles Palmerston North and Manawatū across local, national, and global platforms, creating a comprehensive and engaging digital representation of the region's potential and character.

By leveraging these digital tools, CEDA can effectively communicate the region's distinctive value proposition, inspire visitation, and create meaningful connections with potential residents, businesses, and investors. The integrated approach ensures that the region's unique attributes are consistently and attractively presented, supporting broader economic development goals.

Economic trends and data

CEDA plays a crucial role in gathering, analysing, and disseminating economic data and trends for the Manawatū region. The agency collaborates with national data and statistics organisations, Tourism New Zealand, and the Ministry of Business, Innovation and Employment to compile comprehensive information on various economic sectors. This includes data on visitor and retail trends, key growth indicators such as GDP, population changes, housing prices, building consents, employment figures, and performance metrics for the region's strongest sectors.

To ensure this valuable information reaches businesses and stakeholders, CEDA uses targeted communication channels such as 60 Seconds (e-newsletter), ManawatuNZ.co.nz, CEDA.nz, and the Manawatū Quarterly Economic Snapshots and dashboards. We partner with Palmerston North City Council, Manawatū District Council, and key industry leaders to provide in-depth analysis and to give context on the region's economic performance, offering a comprehensive view of Manawatū's economic landscape and its trajectory.

Partners

He kuranui te tangata

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. Strong partnerships with key stakeholders, including regional and national

organisations, central and local government, Māori, and iwi are essential to achieving our strategic goals for the city and district.

PARTNERS

Whiria te Tangata

Develop strategic partner relationships, leveraging opportunities

Grow and foster relationships with Māori, and mana whenua of the region

CEDA works collaboratively with mana whenua through our key strategic projects for the region to support their economic aspirations and business and employment opportunities for Māori, and in supporting iwi led projects such as He Ara Kotahi Hei Ara Kōrero. Also, through the implementation of the regional Identity 'Te Mauri o Manawatū'.

Mahia te mahi hei painga mo te iwi. We will continue to work on our engagement and development of partnerships with Māori business networks such as Te Au Pakihi, and the Poutama Trust, to support initiatives that build capability for Māori business.

Whaia te matauranga hei oranga mōu. To help support meaningful relationships, we continue to work on developing CEDA's internal capability in understanding Te Ao Māori and all that it encompasses.

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

Strategic relationships with partners, iwi, central government, economic development agencies and key stakeholders, such as Rangitāne o Manawatū, Ngati Kauwhata, Ngati Raukawa, The Factory, Sprout Agritech, Manawatū Business Chamber, Feilding and District Promotions, FoodHQ, Palmy Bid, Massey University, UCOL, IPU, Horizons Regional Council, Federated Farmers of New Zealand, Economic Development New Zealand, Tourism New Zealand, Regional Tourism New Zealand, New Zealand Defence Force, and the Ministry of Business Innovation and Employment enables CEDA to connect, discover and leverage mutual opportunities. A full list of stakeholders and partnership organisations that CEDA works with is included on page 40.

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.

Biennial Customer Satisfaction survey

CEDA has a biennial customer satisfaction survey, completed by an independent provider, with its key stakeholders to ensure that we continue to deliver in partnership with our shareholders, other regional economic development providers and stakeholders, and mana whenua of the region.



**Mai i te purapura iti rawa,
Ka tupu ko te tino rākau**

From the smallest seed,
grows the mightiest of trees

Ko te pae tata, whakamaua kia tina

Where we focus our time and money

CEDA receives funding from Palmerston North City Council and Manawātū District Council, its shareholders, and also from 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 work that will bring benefit to the wider region in the long term.

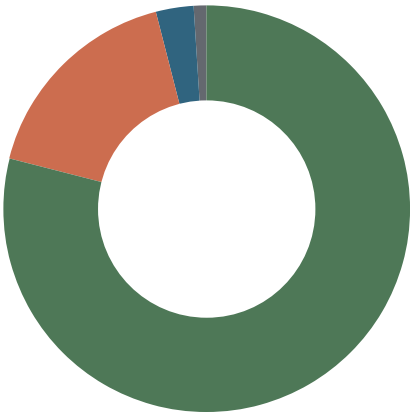
This year funding will be received from the governments Regional Events Promotion Fund to support visitor attraction through the wider promotion of regional events, and industry to support Te Utanganui the Central New Zealand Distribution Hub.

*Note:

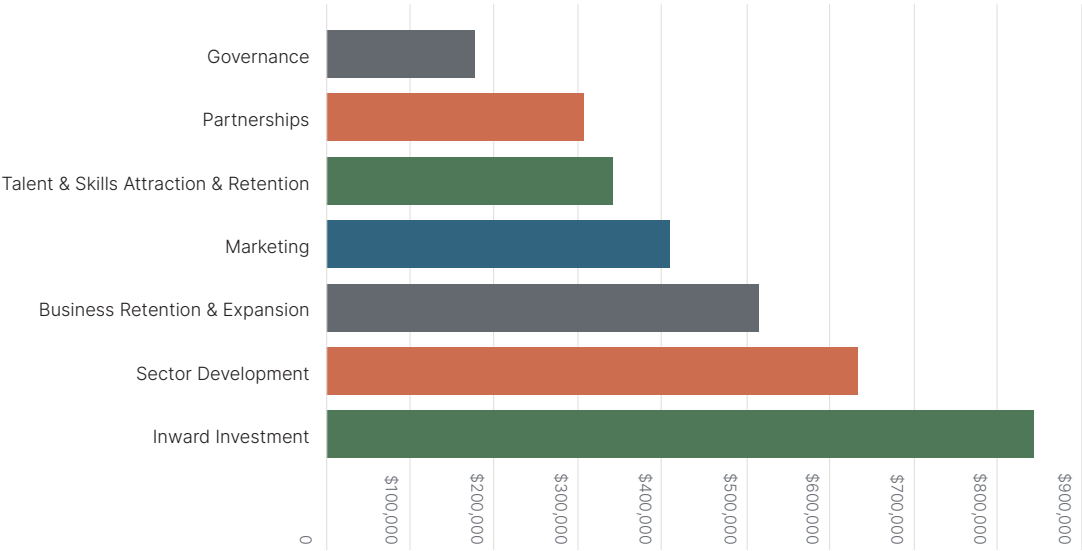
1. Council funding includes Councils contribution to projects.
2. Central government funding includes the Regional Events Promotion Fund, and excludes this year the Regional Business Partner programme
3. Industry/project contribution includes funding for Te Utanganui from Horizons regional council, Rangitāne o Manawātū, Kiwirail and Palmerston North Airport.
4. Marketing costs where directly related to an activity are included in the budgeted costs for that activity.
5. Sector Development includes the government Region Events Promotion Fund.
6. Business Retention and Expansion this year excludes the Regional Business Partner Programme
7. Inward Investment includes project costs for the Te Utanganui programme.
8. Employee and operating expenses where not directly related to an activity have been allocated on a percentage of expenditure basis.

Our Funding*

- Council funding **80%**
- Central Government funding **17%**
- Industry contribution **3%**
- Other revenue **1%**



How we’re going to allocate our funding*



Ko wai te tangata o te ao mārama

Who we are

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

We are thought leaders, 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
mahī me te āhua o tō
kawae i aua mahī**

Believe in what you do
and how you do it



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

Be proud and
show leadership

Te Tiriti o Waitangi

We recognise the historical and ongoing significance of Te Tiriti as a living document guiding our organisation's policies and practices and acknowledge the importance of partnering with local iwi and recognition of mana 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 Manawātū. Through 'Partnerships', we aim to work together with mana whenua for agreed outcomes that benefit the region, and we will ensure 'Protection' is a priority focus by incorporating kaitiakitanga through matauranga and tikanga across our projects and programmes, and continued development of the team's cultural awareness, knowledge and understanding, of the principals of Te Tiriti.

Sustainability Commitment

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.

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.

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:



A person with long hair, wearing a dark jacket and a cap, is walking away from the camera on a dirt path through a dense forest. The path is covered in fallen leaves and is flanked by lush green ferns and trees. A large, moss-covered tree trunk leans over the path on the right side. The lighting is soft and natural, filtering through the canopy.

Te tōia, tē haumatia

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.

Statement of Service Performance

OUR PERFORMANCE MEASURES

Service Level Statement	Performance Measure	2025/26	2026/27	2027/28
Mahia te mahi Support the development and growth of business and sectors of strength in the region including inward investment	Identification and development of investment opportunities with regional partners to support attraction of investment to the region, leveraging key regional projects	Deliver 15 inward investment activities or identified opportunities	Deliver 15 inward investment activities or identified opportunities	Deliver 15 inward investment activities or identified opportunities
	Development of priority sectors through targeted business development, retention initiatives, and innovation partnerships	Deliver 9 sector development initiatives to support the regions sectors of strength	Deliver 9 sector development initiatives to support the regions sectors of strength	Deliver 9 sector development initiatives to support the regions sectors of strength
		400 engagements with businesses to support growth and talent retention	400 engagements with businesses to support growth and talent retention	400 engagements with businesses to support growth and talent retention
		Partner with key stakeholders to deliver 6 start-up and innovation activities or initiatives	Partner with key stakeholders to deliver 6 start-up and innovation activities or initiatives	Partner with key stakeholders to deliver 6 start-up and innovation activities or initiatives
Mauri tū, Mauri ora Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Support the development of the regions attraction and retention of talent and skills through an integrated sector approach	Deliver 4 initiatives that support talent attraction and retention, industry, or youth into employment	Deliver 4 initiatives that support talent attraction and retention, industry, or youth into employment	Deliver 4 initiatives that support talent attraction and retention, industry, or youth into employment

OUR PERFORMANCE MEASURES

Service Level Statement	Performance Measure	2025/26	2026/27	2027/28
Te Mauri o Manawatū Profile Manawatū locally, nationally, and globally	Lead and develop the stories of Manawatū, strengthening our narrative and unified positioning, incorporating the cultural heritage of mana whenua	20 content pieces or media features profiling the region	20 content pieces or media features profiling the region	20 content pieces or media features profiling the region
	Deliver online initiatives to support the attraction of inward investment, people and business to the region	2 campaigns or targeted digital initiatives to support CEDA's objectives	2 campaigns or targeted digital initiatives to support CEDA's objectives	2 campaigns or targeted digital initiatives to support CEDA's objectives
	Grow engagement on regional website for increased awareness of and information on the region, including economic trends and data	190,000 'sessions' per year on ManawatuNZ.co.nz	190,000 'sessions' per year on ManawatuNZ.co.nz	190,000 'sessions' per year on ManawatuNZ.co.nz
		Distillation and communication of 4 economic updates, providing context and trends.	Distillation and communication of 4 economic updates, providing context and trends.	Distillation and communication of 4 economic updates, providing context and trends.
Whiria te Tangata Develop strategic partner relationships, leveraging opportunities	Grow and foster relationships with Māori, and mana whenua of 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	12 Partnership and funding agreements in place	12 Partnership and funding agreements in place	12 Partnership and funding agreements in place
		Complete biennial Customer Satisfaction survey		Complete biennial Customer Satisfaction survey

Te Aronui

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 Manawatū District Councils signed Long Term Plans outline these objectives. CEDA plays a critical part in delivering outcomes identified in the relative Long-Term Plans as outlined below:

PNCC Long Term Plan Strategic Goals	CEDA Service Level Statement alignment
An innovative and growing city <i>He tāone auaha, he tāone tiputipu</i>	<ul style="list-style-type: none"> Support the development and growth of business and sectors of strength in the region including inward investment. Develop the talent pipeline to grow a skilled workforce and better utilise the existing labour market. Profile Manawatū locally, nationally, and globally. Develop strategic partner relationships, leveraging opportunities.
A creative and exciting city <i>He tāone whakaihiihi tapatapahi ana</i>	<ul style="list-style-type: none"> Support the development and growth of business and sectors of strength in the region including inward investment. Develop the talent pipeline to grow a skilled workforce and better utilise the existing labour market. Profile Manawatū locally, nationally, and globally.
A connected and safe community <i>He hāpori tūhonohono, he hāpori haumarū</i>	<ul style="list-style-type: none"> Support the development and growth of business and sectors of strength in the region including inward investment. Profile Manawatū locally, nationally, and globally.
A sustainable and resilient city <i>He tāone toitū, he tāone manawaroa</i>	<ul style="list-style-type: none"> Support the development and growth of business and sectors of strength in the region including inward investment. Profile Manawatū locally, nationally, and globally.
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"> Support the development and growth of business and sectors of strength in the region including inward investment. Develop the talent pipeline to grow a skilled workforce and better utilise the existing labour market. Profile Manawatū locally, nationally, and globally. Develop strategic partner relationships, leveraging opportunities.
Infrastructure fit for future <i>He kāinga ka tūwhena tonu ōna pūnahanga, haere āke nei te wā</i>	<ul style="list-style-type: none"> Support the development and growth of business and sectors of strength in the region including inward investment. Develop strategic partner relationships, leveraging opportunities.
A future planned together <i>He kāinga ka whakamaherea tahitia tōna anamata e te hāpori tonu</i>	<ul style="list-style-type: none"> Support the development and growth of business and sectors of strength in the region including inward investment. Develop the talent pipeline to grow a skilled workforce and better utilise the existing labour market. Profile Manawatū locally, nationally, and globally. Develop strategic partner relationships, leveraging opportunities.
An environment to be proud of <i>He kāinga ka rauhitia tōna taiao</i>	<ul style="list-style-type: none"> Support the development and growth of business and sectors of strength in the region including inward investment. Profile Manawatū locally, nationally, and globally.

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 a minimum of four and a maximum of 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.



Central Economic
Development Agency
Limited

**Group Statement of
Comprehensive Revenue
& Expenses**

For the 12 Months to June

	2025-26 Budget	2026-27 Forecast	2027-28 Forecast
Revenue			
Council Funding	2,801,862	2,871,909	2,943,707
Other Services Income	147,000	-	-
Project Income	222,500	222,500	222,500
Total Revenue	3,171,362	3,094,409	3,166,207
Cost of Sales			
Other Services Expenses	1,007,000	855,000	870,125
Project Expenses	222,500	222,500	222,500
Total Cost of Sales	1,229,500	1,077,500	1,092,625
Gross Surplus (Deficit)	1,941,862	2,016,909	2,073,582
Other Revenue			
Interest Revenue	20,000	15,000	15,000
Total Other Revenue	20,000	15,000	15,000

Central Economic
Development Agency
Limited

Group Statement of Comprehensive Revenue & Expenses

For the 12 Months to June

	2025-26 Budget	2026-27 Forecast	2027-28 Forecast
Operating Expenses			
Depreciation	15,726	14,253	6,430
Directors' Fees	155,000	155,000	155,000
Employee Expenses	1,400,031	1,462,032	1,515,893
Financing Expenses	100	100	200
Other Operating Expenses	402,767	408,913	414,989
Total Expenses	1,973,624	2,040,298	2,092,512
Net Surplus (Deficit) Before Tax	(11,762)	(8,389)	(3,930)
Taxation			
Income Tax Expense	-	-	-
Total Taxation	-	-	-
Net Surplus (Deficit) after tax	(11,762)	(8,389)	(3,930)

See Appendix for Accounting Policies

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TE TAUĀKĪ TAKUNE STATEMENT OF INTENT
1 JUNE 2025

Central Economic
Development Agency
Limited

**Group Statement of
Financial Position**

As at 30 June

See Appendix for Accounting Policies

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TE TAUĀKĪ TAKUNE STATEMENT OF INTENT
1 JUNE 2025

	30 June 2026 Budget	30 June 2027 Forecast	30 June 2028 Forecast
Assets			
Current Assets			
Cash and Cash Equivalents	653,667	630,017	599,056
Receivables and Accruals	213,168	214,155	214,843
Prepayments	1,750	1,794	1,839
Total Current Assets	868,585	845,966	815,738
Non-Current Assets			
Property, Plant and Equipment	28,444	14,191	7,761
Total Non-Current Assets	28,444	14,191	7,761
Total Assets	897,029	860,157	823,499
Liabilities			
Current Liabilities			
Payables and Deferred Revenue	121,368	128,387	93,754
Employee Entitlements	87,190	51,688	53,593
Total Current Liabilities	208,558	180,075	147,347
Total Liabilities	208,558	180,075	147,347
Net Assets	688,471	680,082	676,152
Equity			
Contributed Capital	1,000	1,000	1,000
Retained Earnings	687,471	679,082	675,152
Total Equity	688,471	680,082	676,152

Group Statement of
Cash Flows

As at 30 June

	30 June 2026 Budget	30 June 2027 Forecast	30 June 2028 Forecast
Cash Flows from Operating Activities			
Receipts of council funding	3,221,582	3,302,024	3,384,576
Interest received	20,000	15,000	15,000
Receipts from other operating activity	410,993	255,556	255,872
GST	(223,470)	(239,090)	(285,614)
Payments to suppliers and employees	(3,457,584)	(3,357,040)	(3,400,595)
Interest Expense	(100)	(100)	(200)
Total Cash Flows from Operating Activities	(28,579)	(23,650)	(30,961)
Net Cash Flows	(28,579)	(23,650)	(30,961)
Cash Balances			
Cash and cash equivalents at beginning of period	676,080	647,501	623,851
Cash and cash equivalents at end of period	647,501	623,851	592,890
Net change in cash for period	(28,579)	(23,650)	(30,961)

See Appendix for Accounting Policies

Shareholder requirements

Reporting to Shareholders

The Shareholders will invite CEDA to formally report to each Shareholder twice per year, being the Half Yearly 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 the three years from 2024 to 2027 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.

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 < \$33m.

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.

Revenue Recognition

Non-exchange transactions are transactions where, an entity either received value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange. CEDA considers that the nature of the core funding received from Councils is 'non exchange' in nature as the service value that CEDA returns to Councils as 'economic development' is not always directly provided to the Councils as funders, but rather to the broader community on behalf of the Councils.

Other services revenue has been classed as non-exchange revenue as the services are generally provided to the community rather than the funder.

Exchange transactions are transactions in which one entity receives assets or services or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. In CEDA exchange revenue is derived from interest revenue and the provision of office meeting space.

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
Office Furniture & Equipment	Diminishing Value	0% – 50%
Office Furniture & Equipment	Straight Line	8.5% – 30%
Vehicles	Diminishing Value	30%
Websites	Straight Line	30%

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.

3. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

CEDA has the power to appoint 100% of trustees of the Events Manawatū Trust.

Tauākī Kawatau

Statement of Expectations



22 December 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 2024/25 to 2026/27 (2024/34 Long Term Plan)

This Statement of Expectations (SOE) covers the period 1 July 2024 to 30 June 2027, which is years 1-3 of the Shareholders' 2024/34 Long Term Plan. Amendments to the Statement of Expectations may be sought during this period.

The purpose of this SOE 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 Manawātū region and beyond.

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

It is also expected that CEDA will use this SOE to guide the development of an annual Statement of Intent (SOI) for 2024/25, 2025/26 and 2026/27.

Strategic Relationships

Taking a leadership position and building strategic relationships in the Manawātū 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 key partners for CEDA: Palmerston North City Council, Manawātū District Council, Horizons Regional Council, Iwi, Manawātū Chamber of Commerce, NZ Defence Force, Federated Farmers, Accelerate 25, KiwiRail, FoodHQ, Massey University, The Factory, Palmy BID, Feilding & District Promotions, and key Government agencies.

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

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 Manawātū region.
- Developing a talent pipeline.
- Support domestic visitation and tourism.

Top priorities are:

- Te Utanganui, Central New Zealand Distribution Hub.
- Strategic oversight and coordination of the Manawātū Food Strategy.
- Promotion and development of key tourism and visitor destinations.
- Inward investment in the Feilding town centre and Palmerston North city centre.

Action plans to deliver on these core functions should identify KPIs based on clear intervention logic. The SOL should include specific KPIs for the new top priority regarding inward investment in the Feilding town centre and Palmerston North city centre.

It is expected that CEDA will work very closely with key stakeholders of the regions strengths of food production and research, 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 Shareholders and aligning CEDA's core functions to those drivers is critical to the partnership between the Councils and CEDA.

The Shareholders 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. 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 Councils 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 bi-monthly team meeting between the Mayors, Council CE's and relationship managers with the CEDA Chair and CE.

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

Ngā Manawa Titi Our Partner Organisations

Local

Central Skills Hub
Feilding and District Promotion
FoodHQ
IPU New Zealand
Lamberts
ManawaTech
Manawatū Business Chamber
Manawatū District Council
Manawatū Young Chamber
Manawatū Young Professionals Network
Manfeild
Massey University Te Kunenga ki Pūrehuroa
Palmerston North City Council
Palmerston North Airport
Palmy BID
Poutama Trust
Rangitāne o Manawatū
Rangitāne o Manawatū Settlement Trust
Regional Schools
Spearhead Manawatū
Sport Manawatū
Sprout Agritech
Talent Central
Te Au Pakihi

Te Manawa

Te Roopu Hokowhitu
The Factory
UCOL
Venues and Events Palmerston North
Welcoming Communities

Regional

Accelerate25
Business Central and Export NZ
Horizons Regional Council
Horowhenua District Council
MidCentral Health | Te Pae Hauora o Ruahine o Taranua
Rangitikei District Council
Ruapehu District Council
Taranua District Council
The Horowhenua Company
Te Utanganui partners: Kiwirail, Centreport and Napier Ports
Venture Taranaki
Whanganui District Council
Whanganui Chamber of Commerce

National

AgResearch
Agritech NZ
Air New Zealand
Business Mentors New Zealand
Department of Internal Affairs | Te Tari Taiwhenua
Department of Conservation
Economic Development New Zealand
Federated Farmers of New Zealand
Immigration New Zealand
Health New Zealand | Te Whatu Ora
Ministry of Business, Innovation and Employment | Hīkina Whakatutuki
Ministry of Culture and Heritage | Manatū Taonga
Ministry of Education | Te Tāhuhu o te Māturanga
New Zealand Careers Expo
New Zealand Defence Force
New Zealand Motor Caravan Association
New Zealand Trade and Enterprise | Te Taurapa Tuhono
New Zealand Transport Agency | Waka Kotahi
Regional Tourism Organisations New Zealand
Stuff
Tourism Industry Aotearoa
Tourism New Zealand
Workforce Development Councils



MEMORANDUM

TO: Economic Growth Committee

MEETING DATE: 11 June 2025

TITLE: Palmerston North Airport Limited - Final Statement of Intent for 2025/26 to 2027/28

PRESENTED BY: Steve Paterson, Manager - Financial Strategy

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE

1. That the Committee agree the Statement of Intent for Palmerston North Airport Limited for 2025/26 to 2027/28 (Attachment 2).
-

1. ISSUE

- 1.1 Palmerston North Airport Ltd (PNAL) has provided its final version of the Statement of Intent (SOI) for 2025/26 to 2027/28 and this is attached for acceptance by the Committee.

2. BACKGROUND

- 2.1 PNAL provided a first draft of its SOI for 2025/26 to 2027/28 in February 2025. This was considered by the Economic Growth Committee on 9 April 2025 and its proposed direction and implementation strategy endorsed. In addition, the Committee resolved:
 - "Council expects PNAL to consider engaging a commercial development partner for the delivery of Ruapehu Aeropark
 - Council expects PNAL to explore opportunities to divest up to 25% of developable land to accelerate investment in delivery of the Ruapehu Aeropark and to support the City's economic growth."
- 2.2 The Committee recognised that the draft SOI assumed there would be a projected total loan requirement of \$40.9m by 30 June 2026 and that PNAL would be seeking to utilise the loan facility provided by the Council to fund a significant portion of this.
- 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 2025. PNAL has met that requirement.

- 2.4 The final SOI (Attachment 2) and a letter from the Chief Executive Officer explaining the changes (Attachment 1) from the draft is attached. The final version still meets Council's expectations.
- 2.5 The main changes from the draft are as a consequence of more conservative assessments of passenger volumes, updated timing of capital expenditure and an updated total cost for the terminal development plan.

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?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu</p> <p>Goal 1: An innovative and growing city</p>	
<p>The recommendations contribute to the achievement of objective/objectives in:</p> <p>2. Mahere whakawhanake ohaoha</p> <p>2. Economic Development Plan</p> <p>3. Mahere tūnuku</p> <p>3. Transport Plan</p> <p>These relate to having an innovative, resilient & low-carbon city economy where people, whanau and communities can prosper & achieve their goals and a city transport system that links people & opportunities.</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The airport is a key strategic gateway to the City. The draft Statement of Intent includes a direction and specific actions that are designed to continue to improve the airport for customers and stimulate growth.

ATTACHMENTS

1. Cover letter from PNAL Chief Executive Officer [↓](#) 
2. PNAL Final Statement of Intent 2025/26-2027/28 [↓](#) 



Palmerston North Airport Limited
PO Box 4384
Palmerston North 4442
NEW ZEALAND

29th May 2025

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 2026-2028

Please find enclosed Palmerston North Airport Limited's (PNAL) Final Statement of Intent (SOI) for FY26 through to FY28.

For your reference, we highlight below the key changes from the draft SOI.

Movements in the Profit & Loss

- Across the four years (including current year), the adjustment to Net Profit After Tax is a cumulative \$1.18m increase compared to the draft budget.
- This includes a significant improvement in the FY25 forecast, offset by a reduction in FY26 (i.e. largely a timing difference).
- The FY25 (current year) forecast now reflects a \$136k profit (vs a \$1.1m loss at draft budget stage), a shift of \$1.2m. While ~\$480k of this relates to adjustments/deferrals to operational costs to respond to upcoming capital costs, the majority of this relates to changes in assumptions regarding the timing and treatment of terminal development plan (TDP) related expenditure. The draft budget had anticipated terminal demolition and accelerated depreciation costs to occur within FY25, whereas these will now largely occur from FY26.
- The impact of the above improvement in FY25 is offset in FY26, with a \$0.94m reduction in profit.
- Outside the above timing changes, revenue and costs have been updated across the four years (including current year forecast) to reflect latest forecasts.
- Revenue forecasts have been reduced compared to the draft budget, primarily related to updated assumptions regarding passenger volumes. In line with ongoing suppressed demand, a more conservative passenger movement forecast has been adopted. The FY26 SOI of 530,100 passenger movements reflects a negligible growth expectation on the FY25 forecast. Modest growth is projected to occur in FY27 and continue into FY28 with passenger movements reaching 556,000 (compared to the draft budget of 564,800).
- The impact of the above decreases in passenger movements is a net decrease in income of \$342k across carpark and aeronautical charges, with other additional minor variations made to the timing of lease income.
- Notwithstanding the above change, FY26 income is still anticipated to grow by \$1m versus FY25, driven by confirmed, aeronautical pricing with our major airline customer, Air New Zealand.
- An assumed divestment of non-strategic land with a net-gain of \$3m has also been added to Year 3 (FY28) of the SOI. The timing and quantum of any sale is yet to be confirmed but has been added to the SOI to reflect our intention to sell non-strategic land. We recognise there may also be an additional unbudgeted non-strategic land sale concluded earlier in the SOI period, including a potential sale to the Shareholder for public infrastructure works, in late FY25/early FY26.
- Operating expenses have also been refreshed. Compared to FY25, cost increases are anticipated to occur across maintenance, rates and energy costs. Additional employment costs are also anticipated due to a three-yearly mark-to-market adjustment, additional short term resourcing of front line staff during terminal construction, and additional permanent staff within the Rescue Fire Service. Additional marketing costs are also anticipated given the flagged increased focus on air service development from FY26.
- In total FY26 operational costs are forecast to grow \$0.89m versus the FY25 forecast.

- Extraordinary items and depreciation have seen notable changes across the four years (including current year), due to updated assumptions regarding the terminal construction timing and associated accounting treatments. In addition, PFAS management related expenditure has been reclassified from 'extraordinary items' to 'administration expenses' going forward, to better reflect the business as usual / operational nature of these costs. This represents a movement, but not an additional cost, within each year.
- Reflecting the above, focusing on FY26 (Year 1) of the SOI, the final SOI forecasts a net loss after tax of \$132k.
- There is no impact on projected dividend payments for FY25 and FY26, with PNAL intending to meet the shareholders expectation of a dividend payment of \$300k and \$400k respectively, subject to satisfying statutory solvency tests.

Movements in capital expenditure

- Across the four years (including current year), forecast capital expenditure has increased by a net \$2.1m.
- The revised capex forecast reflects the updated cost to build the new terminal. PNAL has also adopted a conservative approach in its terminal capex forecast and assumed the contingency being held will be spent. While the spend of the contingency is not guaranteed, and will be tested and managed at the time, inclusion of the contingency spend within the SOI further demonstrates to the Shareholder that the TDP is affordable.
- Non-essential customer facing capex has been deferred to later years within the SOI period in order to preserve debt headroom. This equates to a \$2.9m reduction in landside infrastructure spend compared to the draft SOI.
- The revised capex forecast includes a minor timing difference (\$189k) reduction in planned expenditure on Ruapehu Aeropark.
- PNAL has also ensured that the additional terminal cost has not resulted in the sacrifice of any Ruapehu Aeropark developments.

Debt & Key ratios

- Reflecting the above, FY26 (Year 1 of the SOI) has seen a \$0.3m decrease (\$40.5m total) in debt compared to the draft SOI while total debt by FY28 reaches \$74.4m (a decrease of \$0.8m compared to the draft budget).
- The above debt levels remain well below PNAL's anticipated total debt headroom of \$95m, while the ratios remain within acceptable levels.
- Of note, the interest cover ratio of > 2.5 is still met, with a minimum level of 2.7 in FY28 (5.0 in FY26). This ratio improves beyond FY28 as lease income comes online from completed developments.
- The long-term metrics, while below the long-term targets (same as at draft budget stage), also continue to show improvement by Year 3 of the SOI, once the large capital expenditure programme is complete.

Other points to note

- Key assumptions remain within the SOI regarding the timing and accounting treatments associated with the terminal redevelopment. While this final SOI is based on the latest discussions with the auditors, and latest development programme, these assumptions are subject to change/confirmation.
- PNAL recognises the Shareholder's expectation that PNAL continues to consider some land divestment and joint venture partnerships as a means of accelerating development within Ruapehu Aeropark. These remain priorities for PNAL and the SOI commentary updates, together with the inclusion of an assumed land divestment, makes this clearer to readers.

We welcome any questions you may have.

Yours sincerely



David Lanham
Chief Executive Officer

2026–2028 STATEMENT OF INTENT

YEAR ENDING 30 JUNE 2026

FINAL
29 MAY 2025

PALMERSTON NORTH





CONTACT DETAILS

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

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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 the Shareholder 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 2024.

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

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.



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 Hawke's 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 and logistics, aviation tertiary training, property development and the wellbeing of our team.

PNAL's main priority is to facilitate the ongoing delivery of sustainable and resilient passenger and airfreight services. This includes ensuring our aeronautical pavements, terminal building and related infrastructure are fit for purpose. This is the primary driver behind the upcoming terminal redevelopment, in order to address existing seismic risks as well as futureproof for medium to long term growth.

Beyond the facilitation of air services, PNAL's secondary focus is to diversify the PNAL revenue base through ongoing commercialisation within Ruapehu Aeropark.

OUR PURPOSE

**LAUNCHING OUR
COMMUNITIES INTO A
PROMISING FUTURE**



OUR VISION

**NEW ZEALAND'S
LEADING REGIONAL
AIRPORT**



STRATEGIC OBJECTIVES

PNAL's strategic objectives are categorised within a Five Strategic Pillar framework also referred to as "the Five C's".



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 Manawātū District Plans.

- We operate a successful enterprise with the objective of growing long-term Shareholder value and providing a return to our Shareholder when we have funds surplus 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, resourcefulness and recognising achievement across our team.
- Our one-team ethos is supported by the five pillars of Leadership, Trust & Respect, Communication, Empowerment and Celebrating Success.



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.



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.



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.



SUMMARY OF STATEMENT OF EXPECTATIONS

PNAL received a Statement of Expectations from PNCC, dated 21 November 2024. The below summarises how PNAL intends to meet these expectations and provides a reference to where further information may be found.

Shareholder Expectation	OUTLINE PRINCIPLES AND KEY OBJECTIVES	GOVERNANCE AND ENGAGEMENT
	<ul style="list-style-type: none"> PNAL's purpose statement reads <i>Launching our communities into a promising future</i> while our vision is to be <i>New Zealand's leading regional airport</i>. PNAL's strategic objectives are categorised within "the Five C's": Culture, Customer, Community, Commercial and Compliance. 	<ul style="list-style-type: none"> 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.
Response		
Deep Dive Section	<p>Nature and Scope of Activities • page 03</p> <p>Strategic Objectives • page 04</p> <p>Key Objectives • page 24</p>	<p>Governance • page 38</p>

THE AIRPORT AS A COMMERCIAL ENTITY

- Focussed on delivering the terminal redevelopment during the SOI period to ensure business resilience, facilitate sustainable growth in passenger volumes and enhance the customer experience.
- Pursuit of diversification of PNAL's revenue sources with a focus on freight and logistics and aviation tertiary training. This includes the delivery of four commercial developments during the SOI period.
- PNAL is focussed on maintaining appropriate risk policies and prudent financial ratios throughout the SOI, to ensure risk and opportunities are well balanced.
- PNAL's funding constraints will (for the short-medium term) be resolved via a third-party debt raise in FY25. While not a permanent funding solution, this enables the acceleration of key commercial developments during the SOI period, without recourse to the Shareholder for additional funding.
- Consideration of appropriate joint venture partners will also continue to further accelerate Ruapehu Aeropark development.
- PNAL will continue to consider divestment of non-strategic land to further release capital for reinvestment in the Aeropark.
- PNAL is committed to meeting the specified dividend expectations of the Shareholder, subject to meeting statutory tests.

Terminal Development Project • page 12

Ruapehu Aeropark/Income Diversification • page 18

Performance metric targets • page 22

PNAL capital and debt funding • page 21

Financial statement forecasts • page 28 – 34

Dividend policy – page 37

SUMMARY OF STATEMENT OF EXPECTATIONS

Shareholder Expectation	PROVISION OF LINE OF CREDIT	ENVIRONMENTAL IMPACTS
	<p>Response</p> <ul style="list-style-type: none">• PNAL has not sought, and continues not to seek, any further equity from the Shareholder. In contrast, PNAL has sought to meet the Shareholder expectation that dividends are prioritised alongside capital investment in Ruapehu Aeropark.• PNAL debt facility with the Shareholder, with a facility limit of \$50m. This loan includes PNAL paying a fair market margin to the Shareholder for this facility as well as paying the interest costs incurred by the Shareholder in making this facility available.• PNAL's forecast financial statements outline PNAL's three year projections, which illustrate PNAL will remain profitable and capable of servicing its own debt. This includes the ability to service an expanded (third party) debt facility, in order to accelerate Ruapehu Aeropark development.	<ul style="list-style-type: none">• PNAL recognise PNCC's goal of achieving a 44% reduction in greenhouse gas emissions per capita in Palmerston North (from the 2016/17 baseline) by 2034.• PNAL have contributed to, and exceeded this target already, with Scope 1 and 2 emissions currently 80% below PNAL's 2022 baseline.• PNAL's objective is to reach net zero emissions by 2035.• Scope 3 emission reductions remain a focus for PNAL going forward.• PNAL have achieved Level 4 ("Transformation") of the Airport Carbon Accreditation programme and remain committed to achieving at least this level going forward.
Deep Dive Section	<p>Performance metric targets • page 22</p> <p>PNAL capital and debt funding • page 21</p> <p>Financial statement forecasts • page 28 – 34</p> <p>Dividend policy • page 37</p>	<p>Our Environment • page 15</p>

OPERATIONAL CAPACITY

- Maintaining PNAL's social licence to operate is critical to PNAL's success.
- With 24/7 operations and our role within Te Utanganui, compliance with ground and air noise provisions within the District Plan are of great importance to PNAL. As well as this, protections associated with Obstacle Limitation Surfaces (OLS) and Runway End Protection Areas (REPA) remain an area of focus.
- Investment in our community further helps to preserve this social licence.
- PNAL remains focussed on sustainable growth in aeronautical activities. This includes passenger, airfreight, aviation tertiary training (including Halls of Residence) and aeromedical/patient transfers.

CONSISTENCY WITH WIDER OBJECTIVES OF COUNCIL

- Within the Shareholder's broader strategic interests, PNAL recognises the important role it plays within the development of Te Utanganui.
- PNAL will continue to play its role in developing freight and logistics opportunities within Ruapehu Aeropark and collaborating with other key partners.
- Alignment with the Shareholder's Small City Benefits, Big City Ambition, including supporting PNCC's four goals of an Innovative & Growing City, a Creative & Exciting City, a Connected & Safe Community and a Sustainable & Resilient City.

One Team • page 14

Our Community • page 14

Air Service Development • page 18

Health, Safety & Security • page 19

District Plan • page 19

Ruapehu Aeropark / Income Diversification / Te Utanganui • page 18

Ruapehu Aeropark / Income Diversification / Te Utanganui • page 18

Alignment with PNCC Goals and Vision • page 10

ALIGNMENT WITH PNCC VISION AND GOALS

The following table summarises how this SOI aligns with PNCC's vision of Small City Benefits, Big City Ambition in respect of the four goals:

PNCC Goals	PNCC Outcomes	PNAL SOI Alignment
AN INNOVATIVE AND GROWING CITY	<ul style="list-style-type: none"> • A city that fosters pride, and supports the aspirations of people and communities. • A business environment that encourages investment and delivers career opportunities in a range of sectors. • Enough land and infrastructure to enable housing development and business growth. • The efficient movement of goods and services alongside safe and affordable transport options for people. • A globally connected city that fosters opportunities for local people, businesses and organisations. • An economy that embraces innovation and new ideas and uses resources sustainably. • A resilient, low carbon economy. 	<ul style="list-style-type: none"> • Terminal Development Project. • Ruapehu Aeropark Development, including freight and logistics warehousing, support for aviation tertiary training and aeromedical facilities. • Active partner and advocate for Te Utanganui. • Air service development, including planned introduction of jet service on the Auckland – Palmerston North route. • Sustainable dividend returns to the Shareholder for investment elsewhere in the City.
A CREATIVE AND EXCITING CITY	<ul style="list-style-type: none"> • A vibrant city that connects people and where creativity is built into our cityscape. • An arts community and cultural facilities that are well supported and invested in. • Our unique heritage preserved and promoted. • Opportunities to celebrate our many cultures. • Access to exciting well-managed events and activities throughout the city and our neighbourhoods. • Places across the city and its neighbourhoods for communities to participate in play and recreation. 	<ul style="list-style-type: none"> • Core community engagement and sponsorship, including with: <ul style="list-style-type: none"> • Fly Palmy Arena • Just Zilch • Wildbase • Centrepont Theatre • Our special relationship with Rangitāne o Manawatū and Te Rangimarie Marae, including Rangatahi career pathways. • Wider support and promotion within the 90 minute drive market of the airport.

A CONNECTED AND SAFE COMMUNITY

- Access to services and facilities that are inclusive and appropriate for their needs.
- The support they want to live healthy lives.
- Access to healthy and affordable housing.
- Opportunities to contribute to the design of their city.
- Access to safe and accessible community places.
- Opportunities to contribute to Council decision-making.
- Community social service groups and facilities that are well supported and invested in.
- Terminal development, including co-design with Rangitāne, Sister City recognition and celebration of the history of the airport.
- Investments in key infrastructure, including airside pavements, landside infrastructure and customer experience enhancements (e.g. improved all weather cover within carparks).

A SUSTAINABLE AND RESILIENT CITY

- A sustainable, low-emissions city.
- A resilient city and communities, prepared for the impacts of climate change.
- A circular economy with more resource recovery and less waste.
- A healthy, thriving ecosystem, including native biodiversity and food security.
- The Manawatū River and waterways restored to a healthy, respected and connected state.
- Sustainable urban planning with a low-carbon built environment.
- A safe, affordable, sustainable and resilient water supply.
- Effective, low-carbon, wastewater collection and treatment.
- Appropriate infrastructure and development to avoid and minimise the effects of flood events.
- Access to relevant information and education to support more sustainable choices.
- Natural, environment-focussed community groups and facilities that are well supported and invested in.
- Participation in Airport Council International Airport Carbon Accreditation Programme and achievement of at least Level 4 ("Transformation") on an ongoing basis.
- Achieving PNAL's objective to reach net zero emissions by 2035.
- Scope 1 and 2 emissions currently 80% below PNAL's 2022 baseline.
- Implementation of carbon stakeholder plan, including assisting key stakeholders to reduce emissions (reduction in PNAL's Scope 3 emissions).
- Maintaining Qualmark Gold status.



TERMINAL DEVELOPMENT PROJECT (TDP)

During the SOI period, PNAL will complete its terminal redevelopment, representing the largest capital investment ever completed by the Company.

While the thirty-year-old terminal has held us in good stead through major periods of growth, with earlier refits extending its useful life, it is no longer fit for purpose. The 5,000 m² new build modular terminal facility will ensure the Company is able to meet Shareholder expectations by future proofing the facility and addressing seismic, operational, and growth deficiencies associated with the present terminal. This includes enabling the introduction of passenger and hold-bag screening should screening become mandatory at regional airports, or as a consequence of the reintroduction of larger gauge aircraft / jet services.

As construction of the new terminal is on the same site as the existing building, a two-staged build will be undertaken. PNAL remains focussed on limiting the inevitable disruption during the two-year build, with considerable emphasis placed on ensuring the temporary terminal is fit for purpose. Ongoing communication and wayfinding will also play a key role.

At the time of preparing the final SOI, PNAL had just entered the delivery phase of the Terminal Development Project. In May 2025, the PNAL Board approved the final cost of \$43.4 million (plus contingency) and appointed LT McGuinness as the main contractor for the project. Following this decision, the temporary terminal became operational on Wednesday 21st May 2025 to allow for Stage 1 of demolition and construction to begin.

With demolition and construction now underway, the focus shifts to programme delivery, cost management, maintaining efficient and safe terminal operations, and continued communications with all stakeholders.

Construction of Stage 1 of the new terminal is scheduled for completion mid 2026. Stage 2 will then follow, due for completion in mid 2027.

Terminal Cost

The revised budget for the new terminal facility is \$43.4 million plus contingency, compared to an original 2023 concept design estimate of approximately \$40 million.

After careful consideration, balancing the need for the new terminal to functionally perform, resilience, and aesthetics against cost and value for money, a range of design enhancements have been approved by the PNAL Board over the course of the design program since the concept was first developed and costed. It was recognised that these enhancements would have an impact on project cost. Material items included:

- Raising the floor level of the terminal building by 210mm to protect against 1 in 100 year flood risks, including a 20% allowance for climate change intensity.
- Increasing the terminal floor area by 119m² to improve the layout and functionality of the arrivals area.
- The selection of laminated timber beams for public facing to improve aesthetics.
- Extending the airside wind lobby the full length of the terminal building to enhance weather protection for arriving & departing passengers.

In order to maintain cost control, peer reviews were conducted throughout design to ensure appropriate processes were followed and that costs were reasonable. Additionally, value engineering by the project control group continued throughout the design program, including at the conclusion of design when the tendered price was received from LTs.

Examples of cost savings identified through the design period and post-tender include:

- Adoption of a coresteel structure to replace structural steel.
- Simplification of the landside canopy design.
- Simplification of ceiling treatments in selected areas of the terminal.
- Substitution of materials.
- Re-use of existing HVAC plant from the current terminal.
- Re-use of fixtures & fittings.

Value engineering will continue throughout the duration of construction.

PNAL had the opportunity to source TDP funding from commercial lenders, however PNAL has chosen to enter into a commercial lending arrangement with Council. Under this agreement, Council borrow funds at preferential interest rates and on-lend those funds to PNAL. PNAL pays back the loan principal and interest, including a fair market margin, from its revenue generating activities, thereby generating a cash return to Council.

PNAL reintroduced dividend payments to PNCC in FY24 and are forecasted to exceed pre-Covid levels by FY27. As with any commercial loan, interest payments can reduce profit levels, which may in turn reduce dividend payments. However, given this loan is being used to fund revenue generating activities (e.g. aeronautical charges and lease income), there should be no adverse impact on future dividend flows as a result of the terminal development.



Architects impression – air side 13

KAITIAKITANGA GUARDIANSHIP

WHĀNAU KOTAHĪ / ONE TEAM

Our highly skilled team are our most valuable asset. We will continue to develop our Whānau Kotahi / One Team wellness program to further enhance team culture and engagement and the overall employee experience.

Whānau Kotahi / One Team, now in its fifth year of existence, improves the ability of PNAL to support both 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. It provides a structure for existing and new initiatives, with opportunities for our people to contribute directly to the plan's evolution.

The objectives of the wellness program include;

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

OUR COMMUNITY

At the heart of everything we do is our community, whose support we do not take for granted. We understand that an airport is more than just a place to catch flights—it's a gateway that connects people, supports local businesses, and showcases the character of our region. We're committed to fostering an environment that reflects the values and diversity of our community, ensuring every airport user feels welcomed and every business has opportunities to thrive.

In addition to Palmerston North and the Manawātū, our airport catchment includes Whanganui, Ruapehu, Rangitikei, the Horowhenua, Kāpiti Coast, Southern Hawke's Bay, Tararua and Wairarapa. We will continue to strengthen the relationship with what we refer to affectionately as our 90-minute drive market. This includes working closely with Regional Tourism Organisations (RTOs) and other regionally based organisations on joint initiatives to promote sustainable tourism, enhance regional connectivity, and support economic recovery and growth. By aligning our efforts with regional priorities and leveraging shared opportunities, we aim to create synergies that benefit local businesses, communities, and travellers alike.

A key focus remains working with our mana whenua Rangitāne whose ongoing support we gratefully acknowledge. While our focus to date has been on the co-design of the new terminal facility, we will now engage with Rangitāne on how Rangatahi could become involved in the TDP construction program via the main contractor. We will also continue to develop our medium term plan of creating aviation career pathways for Rangatahi.

OUR ENVIRONMENT

Sustainability is deeply embedded in our vision, and during this Statement of Intent period, we are committed to driving further progress through key initiatives that support environmental responsibility.

Retaining our Level 4 Airport Carbon Accreditation is a critical priority, showcasing our leadership in managing and reducing carbon emissions and affirming our commitment to global climate goals. We are equally focused on reducing the emissions generated by the TDP, ensuring the use of sustainable building materials and implementing energy-efficient technologies throughout the design and construction process.

The new airport terminal will incorporate a range of sustainability initiatives designed to minimise environmental impact and promote long-term resource efficiency.

The terminal will be equipped with energy-saving systems, including high-efficiency HVAC systems to reduce carbon emissions, and extensive use of natural lighting and LED technology to lower energy consumption.

Sustainable building materials, such as timber and steel fibre reinforcing, are also being prioritised during construction.

A revised carbon life cycle analysis is planned to be undertaken on the final terminal design. This analysis will provide a comprehensive evaluation of the carbon emissions associated with the materials, construction, and operational phases of the terminal and enable PNAL to fully explain to stakeholders the journey we have been on to minimise the environmental impact of the new terminal.

In addition to our internal efforts, we recognise the importance of collaboration with industry stakeholders. A requirement of Level 4 Airport Carbon Accreditation is third party engagement on Scope 3 emissions. We will continue to actively engage with our tenants, providing guidance and support to help them reduce their operational emissions, thereby aligning with our goals to reduce Scope 3 emissions. Furthermore, we will continue to work closely with the airlines operating at our airport as they navigate their own sustainability journeys by playing our part in understanding and planning for the infrastructure requirements necessary for next generation aircraft operations.

These initiatives reflect our commitment to addressing the challenges of climate change and supporting a sustainable aviation industry.



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MANAAKITANGA

CUSTOMER EXPERIENCE

CUSTOMER EXPERIENCE MAINTENANCE

Delivering an exceptional customer experience remains a central focus of our operations and planning. We are committed to maintaining our high standards of service and customer experience throughout the duration of the terminal development project. This commitment means prioritising efficient passenger flows, well-maintained facilities and clear customer communication and wayfinding. Our commitment to customer service excellence extends to our frontline teams, with plans to provide additional training to ensure our team is equipped to deliver warm, professional, and personalised service at every touchpoint. We will also be focussed on maintaining our Qualmark Gold certification.

Customer facing infrastructure to be delivered during this SOI period, aside from the TDP, include the construction of covered walkways from the Long Stay to General Carpark and within the Oversize carpark.

INFRASTRUCTURE

AIRSIDE/LANDSIDE PROJECTS

A total of \$4.5m is planned to be spent over the SOI on the ongoing upgrade of critical airside infrastructure, primarily pavement upgrades. In addition, \$7.1m is anticipated to be spent over the three-year SOI on landside infrastructure, property, plant & equipment and other assets. These primarily focus on customer enhancements in the carpark discussed above, water main upgrades, and other end of life asset replacements/renewals.

Beyond the SOI period, a reseal of the runway surface has been identified. This is planned to occur over three financial years at an estimated total cost of \$15m, which remains subject to design finalisation. The exact timing of the reseal is subject to ongoing runway condition assessments.

COMMERCIAL

AIR SERVICE DEVELOPMENT

Passenger movements are projected to grow modestly during the three-year SOI period to 556,000 passenger movements by FY28, reflecting ongoing subdued demand for air travel, anticipated ongoing capacity constraints, and international and domestic economic uncertainty. This includes an expectation of essentially flat growth in FY26, the first year of the SOI (530,100 passengers)

We do, however, continue to view air service development with a strategic mindset and look beyond the short-term projections. Work continues on the A320 pathway project with the objective of ultimately achieving the re-introduction of jet services or larger gauge aircraft on the Auckland - Palmerston North route as a means of reducing aircraft congestion during the morning peak departure time, whilst maintaining sufficient frequency across the day for our travellers.

This SOI has been prepared on the assumption that a jet service during peak business hours on weekdays will commence on the Auckland-Palmerston North route from mid 2027, after completion of the terminal redevelopment.

RUAPEHU AEROPARK / INCOME DIVERSIFICATION / TE UTANGANUI

The Company is the custodian of a vital component of the economic infrastructure of the City and region, with an associated long-term capital-intensive development and investment program. Ongoing funding of asset regeneration therefore remains a key priority.

Income diversification is therefore a strategy that the Company will continue to deploy as a means of mitigating against future downturns in aviation and the associated impact on aeronautical income levels and consequently our ability to continue to fund core operations and re-invest in core infrastructure.

In connection with this objective the Company will also continue to play its role in the development of Te Utanganui - The Central New Zealand Distribution Hub through the ongoing development of passenger services, airfreight and associated logistics and amenity activities within Ruapehu Aeropark at Palmerston North Airport.

Commercial development within Ruapehu Aeropark is therefore a critical component of the Company's investment plans, enabling the achievement of income diversification and airfreight and logistics related activity including the development of Te Utanganui.

Commercial development is demand/tenant led. Given the level of capital required, commercial developments will only progress on the basis that each opportunity meets business case hurdles and receives endorsement from the PNAL Board.

New Zealand is currently at a low point in the economic cycle, with high development costs, low growth and low demand for commercial property. Notwithstanding the present economic climate, commercial opportunities being pursued during this SOI period include a freight and logistics warehousing facility, premises for aeromedical operators, rental car facilities and supporting facilities for Massey School of Aviation. Various other feasibility, preparatory and consenting works for developments in Ruapehu Aeropark will also continue during the SOI period.

Altogether, the prioritised commercial developments represent the maximum funding available to the Company to invest during the SOI period, being ~\$27.4m. Remaining debt capacity is allocated towards the TDP, other related capital projects and the planned capital investment on airside assets beyond the SOI period.

Divestment of non-strategic land has also been contemplated in this SOI, with a net-gain of \$3m reflected in FY28 in respect of an assumed divestment of non-strategic land. The timing and quantum of any non-strategic land sales is yet to be confirmed.

COMPLIANCE

HEALTH, SAFETY & SECURITY

Underlying all activity is the Company's 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 PNAL's Safety Management System, linked to an enhanced security culture. The fourth annual external SMS audit will occur in FY26.

The Company will also be working very closely with the main contractor to ensure our high levels of health, safety and security are maintained during the terminal demolition and rebuild period.

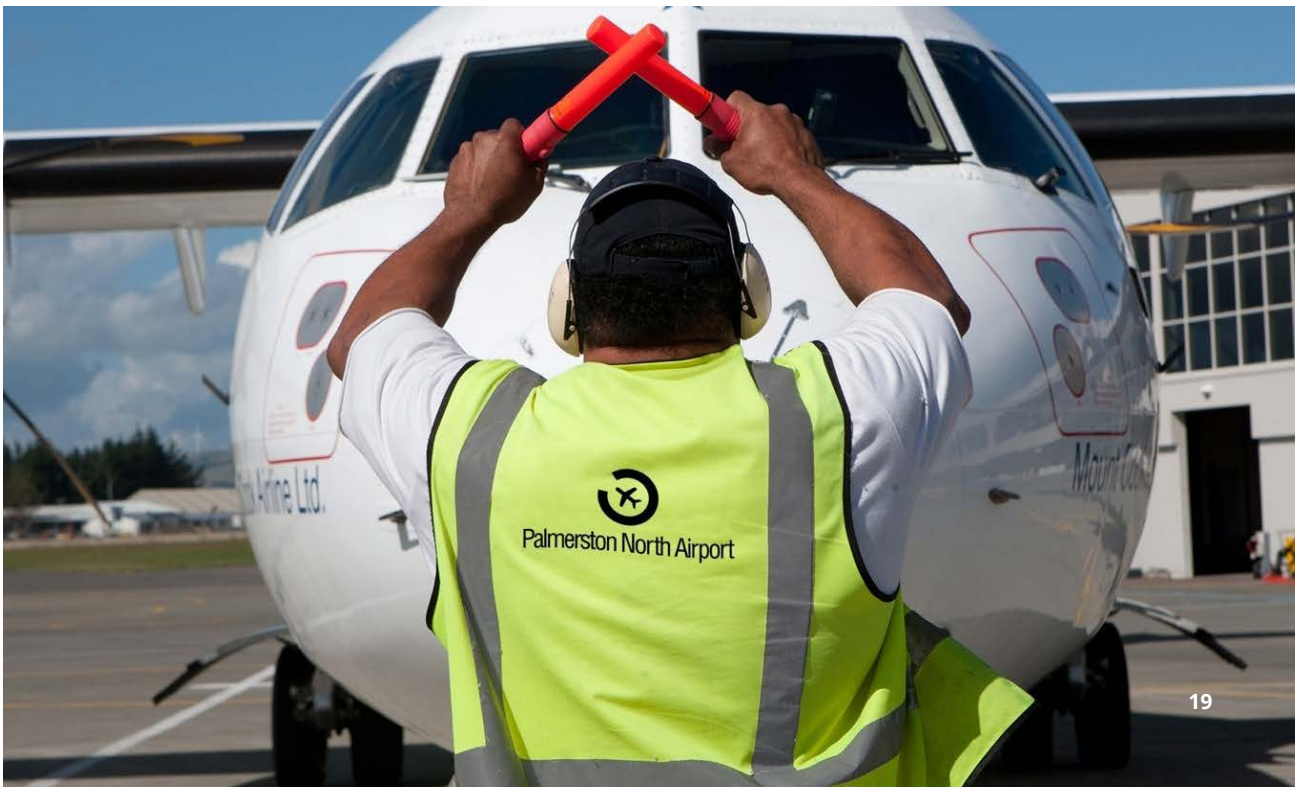
DISTRICT PLAN

With the benefit of curfew-free operations, and because of the prime location of the airport and the proximity to both the residential area and to the CBD, the Company recognises the importance of ensuring noise emissions from aircraft and ground operations are managed

within District Plan limits. Work will therefore continue on noise management compliance in accordance with the Company's Noise Management Plan.

With regards Palmerston North Airport obstacle control, a work package will commence to ensure there are appropriate control measures in place for adequate protection of the airport's Obstacle Limitation Surfaces (OLS). This will include changes being requested to the Manawātū and Tararua District Plans, as well as a review of the Palmerston North District Plan OLS detail.

Urban encroachment in close proximity to the aerodrome's boundaries, especially within the Runway Extension Protection Area (REPA) at each end of the runway, will also remain a feature of our activity designed to maintain public safety, safeguard existing curfew free operations and to facilitate sustainable growth in Airservices as we fulfil obligations to our Shareholder and play a key role within the development of Te Utanganui.



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FINANCIAL PERFORMANCE TARGETS

PASSENGER MOVEMENTS

FY26 passenger movements are assumed to be flat relative to FY25 (current year), grow at a modest 1.3% in year two, and increase by 3.5% in year three. Passenger movements therefore grow to 556,000, by FY28.

INCOME

Notwithstanding the income diversification program outlined in this SOI, the primary contributor to income projections throughout the SOI period remains aeronautical and carparking revenue, given required lead-in times in developing alternative income streams. Land and building lease income grows in Year 3 of this SOI as the next phase of Ruapehu Aeropark developments is completed and tenancies commence. A divestment of non-strategic land (\$3m gain) is also assumed in Year 3 of the SOI, with the timing and quantum to be confirmed.

Budgeted income for FY26 of \$17.92m represents an increase of \$1.0m or 5% on the FY25 forecast, driven by growth in aeronautical and carparking revenue.

OPERATING COSTS

Total costs (excl. depreciation, interest, extraordinary items and gain/loss on sale) are projected to increase \$0.89m or 10% to \$10.6m, above the FY25 forecast.

Cost increases are anticipated to occur across multiple cost lines, including maintenance, rates and energy costs. Additional employment costs are also anticipated due to three-yearly mark-to-market adjustments, additional short term resourcing of front line staff during terminal construction, and additional permanent staff within the Rescue Fire Service. Additional

marketing costs are also anticipated with an increased focus on air service development from FY26.

Other cost lines are anticipated to decrease, including consultant fees, which were temporarily elevated in FY25 due to several one-off projects.

Extraordinary items are projected to remain high during FY26 and FY27 (at \$0.97m and \$0.57m respectively) before dropping to nil from FY28. Extraordinary items relate to the expensing of terminal demolition costs in two stages and some of the costs associated with the temporary terminal during construction.

From FY25, PFAS management related expenditure has been removed from Extraordinary Items, and reclassified as Administration Expenditure, reflecting the normalisation of these costs within the business. This has elevated administration expenditure, but is offset by a reduction in extraordinary items.

CAPEX

The FY26-FY28 capital expenditure budget of \$74.9m is focused on the completion of the TDP (\$35.9m across the SOI period) and the delivery of developments in Ruapehu Aeropark (\$27.4m across the SOI period), as discussed earlier.

PNAL also has an ongoing focus on ensuring an appropriate investment in airside infrastructure renewals (\$4.5m across the SOI period), and landside investments (\$7.1m), which includes water main / firefighting upgrades, construction of covered walkways within the carpark and other asset renewals, also discussed earlier.



PNAL CAPITAL AND DEBT FUNDING

PNAL's previous two SOI's have highlighted ongoing capital constraints which have limited PNAL's ability to deliver future developments within Ruapehu Aeropark given the capital required for the terminal development.

Notwithstanding the significant capital investment being undertaken PNAL has not sought, and continues not to seek, further equity from the Shareholder. Furthermore, PNAL has committed to reintroduce dividend payments during this capital-intensive period.

PNAL is appreciative of the existing debt facility made available by the Shareholder, which has a facility limit of up to \$50m. As outlined earlier, Council borrow funds at preferential interest rates and on-lend those funds to PNAL. PNAL pays back the loan principal and interest, including a fair market margin, from its revenue generating activities, thereby generating a cash return to Council.

As further equity is not available from the Shareholder, PNAL has sought to self-address capital funding constraints via other mechanisms. PNAL has therefore undertaken a project to assess whether additional third-party debt, alternative structures or equity investment from a third party (or a mixture of the above) appropriately balances risk and opportunity in both the short and medium term.

With support from an external specialist consultant, PNAL has now concluded this project, with the following actions underway:

- Refinancing of PNAL's existing \$15m bank debt facility to raise the facility limit to \$45m (\$30m facility limit increase). This brings PNAL's total debt facilities to \$95m.
- Ongoing exploration of joint venture partnerships in respect of property development in Ruapehu Aeropark.
- Consideration of divestment of non-strategic land, where appropriate, to provide additional cashflow to support property development.

A comprehensive project has been undertaken to reach the conclusion that a \$95m total debt facilities represents an optimal level of debt at this point in time. It has been established based on indicative discussions

with lenders, peer benchmarking and an indicative credit rating analysis.

It has been set at a level which ensures PNAL's credit rating would be considered investment grade (minimum of BBB-) over the medium term, including factoring in downside scenarios to revenue and capital spend. This has ensured that PNAL debt level balances opportunity with an appropriate level of risk.

Debt is preferred over equity at this point in time for several reasons. These include the complexity of implementation, the speed of implementation, quantum of funding available, the flexibility of the use of funds and the required rate of return.

Third party bank debt is currently the preferred approach given the flexibility it offers during drawdown periods. Given current market conditions, and PNAL's capital structure, commercial bank interest rates on the new facility are anticipated to be in line or better than what could otherwise be obtained via the LGFA. LGFA funding structures are more suited to long term core borrowings and may be revisited in due course, once PNAL has completed the planned commercial developments and debt levels stabilise.

While total debt facilities of \$95m are considered sufficient to enable PNAL to achieve the objectives outlined in this SOI, longer term this will not enable the full commercialisation of Ruapehu Aeropark.

Instead, this represents a short-medium term solution while longer term funding models continue to be evaluated. In due course, this may include refinance of debt directly with the LGFA, further third-party debt facilities (e.g. debt/cash recycling upon completion of each project), joint venture projects and/or equity investments with third parties. These options will continue to be explored over the coming years.

Land sales of non-strategic land will continue to be considered, where appropriate, in order to accelerate priority projects (with an assumed sale with a net gain of \$3m included in Year 3 of this SOI).

PERFORMANCE METRIC TARGETS

FOR 12 MONTHS TO 30 JUNE

	Jul 24— Jun 25 Forecast	Jul 25— Jun 26 SOI	Jul 26— Jun 27 SOI	Jul 27— Jun 28 SOI
Net Debt	\$14.4m	\$40.5m	\$74.4m	\$74.3m
To maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above \$80 million	\$81.7m	\$81.2m	\$82.4m	\$86.4m
Total Debt to Total Debt+Equity ratio	15%	33%	47%	46%
A ratio of surplus before interest/tax/ depreciation/ revaluations to total assets	7%	5%	6%	7%
A ratio of net surplus after tax to consolidated shareholder's funds inclusive of revaluation reserve	0%	(0%)	2%	6%
To maintain a ratio of consolidated shareholder's funds to total assets of at least 40%	75%	60%	49%	50%
To maintain an interest coverage ratio of EBITDA (excl revaluations) to interest of at least 2.5	13.4	5.0	2.8	2.7
Net Debt* / EBITDA less than 4.5 (long term target)	1.9	5.5	8.0	5.9
Funds From Operations (FFO**) / Net Debt greater than 11% (long term target)	49.5%	14.6%	7.0%	7.9%

*Net Debt equals total borrowings less cash on hand

**FFO equals EBITDA less interest less tax

DEBT RELATED PERFORMANCE METRICS

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

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

This SOI contains a significant level of capital spend, most notably in respect of the terminal redevelopment and Ruapehu Aeropark design/builds. As a result, the Company's debt reaches \$74.4m by FY28 (\$40.5m in FY26).

While the forecast FY28 debt level exceeds existing debt facilities, it is well within the total debt facilities of \$95m

available upon conclusion of the banking RFP outlined above and the execution of a non-strategic land sale. PNAL retains a high level of debt headroom to manage any unexpected events.

The above Performance Metric Targets are set based on existing debt facilities. These may change in future years, subject to the lending terms obtained through the banking RFP process.

The long term targets above 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. These targets are aspirational and linked to medium term credit rating analysis. In any given year, it is expected that these targets may not be achieved.



KEY OBJECTIVES



COMPLIANCE

Strategic Project	Measure	Completion
IT infrastructure resilience	Upgrade / installation of key IT infrastructure	FY 2025*
Ongoing SMS development	Complete annual SMS Audit	FY 2026 – FY2028
	Prior SMS audit recommendations adopted/addressed	FY 2025*
Airside pavement upgrades	Critical airside pavement upgrades completed	FY 2026 – FY 2028
Compliance software management	OneReg enhancements	FY 2026 – FY 2028
Obstacle Limitation Surface Management	Completion of Obstacle Limitation (OLS) Survey	FY 2025*
	Interim Airspace Designation included in Manawatū and Tararua District Plans	FY 2026
	Stakeholder engagement and compliance with OLS/ REPA	FY 2026 – FY 2028
PFAS Management	Global consent obtained	FY 2025*
	Ongoing PFAS management and compliance with global consent	FY 2026 – FY 2028
Runway Power & Lighting Asset Acquisition (PLEXIT)	Engagement with Airways on transfer of power and lighting assets to PNAL (PLEXIT)	FY 2026
	Execution of PLEXIT asset acquisition	FY 2027
Rescue Fire Task Resource Analysis (TRA)	Confirm TRA outcomes on RFS resourcing levels	FY 2025*
	TRA recommendations adopted/addressed	FY 2026



CUSTOMER

Strategic Project	Measure	Completion
Terminal Development Project	Detailed design complete	Mid CY2025
	Stage 1 (Western end) construction complete	Mid CY2026
	Stage 2 (Eastern end) construction complete	Mid CY2027
Customer Loyalty	TDP customer service operations plan implemented	FY 2026 – FY 2027
	Net Promotor Score as close as reasonably practical to the greater of tourism industry benchmark or 45.	FY 2026 – FY 2028
	Brand refresh – corporate & consumer	FY 2027
Carpark upgrades products and systems	Covered walkway – Longstay to General carpark	FY 2027
	Covered walkway – Oversize carpark	FY 2028



COMMUNITY

Strategic Project	Measure	Completion
Sustainability	Airport Carbon Accreditation Level 4 maintained	FY 2026
	Refresh sustainability strategy	FY2026
	Tenant stakeholder engagement plan implemented (Scope 3 emissions focus)	FY 2026 – FY 2028
	Solar feasibility study completed	FY2026
	Development of TDP sustainability targets and implementation	FY2026 – FY2028
Community Engagement	Community Engagement Plan implemented	FY 2026
	Marketing initiatives with Regional Tourism Organisations (RTO) implemented	FY2026 – FY2028
Sponsorship Strategy	Strategy refreshed	FY 2025*
	Strategy implemented	FY 2026 – FY 2028



CULTURE

Strategic Project	Measure	Completion
Continual improvement of aerodrome safety culture	Zero lost time injuries	FY 2026 – FY 2028
	Improved aerodrome safety culture scores	FY 2026 – FY 2028
	SMS Maturity level assessed as “Effective” (currently “Operating”)	FY2025*
Whānau Kotahi / One Team Wellness Plan	Wellness Plan updated annually and implemented	FY 2026 – FY 2028
	Team engagement scores in line with or exceeding industry benchmarks	FY 2026 – FY 2028
Payroll/ HRIS system	Implementation of a new payroll system	FY 2025*
	Implementation of HRIS system including performance reviews	FY 2026 (Q1)



COMMERCIAL

Strategic Project	Measure	Completion
Air New Zealand A320 Pathway and regional air service development	Memorandum of Understanding (MOU) in place with Air NZ/CEDA	FY 2025*
	Regional air service development feasibility	FY 2026 – FY 2028
	Target launch of jet services on Auckland – Palmerston North route	Late CY2027
Medical Apron extension (MAX) feasibility	Complete feasibility studies	FY 2027
Ruapehu Aeropark – funding solution	Solution identified and in place	FY 2025*
	Funding accessible	FY 2026 (Q1)
	Joint Venture partner investigations	FY 2025* – FY 2028
Ruapehu Aeropark – commercial developments	Progress planned developments with focus on freight & logistics, premises for aeromedical operators, rental car precinct, Massey School of Aviation support premises.	FY 2025* – FY2028
Passenger movements	528,100	FY 2025*
	530,100	FY 2026
	536,900	FY 2027
	556,000	FY 2028



PALMERSTON NORTH AIRPORT LIMITED STATEMENT OF FINANCIAL PERFORMANCE

For the 12 Months to 30 June

	Jul 24— Jun 25 SOI	Jul 24— Jun 25 Forecast	Jul 25— Jun 26 SOI	Jul 26— Jun 27 SOI	Jul 27— Jun 28 SOI
Aeronautical Charges	12,122,056	11,416,188	12,488,201	13,442,570	14,630,841
Carpark and Leases	5,364,587	5,073,942	5,136,812	6,050,991	7,625,744
Other Income	290,591	427,935	296,789	315,627	336,263
Total Income	17,777,234	16,918,065	17,921,802	19,809,188	22,592,848
Operating Expenditure	4,234,194	3,487,764	4,007,800	4,154,975	4,311,526
Administration Expenditure	5,229,635	5,252,424	5,619,842	5,733,217	5,779,403
Extraordinary Items*	1,714,576	419,587	971,210	568,800	-
Total Operating Expenditure	11,178,405	9,159,775	10,598,852	10,456,992	10,090,929
EBITDA	6,598,829	7,758,290	7,322,950	9,352,196	12,501,919
(Gain)/Loss on Sale	-	15,594	-	-	(3,000,000)
Depreciation & Amortisation	8,000,482	6,974,732	6,038,182	3,203,157	3,659,291
EBIT	(1,401,653)	767,964	1,284,768	6,149,039	11,842,628
Interest Expense	1,177,678	578,845	1,467,666	3,345,467	4,614,353
Profit before Income Tax	(2,579,331)	189,119	(182,898)	2,803,572	7,228,275
Income Tax Expense	(722,212)	52,954	(51,212)	785,000	2,023,917
Net Profit after Tax	(1,857,119)	136,165	(131,686)	2,018,572	5,204,358

* The Extraordinary Items from FY26 relate to demolition costs associated with the existing terminal and/or some temporary terminal costs.
The impact of revaluations has not been included in the Statement of Financial Performance

PALMERSTON NORTH AIRPORT LIMITED STATEMENT OF FINANCIAL POSITION

As At 30 June

	Jul 24— Jun 25 SOI	Jul 24— Jun 25 Forecast	Jul 25— Jun 26 SOI	Jul 26— Jun 27 SOI	Jul 27— Jun 28 SOI
Current Assets					
Bank Accounts	56,213	52,346	57,896	49,716	53,776
Receivables	1,746,199	1,536,874	1,670,590	1,889,136	2,207,502
Prepayments	556,156	15,482	32,610	65,170	91,186
Other Current Assets	240,580	197,161	197,161	197,161	197,161
Total Current Assets	2,599,148	1,801,863	1,958,257	2,201,183	2,549,626
Non Current Assets					
Tangible Assets					
Land	32,855,065	30,937,931	30,937,931	30,937,931	30,837,931
Buildings	36,169,881	17,030,941	44,627,321	76,081,874	80,842,291
Infrastructural – Land	12,532,093	9,208,975	9,853,348	10,518,350	11,308,349
Infrastructural – Air	39,252,097	39,593,436	40,043,436	43,088,432	44,113,428
Plant & Equipment	4,150,985	3,417,325	2,563,783	3,393,783	3,513,783
Furniture & Fittings	422,664	257,930	340,430	440,430	480,430
Computers	448,121	341,585	381,585	421,585	461,585
Motor Vehicles	1,560,876	1,560,876	1,560,876	1,560,876	1,560,876
Investment Property	15,400,000	15,329,500	15,329,500	15,329,500	15,329,500
Accumulated Depreciation	(14,264,983)	(10,720,377)	(12,834,903)	(16,014,263)	(19,645,972)
Total Tangible Assets	128,526,799	106,958,122	132,803,308	165,758,499	168,802,201
Intangible Assets	1,920	1,425	-	76,203	48,622
Total Non Current Assets	128,528,719	106,959,548	132,803,308	165,834,701	168,850,823
TOTAL ASSETS	131,127,866	108,761,410	134,761,564	168,035,885	171,400,449

PALMERSTON NORTH AIRPORT LIMITED STATEMENT OF FINANCIAL POSITION

As At 30 June

	Jul 24— Jun 25 SOI	Jul 24— Jun 25 Forecast	Jul 25— Jun 26 SOI	Jul 26— Jun 27 SOI	Jul 27— Jun 28 SOI
Current Liabilities					
Payables	5,849,733	2,940,478	4,966,933	3,378,200	1,742,278
GST/VAT	(542,493)	(151,394)	(387,475)	(98,204)	210,083
Income Tax	(2,523,961)	(1,062,195)	(2,413,407)	(2,938,407)	(2,169,489)
Loans Payable – Current	-	-	-	-	-
Provisions	665,192	707,862	707,862	707,862	707,862
Other Current Liabilities	204,988	179,771	179,771	179,771	179,771
Total Current Liabilities	3,653,460	2,614,522	3,053,684	1,229,222	670,505
Non Current Liabilities					
Loans Payable – Non Current	34,576,065	14,436,268	40,528,947	74,416,586	74,353,252
Other Non Current Liabilities	9,250,607	9,990,066	9,990,066	9,990,066	9,990,066
Total Non Current Liabilities	43,826,673	24,426,334	50,519,014	84,406,652	84,343,318
TOTAL LIABILITIES	47,480,132	27,040,856	53,572,697	85,635,875	85,013,823
NET ASSETS	83,647,734	81,720,554	81,188,867	82,400,010	86,386,625
Capital and Reserves					
Share Capital	9,380,400	9,380,400	9,380,400	9,380,400	9,380,400
Reserves	47,913,623	46,186,093	46,186,093	46,186,093	46,186,093
Retained Earnings	26,353,711	26,154,061	25,622,374	26,833,517	30,820,132
Total Capital and Reserves	83,647,734	81,720,554	81,188,867	82,400,010	86,386,625
TOTAL EQUITY	83,647,734	81,720,554	81,188,867	82,400,010	86,386,625

The impact of revaluations has not been included in the Statement of Financial Position

PALMERSTON NORTH AIRPORT LIMITED STATEMENT OF CHANGES IN EQUITY

For the 12 months to 30 June

	Jul 24— Jun 25 SOI	Jul 24— Jun 25 Forecast	Jul 25— Jun 26 SOI	Jul 26— Jun 27 SOI	Jul 27— Jun 28 SOI
Equity at the beginning of the year	85,504,851	82,079,388	81,720,554	81,188,867	82,400,010
Asset revaluation reserve movement					
Total Comprehensive Income / Loss	(1,857,120)	136,166	(131,687)	2,018,573	5,204,355
Dividends paid to date	-	(195,000)	-	-	-
Dividends declared*	-	(300,000)	(400,000)	(807,429)	(1,217,743)
Equity at the end of the year	83,647,734	81,720,554	81,188,867	82,400,010	86,386,625

*Declared dividends are to be paid in the following financial year

PALMERSTON NORTH AIRPORT LIMITED

STATEMENT OF CASHFLOWS

For the 12 Months to 30 June

	Jul 24— Jun 25 SOI	Jul 24— Jun 25 Forecast	Jul 25— Jun 26 SOI	Jul 26— Jun 27 SOI	Jul 27— Jun 28 SOI
Cash Flows from Operating Activities					
Cash was provided from:					
Receipts from Customers	20,157,486	21,458,645	20,476,355	22,562,021	25,663,409
Interest Received	-	-	-	-	-
Income Tax Refund	-	-	-	-	-
Operating Cash Inflows	20,157,486	21,458,645	20,476,355	22,562,021	25,663,409
Cash was disbursed to:					
Payment to Suppliers and Employees	9,671,337	15,765,195	6,687,170	7,977,237	12,181,109
Tax Loss Payment to PNCC	-	-	-	-	-
Payment of Income Tax	1,175,000	862,323	1,300,000	1,310,000	1,255,000
Interest Payments	1,177,678	578,845	1,467,666	3,345,467	4,614,353
Operating Cash Outflows	12,024,015	17,206,363	9,454,836	12,632,704	18,050,462
Net Cash Flows from Operating Activities	8,133,471	4,252,282	11,021,519	9,929,317	7,612,947
Cash Flows from Investing Activities					
Cash was provided from:					
Sale of Property Plant and Equipment	-	-	-	-	3,100,000.00
Investing Cash Inflows	-	-	-	-	3,100,000

PALMERSTON NORTH AIRPORT LIMITED

STATEMENT OF CASHFLOWS

For the 12 Months to 30 June

	Jul 24— Jun 25 SOI	Jul 24— Jun 25 Forecast	Jul 25— Jun 26 SOI	Jul 26— Jun 27 SOI	Jul 27— Jun 28 SOI
Cash was applied to:					
Acquisitions of Property, Plant & Equipment	31,725,165	9,185,568	36,808,648	43,425,135	9,838,124
Acquisitions of Investment Property	-	-	-	-	-
Investing Cash Outflows	31,725,165	9,185,568	36,808,648	43,425,135	9,838,124
Net Cash Flow from Investing Activities	(31,725,165)	(9,185,568)	(36,808,648)	(43,425,135)	(6,738,124)
Cash Flow from Financing Activities					
Cash was provided from:					
Borrowings	24,020,330	7,931,590	26,092,679	33,887,638	5,512,612
Financing Cash Inflows	24,020,330	7,931,590	26,092,679	33,887,638	5,512,612
Cash was applied to:					
Repayment of Borrowings	298,511	3,912,589	-	-	5,575,946
Payment of Dividends	129,605	195,000	300,000	400,000	807,429
Financing Cash Outflows	428,116	4,107,589	300,000	400,000	6,383,375
Net Cash from Financing Activities	23,592,214	3,824,001	25,792,679	33,487,638	(870,763)
Net Increase/(Decrease) in Cash	520	(1,109,285)	5,550	(8,180)	4,060
Cash at Beginning of Year	55,693	1,161,631	52,346	57,896	49,716
Cash at End of Year	56,213	52,346	57,896	49,716	53,776

CAPITAL EXPENDITURE PROGRAMME

For the 12 months to 30 June

	Jul 24— Jun 25 SOI	Jul 24— Jun 25 Forecast	Jul 25— Jun 26 SOI	Jul 26— Jun 27 SOI	Jul 27— Jun 28 SOI
Land	-	-	-	-	-
Buildings	515,000	465,760	2,904,237	510,000	25,000
Terminal Development	14,029,097	6,925,573	20,375,350	15,512,533	-
Infrastructure – Landside	2,715,000	1,707,903	655,000	665,000	790,000
Infrastructure – Airside	1,080,000	1,510,792	450,000	3,045,000	1,025,000
Plant & Equipment	475,000	364,477	100,000	750,000	100,000
Furniture and Fittings	40,000	40,000	100,000	100,000	40,000
Computers	85,000	89,942	40,000	40,000	40,000
Rescue Fire	20,000	20,000	45,200	80,000	20,000
Ruapehu Aero Park development	11,792,480	224,238	7,212,155	15,432,020	4,735,420
Intangibles	-	-	-	100,000	-
Total Capital Expenditure	30,751,576	11,348,684	31,881,942	36,234,553	6,775,420

NEW TERMINAL ACCOUNTING TREATMENT ASSUMPTIONS

Important assumptions have been made in this SOI period regarding the accounting treatments applicable to the new terminal development. These assumptions include:

- The timing of the project and required cashflows for the new terminal
- The quantum of spend required for the new terminal
- The allocation of costs between capex and opex
- The accounting treatments applicable to costs associated with the construction of a temporary terminal

- The demolition costs and associated accounting treatment relating to the demolition of the existing terminal
- The timing and quantum of depreciation of assets, including the write-off of the existing terminal assets via accelerated depreciation.

Actual results may vary from the estimates and assumptions included in this SOI and will be subject to annual audit.





DIVIDEND POLICY

The achievement of the strategic objectives outlined in this Statement of Intent 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 a balance between regional economic and social outcomes, re-investment and dividend distributions.

Notwithstanding the Company's dividend policy, which was refreshed in 2023 (discussed further below), and the financial outlook described in this SOI, the Shareholder has specified their expectations regarding dividends in the Statement of Expectation. PNAL understands this expectation supersedes other expectations, notably planned growth in Ruapehu Aeropark.

Subject to meeting its statutory obligations (e.g. solvency test), PNAL intends to meet this obligation, with dividends being the greater of 40% of net profit after tax (NPAT) or \$400k for FY26. NPAT, such as in FY28, will be adjusted to exclude fair value gains and one-off capital gains (e.g. land sales).

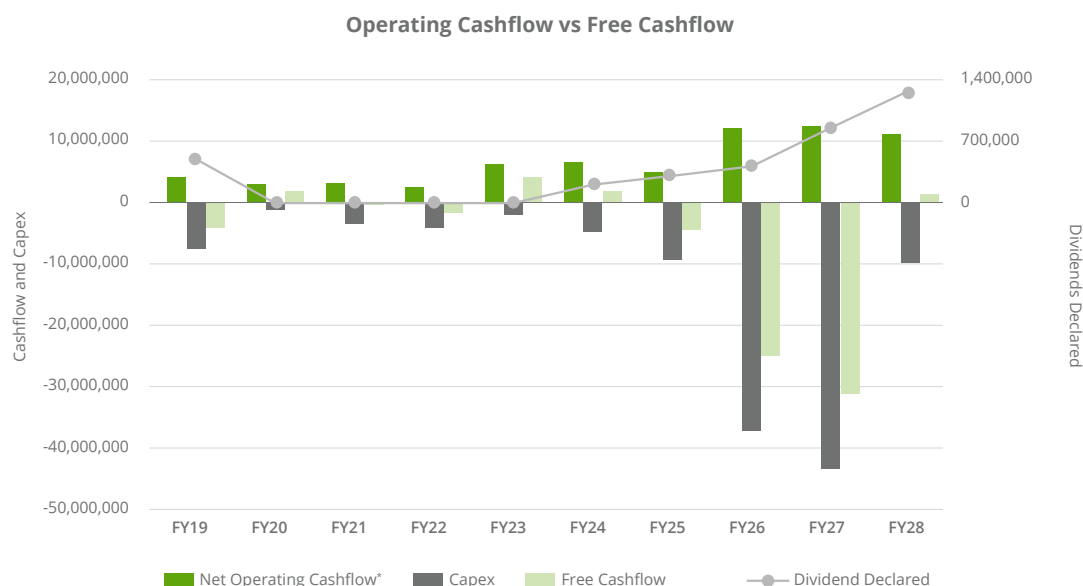
As illustrated below, PNAL's free cashflow (cash available for distribution via dividends or interest, after

deduction of capital expenditure) is highly negative from FY25 to FY27, before improving from FY28.

As such, any dividend payment in these years will be required to be funded from additional debt. Mandatory minimum dividend payments also reduce PNAL's debt raising capacity, limiting the ability to raise further funds for investment in Ruapehu Aeropark.

For completeness of this explanation, PNAL's dividend policy provides Directors with the opportunity to assess a range of criteria before determining an appropriate dividend, including;

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.



*Excludes tax adjusted interest

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GOVERNANCE

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 ever-changing 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 2024 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 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 has a Terminal and Property Development Committee (TPDC), comprised of three directors of the PNAL Board. The Committee has a board-approved Terms of Reference, outlining its membership, authority and purpose.

The TPDC currently meets monthly (or as required) and 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.

As requested by the Shareholder, a PNCC Officer has been appointed as an independent observer on the TPDC, who attends discussions relating to the terminal development project.

The total remuneration for the Directors is set annually by a resolution of Shareholders in accordance with the Company's constitution. In line with PNCC's Appointment of Directors Policy, the remuneration of PNAL's Board members will be adjusted annually by the Labour Cost Index (December quarter). This will apply to PNAL's Directors from 1 July (backdated).

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 airside infrastructure were last revalued at 30 June 2022. PNAL's buildings were last revalued at 30 June 2023. 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 2024 is \$82.08m. The Directors consider that this represents a reasonable estimate of the commercial value of PNAL.

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).

Any declared dividend will be considered in respect of PNAL's dividend policy (included in this SOI) and will be calculated exclusive of fair value gains and one-off capital gains (e.g. land sales).

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: <https://pnairport.co.nz/about-us/#investor-information>.

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 complementary 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 capital and debt funding section within this SOI for further details.

STATEMENT OF INTENT

YEAR ENDING
30 JUNE 2026



MEMORANDUM

TO: Economic Growth Committee

MEETING DATE: 11 June 2025

TITLE: Manawatū Regional Economic Structure Report 2024

PRESENTED BY: Stacey Andrews, City Economist

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO ECONOMIC GROWTH COMMITTEE

1. That the Committee receive the report titled 'Manawatū Regional Economic Structure Report 2024' to the Economic Growth Committee.

1. INTRODUCTION

- 1.1 This memorandum presents a summary of the key themes from the 'Economic structure of the Manawatū Region Report 2024' (Attachment 1).
- 1.2 The analysis of the structure of the Regional economy is based on detailed economic data from Infometrics and Statistics New Zealand over the period March 2004 to March 2024. This data is the most robust information available on the structure of local economies across New Zealand.
- 1.3 The Structure Report summarises the changes to the Manawatū Regional economy that have occurred over the year to March 2024, as well as over a 10-year and 20-year timeframe.
- 1.4 Analysis of the structure of the economy focuses on the sectors which provide employment to the community. Gross Domestic Product (GDP), employment and occupational structure, business size and structure, and export characteristics for the region, are included within the report. The report also summarises changes in GDP, employment, and employment by occupation, over annual, 10-year and 20-year timeframes, in addition to trends in GDP and earnings per worker by industry.
- 1.5 Appendix A of the attached report provides a summary of industry GDP, employment, and GDP per worker over annual, 10-year, and 20-year timeframes. Latest earnings data by industry to March 2024, including average earnings per worker by industry, is also included in Appendix 1. Please note, due to the confidentiality of earnings for a number of industries in the Manawatū District over the 20-year analysis period, estimation has been required in some instances. These estimates relate to earnings in the 'public

administration and safety', 'mining', 'construction' and 'Information media and telecommunications' sectors.

- 1.6 Key sectors 'healthcare and social assistance', 'public administration and safety', 'manufacturing' 'construction', 'education and training' and the retail sector are profiled within Appendices B.1 – B.6 of the attached report. 'Distribution and logistics', 'Agri-food' and 'Tourism' sector profiles are updated three yearly and are therefore excluded from the Appendix. The comprehensive 'Distribution and logistics' sector profile is due for completion in August 2025.

2. THE ECONOMIC STRUCTURE OF THE MANAWATŪ REGIONAL ECONOMY

- 2.1 The Manawatū Regional economy has performed well relative to the national economy, growing by 9.3% over the five-years to March 2025, compared with 8.4% growth nationally.
- 2.2 The performance of the regional economy over the 5-year timeframe has been boosted by the diverse mix of public and private sector activities and employment across the economy. This includes our large, stable sectors such as 'health care and social assistance', 'public administration and safety', primary and value-added food production including food research and innovation, 'construction', and a large and growing 'distribution and logistics' sector. Our export sector has also boosted the economic fortunes of the regional economy.
- 2.3 While the 5-year analysis reflects the strength of the regional economy, the annual data to March 2024 begins to reflect the early impacts of the economic downturn on sectors across the regional economy. Our export sector, alongside our large stable sectors such as 'health care and social assistance' and 'public administration and safety', continued to do well. However, industries exposed to higher interest rates and weaker spending by households and businesses in the region, have been hit harder.
- 2.4 The sectors most affected by the economic downturn over the year to March 2024 include 'manufacturing', 'retail trade', 'wholesale trade', 'construction' and 'accommodation and food services'. 'Education and training' services were also adversely affected in the March 2024 year as enrolment numbers continued to come under pressure from the relative strength of labour markets, and the slower recovery of the international education sector.
- 2.5 Regional GDP was estimated at \$8.742 billion for the year ended March 2024. This is an increase in GDP of \$27.8m (+0.3%) from the year ended March 2023.
- 2.6 The employing sectors of the regional economy directly generated \$7.332 billion in GDP (83.9% of total GDP) across the Manawatū regional economy. A further 8.6% of GDP was generated from owner-occupied property operation and 7.6% from taxes and duties. The analysis of GDP in this report is based on the GDP generated from employing sectors of the economy.
- 2.7 GDP growth across employing sectors of the regional economy increased by \$9.2 million over the March 2024 year. This is an increase in GDP of 0.1%

compared with the previous year. This compares with a 1.4% increase in GDP nationally, over the same period.

2.8 The following section summarises the key insights from the 'Manawatu Regional Economic Structure Report 2024' (Attachment 1).

- a. The regional economy is buffered by a large and diverse government, health and education sector, contributing 29.2% of GDP and 33.0% of total employment. This compares with 17.0% of total GDP and 23.3% of total employment.
- b. 'Public administration and safety' was the largest sector in the region by contribution to GDP and the second largest employer, contributing \$937.7 million (12.8%) to GDP and 7,273 (10.3%) jobs to the regional economy. 'Defence' was the largest sub-sector, generating \$439.9m in GDP over the March 2024 year and employing 3,212 personnel.
- c. 'Health care and social assistance' was the highest growth sector in the region over the year by GDP, increasing by \$35.4 million to a total value of \$738.6 million.
- d. 'Health care and social assistance' also posted the highest growth in employment over the March 2024 year, up by 255 to a total of 9,028 jobs. 'Hospitals' were the highest growth subsector for both GDP and employment, adding \$16.5 million in GDP (+7.7%) and 167 jobs (+6.3%) over the year to March 2024.
- e. 'Health care and social assistance' continued to be the largest employer in the region, followed by 'public administration and safety' (7,273 jobs) and 'education and training' (6,872 jobs). The 'construction' and 'distribution and logistics' sectors are also large employers in the region, generating jobs for 6,841 and 6,805 people respectively, as at March 2024.
- f. Some sectors have been hit harder by the economic downturn. GDP and employment contracted across the 'manufacturing' sector (-\$29.9 million, -77 jobs), the 'construction' sector (-\$23.7 million, -89 jobs), and the 'education and training' sector (-\$20.7 million, -246 jobs) over the year. This reflects tougher economic conditions due to higher interest rates, suppressed consumer and business demand and a slow recovery in the tertiary education sector.
- g. GDP also fell across other sectors exposed to weak consumer demand conditions. Specifically, retail trade' GDP fell -\$27.6 million over the March 2024 year alongside a -\$23.9 million contraction of GDP in the 'wholesale trade' sector. As confidence in the domestic economy rebounds, the sectors most affected by the tough economic environment are expected to rebound.
- h. There were 12,651 businesses in the region in February 2024; an increase of 66 firms (+0.5%) from the previous year. The region typically

has a greater proportion of workers employed within larger businesses relative to the national average. This is reflected in the higher average size of businesses in the region of 5.6 compared with 4.3 nationally.

- i. The three-year business survival rate reflects the percentage of businesses in the region in February 2021 that continued to operate in February 2024. The three-year survival rate for the region lifted to 57.5% in the three-years to February 2024. This compares to 57.1% over the three-years to February 2023. Business survival rates for the region have fluctuated between 55.9% and 59.8% over the period 2018-2024.
- j. The three-year business survival rate varies across industries in the region. Industry sectors that fell below the 57.5% survival rate were 'professional, scientific and technical services', 'transport, postal and warehousing', 'administrative and support services', 'information, media and telecommunications', 'wholesale trade' and 'education and training'. Although these industries did come under pressure over the year, decisions around the structure and size of businesses also influence these numbers. Business survival rates over the next few years will provide further insight into the impact of the economic slowdown on industries across the region.
- k. The region has a highly skilled workforce with 38.6% of workers employed in highly skilled professions. This is just above the national percentage of 38.5%. The percentage of the regional workforce employed in 'Knowledge Intensive Industry' (KII) occupations sits at 30.5%, slightly below the proportion of workers employed in KII occupations nationally of 33.0%.
- l. 'Professionals' continues to be the largest occupation group in the region, making up 25.8% of total employees. 'Managers' are the second largest group, with 16.8% of the workforce employed in management occupations.
- m. The largest growth occupations over the year to March 2024 were 'professionals' (+234), 'community and personal service workers' (+127) and 'labourers' (+116).
- n. 'Professionals' were also by far the largest growth occupation in the region over all periods, adding 3,580 roles over 10-years and 6,060 over the 20-year period to March 2024.
- o. The Manawātū Region exported \$1.514 billion in goods and services to the rest of the world over the year to March 2024. This includes \$1.18 billion in goods and \$334 million in services. Goods exports were dominated by 'dairy', 'beef' and 'other meat including offal', totalling \$712.8 million over the year. 'Other services' were our largest service export worth \$89.8 million, followed by 'professional, scientific and technical services' at \$57 million, and 'accommodation and food services' at \$35.7 million.


- 2.9 COVID-19 and the more recent economic shocks to global and national economic activity have led to a gradual and uneven recovery across the regional economy. While, overall, the regional economy has proven more resilient than many, some of our sectors have been more greatly affected than others. This is reflected in the data for the regional economy over the year to March 2024.
- 2.10 The performance of sectors most affected by the economic downturn is cyclical and projected to ease as interest rates fall further, and economic activity and job security rebounds. This is generally expected to boost consumer and business confidence and stimulate higher spending across the regional and national economy. These factors will boost economic activity across our region, supporting affected sectors across the regional economy
- 2.11 The support that our large stable sectors provide to the regional economy is also evident in the data. Added to this, growth in the region's 'health and social assistance' and 'public administration and safety' have helped to offset some of the weakness in the wider economic conditions.
- 2.12 The strength of our export sector has also supported regional economic performance relative to the national economy. This is expected to continue into the next season as demand for goods produced in our region is projected to remain elevated over the coming season, supporting commodity prices and incomes to our producers. This will relieve some downside pressure on regional economic activity.
- 2.13 With Ohakea Airforce Base and Linton Military Camp located with our region, the signalled \$9 billion increase in funding to defence capability over the next three years looks set to boost investment and personnel in the region. This follows \$520 million of investment in the region by the New Zealand Defence Force (NZDF) between July 2017 and October 2024.

3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city	

The recommendations contribute to this plan:	
2. Mahere whakawhanake ohaoha	
2. Economic Development Plan	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	A sound understanding of the make-up and contributions of the Manawatū Regional economy will assist elected members to make well-informed decisions.

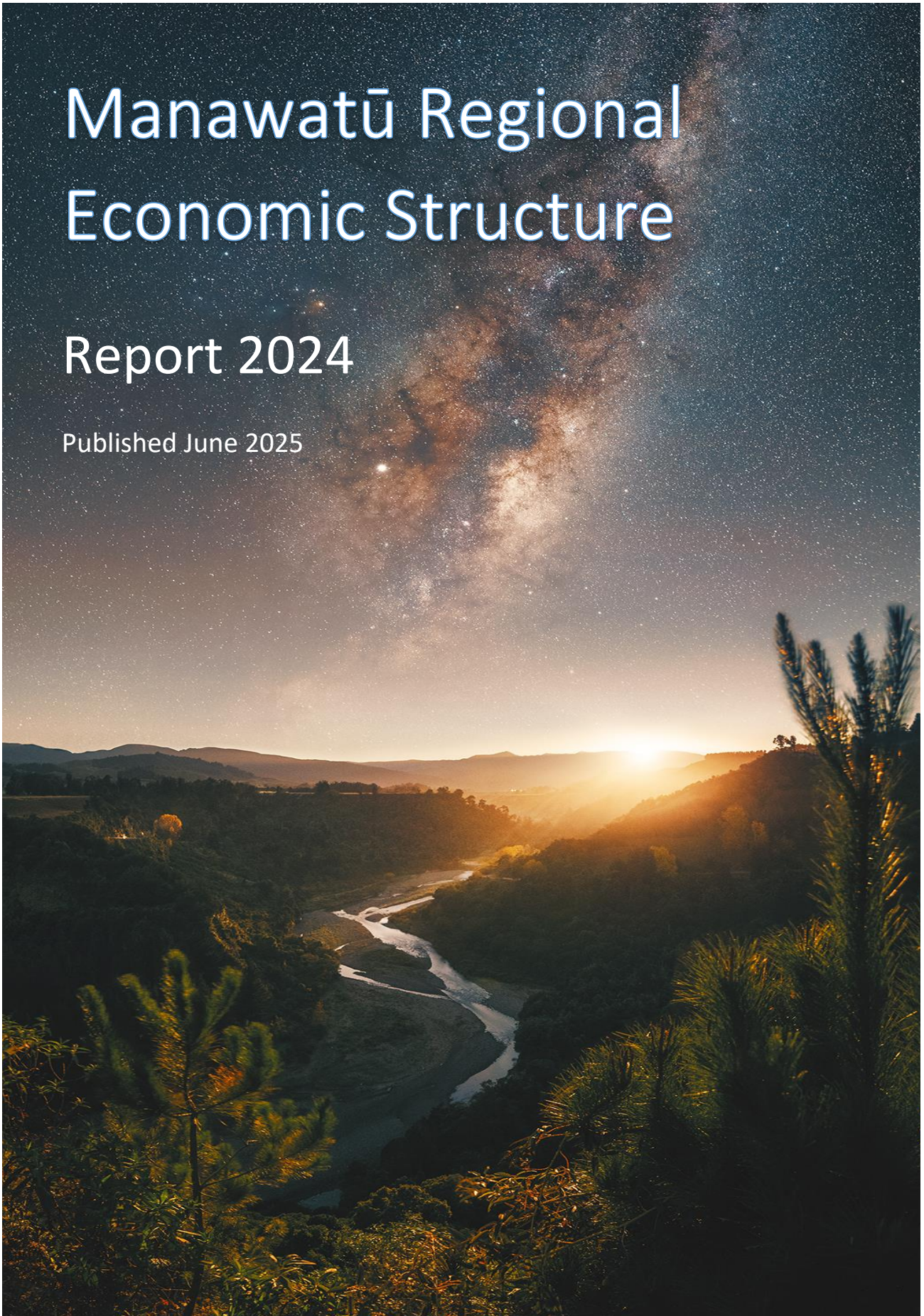
ATTACHMENTS

1. Manawatū Regional Economic Structure Report 2024 [↓](#) 

Manawatū Regional Economic Structure

Report 2024

Published June 2025



Introduction

The Manawātū Regional economy is bolstered by the diverse mix of public and private sector activities and employment across the economy. This includes our large, stable sectors such as 'health care and social assistance', 'public administration and safety', primary and value-added food production including food research and innovation, 'construction', and a large and growing 'distribution and logistics' sector. Our substantial export sector has also boosted the economic fortunes of the region.

While our industry strengths have done a lot to support economic activity in our region during the recent challenges, over the year to March 2024 the uneven fortunes for sectors across the regional economy is evident. Industries exposed to waning business and household confidence and a sharp downturn of spending and investment across the domestic economy, have borne the brunt of the economic downturn.

There are large parts of the regional economy that have also continued to do well. Our large 'public administration and safety' and 'healthcare and social assistance' sectors grew in both contribution to GDP and employment over the March 2024 year. The strength of our rural sector has also taken some of the pressure off the regional economy, with record commodity prices and strong demand for products grown here, adding to revenues for our farmers.

Our workforce also continues to be highly skilled adding to opportunities for growth as economic conditions improve, and added resources are needed to boost economic activity and productivity,

These attributes of the regional economy will continue to support economic activity until falling interest rates take the pressure off household budgets, household and business confidence improves and growing demand stimulates demand in our most adversely affected sectors.

There are growing opportunities from our industry strengths. Central government investment in defence capability is set to boost personnel and investment in capital in the region. This follows \$520 million of defence investment across the wider region between 2017 to 2024. After a tough few years, our international education sector is showing signs of recovery. With a reputation for quality education and as a safe place to study, international education in the region is expected to be bolstered further. Newly completed and signalled investment in infrastructure projects will serve as an enabler of further investment and economic efficiency across our region.

The 'Manawātū Regional Economic Structure Report' provides a detailed analysis of the structure, performance and characteristics of the regional economy. The information included in the report is sourced from the Infometrics regional economic profile and the annual release of the Linked Employer-Employee Datasets (LEED) from Statistics New Zealand. The information published in this report is the latest data available for the regional economy.

Report structure

The report includes the following sections:

1. Economic performance
2. Economic structure
3. Gross Domestic Product (GDP)
4. Business structure and size
5. Three-year business survival rates
6. Employment
7. Skill level and occupation
8. Export sector
9. Summary

Appendix A.1 provides summary statistics for all sectors across the regional economy. This includes GDP, employment, GDP per worker, annual industry earnings and average earnings per worker over one-year, 10-year and 20-year timeframes. Summaries for the combined industries of Logistics and distribution ('Wholesale trade' and 'Transport, postal and warehousing') and the Retail sector ('Retail trade' and 'Accommodation and food services') are also included.

Key sectors 'Healthcare and Social Assistance', 'Public Administration and safety', 'Construction', the retail sector¹, 'Manufacturing' and 'Education and training' and are profiled within Appendix B.1 – B.6 of this report. More detailed sector profiles for 'Distribution and logistics', 'Agri-food' and 'Tourism' are updated three yearly with the 'Distribution and logistics' sector profile due for completion in 2025.

¹ The retail sector includes the combined sectors of 'retail trade' and 'accommodation and food services.'

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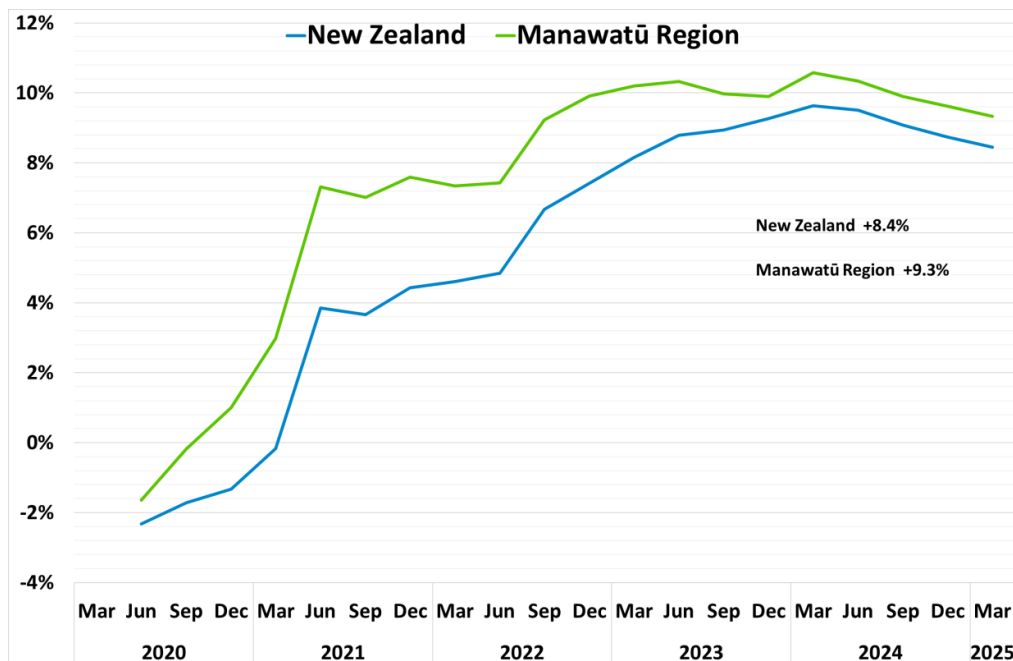
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Economic performance

The Manawātū regional economy has grown by 9.3%² over the five-years to March 2025. This compares with 8.4% growth nationally.

The performance of the regional economy over the 5-year timeframe has been boosted by the diverse mix of public and private sector activities and employment across the economy. This includes our large, stable sectors such as 'health care and social assistance', 'public administration and safety', primary and value-added food production including food research and innovation, 'construction', and a large and growing 'distribution and logistics' sector. Our export sector has also boosted the economic fortunes of the regional economy. This mix of industries has buffeted the region from the more severe impacts observed in areas of the country with greater exposure to lockdown restrictions during COVID-19 and falling consumer demand due to the more recent cost of living crisis.

Figure 1: Cumulative GDP growth March 2020 to March 2025 – NZ and Manawātū Region



Manawātū Regional GDP was estimated at \$8.65 billion for the year ended March 2025 contracting -1.1% (-\$176m) from the year ended March 2023. Reflecting the current economic challenges, national GDP also fell by -1.1% over the same timeframe. Although, the outlook for regional economies has been stronger in more recent times due to the booming export sector and the dominance of the regions in the production of food exports, the most recent figures reflect the ongoing challenges to the wider economy.

² GDP is measured by calculating the net value of final goods and services produced in an economy over a specific period. GDP is not the same thing as revenue. GDP measures the value added to intermediate goods and services used to produce final goods and services, including salaries and wages paid to households.

Economic structure

GDP is made up of employing sectors across the economy, as well as contributions from non-employing sectors such as owner-occupied property operation³ and GDP generated from taxes, duties and levies across sectors.

This report focuses on the performance of the employing sectors in the Manawātū Regional economy, over March years using the detailed industry data released by Statistics New Zealand and Infometrics. The latest data is for the year ended March 2024.

The employing sectors of the economy are primary production, manufacturing, services, and government, education and health. These sectors added \$7.33 billion (83.9% of total GDP) to the regional economy in the year to March 2024, growing by 0.1% (+\$9.2 million) compared with the year ended March 2023. A further 8.6% of GDP in the region was generated from owner-occupied property operation and 7.6% from taxes and duties in 2024.

GDP by sector

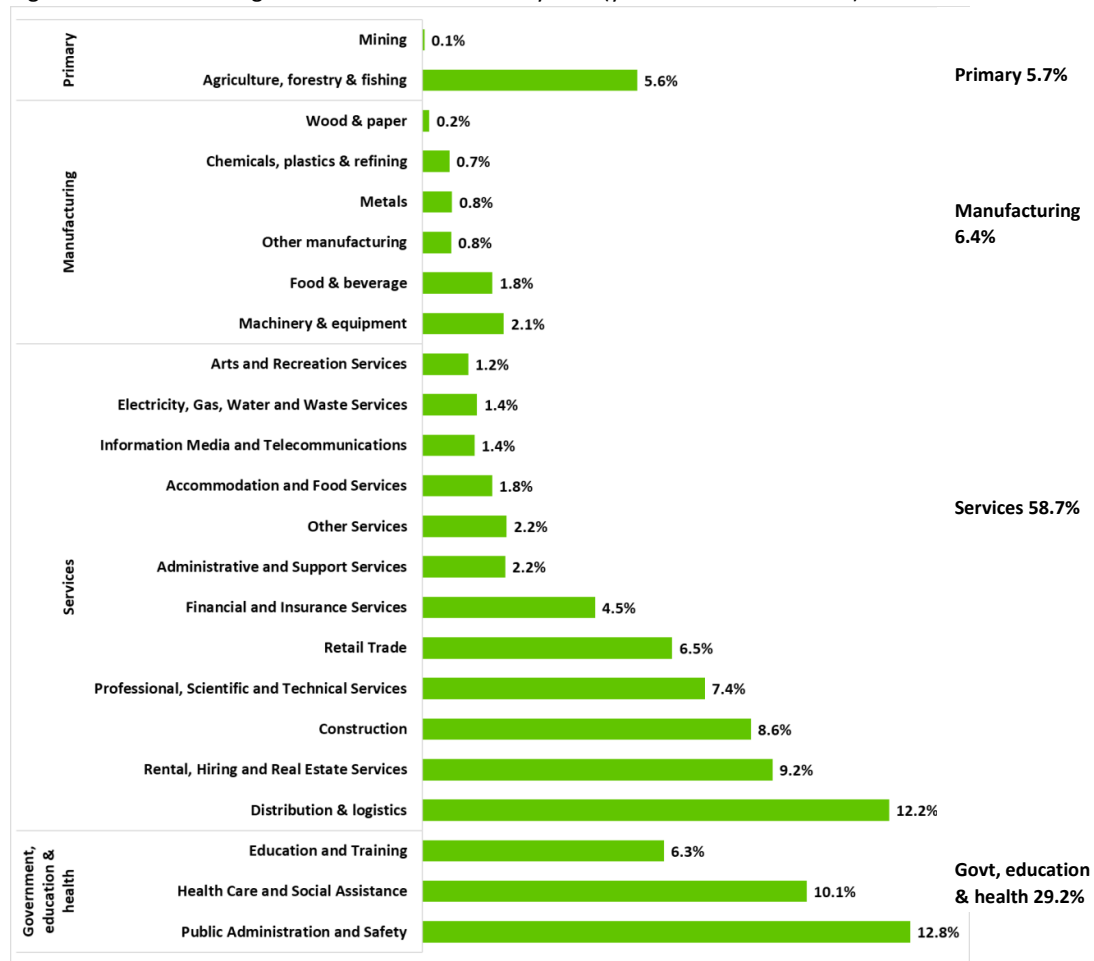
The economy is dominated by service sector activity, which contributed 58.7% of GDP in 2024. This is typical of advanced economies, but lower than for New Zealand, where 66.8% of national GDP was generated from the service sector in the March 2024 year.

The Manawātū Region also has a large government, education and health sector contributing 29.2% of regional GDP. This compares with 17.0% of total New Zealand GDP.



³ Owner-occupied property operation is the value that households create from the provision of housing to themselves.

Figure 2: Manawātū Regional economic structure by GDP (year ended March 2024)



Growth industries

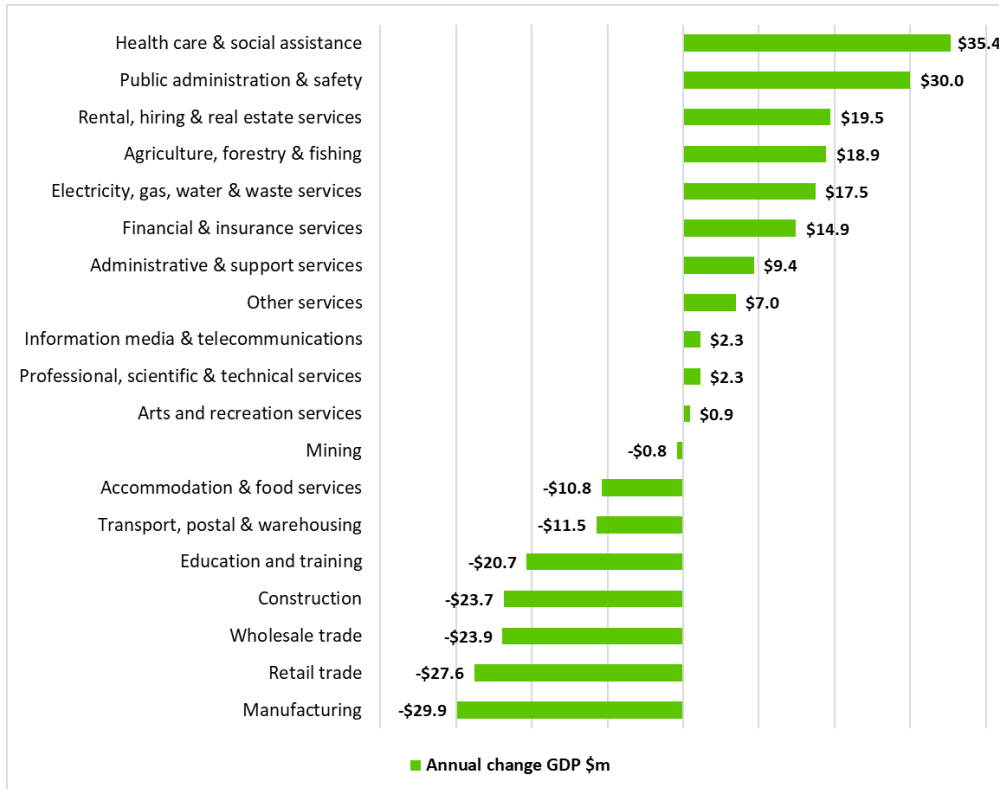
The Manawātū Regional economy grew by \$9.2m (+0.1%) over the year to March 2024.

The year to March 2024 saw growth in 11 out of 19 sectors in the region. 'Health care and social assistance' and 'Public administration and safety' were the highest growth sectors in the region, with GDP increasing by \$35.4m and \$30.0m respectively over the year.

'Agriculture, forestry and fishing' GDP also increased over year, influenced by strong global demand for New Zealand agricultural products and high commodity prices.

On the other side of the equation, 'Manufacturing', 'Retail trade', 'Wholesale trade' and 'Construction' contracted annually due to the exposure of these industries to economic recession and weaker domestic consumer demand.

Figure 3: Industry sector contribution to GDP growth (year ended March 2024)



The following table summarises growth across sectors that contributed the most to GDP growth in the region. Industries are ranked by GDP growth over the year to March 2024. The table also summarises growth in GDP over the ten-years and twenty-years to March 2024. The combined industries of 'Logistics and distribution' and 'Retail sector' are also included.



Table 1: Top 5 growth industries and combined industries – GDP

	Industry	One-year growth	10-year growth	20-year growth
1	Health care and social assistance	+\$35.4m +5.0%	+\$188.9m +34.4%	+\$309.9m +72.3%
	'Health care and social assistance' contributed \$738.6m to the regional economy in the March year 2024. 'Hospitals' were the highest growth subsector, increasing by \$16.5m (+7.7%) annually and \$108.6m (+89.0%) over the 20-years to 2024.			
2	Public Administration and safety	+\$30.0m +3.3%	+\$230.7m +32.6%	+\$410.6m +77.9%
	The 'public administration and safety' sector contributed \$937.7m to the regional economy in the year to March 2024. 'Defence' was the largest subsector, contributing \$439.9m to the regional economy over the year to March 2024. Defence was also the highest growth subsector over the 20-years to March 2024, increasing in value by \$138.0m (45.7%). Annually, 'Public order and safety services' was the highest growth subsector adding \$17.9m (+10.8%) over the year, with growth of \$82.2m (+80.6%) over the 20-years to March 2024.			
3	Rental, hiring and real estate services	+\$19.5m +3.0%	+\$201.2m +42.6%	+\$273.8m +68.6%
	'Rental, hiring and real estate services' generated \$673.0m in GDP for the region in 2024. 'Real estate services' was both the largest and highest growth subsector, adding \$370.8m in GDP to the regional economy over the year, up \$15.6m (+4.4%) from the previous year. 'Real estate services' the highest growth subsector, increasing by \$15.3m (4.9%) over the year. GDP from 'Real estate services' increased in value by \$199m over the 20-years to March 2024, an increase of 115.8% compared with the year to March 2004.			
4	Agriculture, forestry and fishing	+\$18.9m +4.8%	+\$62.3m +17.8%	+\$27.9m +7.2%
	The 'agriculture, forestry and fishing' sector contributed \$412.9m in GDP to the regional economy over the year to March 2024. 'Dairy cattle farming' continues to be both the largest sector and the largest growth subsector, with GDP increasing by \$16.0m (+10.3%) over the year to a value of \$170.6m. Sheep and beef farming continue to be a growth industry in the region, generating \$122m in GDP and increasing in value by \$10.3m (9.2%) over the year.			
5	Electricity, gas, water and waste services	+\$17.5m +20.0%	+\$36.6m +53.7%	-\$28.5m -21.4%
	'Electricity, gas, water and waste services' contributed \$104.8m to the regional economy over the year to March 2024. 'Electricity transmission' was the largest subsector contributing \$25.7m to regional GDP. 'Gas supply' was the largest growth subsector, increasing in value by \$6.4m (+142.2%) over the March 2024 year. 'Gas supply' was also the highest growth sector over the 20-years, increasing from zero GDP in 2004, to \$10.9m in GDP in 2024.			
	Key combined sectors			

	Logistics and distribution	-\$35.4m -3.8%	+\$193.2m +27.4%	+\$374.8m +71.7%
	The 'logistics and distribution' sector combines the 'wholesale trade' and 'transport, postal and warehousing' sectors to reflect the total logistics and distribution capacity in the region. 'Logistics and distribution' contributed \$898.8m to the regional economy over the year to March 2024. While the sector has had a rough year due to economic downturn and an easing in demand for consumer products, longer term growth reflects exponential growth in subsectors such as 'Grocery, liquor and tobacco product wholesaling'. This sector increased in value by \$131.6m over the 20-years to March 2024 to reach total GDP of \$221.8m. This substantial increase in value is consistent with elevated levels of investment in grocery warehousing, with further growth anticipated due to ongoing investment and multi-modal freight capability in the region.			
	Retail sector	-\$38.4m -5.9%	+\$114m +22.9%	+216.0m +54.2%
	The 'retail sector' combines the 'retail trade' and 'accommodation and food services' sectors. Collectively, retail contributed \$614.4m to the regional economy in the March year 2024. The 'retail sector' is heavily exposed to a downturn in economic activity and consumer confidence. The impact of the current economic slowdown is reflected in the annual decline in retail GDP over the year. Over the longer term, 'retail trade' has experienced solid growth increasing in value by 54.2% over the past 20-years. 'Supermarket and grocery stores' posted the highest growth, rising in value by \$45.6m (+72.8%). 'Hardware, building and garden supplies' was the second largest growth sector increasing \$37.5m over the 20-years (+200.5%), followed by 'cafes, restaurants and takeaway food services', with GDP increasing \$37m (+54.1%) over the 20-year period.			

Employment by sector

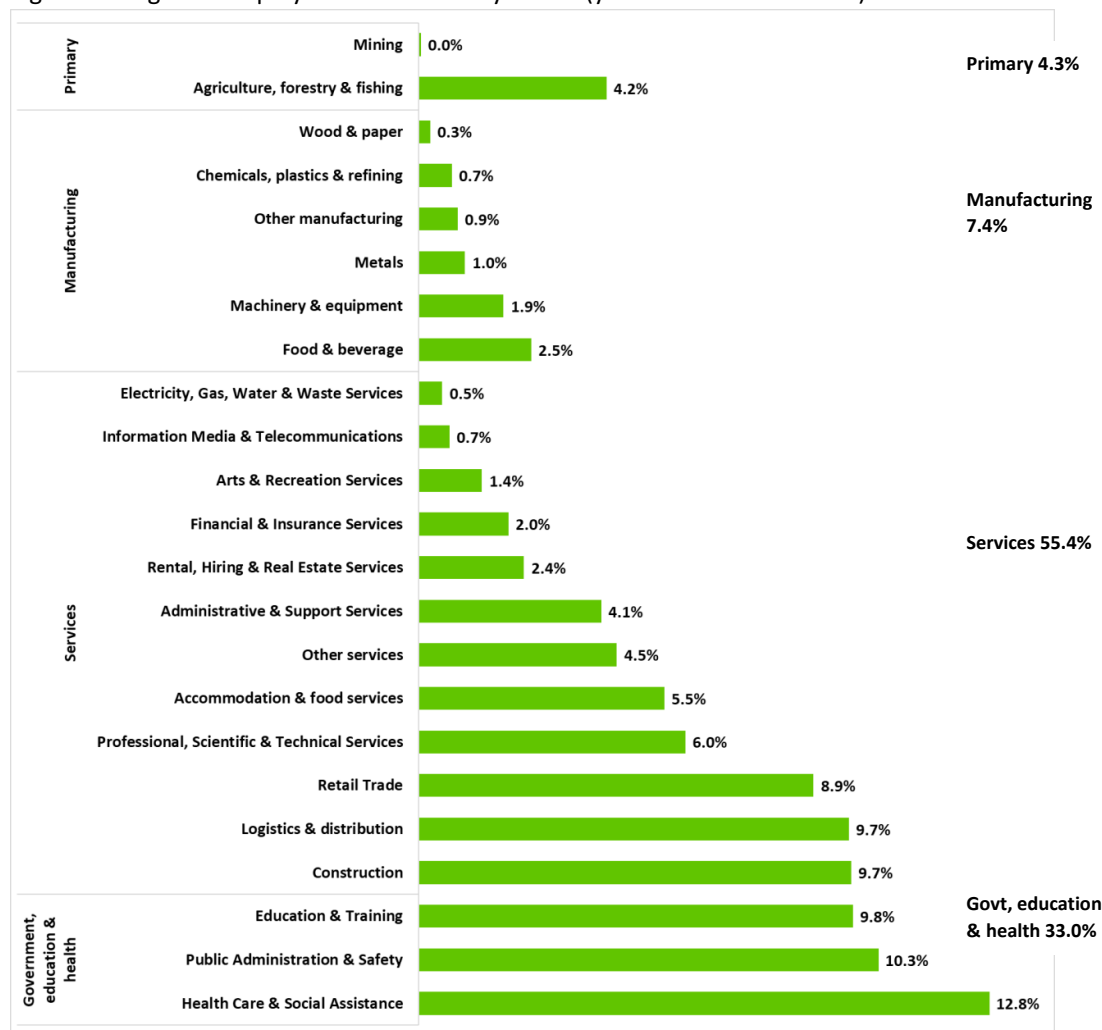
There were 70,304 people employed in the Manawatū Region in March 2024.

At the higher level, the employment structure across the region is largely consistent with GDP structure. Service sector employment is less than at the national level where 62.3% of workers are employed in the service sector compared with 55.4% in the region.

The significance of the government, education and health sectors in the Manawatū Region is reflected, with 33.0% of jobs generated within these sectors, compared with 23.3% of employment across the country.

The logistics and distribution sector also employs a greater proportion of the total workforce in the region, with 9.7% of workers employed in the sector relative to 8.8% nationally.

Figure 4: Regional employment structure by sector (year ended March 2024)



Business structure and size

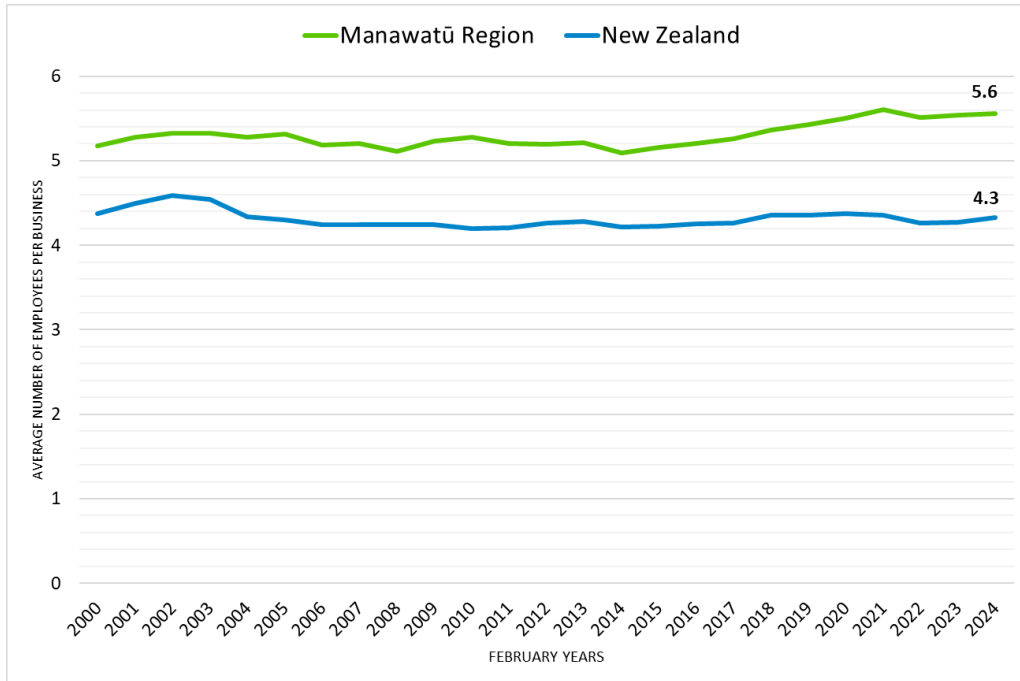
There was a total of 12,651 businesses⁴ in the Manawātū Region in February 2024.

The number of businesses across the region increased over the year to February 2024, with an additional 66 firms (+0.5%) registered in the region compared with the year ended March 2023. This compares with a 0.9% increase in registered businesses, nationally.

The average size of businesses in the region was 5.6 employees, compared with 4.3 employees nationally. This indicates that the region typically has a greater proportion of workers employed within large businesses, relative to the national average.

⁴ Businesses are defined as legal entities established for the purpose of generating a profit.

Figure 5: Manawātū Region – average employment per business (average business size)

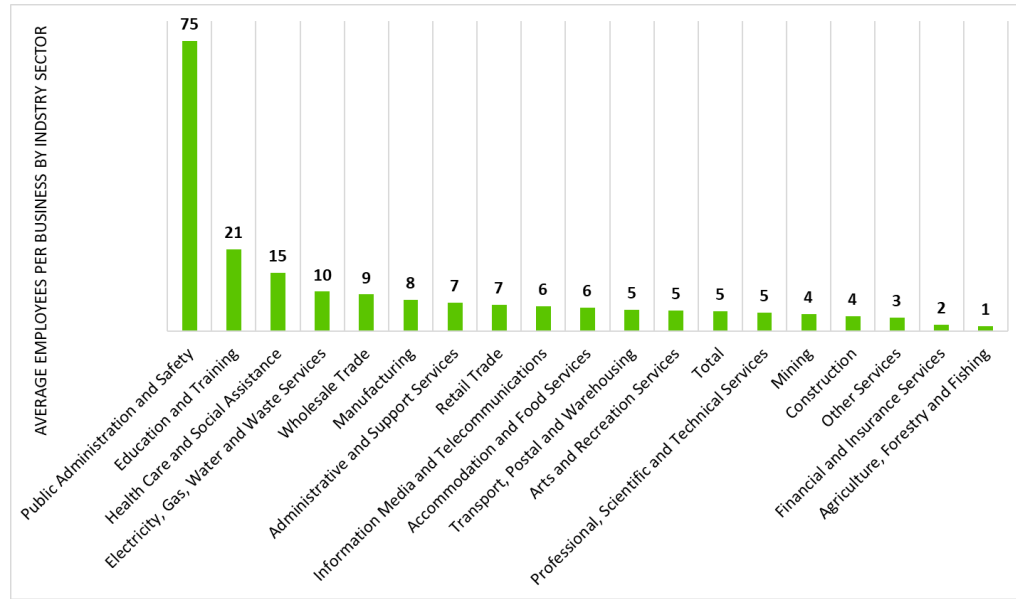


Source: Infometrics, REP, 2024

Specifically, 38.8% of the regional workforce is employed in businesses with 100 or more employees. This is indicated in sectors such as the 'public administration and safety sector' where the average business size (average workers per business) is 75 compared to the average across all businesses of 5.6. Note, the 'rental, hiring and real estate' industry has an average business size of below one due to the high level of self-employment. This is explained by the proportion of landlords in the sector. The variance of business size across industries in the region is reflected in the following graph.



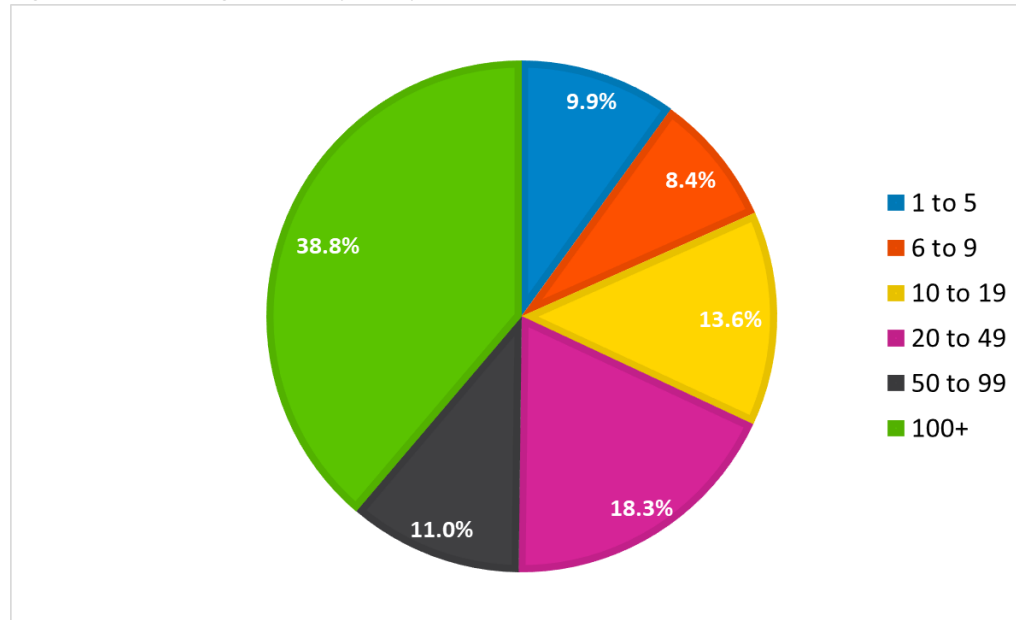
Figure 6: Average business size by industry sector



The region also has a higher proportion of smaller businesses with 20.7% of total businesses in the region having between 1 and 5 employees, compared with 17.6% nationally.

Our Small to medium enterprises (businesses with <20 employees) continue to be extremely important to the regional economy, making up over 95.3% of total businesses. This compares with 96.3% of businesses, nationally.

Figure 7: Percentage of filled jobs by business size

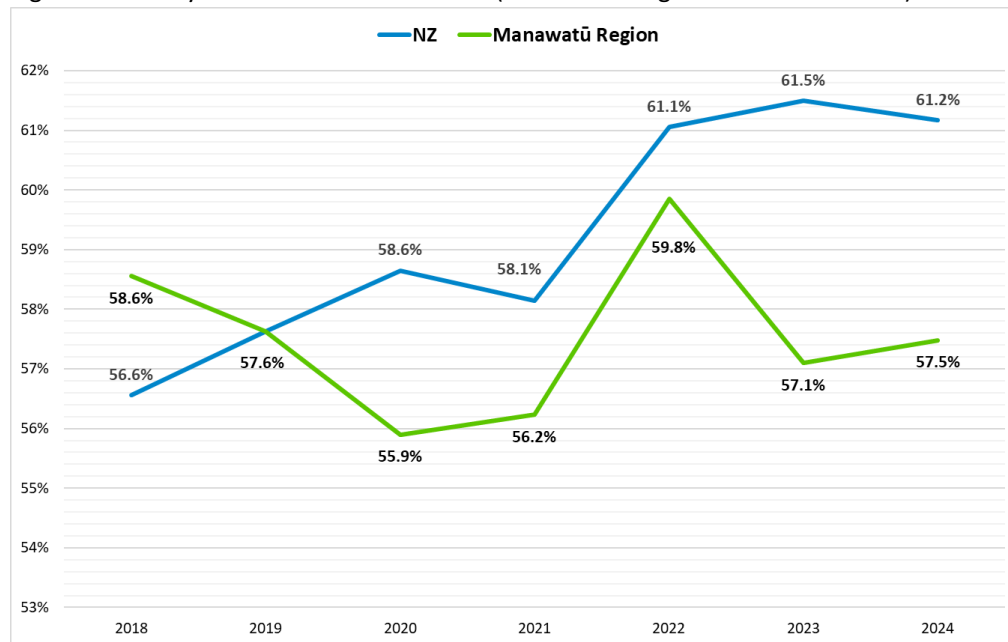


Source: Business demography, Statistics NZ, 2024

Three-year business survival rate

The three-year business survival rate expresses the percentage of businesses in the region in February 2021 that continued to operate in February 2024. The business survival rate for the region over this three-year period was 57.5%. This compares with 61.6% nationally. Business survival rates for the region fluctuated between 55.9% and 59.8% over the period 2018-2023.

Figure 8: Three-year business survival rates (Manawātū Region and New Zealand)



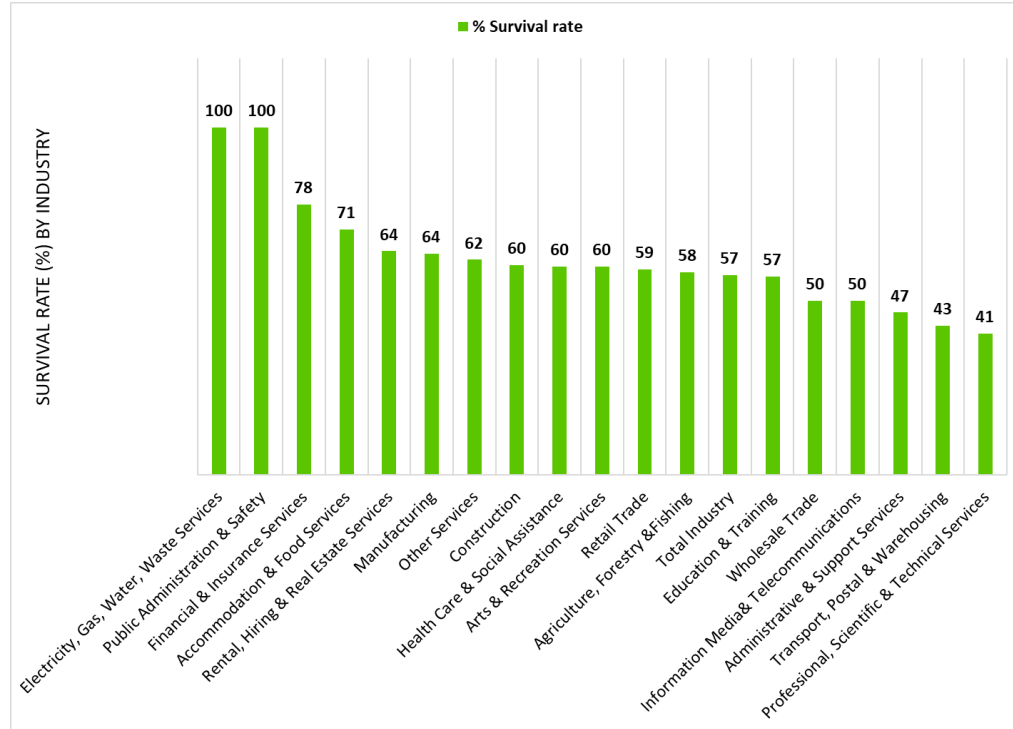
Source: Statistics NZ, customised business survival data

The three-year business survival rate differs across industries with 'professional, scientific and technical services', 'transport, postal and warehousing' and 'administrative and support services' posting the lowest business survival rates over the three-years to March 2024. There is a variety of reasons for this including weakening economic conditions that prevailed in the year to March 2024 and sole trader businesses being established due to continued uncertainty from COVID-19 in 2021. The period 2020-2024 was a volatile time with new business registrations up in 2020 and 2021 due to a greater number of start-ups being established as an alternative to traditional employment due to the impacts of COVID-19.

Business structure is another reason why business numbers may fall alongside an increase in GDP by industry, with more efficient businesses expanding to increase the supply of goods and services to the market while less efficient businesses shutdown. Landlords are often set up as individual businesses and therefore fluctuate as providers exit and enter the market. The agricultural sector is also subject to changes in business structures that do not correlate with profitability or employment.

Characteristics of three-year business survival over the coming few years will provide further insight into the impacts of the economic slowdown on specific industries in the region and nationally.

Figure 9: Three-year business survival rates by industry (Manawātū Region)



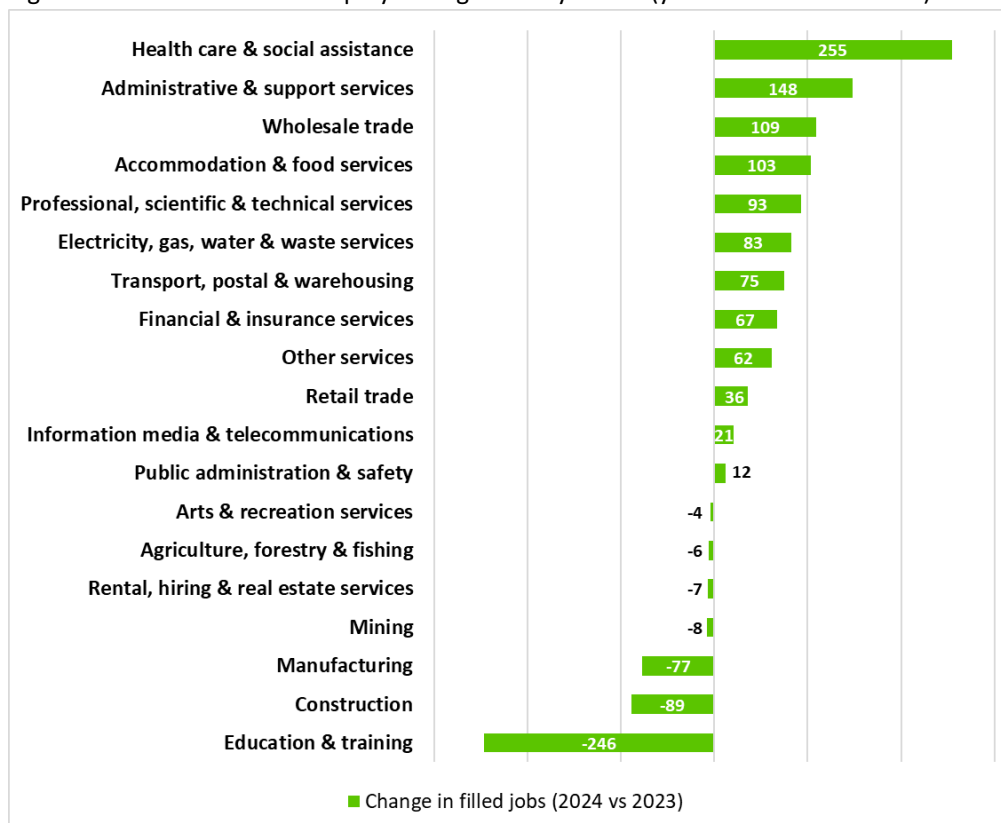
Source: Statistics NZ, customised business survival data

Employment growth by industry sector

The number of people employed in the region increased by 627 over the year to March 2024, an increase of 0.9% compared with the previous year. This compares with annual growth of 2.2% nationally with labour intensive industries such as tourism, ramping up to cater for the recovery in international tourism.

Most sectors posted strong jobs growth, with just five out of 24 industries shedding a total of 248 jobs over the year. The remaining industries created an additional 1,077 jobs across the regional economy.

Figure 10: Contribution to employment growth by sector (year ended March 2024)



The following table summarises the five sectors in the Manawātū Region that created the most jobs over the year to March 2024, with industries ranked by annual employment growth. The table also summarises growth in GDP over the ten-years and twenty-years to March 2024. Data for the combined industries of 'Distribution and logistics' and the 'Retail sector' is also included.

Table 2: Top five growth industries and combined industries - Employment

	Industry	One-year growth	10-year growth	20-year growth
1	Health care and social assistance	+255 jobs	+1,403 jobs	+2,681
		+2.9%	+18.4%	+42.2%
1	The 'health care and social assistance' sector is the region's largest employer, generating a total of 9,028 jobs in March 2024. 'Hospitals' were the highest growth subsector, adding 167 jobs (+6.3%) over the year, and 1,027 (+56.7%) jobs over the 20-years to March 2024. A total of 2,839 people were employed in the 'hospital' sector in the region in March 2024, with a further 1,888 people employed in 'residential care services' and 1,847 people employed in 'allied health services.'			
2	Administrative and support services	+148 jobs	+194	+490
		+5.4%	+7.2%	+20.5%

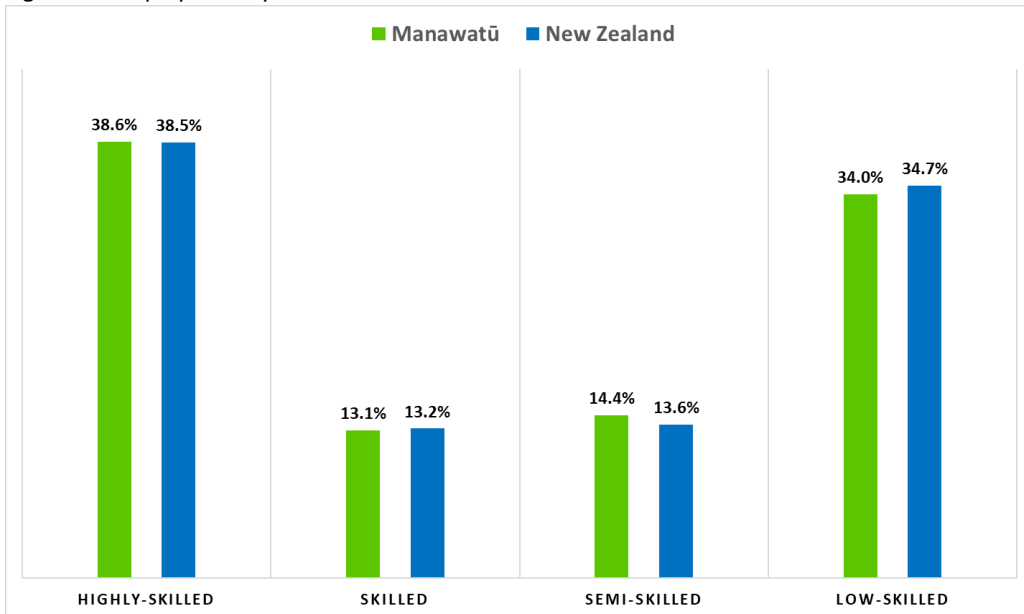
	The 'administrative and support services' sector employed 2,885 people in the Region in March 2024. The 'labour supply services' subsector had the highest employment growth, adding 57 jobs over the year (+6.1%) and 655 additional jobs over the 20-years to March 2024 (+196.1%). 'Labour supply services' was also the largest subsector, employing 989 workers in March 2024, followed by 'building and other industrial cleaning services' with 971 people employed in the subsector.			
	Wholesale trade	+109 jobs +2.6%	+840 jobs +24.0%	+1,573 jobs +56.9%
3	The 'wholesale trade' sector employed a total of 4,336 people in 2024. 'Grocery, liquor and tobacco wholesaling' is both the largest subsector, and the highest growth subsector in the region. There were 1,579 workers employed in 'grocery, liquor and tobacco wholesaling' in the region in March 2024, an increase of 41 (+2.7%) from the previous year, and an increase of 767 (+94.5%) over the 20-years to March 2024.			
	Accommodation and food services	+103 jobs +2.7%	+574 jobs +17.3%	+586 jobs +17.8%
4	The 'accommodation and food services' sector employed a total of 3,887 workers in the region in March 2024. 'Cafes and restaurants' were our largest subsector, employing 1,695 people in March 2024. 'Catering services' were the highest growth subsector, adding 75 new jobs over the year (+22.8%) and 274 new jobs over the 20-years to March 2024 (+210.8%).			
	Professional, scientific and technical services	+93 jobs +2.3%	+624 jobs +17.4%	+955 jobs +29.3%
5	The 'professional, scientific and technical services' sector employed a total of 4,271 people in the region in March 2024. 'Scientific research services' was our largest subsector, employing 999 workers. 'Scientific research services' are also our third largest growth sector, adding 22 jobs over the year (+2.3%) and 120 extra jobs over the 20-years to March 2024 (+13.7%). In the year to March 2024, 'advertising services' was the largest growth subsector adding 31 new jobs (+54.4%), followed by 'computer system design and related services' with 23 new jobs added (+4.7%). 'Computer system design and related services' was also the largest growth sector over the 20-years to March 2024, with 234 jobs added (+84.5%).			
	Key combined sectors			
	Logistics and distribution	+184 +2.8%	+1,055 +18.3%	+1,878 +38.1%
	The regions 'logistics and distribution' sector employed a total of 6,805 workers in March 2024. As discussed under 'Wholesale trade', the 'grocery, liquor and tobacco wholesaling' subsector has almost doubled its employees over the 20-years to March 2024 (+94.5%). Employment in road and rail freight transport has also grown strongly over the past 20-years with 490 new jobs added (+57.2%) to reach a total of 1,358 in March 2024. 'Agricultural and construction machinery wholesaling' and 'other agricultural product wholesaling' have also expanded, adding 381 jobs (+194%) over the 20-years to March 2024, to reach 577. This substantial increase in employment in the sector is consistent with elevated levels of investment in warehousing and multi-modal freight capability in the region.			
	Retail sector	+139	+795	+1,115

		+1.4%	+8.5%	+12.4%
Retail trade is a labour intensive industry employing a total of 10,132 workers in the region as at March 2024. This equates to 14.4% of the total regional workforce. Employment in the 'café, restaurants and takeaway food services' sector increased the most over the 20-years to March 2024, adding 877 roles (+41.7%). The second highest growth was in 'non-store retailing', adding 378 new jobs (+619.7%), followed by 370 roles added in the 'hardware, building and garden supplies retail' sector over the 20-years to March 2024.				

Skill level

In 2024, 51.7% of the Manawātū Regional workforce were employed in highly skilled and skilled roles. This is equal to the national proportion of workers in highly skilled and skilled employment.

Figure 11: Employment by skill level



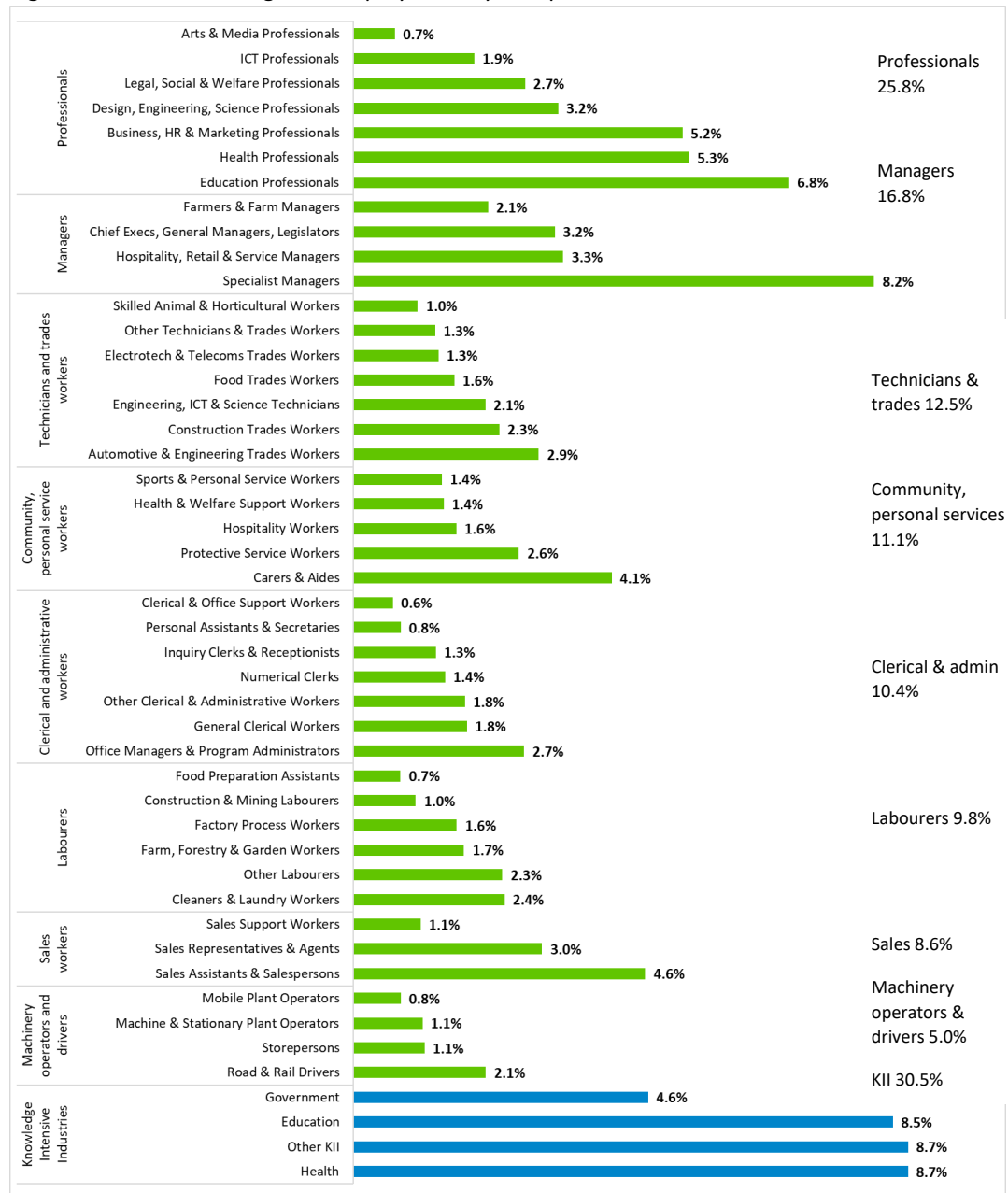
Employment by occupation

The following graph provides a breakdown of employment across occupations in the region in 2024. Professionals were the largest group with 25.8% of the regional workforce employed in professional occupations and a further 16.8% in management roles.

Across the region, 21,461 people were employed in Knowledge Intensive Industry (KII) occupations⁵. This is equal to 30.5% of the total regional workforce. This is slightly below the proportion of workers employed in Knowledge Intensive Industries nationally (33.0%).

⁵ KII's include education, specialised health care, professional, scientific and technical services, government administration, financial and banking services, electricity and engineering services, pharmaceutical and technological manufacturing, information, media and telecommunications services.

Figure 12: Manawātū Regional employment by occupation



Growth across occupations

There was a total of 634 additional jobs created in the region over the year to March 2024. The following table summarises employment growth across occupations, ranked by growth over the March 2024 year. The table also summarises growth in occupations over ten-year and twenty-year timeframes.

Table 3: Growth in employment by occupation

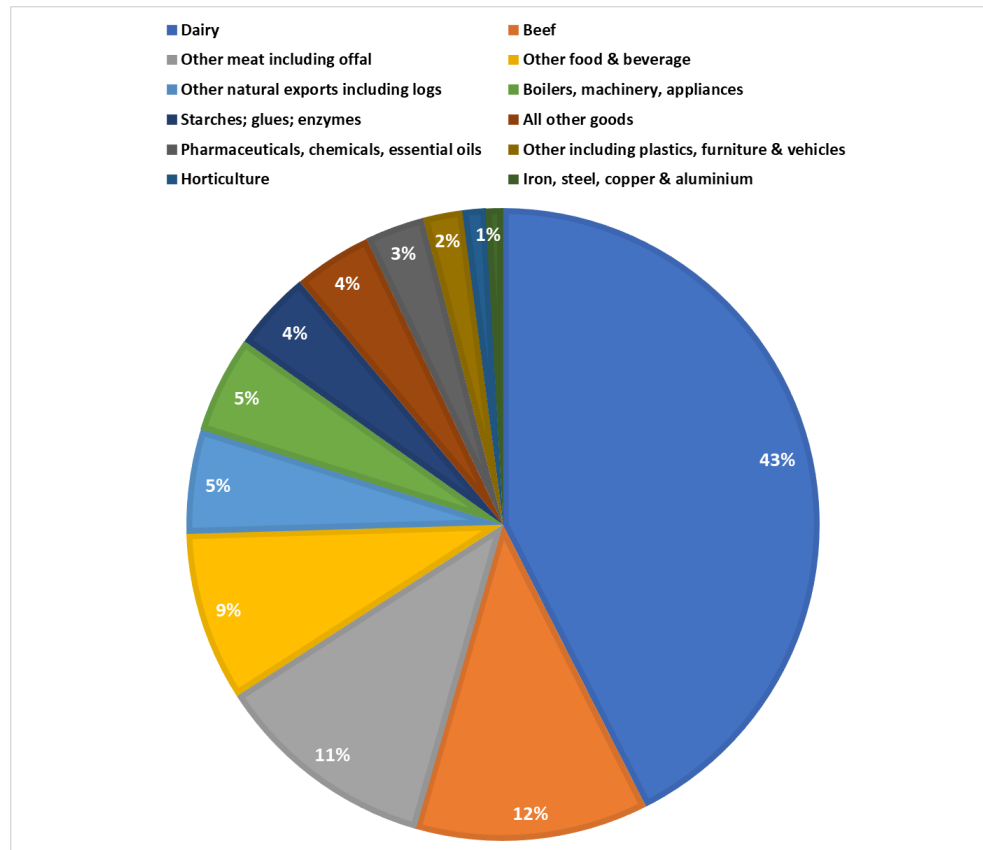
	Occupation	One-year growth	10-year growth	20-year growth
1	Professionals	+234 jobs +1.3%	+3,580 +24.6%	+6,060 +50.3%
	There were 18,114 people employed in professional roles in the region in March 2024. 'Education professionals' were the largest sub-occupation, with 4,810 professionals employed across the region. 'Health professionals' and 'Business, HR & marketing professionals' were the second and third largest sub-occupations in the region, with 3,705 and 3,636 roles respectively. 'Health professionals' added the most roles over the year to March 2024 (+123). 'Health professionals' were also the largest growth occupation over the 5-years to March 2024, adding 549 roles. 'Business, HR & marketing professionals' was the largest growth occupation over the 10-years and 20-years to March 2024, with 909 and 1,409 roles added respectively, across the region.			
2	Community & personal service workers	+127 jobs +1.7%	+1,215 +18.4%	+2,037 +35.3%
	There were 7,808 community & personal service workers employed in the region in 2024. 'Carers & aides' were the highest growth occupation across all time frames, adding 67 new roles over the year, 471 new roles in the 10-years to March 2024, and 848 roles in the 20-years to March 2024. 'Sports and personal service workers' also grew strongly in the region over the 20-years to March 2024, adding 390 roles (+66.1%).			
3	Labourers	+116 jobs +1.7%	+990 +16.7%	+982 +16.6%
	There were 6,902 labourers employed across the region in March 2024. 'Factory process workers' were the largest growth occupation adding 54 jobs over the year and 231 jobs over the 10-years to March 2024. Despite increasing by just 5 annually, the number of 'construction labourers' almost doubled (+98.3%) over the 20-years to March 2024, adding 343 roles across the region.			
4	Sales workers	+61 +1.0%	+672 +12.5%	+750 +14.1%
	There were 6,054 people in sales worker occupations across the region in March 2024. 'Sales representatives and agents' were the largest growth occupation adding 33 roles over the year and 731 additional roles over the 20-years to March 2024.			
5	Machinery operators & drivers	+40 +1.1%	+590 +19.9%	+581 +19.6%

	Occupation	One-year growth	10-year growth	20-year growth
	Reflective of the region's growing capability in logistics and distribution, 'storepersons' and 'road and rail driver' occupations were the largest growth sub-occupations over the 20-years to March 204. Specifically, the number of people employed as 'storepersons' across the region increased by 232 (+41.7%) while persons employed in 'road and rail driver' occupations increased by 353 (+31.7%).			
6	Managers	+30 +0.3%	+1,771 +17.7%	+2,510 +27.1%
	There were 11,787 managers employed across the region in March 2024. Remaining reflective of the gradual recovery from COVID-19, 'hospitality, retail & service managers' was the highest growth sub-occupation over the year to March 2024, with 30 roles added across the region. Over the 20-years to March 2024, 'Specialist manager' roles were the largest growth occupation, increasing by 2,078 (+56.6%).			
7	Clerical & administration workers	+18 +0.2%	+707 +10.8%	+24 +0.3%
	There were 7,278 people employed in 'clerical & administration' occupations across the region in March 2024. 'Clerical & administrative' occupations have been affected by substitution to technology with more recent growth reflective of these trends. The number of 'office managers & program administrator' roles have consistently increased with the number of roles across the region consistently increasing, including an increase of 1,013 (+115.6%) over the 20-years to March 2024.			
8	Technicians & trade workers	+8 +0.1%	+1,763 +25.0%	+1,788 +25.4%
	There were 8,815 people employed in 'technician and trade' occupations in the region in March 2024. Reflective of current economic conditions, growth in the trades has been elevated over the longer time frames but has contracted across some sub-sectors over the year to March 2024. Specifically, 'construction trades workers' have declined by 26 over the year to March 2024. In contrast, growth in 'construction trades workers' posted the strongest growth over 5-year growth, 10-year growth, and 20-year growth statistics for the region. Cyclical change is expected to return prospects to the long-term growth trajectory.			

Export sector

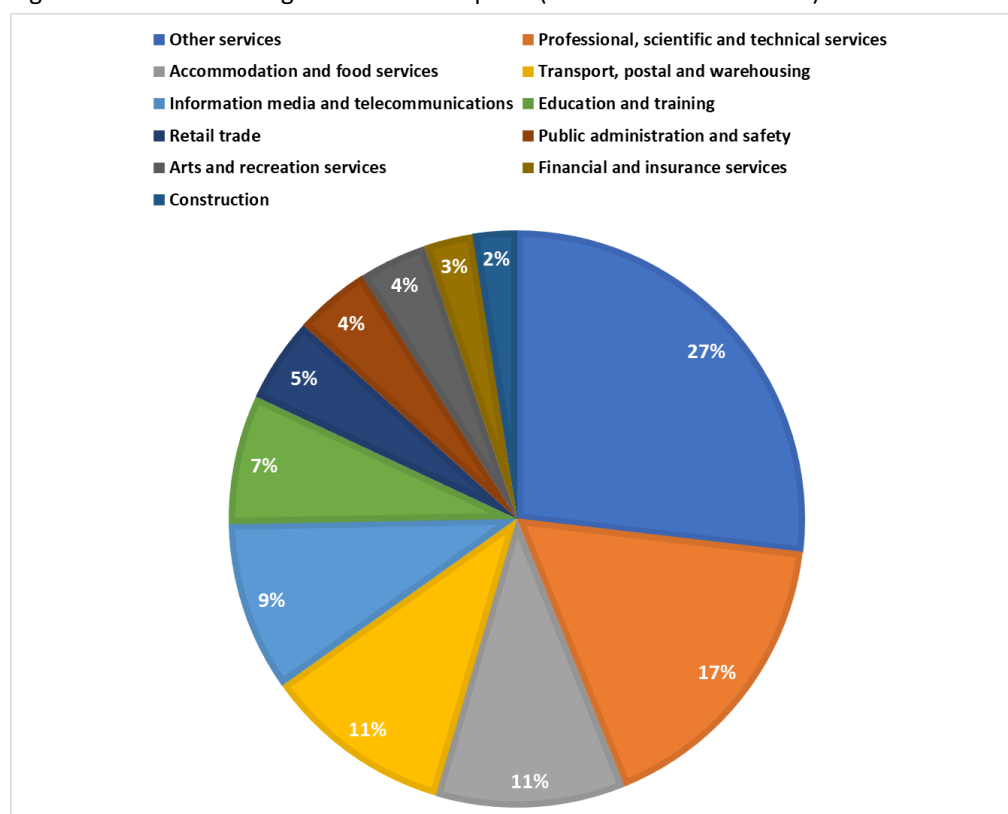
The Manawātū region exported \$1.514 billion in goods and services to the rest of the world in the year to March 2024. This comprises of \$1.18 billion in goods and \$334 million in services. The region has particular strength in beef and dairy exports as illustrated in figure 13 below. Lesser known strengths include the export of goods such as machinery and appliances, pharmaceuticals and high-end pet foods for international markets.

Figure 13: Manawātū Regional goods exports (Year ended March 2024)



The region's service sector exports are dominated by 'other services' contributing \$89.9 million (26.8%) to the total. This is followed by 'professional, scientific and technical services' with \$57 million in regional exports (17%) and 'accommodation and food services' selling \$35.7 million in services (10.7%) to the rest of the world over the year.

Figure 14: Manawātū Regional services exports (Year ended March 2024)



Summary

The weaker short-term economic outlook has become evident over the year to March 2024. Regional data for the period reflects this weakness across sectors of the economy most vulnerable to the sharp contraction of spending across the domestic economy. The analysis also reflects the relative strength of the regional economy due to our industry structure including the clustering of critical public sector activities in the region. These large public sector activities located in the region, are less exposed to domestic economic cycles. The dominance of the Manawātū Region in the production of quality food products for export, has also supported regional economic activity with global demand for quality New Zealand food holding up. These factors alongside continued investment in infrastructure, have combined to cushion the impact of wider economic conditions on the regional economy.

The pressure on sectors most exposed to weak consumer and business demand and a downturn in private and public investment will begin to recover as interest rates fall and households and government feel confident to increase spending once more. The Reserve Bank of New Zealand (RBNZ) expects national GDP to rebound 3.0% in the year to September 2026, with growth reaching 2.2% over the year to March 2026⁶. This is projected

⁶ RBNZ Monetary Policy Statement May 2025

alongside an increase in private consumption, and business and residential investment. This implies the New Zealand economy is in the early stages of recovery in the second quarter of 2025. As confidence grows, the increase in spending across the economy will lead to more jobs and a broad based recovery in the New Zealand economy. The RBNZ projects 60,000 more jobs will be generated across the domestic economy over the year to June 2026.

The economic outlook for the domestic economy is improving with growth expected to turn positive from the second quarter of 2025. Signs of recovery to date have been gradual and uneven, but it is anticipated that the recovery will gather pace providing relief for sectors most impacted by the recent weakness in economic activity. Combined with the contribution of the region's large stable sectors, the regional economy is expected to return to growth in 2025.



Appendix A: Manawatū Regional economy summary statistics

Table A1: Summary statistics by 1-digit industry and combined industry level – Manawatū Region

	Industry	One-year growth	10-year growth	20-year growth
Public administration and safety services ⁷	GDP \$937.7m	+\$30.0m +3.3%	+\$230.7m +32.6%	+\$410.6m +77.9%
	Employment 7,273	+12 +0.2%	+1,614 +28.5%	+2,368 +56.9%
	GDP per worker \$128,929	+\$3,919 +3.1%	+\$3,995 +3.2%	+\$15,207 13.4%
	Earnings (2023) \$517,452,600	+\$9,370,600 +1.8%	+\$243,920,400 +81.5%	+\$367,149,600 +222.1%
	Average earnings per worker \$85,614	+\$1,759 +2.1%	+\$23,035 +35.1%	+\$44,424 +103.7%
Health care and social assistance	GDP \$738.6m	+\$35.4m +5.0%	+\$188.9m +34.4%	+\$309.9m +72.3%
	Employment 9,028	+255 +2.9%	+1,403 +18.4%	+2,681 +42.2%
	GDP per worker \$81,812	+\$1,657 +2.1%	+\$9,720 +13.5%	+\$14,628 +21.1%
	Earnings (2023) \$637,226,500	+\$54,623,000 +8.6%	+\$269,443,500 +71.2%	+\$465,609,900 +250.1%
	Average earnings per worker \$72,635	+\$5,600 +7.7%	+\$24,108 +48.6%	+\$43,826 +149.4%
Rental, hiring and real estate services	GDP \$673.0m	+\$19.5m +3.0%	+\$201.2m +42.6%	+\$273.8m +68.6%
	Employment 1,655	-7 -0.4%	+534 +47.2%	+509 +44.0%
	GDP per worker \$404,204	+13,355 +3.4%	-\$12,949 -3.1%	+58,875 +17.0%
	Earnings (2023) \$112,923,300	+\$105,100 +0.1%	+60,024,500 +113.6%	\$71,822,600 +166.0%
	Average earnings per worker \$67,538	-\$5,389 -8.0%	+\$20,776 +44.5%	+\$34,631 +92.5%
Construction	GDP \$631.5m	-\$23.7m -3.6%	+\$229.0m +56.9%	+\$288.8m +84.3%
	Employment 6,841	-89 -1.3%	+2,453 +55.9%	+3,167 +86.2%

⁷ The earnings information provided, is based on data for Palmerston North due to the suppression of data for the Manawatū District. The employment data used to derive 'Average earnings per worker' has been amended to only include Palmerston North.

	Industry	One-year growth	10-year growth	20-year growth
	GDP per worker \$92,311	-\$2,234 -2.4%	+\$584 +0.6%	-\$966 -1.0%
	Earnings (2023) \$500,716,800	+\$44,812,900 +5.9%	+\$304,293,900 +163.5%	+396,130,200 +342%
	Average earnings per worker \$72,254	+\$4,076 +5.2%	+\$29,216 +68.9%	+\$42,243 +134.0%
Wholesale trade	GDP \$610.4m	-\$23.9m -3.8%	+\$156.8m +34.6%	+\$306.6m +100.9%
	Employment 4,227	+109 +2.6%	+840 +24.0%	+1,573 +56.9%
	GDP per worker \$140,775	-\$9,284 -6.2%	-\$11,027 +8.5%	+\$30,822 +28.0%
	Earnings (2023) \$334,482,600	+\$45,723,100 +13.7%	+140,358,000 +69.4%	+\$230,402,200 +211.7%
	Average earnings per worker \$79,130	+\$8,598 -2.0%	+\$23,777 +41.1%	+\$41,310 +104.9%
Professional, scientific and technical services	GDP \$543.0m	+\$2.3m +0.4%	+\$170.0m +45.6%	+\$200.8m +58.7%
	Employment 4,217	+93 +2.3%	+624 +17.4%	+955 +29.3%
	GDP per worker \$128,765	-\$2,346 -1.8%	+\$24,952 +24.0%	+\$23,860 +22.7%
	Earnings (2023) \$361,213,500	+\$32,826,700 +9.1%	+\$131,464,900 +54.3%	+\$223,021,200 +140.7%
	Average earnings per worker \$87,588	+\$4,072 +4.6%	+\$23,052 +34.2%	+\$42,040 +86.5%
Retail trade	GDP \$480.2m	-\$27.6m -5.4%	+\$91.1m +23.4%	+\$186.0m +63.2%
	Employment 6,245	+36 +0.6%	+221 -3.7%	+529 +9.3%
	GDP per worker \$76,894	-\$4,891 -6.0%	+\$12,302 +19.0%	+\$25,424 +49.4%
	Earnings (2023) \$309,093,500	+\$19,166,500 +6.2%	+\$98,897,400 +46.0%	+\$177,851,100 +127.5%
	Average earnings per worker \$49,782	+\$2,010 +4.0%	+\$15,486 +43.4%	+\$26,370 +108.1%
Manufacturing	GDP \$468.4m	-\$29.9m -6.0%	+\$63.5m +15.7%	+\$1.9m +0.4%
	Employment 5,169	-77 -1.5%	+827 +19.0%	-107 -2.0%
	GDP per worker \$90,617	-\$4,370 -4.6%	-\$2,635 -2.8%	+\$2,198 +2.5%
	Earnings (2023)	+\$22,417,600	+\$160,208,200	+\$183,234,400

	Industry	One-year growth	10-year growth	20-year growth
	\$375,273,900	+6.0%	+70.9%	+93.7%
	Average earnings per worker \$71,535	+\$3,416 +4.8%	+\$21,855 +42.0%	+\$35,640 +96.2%
Education & training	GDP \$464.3m	-\$20.7m -4.3%	-\$22.0m +4.5%	-\$95.0m -17.0%
	Employment 6,872	-246 +3.5%	+337 +5.2%	+245 +3.7%
	GDP per worker 67,564	-\$573 -0.8%	-\$6,851 +11.3%	-\$16,833 -19.9%
	Earnings (2023) \$473,805,600	+\$4,584,000 +12.8%	+\$126,225,000 +35.7%	+\$243,483,000 +92.9%
	Average earnings per worker \$66,564	+\$1,250 +1.9%	+\$12,867 +23.8%	+\$28,912 +73.1%
Agriculture, forestry, fishing & mining	GDP \$416.7m	+\$18.1m +4.5%	+\$62.2m +17.5%	+\$27.6m +7.1%
	Employment 3,005	-14 -0.5%	-5 -0.2%	-437 -12.7%
	GDP per worker \$247,595	+\$8,226 +3.4%	+\$56 0.0%	-\$80,669 -24.6%
	Earnings (2023) \$184,692,200	-\$16,536,800 -9.0%	+\$75,319,800 +52.8%	+\$100,490,500 +117.7%
	Average earnings per worker \$62,061	-\$5,173 -8.3%	+\$25,073 +52.4%	+\$38,903 +155.9%
Financial and insurance services	GDP \$332.0m	+\$14.9m +4.7%	+\$119.7m +56.4%	+\$132.2m +66.2%
	Employment 1,419	+67 +5.0%	+428 +43.2%	+482 +51.4%
	GDP per worker \$233,968	-\$574 -0.2%	+\$19,740 +9.2%	+\$20,734 +9.7%
	Earnings (2023) \$143,654,400	+\$19,253,400 +13.4%	+\$78,573,300 +114.1%	+\$103,034,000 +243.2%
	Average earnings per worker \$106,253	+\$8,223 +7.7%	+\$40,181 +57.8%	+\$60,918 +134.7%
Transport, postal & warehousing	GDP \$287.4m	-\$11.5m -3.8%	+\$36.4m +14.5%	+\$68.2m +31.1%
	Employment 2,469	+75 +3.1%	+215 +9.5%	+305 +14.1%
	GDP per worker \$116,403	-\$8,450 -6.8%	+\$5,046 +4.5%	+\$15,110 +14.9%
	Earnings (2023) \$175,176,800	+\$659,500 +0.4%	+\$65,815,200 +60.4%	+\$106,301,400 +143.6%
	Average earnings per worker \$73,173	+\$1,088 +1.5%	+\$24,996 +51.7%	+\$39,178 +114.6%
Other services	GDP \$162.1m	+\$7.0m +4.5%	+\$51.6m +46.7%	+\$52.8m +48.3%

	Industry	One-year growth	10-year growth	20-year growth
	Employment 3,081	+62 +2.1%	+764 +33.0%	+942 +20.5%
	GDP per worker \$52,613	+\$1,238 +2.4%	+\$4,922 +10.3%	+\$1,514 +3.0%
	Earnings (2023) \$162,625,800	+\$8,958,500 +5.5%	+\$76,931,100 +87.2%	+\$108,909,800 +186.7%
	Average earnings per worker \$53,867	+\$2,577 +4.8%	+\$17,371 +45.6%	+\$27,943 +102.5%
Administrative & support services	GDP \$159.1m	+\$9.4m +6.3%	+\$40.4m +34.0%	+\$46.6m +41.4%
	Employment 2,885	+148 +5.4%	+194 +7.2%	+490 +20.5%
	GDP per worker \$55,147	+\$452 +0.8%	+\$11,037 +25.0%	+\$8,174 +17.4%
	Earnings (2023) \$135,922,900	+\$13,172,400 +9.7%	+\$64,204,700 +80.7%	+\$88,002,700 +162.5%
	Average earnings per worker \$49,661	+\$4,764 +9.6%	+\$20,543 +69.4%	+\$27,548 +121.8%
Accommodation & food services	GDP \$134.2m	-\$10.8m -7.4%	+\$23.5m +21.2%	-\$30.0m +28.8%
	Employment 3,387	+103 2.7%	+574 +17.3%	+586 +17.8%
	GDP per worker \$34,525	-\$3,794 -9.9%	+\$1,112 +3.3%	-\$2,959 +9.4%
	Earnings (2023) \$133,159,800	-\$12,106,500 -9.1%	+\$55,978,600 +70.3%	+\$84,778,300 +161.6
	Average earnings per worker \$35,190	-\$353 -1.0%	+\$11,929 +49.6%	+\$19,703 +124.0%
Electricity, gas, water & waste services	GDP \$104.8m	+\$17.5m 20.0%	+\$36.6m +53.7%	-\$28.5m -21.4%
	Employment 371	+83 +28.8%	+180 +94.2%	+150 +67.9%
	GDP per worker \$282,480	-\$20,645 -6.8%	-\$74,588 -20.9%	-\$320,688 -53.2%
	Earnings (2023) \$24,902,100	+\$206,300 +0.8%	-\$10,718,700 +71.0%	+\$15,693.500 +147.8%
	Average earnings per worker \$86,466	+\$117 +0.1%	+\$23,147 +29.3%	+\$42,194 +87.6%
Information, media & telecommunications	GDP +100.0m	+\$2.3m +2.4%	+\$24.2m +31.9%	+\$46.0m +85.2%
	Employment 489	+21 +4.5%	-37 -7.0%	-155 -24.1%
	GDP per worker \$204,499	-\$4,262 -2.0%	+\$60,393 +41.9%	+\$120,648 +143.9%
	Earnings (2023) \$31,894,200	-\$1,782,900 -5.6%	-\$1,097,600 -4.1%	+\$14,193,900 +77.0%

	Industry	One-year growth	10-year growth	20-year growth
	Average earnings per worker \$68,150	\$1,594 +2.3%	+\$17,158 +33.3%	+\$39,228 +137.0%
Arts & recreation services	GDP +88.1m	+\$0.9m +1.0%	+\$22.3m +33.9%	+\$6.4m +7.8%
	Employment 1,052	-4 -0.4%	+116 +12.4%	+942 +20.5%
	GDP per worker \$83,745	+\$1,169 +1.4%	+\$13,446 +19.1%	-\$9,840 -10.5%
	Earnings (2023) \$45,585,800	+\$1,281,800 +2.8%	+\$18,919,500 +65.5%	+\$30,279,600 +172.9%
	Average earnings per worker \$43,427	\$2,075 +4.8%	+\$14,240 +46.1%	+\$24,990 +124.5%
Total	GDP⁸ \$7,331.5m	+9.2m +0.1%	+\$1,726.1m +30.8%	+\$2,264.7m +44.7%
	Employment 70,304	+627 +0.9%	+11,282 +19.1%	+14,732 +26.5%
	GDP per worker \$104,283	-\$806 -0.8%	+\$9,311 +9.8%	+\$13,107 +14.4%
	Earnings (2023) \$4,762,676,600	+\$247,930,800 +5.2%	+\$1,972,756,100 +67.9%	+\$3,056,021,600 +165.0%
	Average earnings per worker \$68,354	+\$2,977 +4.4%	+\$20,940 +42.5%	+\$36,468 +109.4%
Combined sectors				
Logistics and distribution ⁹	GDP \$897.7m	+\$44.8m +5.3%	+\$229.3m +34.3%	+\$356.5m +65.9%
	Employment 6,805	+184 +2.8%	+1,055 +18.3%	+1,878 +38.1%
	GDP per worker \$131,918	+\$3,100 +2.4%	+\$15,674 +13.5%	+\$22,074 +20.1%
	Earnings (2023) \$509,659,400	+\$46,382,600 +9.1%	+\$206,173,200 +66.2%	+\$336,703,600 +184.1%
	Average earnings per worker \$76,976	+\$5,867 +7.6%	+\$24,443 +45.2%	+\$40,778 +109.9%
Retail sector ¹⁰	GDP \$631.1m	+\$3.2m +0.5%	+\$192.3m +43.8%	+\$207.2m +48.9%
	Employment 10,132	+139 +1.4%	+795 +8.5%	+1,115 +12.4%
	GDP per worker \$62,288	-\$546 -0.9%	+\$15,292 +32.5%	+\$15,277 +32.5%
	Earnings (2023)	+\$7,060,000	+\$154,876,000	+\$262,629,400

⁸ GDP from non-employed sectors are excluded. Total GDP including owner-occupied property operation and unallocated is \$8,741.6m.

⁹ The logistics and distribution sector includes 'wholesale trade' and 'transport, postal and warehousing services'.

¹⁰ The retail sector includes 'retail trade', and 'accommodation and food services'.

	Industry	One-year growth	10-year growth	20-year growth
	\$442,253,300	+1.6%	+52.6%	+136.8%
	Average earnings per worker \$44,256	+\$1,405 +3.2%	+\$13,836 +43.8%	+\$23,681 +111.2%

Appendix B Key sector profiles

Appendix B profiles the following key sectors in the region.

- Appendix B.1. Public administration and safety
- Appendix B.2. Healthcare and social assistance
- Appendix B.3. Construction
- Appendix B.4 Retail sector
- Appendix B.5 Manufacturing
- Appendix B.6. Education and training

These key sectors make both a significant contribution to regional GDP and are also large scale employers. Please note, individual sector profiles are developed for the regional logistics, agrifood, and tourism sectors therefore are not included in the following profiles. The 'professional, scientific and technical services' sector is also a significant contributor to the Manawātū Regional economy. A cross-sector research, science, and innovation sector profile is under consideration.

The profiles are designed to be picked up and utilised as a resource by individual sectors, therefore explanations of particular indicators are repeated within each profile.

Appendix B.1 Public administration and safety

'Public administration and safety' is the largest industry in the region by GDP and the second largest employer.

GDP \$937.7 million

Employment 7,273

The largest subsector in the region is 'Defence' contributing 46.9% of 'public administration and safety' GDP (\$440 million) and 44.2% of 'public administration and safety' employment (3,212) in March 2024. The 'central government administration' sector is also substantial, generating \$207 million in GDP and employing a further 1,708 personnel.

Figure B.1.1.: GDP by 'Public administration and safety' subsector - March 2024 (top 10 subsectors)

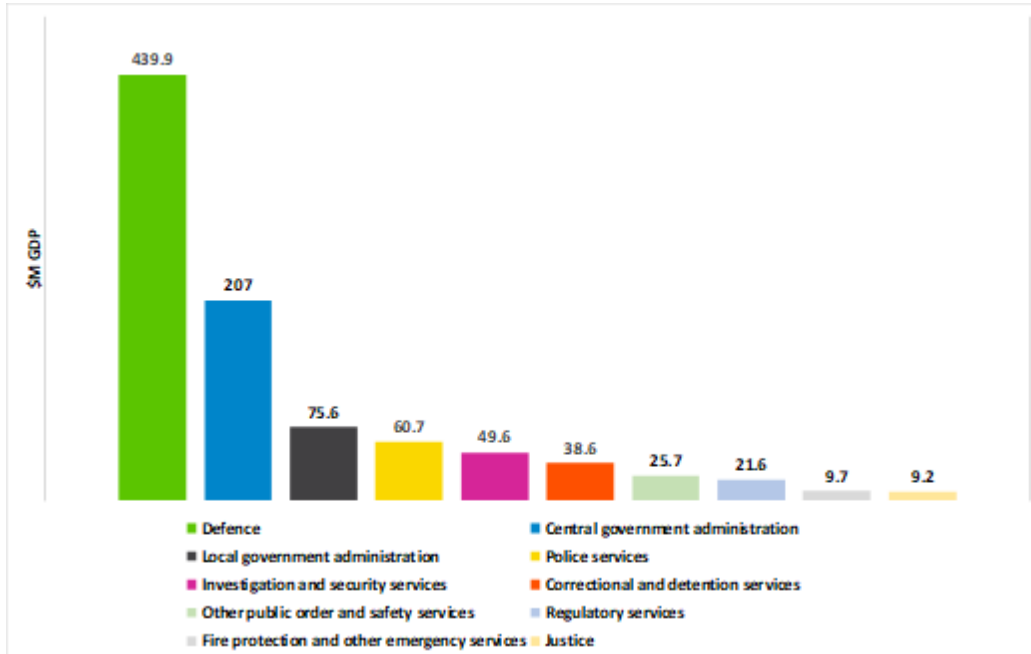


Figure B.1.2: Employment by 'public and administration' subsector - March 2024 (top 10 subsectors)

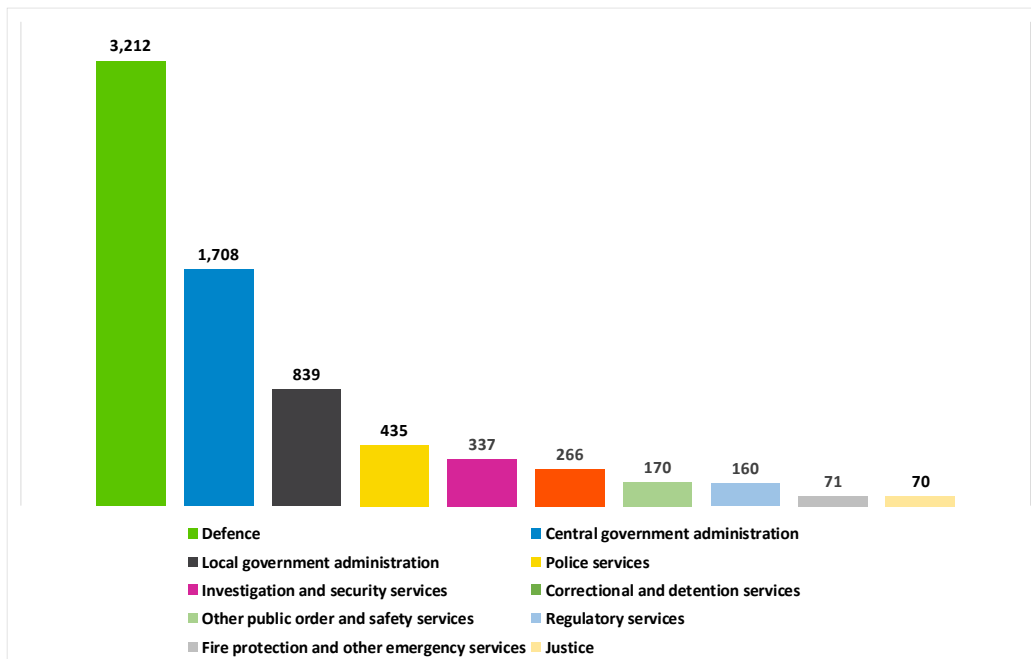


Figure B.1.3: Growth subsectors GDP – ‘Public administration and safety’ (top 7 subsectors)

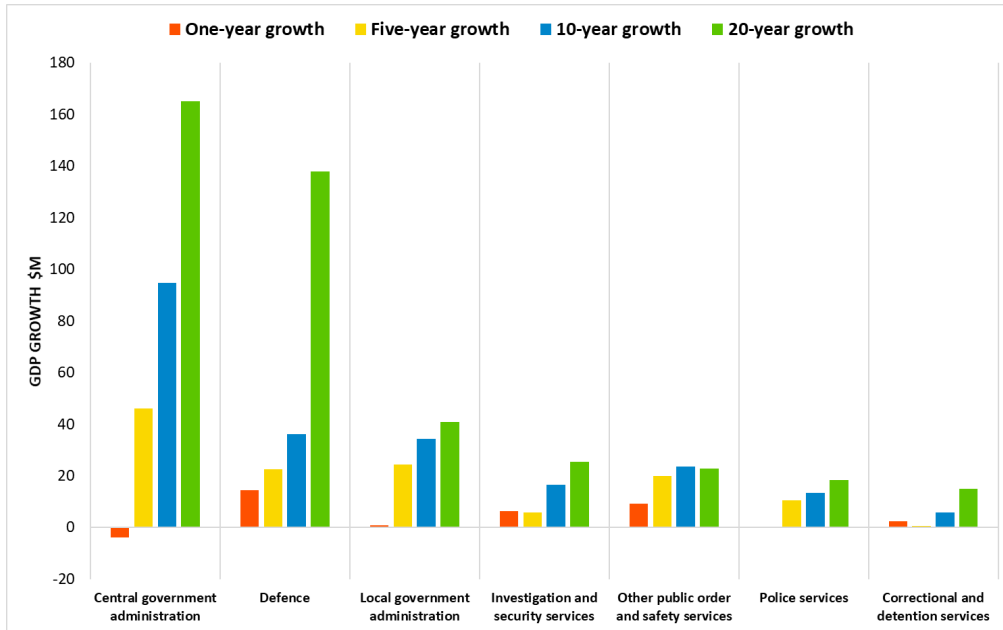
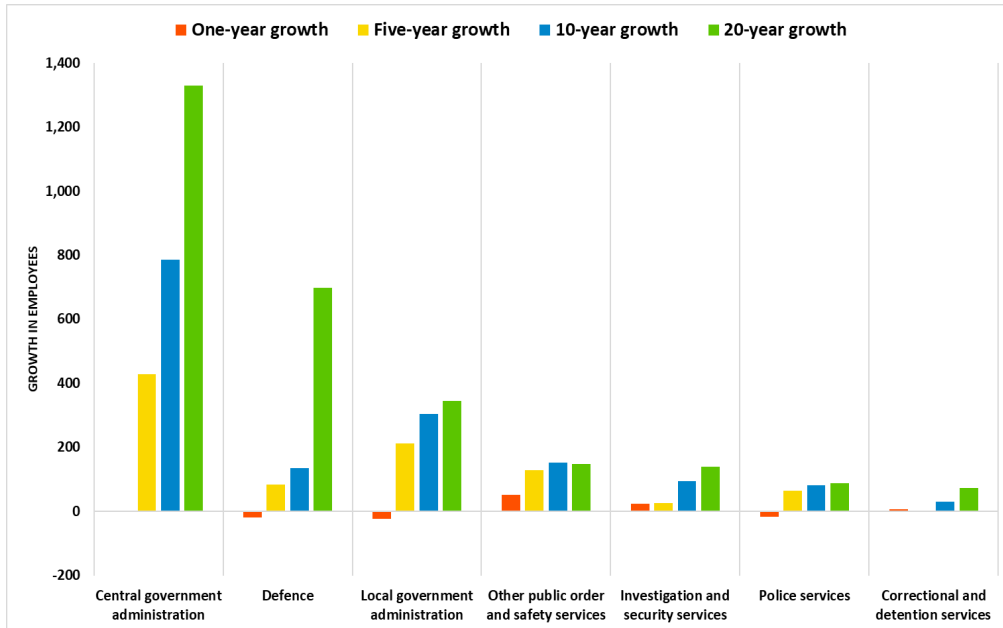


Figure B.1.4: Growth subsectors Employment – ‘Public administration and safety’ (top 7 subsectors)

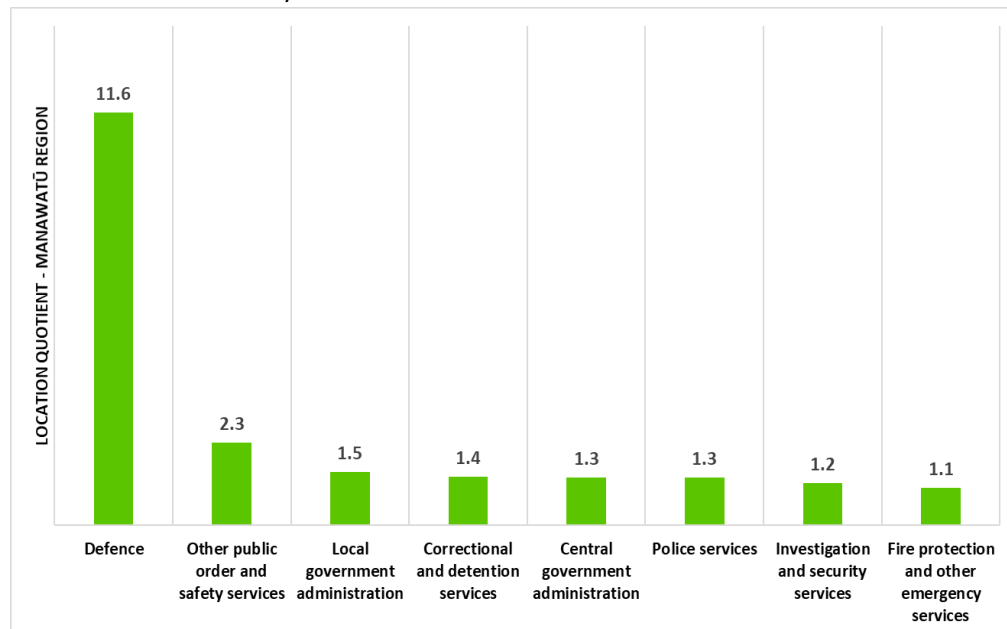


The location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This

measure is often used as an indicator of comparative advantage¹¹. Where the percentage of the local workforce employed in that sector exceeds the national percentage, the LQ ratio is > 1 . A LQ of >1 implies a comparative advantage in the production of that particular good or service.

The region's strength in 'public administration and safety' reflects the efficiency of delivery of public services in the region. This is reflected in the LQ for the region, with 1.9 times the total workforce employed in the 'public administration and safety' sector relative to the national average. A comparative advantage implies greater efficiency in the production of particular goods and services, relative to the national economy. Having a comparative advantage means an area is more likely to attract further investment and clustering of businesses required to produce that good or service. The graph below reflects the comparative advantage of the region in the 'public administration and safety' subsectors.

Figure B.1.5: Comparative advantage of the Manawātū Region in the delivery of 'public administration and safety' services



Appendix B.2 Health care and social assistance

'Health care and social assistance' is the largest industry employer and the second largest sector by GDP in the region.

GDP \$738.6 million

Employment 9,028

¹¹ The LQ is used as a proxy for comparative advantage by sector and location. LQ is calculated by dividing the proportion of labour employed in a sector by area, with the proportion of labour employed in that sector at the national level. Specifically, where a region has a higher proportion of the total workforce employed in a particular sector, it implies that region has an advantage in delivering these particular goods or services.

The largest subsector in the region is 'Hospitals' contributing 31.2% of 'health care and social assistance' GDP (\$230.6 million) and 31.4% of 'health care and social assistance' employment (2,839) in March 2024. 'Health care' services make up 64.1% of total GDP from the region's 'health care and social assistance' sector and 64.4% of employment. 'Social assistance' generates 35.9% of total 'health care and social assistance' GDP and 35.6% of total employment.

Figure B.2.1: GDP by 'healthcare and social assistance' subsector - March 2024

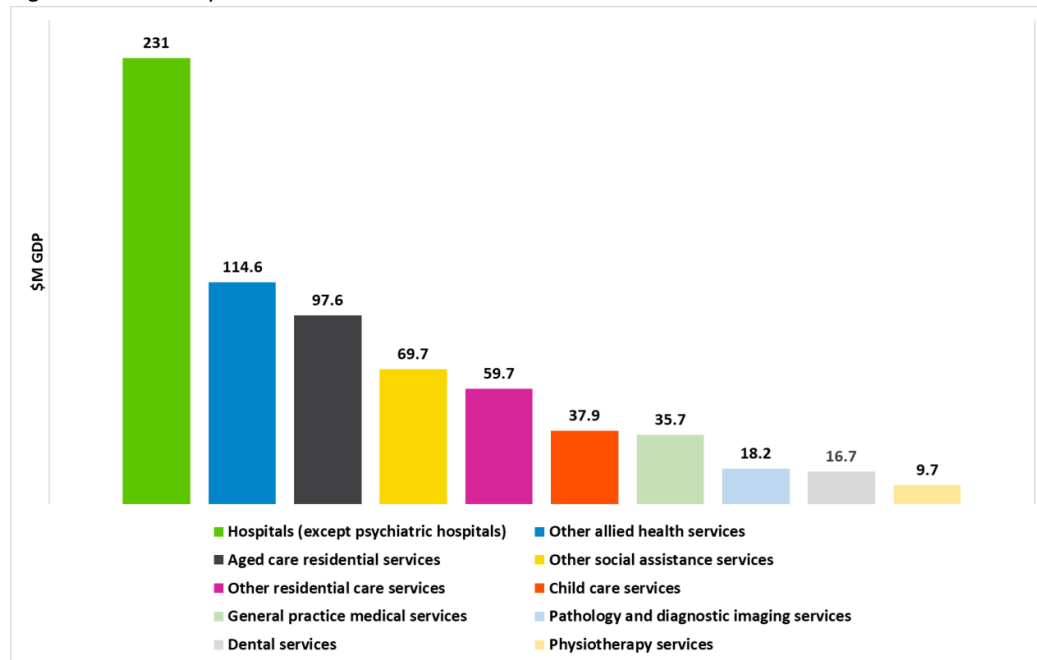


Figure B.2.2: Employment by 'health care and social assistance' subsector – March 2024

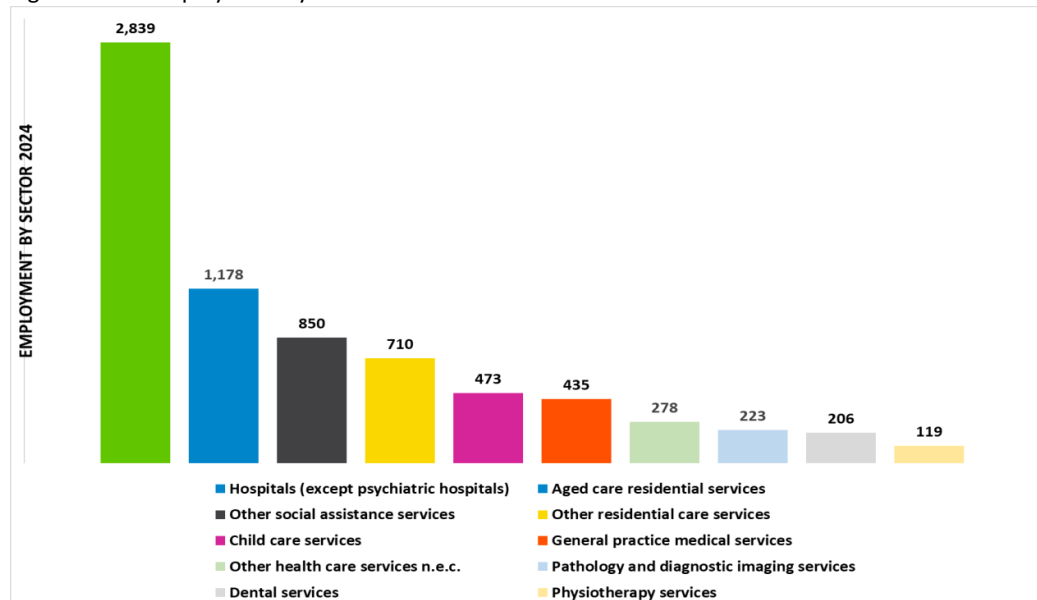


Figure B.2.3: Growth subsectors GDP (top 6 subsectors)

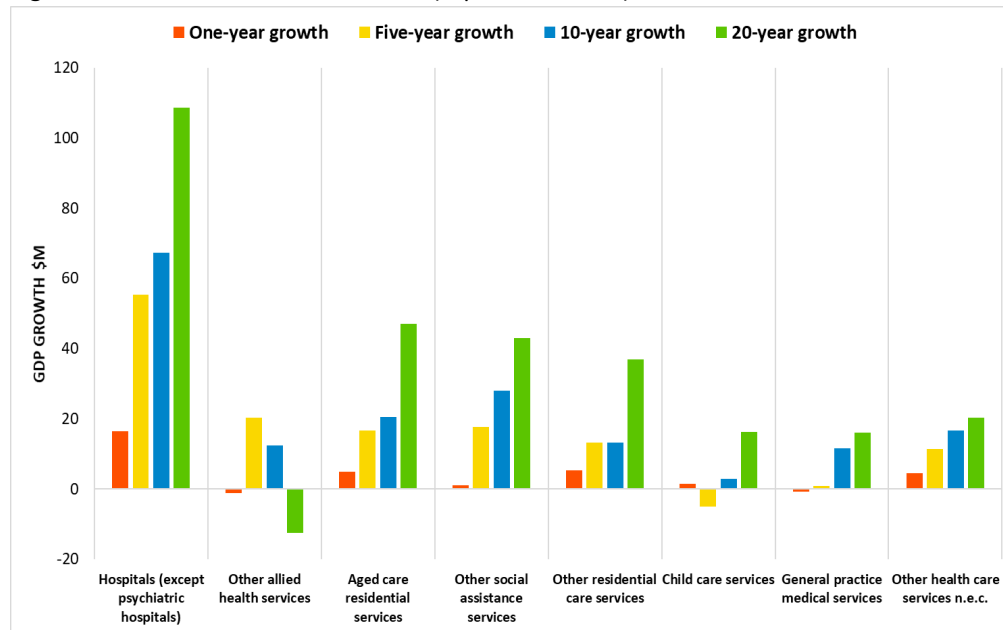
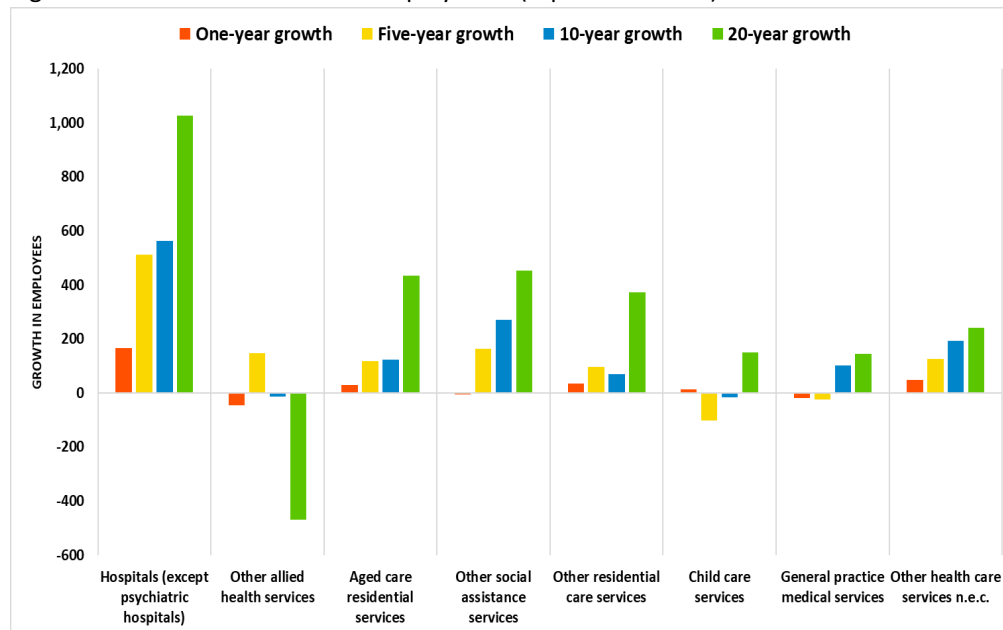


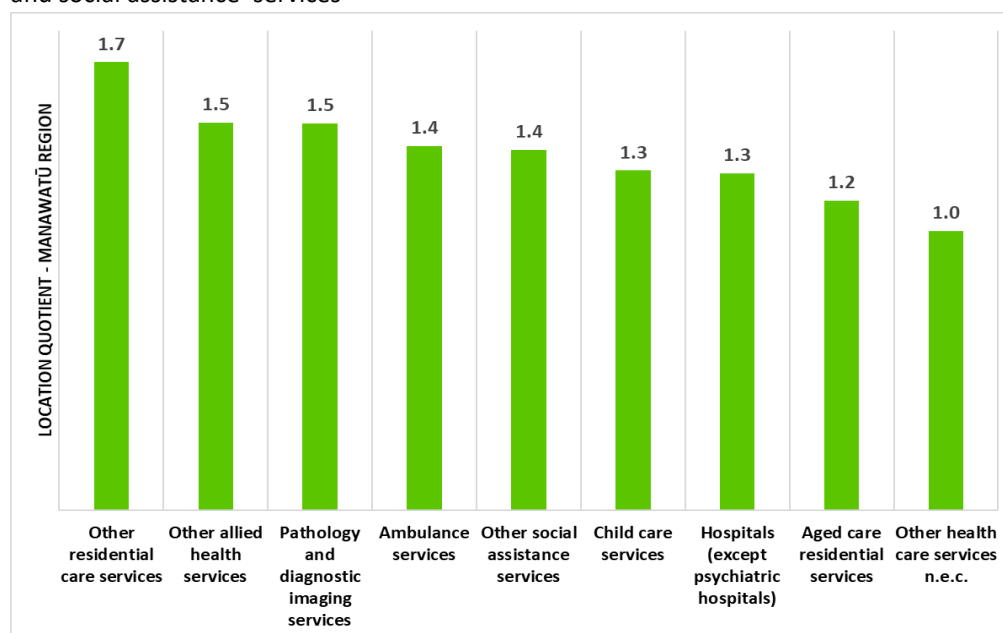
Figure B.2.4: Growth subsectors Employment (top 8 subsectors)



The location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This measure is often used as an indicator of comparative advantage. Where the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1, implying a comparative advantage in the production of that particular good or service.

The scale and size of the 'health care and social assistance' sector indicates the region's strength in the delivery of healthcare and social services. This is reflected in the LQ for the region, with 1.24 times the total workforce employed in the 'healthcare and social assistance' sector relative to the national average. A comparative advantage implies greater efficiency in the production of particular goods and services, relative to the national economy. Having a comparative advantage means an area is more likely to attract further investment and clustering of businesses required to produce that good or service. The graph below reflects the comparative advantage of the region in the 'public administration and safety' subsectors. The

Figure B.2.5: Comparative advantage of the Manawātū Region in the delivery of 'healthcare and social assistance' services



Appendix B.3 Construction

'Construction' is the fourth largest industry in the region by GDP and the fourth largest regional employer.

GDP \$631.5 million

Employment 6,841

'Heavy and civil engineering construction' is the largest subsector in the region by GDP contributing 31.4% of 'construction' GDP (\$198.5 million). The subsector is the third largest employer, making up 17.9% of total construction sector employment (1,226). 'Building installation services' is the second highest contributor to GDP adding 26.4% of 'construction' sector GDP (\$166.5 million) and the largest employer, with 29.8% of the construction sector workforce employed in the sector (2,036). The 'residential building construction' subsector is also a significant employer, making up 18.7% of total construction sector employment in the region.

Figure B.3.1: GDP by 'construction' subsector – March 2024

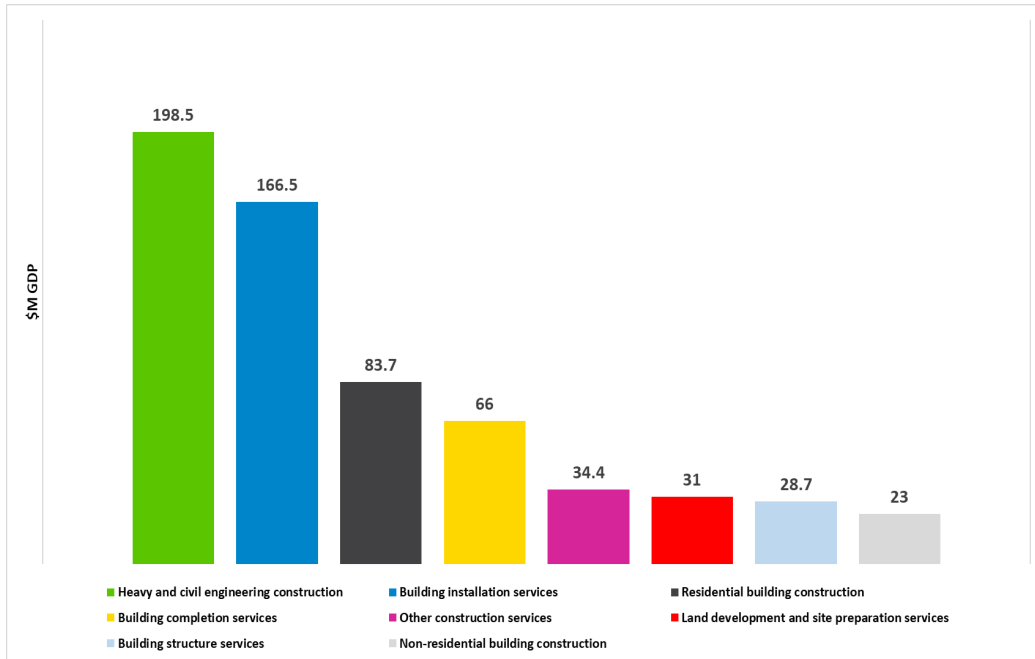


Figure B.3.2: Employment by 'construction' subsector – March 2024

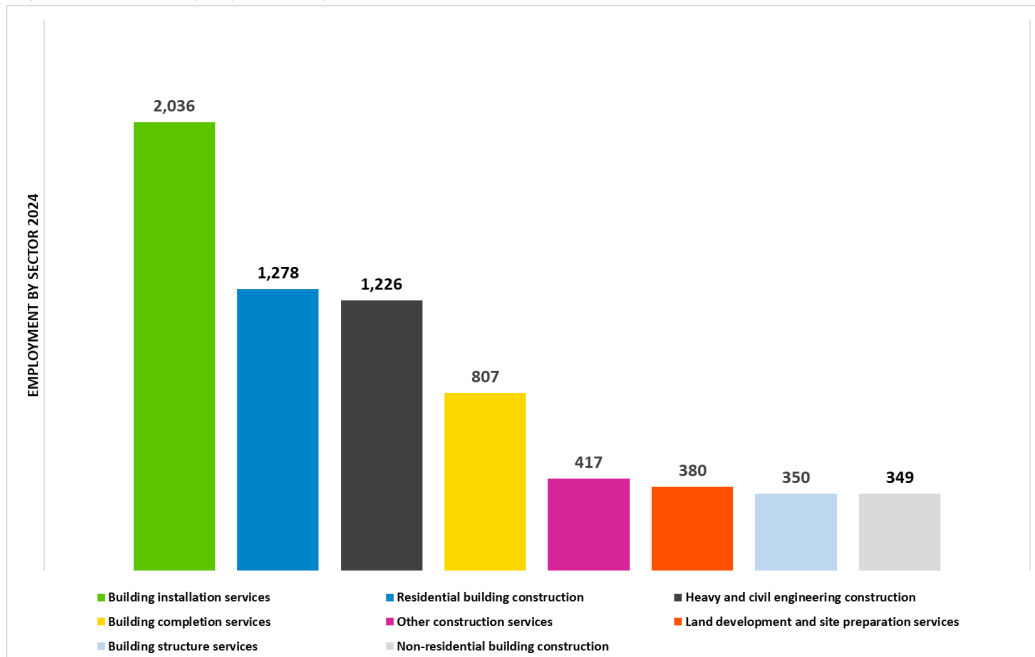


Figure B.3.3: Growth subsectors GDP - Construction (all subsectors)

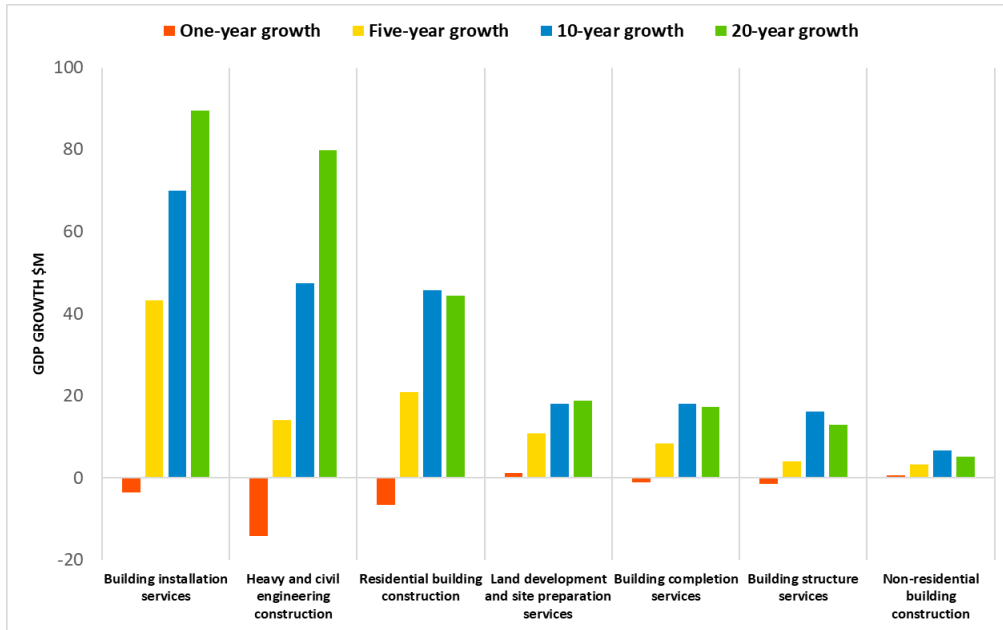
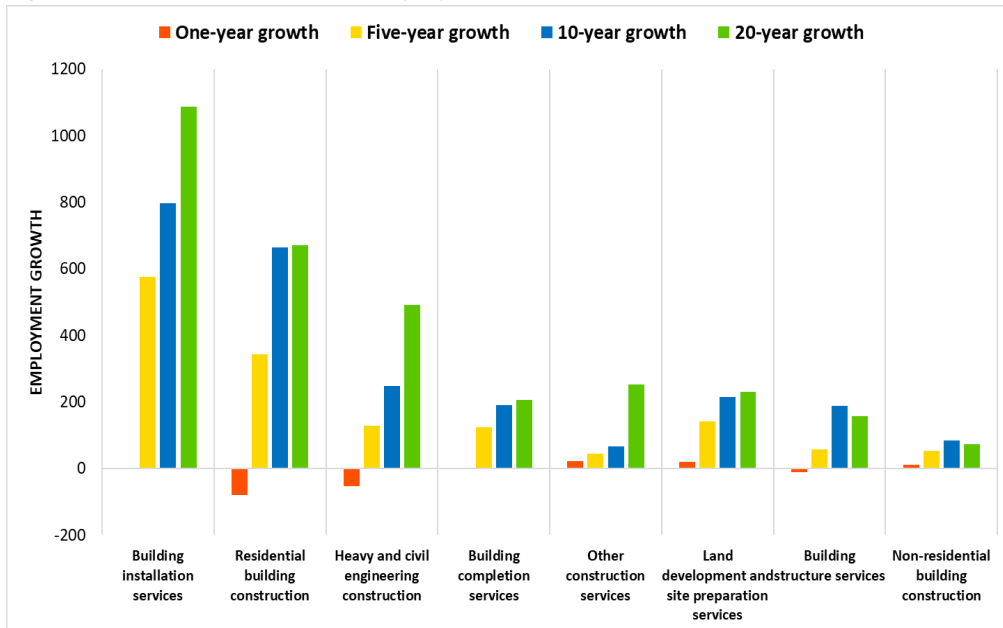


Figure B.3.4: Growth subsectors Employment – 'Construction' (all subsectors)



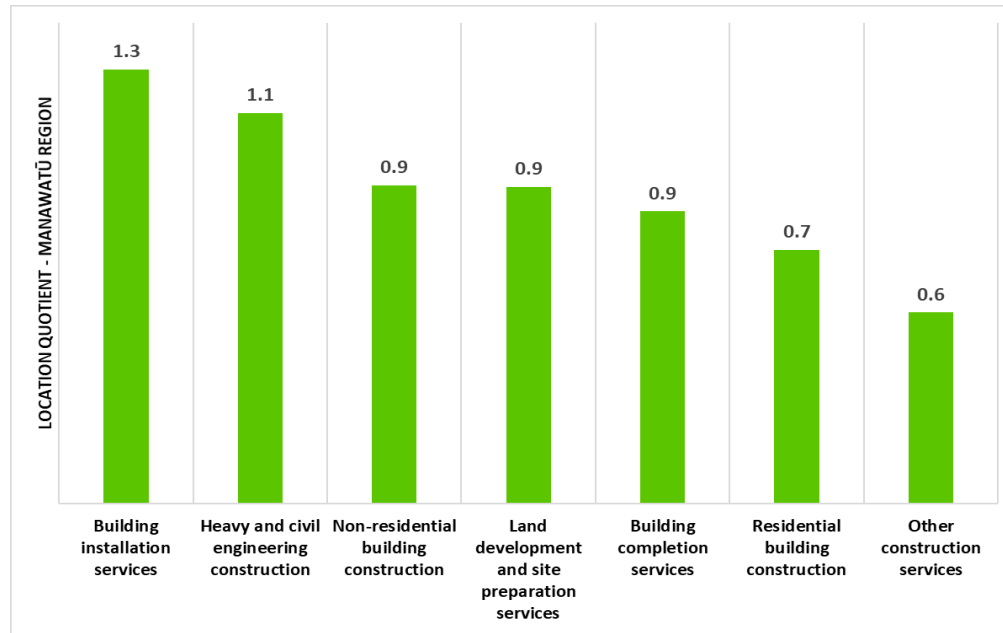
The location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This measure is often used as an indicator of comparative advantage.

The LQ is calculated by dividing the percentage of workers employed in a particular sector within a location, with the national percentage of workers employed in that sector. Where

the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1 , implying a comparative advantage in the production of that particular good or service.

The 'construction' sector has an overall LQ of 0.93. Across the 8 subsectors, the region has a comparative advantage in 'building installation services' and 'heavy and civil engineering construction'. The graph below reflects the LQ of the region across the 'construction' subsectors.

Figure B.3.5: Comparative advantage of the Manawatū Region in the delivery of 'construction' services'



Appendix B.4 Retail sector

The 'retail sector' combines 'retail trade' and 'accommodation and food' services to reflect the overall contribution of retail activities to the regional economy.

GDP \$631.1 million

Employment 10,132

'Supermarkets and grocery stores' are the largest subsector in the region contributing 17.6% of 'retail sector' GDP (\$108.2 million) and 31.4% of 'retail sector' employment (2,839) in March 2024. 'Cafes, restaurants and takeaway services' comes a close second, adding 17.2% of 'retail sector' GDP (\$105.4 million) and xx% of employment in the sector.

Figure B.4.1: GDP by 'retail sector' subsector – March 2024 (top 10 subsectors)

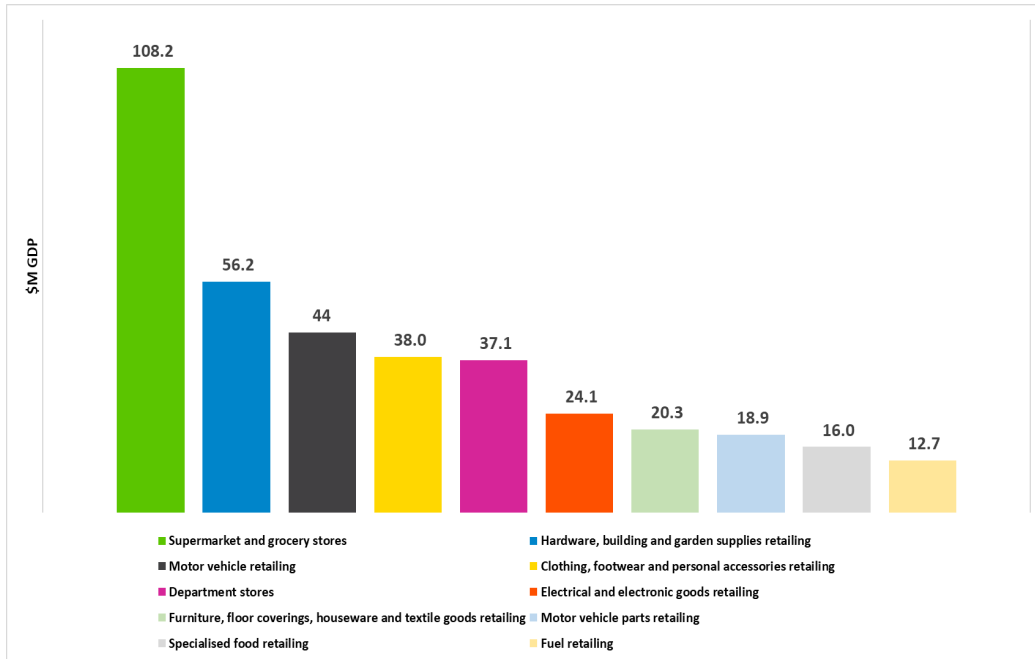


Figure B.4.2: Employment by 'retail sector' subsector – March 2024 (top 10 subsectors)

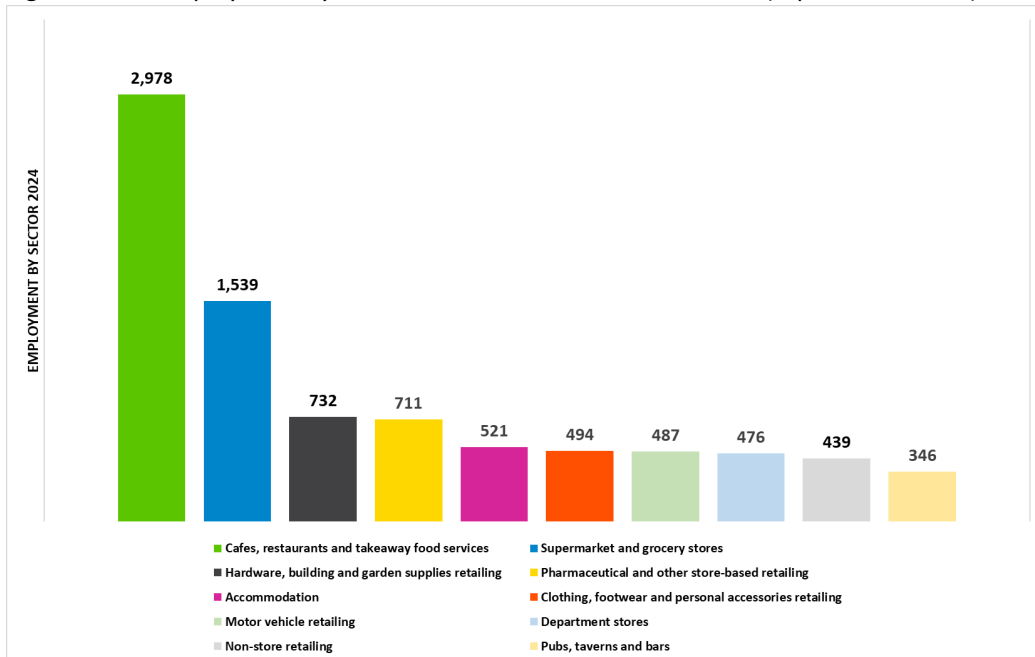


Figure B.4.3: Growth subsectors GDP – ‘Retail sector’ (top 8 subsectors)

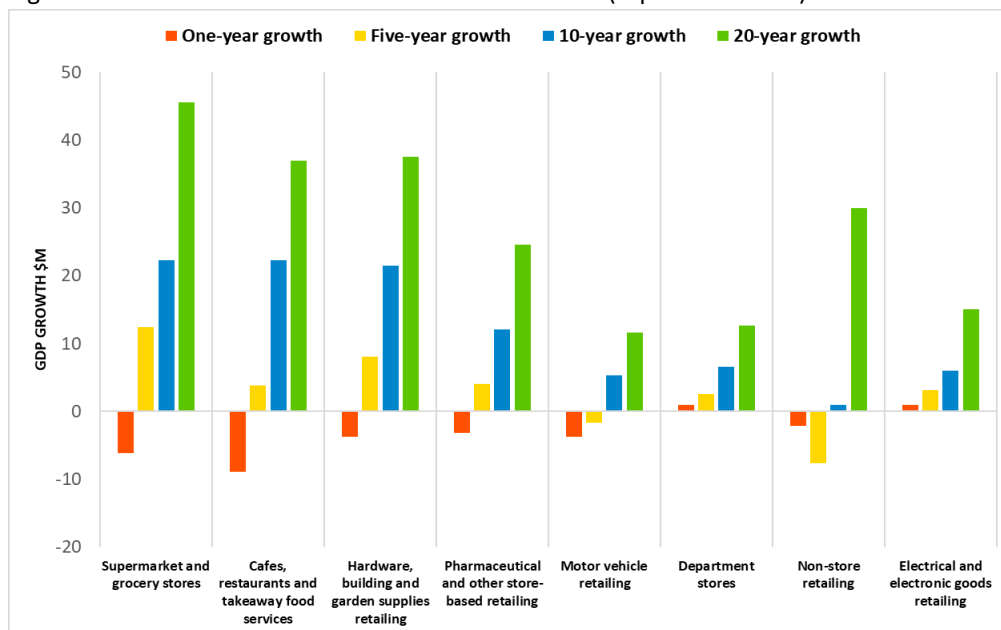
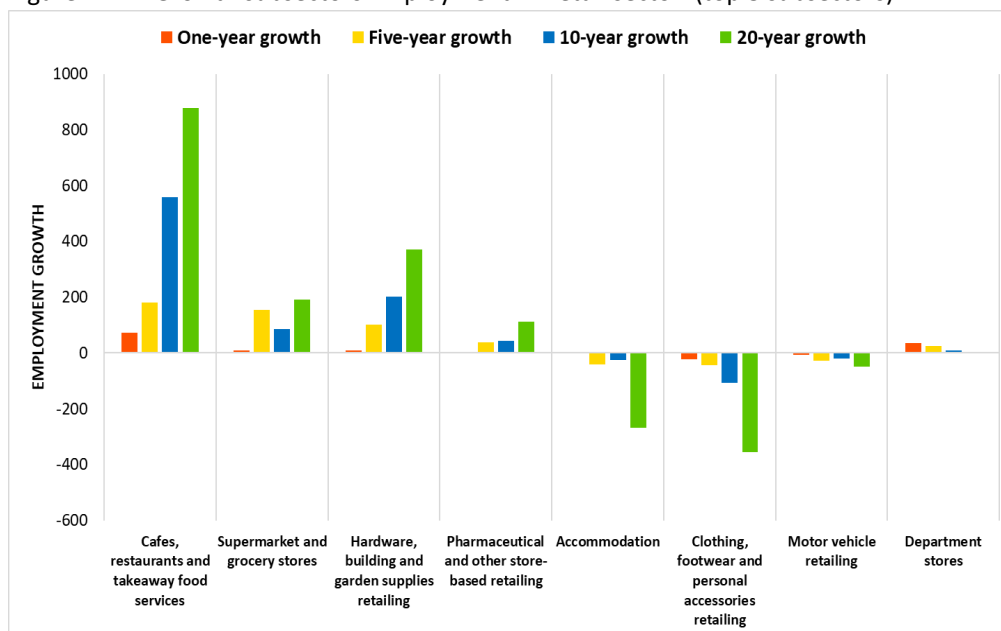


Figure B.4.4: Growth subsectors Employment – ‘Retail sector’ (top 8 subsectors)



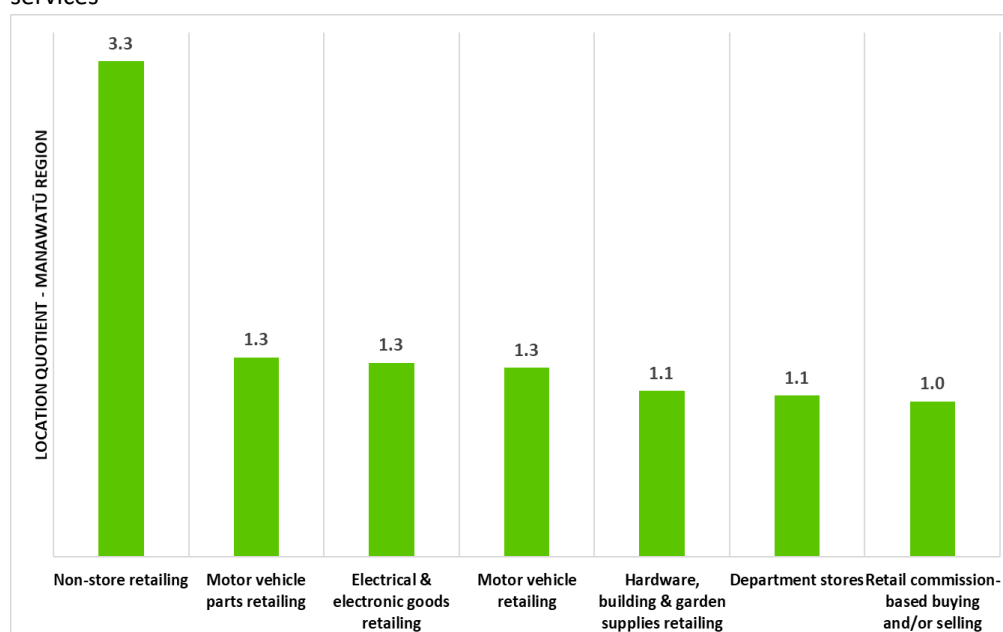
The location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This measure is often used as an indicator of comparative advantage.

The LQ is calculated by dividing the percentage of workers employed in a particular sector within a location, with the national percentage of workers employed in that sector. Where

the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1 , implying a comparative advantage in the production of that particular good or service.

The region has a large and diverse retail sector which provides for the diverse needs of the local community and visitors to the region. The LQ for the region is 0.95, therefore the percentage of people employed in the retail sector is below the level of employment nationally. This is partly explained by the much higher percentage of regional employment, clustered in the public sector than in other parts of the region. There are areas of the regional retail sector that have a greater level of resourcing than at the national level. The graph below reflects the comparative advantage of the region in the 'retail sector' subsectors.

Figure B.4.5: Comparative advantage of the Manawatū Region in the delivery of 'retail' services'



Appendix B.5 Manufacturing

'Manufacturing' is the eighth largest industry in the region by GDP and the seventh largest regional employer.

GDP \$468.4 million

Employment 5,169

'Food product manufacturing' is the largest subsector in the region by GDP contributing 28.6% of total 'manufacturing' GDP (\$134.0 million). The subsector is the third largest employer, making up 17.9% of total construction sector employment (1,226). 'Machinery and equipment manufacturing' are the second highest contributor to GDP adding 24.9% of total 'manufacturing' GDP (\$116.8 million) and the largest employer, with 29.8% of the construction sector workforce employed in the sector (2,036). The 'residential building

construction' subsector is also a significant employer, making up 18.7% of total construction sector employment in the region.

Figure B.5.1: GDP by 'manufacturing' subsector – March 2024 (top 8 subsectors)

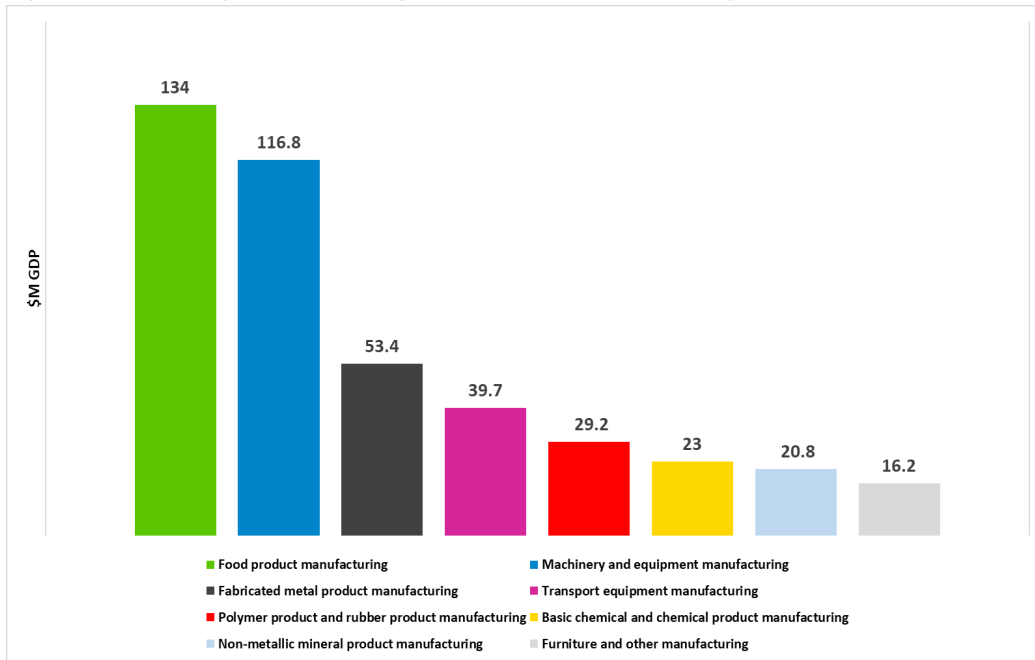


Figure B.5.2: Employment by 'manufacturing' subsector – March 2024

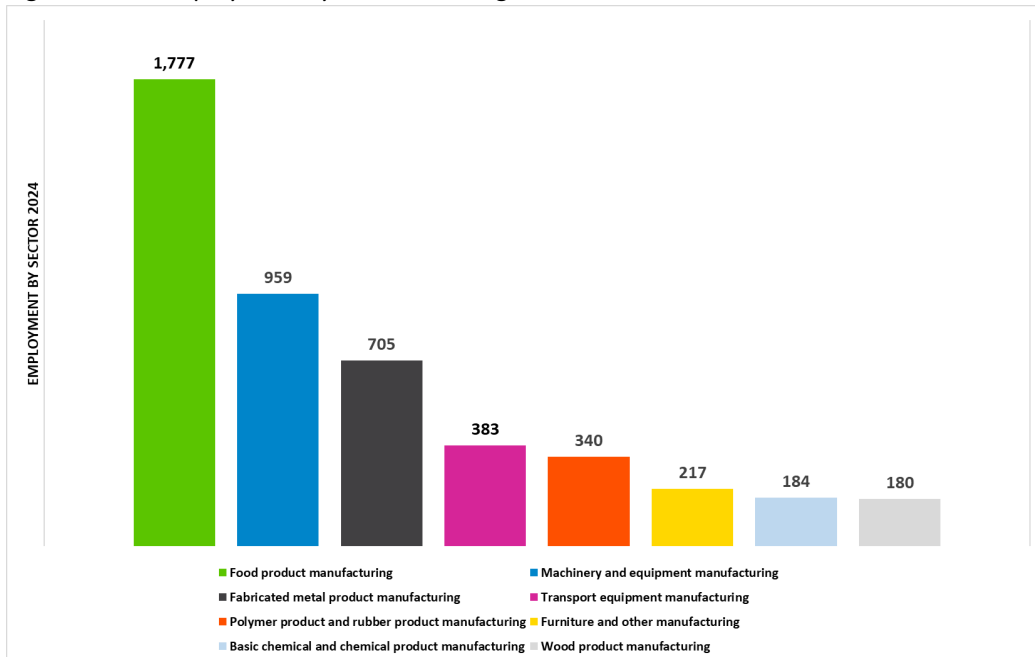


Figure B.5.3: Growth subsectors GDP - Manufacturing (all subsectors)

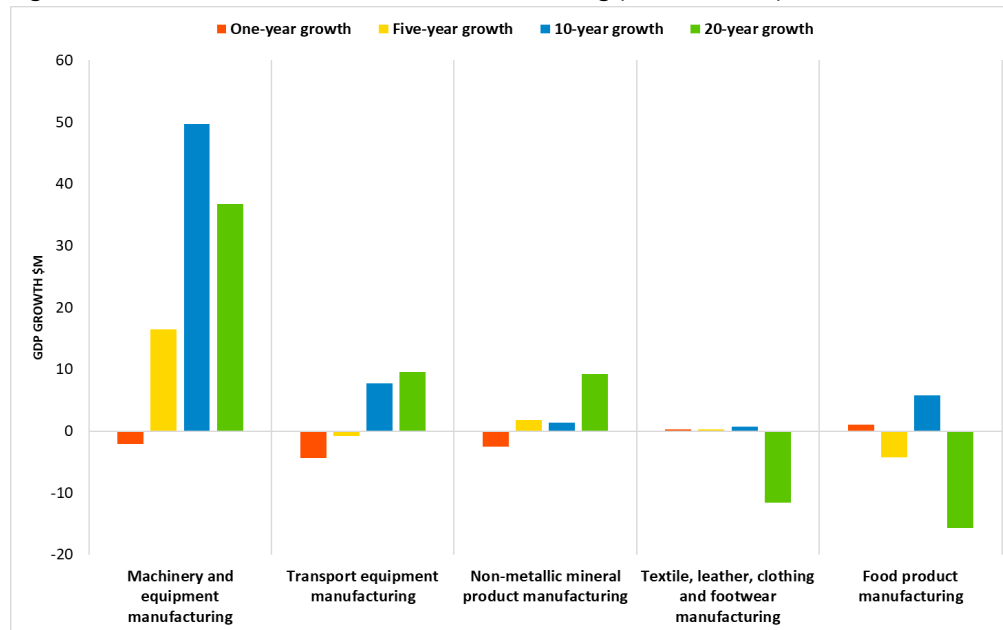
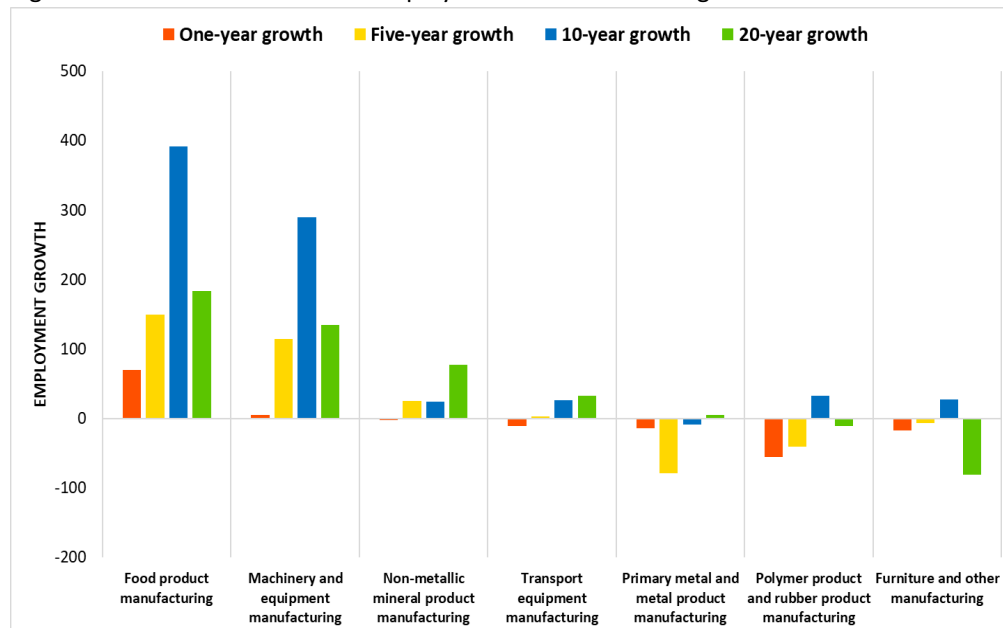


Figure B.5.4: Growth subsectors Employment – ‘Manufacturing’



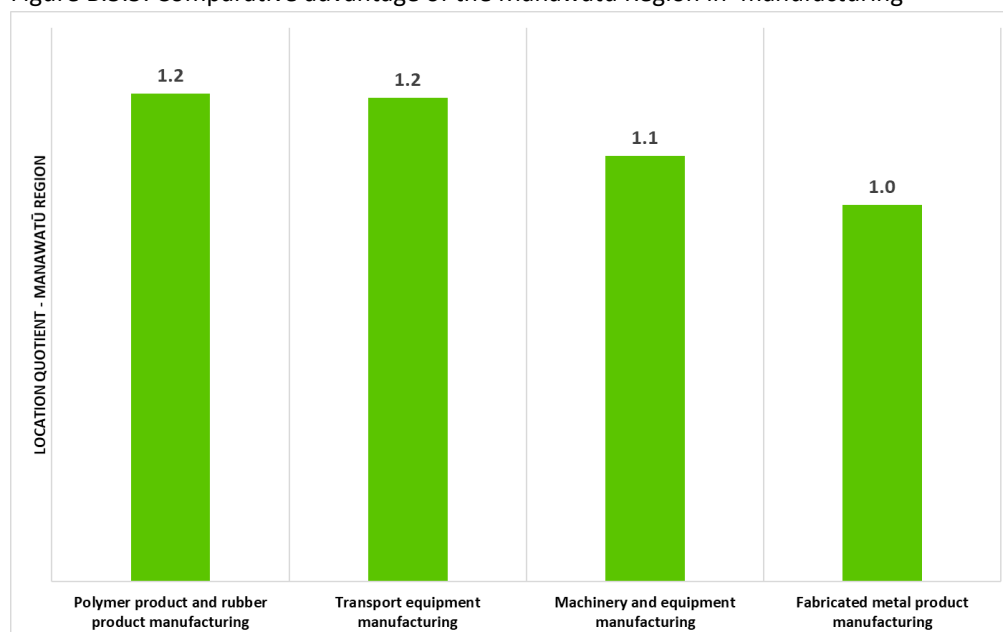
The location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This measure is often used as an indicator of comparative advantage.

The LQ is calculated by dividing the percentage of workers employed in a particular sector within a location, with the national percentage of workers employed in that sector. Where

the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1 , implying a comparative advantage in the production of that particular good or service.

The region's 'manufacturing' sector has an overall LQ of 0.82 but holds a comparative advantage across a range of subsectors. The graph below reflects the comparative advantage of particular manufacturing activities in the region.

Figure B.5.5: Comparative advantage of the Manawātū Region in 'manufacturing'



Appendix B.6 Education and training

'Education and training' is the ninth largest industry in the region by GDP and the fourth largest employer.

GDP \$464.3 million

Employment 6,872

'Higher education' is the largest subsector in the region by GDP contributing 35.4% of total 'education and training' GDP (\$164.1 million). The subsector is also the largest employer, making up 36.5% of total 'education and training' sector employment (2,508). 'Primary education' is the second highest contributor to GDP and employer in the sector, contributing 23.1% of total 'education and training' GDP (\$107.2 million) and 22.6% of total sector employment (1,556). 'Secondary education' is also a significant subsector for the region, making up 16.9% of 'education and training' GDP (\$78.4 million) and employing 16.6% of 'education and training' workers in the region (1,139).

Figure B.6.1: GDP by 'Education and training' subsectors – March 2024

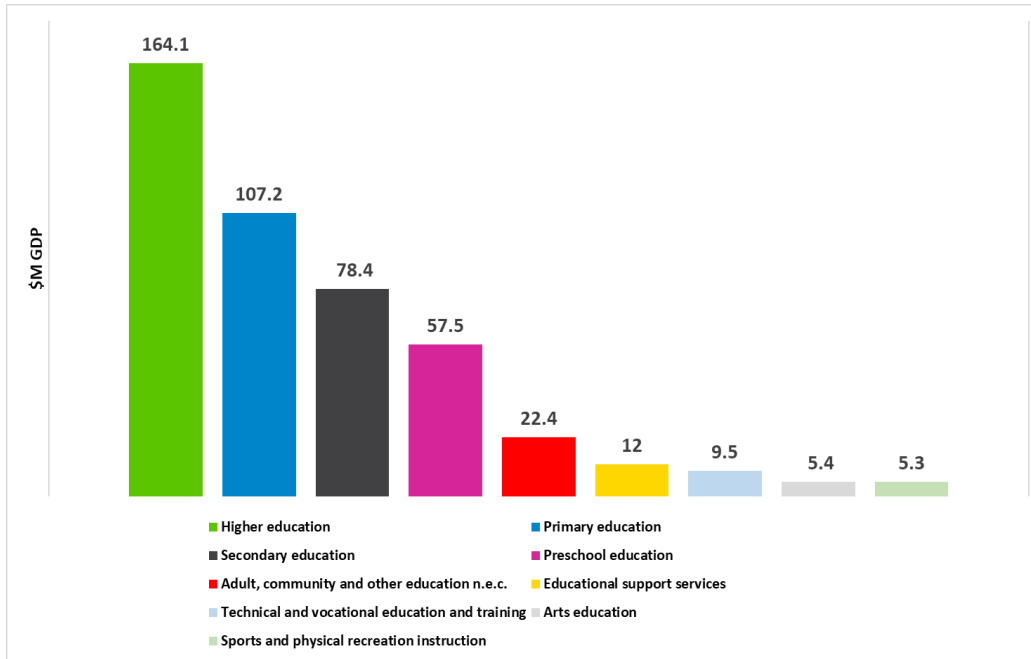


Figure B.6.2: Employment by 'education and training' subsector – March 2024

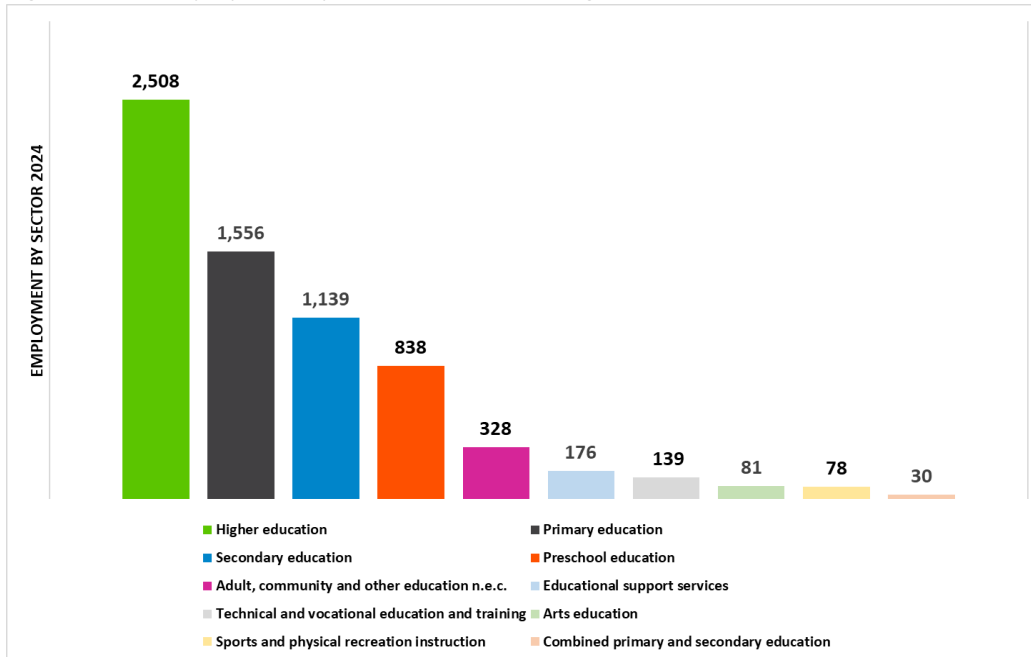


Figure B.6.3: Growth subsectors GDP – ‘Education and training’ (all subsectors)

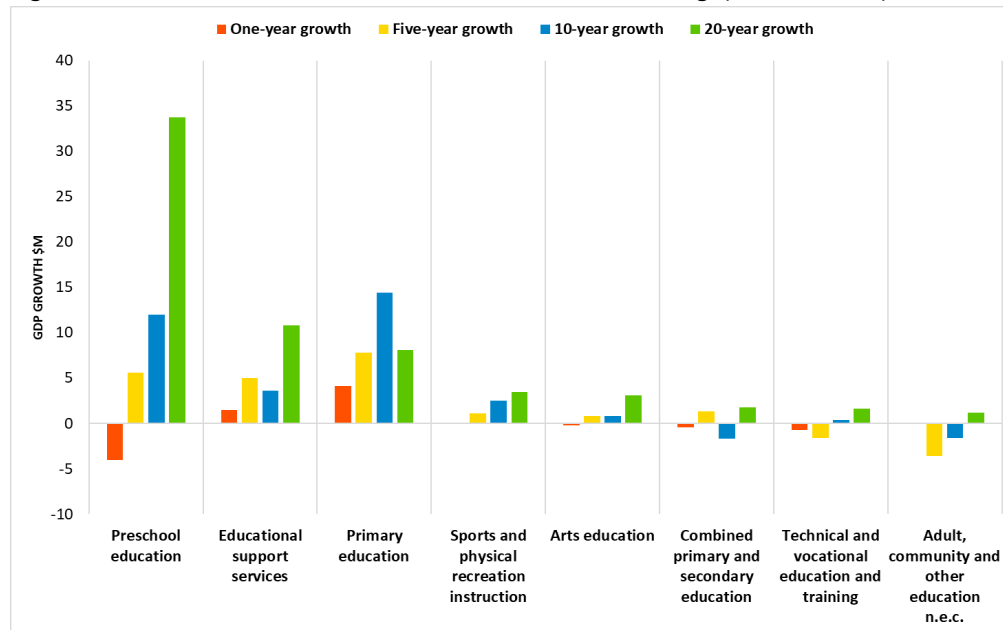
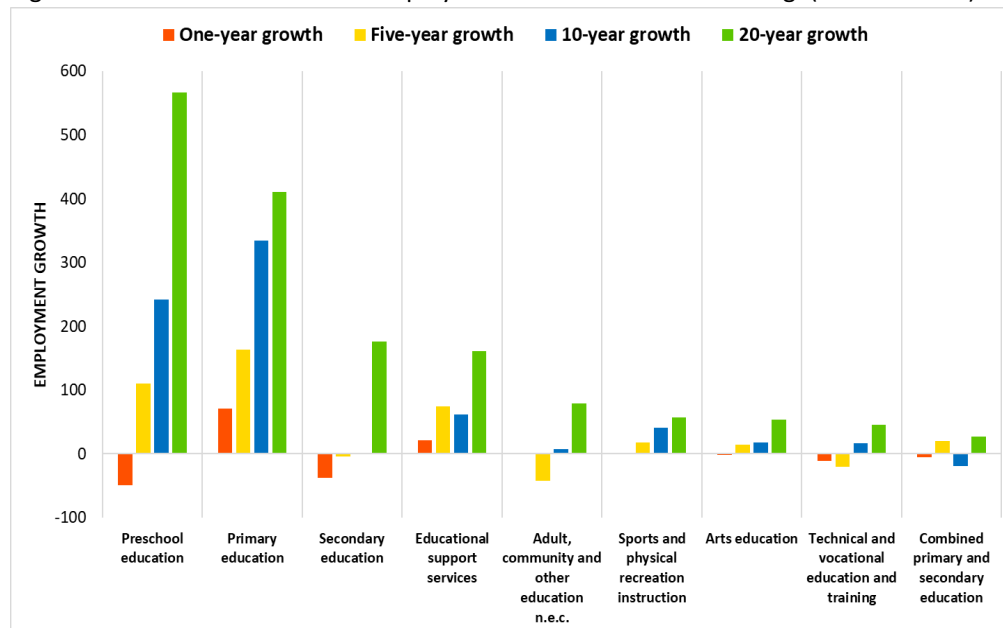


Figure B.6.4: Growth subsectors Employment – ‘Education and training’ (all subsectors)



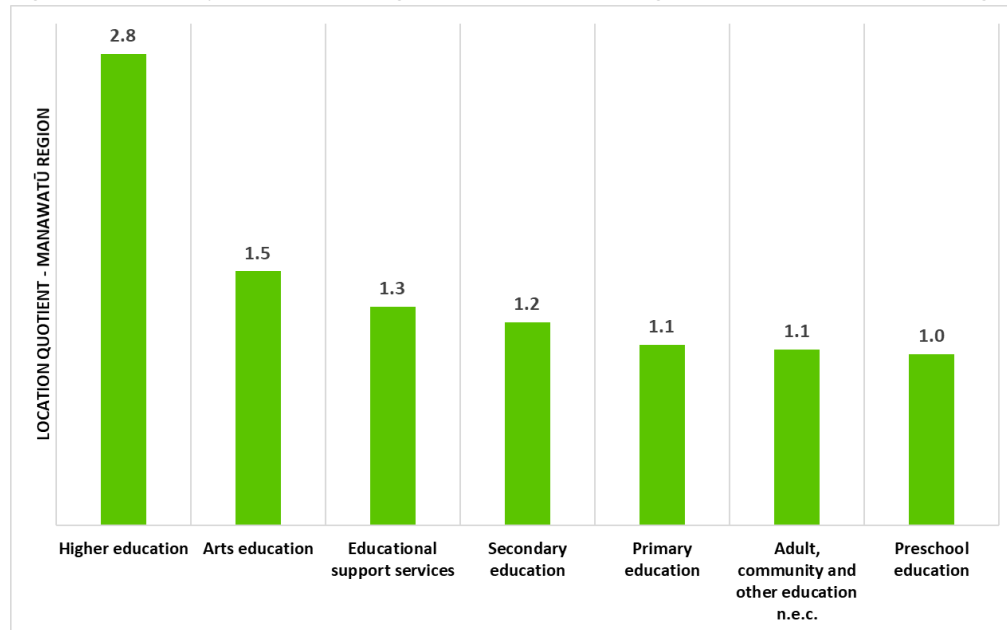
The location Quotient (LQ) indicates where a place has a greater proportion of resources invested in a particular type of production, compared with the national average. This measure is often used as an indicator of comparative advantage.

The LQ is calculated by dividing the percentage of workers employed in a particular sector within a location, with the national percentage of workers employed in that sector. Where

the percentage of the local workforce employed in the sector exceeds the national percentage, the LQ ratio is > 1 , implying a comparative advantage in the production of that particular good or service.

The region's 'education and training' sector has an overall LQ of 1.3, reflecting the strength of the region in the delivery of quality education and training services. This comparative advantage is predominately driven by 'higher education', with 'arts education', 'educational support services', school education and 'adult, community, and other education' services also benefiting from a greater proportion of resources invested in these services in the region. The quality and diverse education sector serves as a significant enabler across all sectors of the regional economy.

Figure B.6.5: Comparative advantage of the Manawātū Region in 'Education and training'



MEMORANDUM

TO: Economic Growth Committee

MEETING DATE: 11 June 2025

TITLE: International Relations and Education Annual Plan and Performance Measures 2025/26

PRESENTED BY: Gabrielle Loga, Manager International Relations and Kate Harridge, International Relations and Education Advisor

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO ECONOMIC GROWTH COMMITTEE

1. That Council receive the International Relations and Education Annual Plan and Performance Measures 2025/26

1. ISSUE

- 1.1 On 6 December 2023, Council resolved that the Chief Executive provide an Annual Plan for International Relations Activities to Council.
- 1.2 The purpose of this report is to review the 2024/25 Annual Plan and to provide the Annual Plan for International Relations and Education Activities for 2025/26.

2. REVIEW OF THE 2024-2025 ANNUAL PLAN

- 2.1 On 5 June 2024, Council accepted the following goals set for the city's International Relations and Education Activity in 2024/25:
 - **Goal 1:** Increase international exchange & cooperation to strengthen local economies and preparedness for future challenges
 - **Goal 2:** Increase promotion of the city and engagement with international partners to enhance the city's attractiveness as a tourism as well as a preferred study destination
 - **Goal 3:** Foster economic diversification and growth by facilitating new connections for local businesses, supporting emerging industries, and promoting innovation and entrepreneurship
 - **Goal 4:** Build up cultural competence, expertise and experience in international affairs across Council and within the city, with a focus on

engaging the youth for the sustainability of Council's international connections.

- 2.2 All planned 2024/25 activities have successfully met the set goals, as summarised in table 1 below. More detailed information on each activity has been provided in the last two six-monthly reports to the Economic Growth Committee on [18 September 2024](#) and [9 April 2025](#).

Table 1: Summary of 2024/25 International Relations and Education Activities

		Goal			
		1	3	3	4
Timeline	Activities				
June 2024	Successfully hosted the Kunshan delegation visit to Palmerston North and facilitated the MOU signing between FoodHQ and ECS-CAAS on 17 June 2024	✓	✓	✓	
July 2024	'Pisco es Peru' event (cancelled by Embassy)				
August 2024	Successfully facilitated the 2nd intake of the Waseda Study Group for the year from 4 – 24 August 2024		✓		✓
	Successfully hosted visit from Hiroshima Global Academy teachers to promote the Palmerston North – Mihara – HiGA scholarship programme from 19 – 24 August 2024		✓		✓
	Successfully hosted the Yantai delegation visit and signed a Letter of Intent for educational collaboration on 29 August 2024	✓	✓		✓
September 2024	Supported City Welcome Session – Pōwhiri on 14 September 2024		✓		✓
	Successfully collaborated with ASEAN Business Council and NZIIA PN branch to host the 'ASEAN – Open doors for AgriTech' event on 19 September 2024	✓	✓	✓	
October 2024	Supported the Te Utanganui Sydney Knowledge Acquisition Trip through connections with the Australian High Commission, Penrith and Liverpool City Council from 3-4 October 2024	✓	✓	✓	
	Supported the Hefei Delegation visit on 14 October 2024		✓		✓
	Hosted the EU Delegation's Ambassador visit with a focus on the EU-NZ FTA and Horizon Europe Funding programme on 17 October 2024	✓	✓	✓	
	Supported the Latin American and Spanish Film Festival – showcasing Latin cultures		✓		✓
	Hosted the Can Tho City's Delegation visit to Palmerston North on 22 October 2024.	✓	✓		

		Goal			
November 2024	Supported Diwali Mela – Festival of Light on 2 November 2024				✓
	Attended the GCNZ North Island Forum on 8 November 2024		✓		
	Supported City Welcome Session – Pōwhiri on 16 November 2024		✓		✓
	Supported Riddet Institute and Massey University with the 17 th International Hydrocolloids Conference		✓	✓	
	Facilitated the Dutch Innovation Delegation visit on 19 November 2024	✓	✓	✓	
	Hosted the Swiss Ambassador's visit to Palmerston North on 28 November 2024	✓	✓		
December 2024	Attended the Fuzhou International Friendship Cities Tourism & Cultures Festival from 4 – 8 December 2024	✓	✓		✓
	Supported The Factory with visit from the Grand Tag Group on 16 December 2024	✓	✓	✓	
January 2025	Attended the Symposium on Strategic Subnational Diplomacy on 15 – 17 January 2025	✓	✓		✓
	Successfully co-hosted the Dunhuang Cultural Exhibition		✓		✓
February 2025	Supported the Lunar New Year Celebration on 1 February 2025		✓		✓
	Attended Guiyang's "All Friends in a Shared Community Network" Online Conference	✓	✓		✓
	Successfully hosted the 2-day programme for the diplomatic delegation during the 2025 Festival of Cultures on 21-22 February 2025	✓	✓	✓	
March 2025	Supporting Holi – Festival of Light		✓		✓
	Hosted the Indian Entrepreneurship Initiative delegation with Asia New Zealand Foundation on 12 March 2025	✓	✓	✓	
	Successfully facilitated the 1st intake of the Waseda Study Group for the year from 23 March - April 2025		✓		✓
	Supported local students to virtually participate in the Academic World Quest conference in Missoula, Montana on 4 March 2025		✓		✓
	Supported and attended the NZIIA Event – 'Unlocking Doors for Global Experiences' on 6 March 2025				✓
April 2025	Facilitating the virtual introductory meeting for key stakeholders in the AgriTech and Food Innovation sectors in Palmerston North and Nancy, France	✓	✓	✓	
May 2025	Successfully hosted the Regional International Education	✓	✓		✓

Goal					
	Forum on 5 May 2025				
	Attending the 3 rd China – New Zealand Mayoral Forum in Chengdu from 19 – 22 May 2025	✓	✓		✓
June 2025	Attending the 50 th Anniversary of New Zealand and Vietnam's Diplomatic Relations	✓	✓		

2.3 Some highlights of the 2024/25 year include:

- Hosted over 50 diplomats, mostly ambassadors and high commissioners to New Zealand.
- Hosted or facilitated 10 visiting delegations specifically to facilitate new connections for local businesses, support the AgriTech and Food Innovation sector, and promote innovation and entrepreneurship.
- Facilitated 5 visiting study groups or delegation specifically to promote Palmerston North as a vibrant hub for international education and research as well as a preferred study destination for international students.
- Attended 5 international forums and events to promote and enhance the city's attractiveness as a tourism, investment and study destination
- Hosted or supported 5 international cultural events to enhance engagement with diverse communities, build up cultural competence, expertise and experience within the city.
- Hosted 1 Regional International Education Forum to facilitate an open and collaborative forum for all education providers where participants can share challenges, aspirations, and needs, with a focus on aligning international goals and exploring way to support each other within available resources.

3. GOALS AND ANNUAL PLAN FOR 2025/26

3.1 Building on the achievements of the previous year, the goals for the next 12 months are to further strengthen and expand efforts to:

- **Goal 1:** Foster deeper engagement with strategic international partners to enhance the city's profile as a preferred destination for education, tourism, and investment.
- **Goal 2:** Strengthen local economies through the promotion of tourism, international education, and facilitation of business connections and investment opportunities.

- **Goal 3:** Promote research collaboration, innovation and entrepreneurship to increase the city's diversification and resilience against future challenges.

3.2 The goals have been updated for 2025/26 to strengthen alignment with the Economic Development Plan.

3.3 The International Relations and Education activities planned for 2025/26 are detailed in table 2.

Table 2: 2025/26 International Relations and Education Activities

Goal		1	3	3
Timeline	Planned Activities			
July 2025	Guiyang Global Youth Summer Camp	✓	✓	
August 2025	Atomic Bomb Poster Exhibition, commemorating the 8 th anniversary of the U.S. bombing of Hiroshima-Nagasaki	✓		
	Facilitate Waseda Study Group	✓		
	ASEAN Forum 2025: 50 Years + \$50 Billion	✓	✓	✓
September 2025	Support City Welcome Session		✓	
	Launch 25/26 Global Ambassador Programme		✓	
October 2025	Support Diwali Mela	✓	✓	
	Support the Latin American and Spanish Film Festival	✓		
November 2025	Support City Welcome Session	✓		
December 2025	Fuzhou International Friendship Cities Tourism & Cultures Festival	✓	✓	
January 2026	Preparing for February events			
February 2026	Support the Lunar New Year Celebration	✓		
	Host an economic development-focused delegation from Missoula to Palmerston North	✓	✓	✓
	Host a 2-day programme for the diplomatic delegation during the 2026 Festival of Cultures	✓	✓	✓
March 2026	Support Holi – Festival of Light	✓		
	Taipei Smart Cities Summit & Expo	✓	✓	✓

Goal		1	3	3
	Facilitate Waseda Study Group	✓		
April 2026	Regional International Education Forum	✓		
May 2026	Lead an Education Mission to Japan, South Korea and Thailand	✓	✓	
June 2026	Annual Plan 2026-2027			

3.4 In addition to the programme above, Council can expect invitations for international events and activities, including:

- Taipei Smart Cities Summit and Expo
- Eco Forum Global Guiyang
- Big Data Expo Guiyang
- Asia-Pacific Mayors' Forum in Brisbane
- Food Innovation Days in Nancy
- Campinas Innovation Week in Campinas
- The Zero Carbon Waste Industry Technology Exchange Conference in Kunshan, Suzhou
- Suzhou Agri-Tech Conference and Future Agriculture Initiative
- Shandong International Friendship Cities Conference for Cooperation and Development
- Fuzhou International Friendship Cities Tourism and Cultures Festival
- China's International Friendship Cities Conference
- Symposium on Strategic Subnational Diplomacy

3.5 Attendance at these events will be assessed against the goals set for 2025/26 and the available budget.

4. QUANTITATIVE PERFORMANCE MEASURES

4.1 In response to a Council resolution directing the development of quantitative success measures, officers incorporated new quantitative data into the six-month report presented to the Economic Growth Committee on 9 April 2025. This included, national and regional international student enrolments, valid international student visa holders who are studying in Manawatū-Whanganui,

and equivalent full-time students for Palmerston North based tertiary institutions.

- 4.2 As detailed in the [9 April 2025](#) six month report², at this stage there is limited quantitative data available that is directly linked to the work of the International Relations and Education function. Officers are aware of data regarding the number of international students studying or visiting local schools and the corresponding revenue the schools receive, but much of that data is sensitive and not appropriate to be reported in this context. What we do know is that international students are an important source of additional revenue for local schools and the relationship the City has with the local schools and overseas partners is very important to facilitating those outcomes.
- 4.3 While there are social and cultural outcomes associated with the International Relations and Education function, much of the work is linked to broader economic development outcomes. One option to give effect to the Council resolution is to monitor macro quantitative measures such as GDP, median income, international card spend, jobs and/or jobs in particular sectors linked to the work of the International Relations and Education function, e.g. jobs in education, logistics, agri-food, research, science and innovation. The 6-month report could then connect the work of the International Relations and Education function to broad trends and outcomes in these areas. However, these macro measures are already monitored elsewhere via quarterly economic reporting, sector profiles and dashboards. These measures or indicators are also influenced by a broad range of drivers, many of which are outside the direct control of Council, including the International Relations and Education function.
- 4.4 Quantitative measures do tend to work well for certain Council activities, e.g. infrastructure standards, visits to facilities, consent numbers and land supply. Determining appropriate quantitative measures for many Council activities, including International Relations and Education, is a real challenge. For example, CEDA's performance framework previously included macro economic measures such as job growth and median income. As noted above, the reality is these types of measures are influenced by a very broad range of drivers, many of which are outside the direct control of Council or CEDA. The statement of service performance for CEDA now includes measures such as; *deliver 9 sector development initiatives to support the regions sectors of strength; 400 engagements with businesses to support growth and talent retention; and partner with key stakeholders to deliver 6 start-up and innovation activities or initiatives.*
- 4.5 It is a very rare where a successful outcome for the City is linked to a single activity or function of the Council. In most cases there will be multiple factors at play that influence certain outcomes. For example, if the City was successful in securing a new international freight and distribution activity at Te

² Some of the content from this report has been reproduced in this report given the last 6-month report was presented at the end of a full day on 9 April 2025.

Utanganui, it is likely that the activities of international relations, CEDA, planning, building, infrastructure, economic analysis & reporting, advocacy via the Mayor's office, and policy settings regarding development contributions and rates all factored into the outcome. Likewise, if one of the local research or education institutions was able to secure additional overseas funding, it is likely that the activities of international relations, CEDA, FoodHQ (PNCC is a partner) and advocacy via the Mayor's office all played a role. Outcomes such as these are long term plays for the City that require ongoing commitment to relationships and partnerships, including with our overseas partners if we want to position the City for inward investment.

- 4.6 A more practical and meaningful approach is to focus on activity-based quantitative measures that the International Relations and Education function directly undertakes within allocated budgets.
- 4.7 For International Education, the following performance measures are recommended for 2025/26:
 - Number of international students enrolled in local education providers (long-term and short-term)
 - Number of international students holding valid student visas residing in the region
 - Number of education-related international delegations hosted
 - Number of partnership agreements or Memoranda of Understanding signed with overseas education institutions
 - Number of international student engagement events supported or led by Council (e.g. City Welcome or Global Ambassador programme).
- 4.8 For International Relations, the following performance measures are recommended for 2025/26:
 - Number of overseas delegations hosted by Council or facilitated with local partners.
 - Number of outbound delegations led or supported by Council representatives.
 - Number of diplomats, consular officials, or foreign dignitaries hosted in the city.
 - Number of international cultural events supported, coordinated, or funded by Council.
 - Number of events or campaigns promoting the city as a destination for tourism, education, or investment.

- Number of sister city partnerships and partner city networks established or maintained.
- Number of new international linkages created between local businesses/educational institutions and international counterparts.

4.9 The recommended performance measures capture the core operational efforts of the International Relations and Education function and reflect the relational and cumulative nature of success in international engagement.

4.10 The recommended success measures are also consistent with best practice in international relations performance measures used by similar government and economic development entities worldwide. While they may not capture long-term impact immediately, they serve as leading indicators of strategic success and enable more effective tracking of Council's role in building international connections and creating the conditions for future growth.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 1: He tāone auaha, he tāone tiputipu Goal 1: An innovative and growing city	
The recommendations contribute to this plan: 2. Mahere whakawhanake ohaoaha 2. Economic Development Plan The objective is: <ul style="list-style-type: none"> • Support international education and promote Palmerston North's interests to global partners • Promote Palmerston North's interests to global city partners • Facilitate international economic and education partnerships with city institutions • Manage official delegations and relationships with diplomatic corps • Participate in international forums and events 	

Contribution to strategic direction and to social, economic, environmental and cultural well-being	The 2025-2026 annual plan for international relations and education activities outlines the tentative plan of actions and contingencies which contributes to the Economic Development Plan and Innovative and Growing City Strategy.
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ATTACHMENTS – Nil

MEMORANDUM

TO: Economic Growth Committee

MEETING DATE: 11 June 2025

TITLE: Tamakuku Terrace Six Monthly Update

PRESENTED BY: Glenn Bunny, Manager Property and Anna Saunders, Capital Projects Officer

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO ECONOMIC GROWTH COMMITTEE

1. That the Committee receive the memorandum titled 'Tamakuku Terrace Six Monthly Update', presented to the Economic Growth Committee on 11 June 2025.
-

1. ISSUE

- 1.1 During the last term of Council, the Infrastructure Committee requested six monthly updates be provided throughout the duration of the Tamakuku Terrace project. In the 2022-25 term, updates are presented to the Economic Growth Committee.
- 1.2 This report is the update for the six-month period ending 31 May 2025.

2. BACKGROUND

- 2.1 Tamakuku Terrace is a new 114-section subdivision within the Whakarongo Growth Area. Section sizes within the subdivision range from 275m² (a couple) through to 810m², with the average section size being 463m².
- 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 Construction of Stage 2 commenced in October 2024 with completion expected in mid-2025, and titles issued by late-2025.

3. PROJECT UPDATE – 31 MAY 2025

- 3.1 Below is an overview and update of the project and the various workstreams that are currently underway.

Stage 1 Financials

- 3.2 A high-level financial summary of the project costs is provided in the table below:

Stage 1	\$ (excl. GST)
Budgeted total development cost	\$15.2M
Forecasted total development cost	\$14.12M Current cost to date is \$13.5M Remaining costs are for landscape maintenance, sales fees, and legal costs.
Forecasted Stage 1 revenue	\$24.8M
Completed settlements at 31 May	\$9.43M

- 3.3 Please note: the forecasted revenue assumes all section sales are sold at their valuation prices.

Sales

- 3.4 Tamakuku Terrace has bettered the sales forecast of 2 sales per month to an average of 2.6 sales per month since January 2025 due to recent successful negotiations with group builders. Enquiries remain steady with recent sales conversions to back these up.
- 3.5 Pleasingly, since the last update report in November 2024, there has been twelve further conditional or unconditional sales within Stage 1 and seven pre-sales within Stage 2 of the development.

- 3.6 The graph of sales below shows the notable upward trend since November 2023 and the most recent spike in April 2025, which includes Stage 2 pre-sales:



- 3.7 75% of sales have been to build partners. This is expected as build partners provide cost certainty to buyers and guide them through the build process. This assists end-buyers with obtaining finance and ensures homes are built in a timely manner.
- 3.8 The table below summarises the sales and stock volumes at Tamakuku Terrace as well as the pricing allocated to these:

Stage 1	Unconditional Revenue (Excl. GST)	Total Sales
Sold and Settled	\$9,439,565	32
Sold (but still to settle)	\$1,421,739	5
Conditional Sales (direct)		0
Conditional Sales (to group builders)	\$3,830,435	12
Total Sold Sections	\$14,691,739	49
Unsold Stock	\$10,197,391	30

- 3.9 Note that the five sections above that are still to settle are with group builders with 12-month builder terms. They are unconditional sales; however, they will not settle until the time of issue of Code of Compliance or by 12 calendar months. These five unconditional sales will settle over the next six months (June to December 2025) as homes are completed, totalling \$1.42M of revenue.
- 3.10 An important milestone for the project is to break even on Stage 1. The 49 section sales to date achieve this breakeven point, with the outstanding associated settlements expected in the next twelve months, due to delayed settlements with build partners.
- 3.11 The remaining section sales in Stage 1 will go towards offsetting the expenditure required for Stage 2. Once the breakeven for Stage 2 and the whole development is achieved, the balance of sale proceeds can be considered profit. This milestone is expected to be reached in mid-2026.

Proactive Sales – Stage 1 Further Subdivision

- 3.12 Officers have been proactive with trying to move existing stock, before Stage 2 sections comes online later in the year. One of the objectives of the development was to provide "housing choice" which was achieved by offering a range of section sizes to the market.
- 3.13 Recent trends at Tamakuku Terrace has seen the popularity of the of the 300-450m² sections rise, where Stage 1 has almost sold all of its offerings in this size range, being 32 of the 49 available sections.
- 3.14 Development Managers, Veros Property Services, conducted a feasibility study to further subdivide some sections at Tamakuku Terrace in order to create the in-demand smaller section sizes out of adjacent larger sections. The financial outcomes were favourable, but more importantly a group builder was interested in one of the further subdivided areas, Lots 25 to 28.
- 3.15 The group builder has purchased these lots in Stage 1, on the condition that Council further subdivide Lots 25 to 28 into 5 smaller lots, as opposed to the existing 4 larger lots. Upon sale to the group builder, a resource consent application was submitted for the further subdivisions.
- 3.16 This is a great outcome for the project as it will most importantly move the sitting stock, produce revenue for Council, and see homes built more quickly for the city.
- 3.17 Further subdivision opportunities are available, but officers will only proceed with this if a purchaser has committed to the further subdivided lots with a sale and purchase agreement.

Stage 1 Updated Sales List

- 3.18 An updated table detailing the Stage 1 section sales including the new section sizes, sale dates, settlement dates, and confirmed sale prices are

given in Attachment 1. Note that the summary table above contains the GST-exclusive values and Attachment 1 provides GST-inclusive sale prices.

- 3.19 Attachment 1 also provides a map of the development sections to see which have sold. Noting that all unsold sections in Stage 1 are available for sale.
- 3.20 Attachment 2 contains the three scheme plans associated with the potential Stage 1 further subdivisions.

Stage 2 Financials

- 3.21 A high-level financial summary of the project costs is provided in the table below:

Stage 2	\$ (excl. GST)
Budgeted total development cost	\$9.9M
Forecasted total development cost	\$9.9M Current cost to date is \$5.6M
Forecasted Stage 2 revenue	\$11.85M

- 3.22 Please note: the forecasted revenue assumes all section sales are sold at their valuation prices.
- 3.23 The table below summarises the sales and stock volumes at Tamakuku Terrace as well as the pricing allocated to these:

Stage 2	Unconditional Revenue (Excl. GST)	Total Sales
Conditional Sales (to group builders)	\$1,852,174	7
Total Sold Sections	\$1,852,174	7
Unsold Stock	\$8,456,522	28

Stage 2 Sales List

- 3.24 Attachment 3 details the section sales including the new section sizes, sale dates, settlement dates, and confirmed sale prices. Note that the summary table above contains the GST-exclusive values and Appendix 3 provides GST-inclusive sale prices.
- 3.25 Attachment 3 also provides a map of the development sections to see which have sold.

Stage 2 Workstreams

3.26 Below is an update on the workstreams for Stage 2:

Workstream	Commencement	Comments
Stage 2 detailed design and consent	July 2023	<ul style="list-style-type: none"> The resource consent for Stage 2 has been approved by an independent commissioner. Stage 2 engineering approval was resolved. Fulton Hogan are complying with the consent conditions.
Culvert bypass construction	October 2024	<ul style="list-style-type: none"> Culvert bypass construction is complete.
Earthworks	November 2024	<ul style="list-style-type: none"> Earthworks are complete.
Civil construction	January 2025	<ul style="list-style-type: none"> Civil works are approximately 90% complete at the time of writing this report. All remaining construction work will be completed in June.
Stage 2 titles	June 2025	<ul style="list-style-type: none"> Lodge 224C application upon completion of Stage 2 construction in June. Titles issued by late 2025.
Stage 1 further subdivision	April 2025	<ul style="list-style-type: none"> The resource consent application was lodged in early May 2025. Pending approval of this application, the minor physical works to complete the further subdivision is scheduled for June 2025. Titles issued by mid-to-late 2025.

Health and Safety

- 3.27 The health and safety incident report for Stage 2 of the project is summarised below:

	Near Misses	Incidents	Notifiable Events or Loss-of-Time Injuries	Total
Accumulative to date	1	3	0	4
This period	0	1	0	1
Total	1	4	0	5

Contingency

- 3.28 There is \$1,115,375 allocated for Stage 2 contingency and a net position of \$300k is expected to be utilised. This is a result of contract variations and unclaimed contract items that were not required.

4. NEXT STEPS


- 4.1 Continue with Stage 1 section sales.
- 4.2 Continue with Stage 2 pre-sales.
- 4.3 Complete the Stage 1 further subdivision of Lots 25 to 28 into 5 subsequent Lots.
- 4.4 Lodge the 223C/224C applications. Obtain titles for Stage 2 of the development and Stage 1 further subdivision.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or	No

plans?	
<p>The recommendations contribute to the achievement of objectives in:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu</p> <p>Goal 1: An innovative and growing city</p>	
<p>The recommendations that contribute to this plan are:</p> <p>15. Mahere whare</p> <p>15. Housing Plan</p> <p>The objectives are to: Facilitate new housing development and provide incentives to encourage other housing providers</p>	
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"> • Provide additional sections to the marketplace to help reduce the supply vs. demand shortfall. • Provide choice to purchasers through a variety of section sizes and provide them the freedom to choose their preferred house builder. • 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. • Support local contractors and the employment market.

ATTACHMENTS

1. Tamakuku Terrace Section Sales List - Stage 1 - **Confidential**
2. Tamakuku Terrace - Further Subdivision Options [↓](#) 
3. Tamakuku Terrace Section Sales List - Stage 2 - **Confidential**



Notes & Disclaimers:

- 1. This concept plan has been prepared specifically for preliminary discussion purposes only. No guarantee is offered that consents will be granted on this basis.
- 2. Easements, covenants and other legal instruments pertaining to this site may not be represented on this plan. A full investigation of legal records should be undertaken to confirm the feasibility of the development.
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Client & Site
Palmerston North City Council
Tamakuku Terrace Development
Palmerston North

Project
Intensification of
Lots 25-28 DP 565337

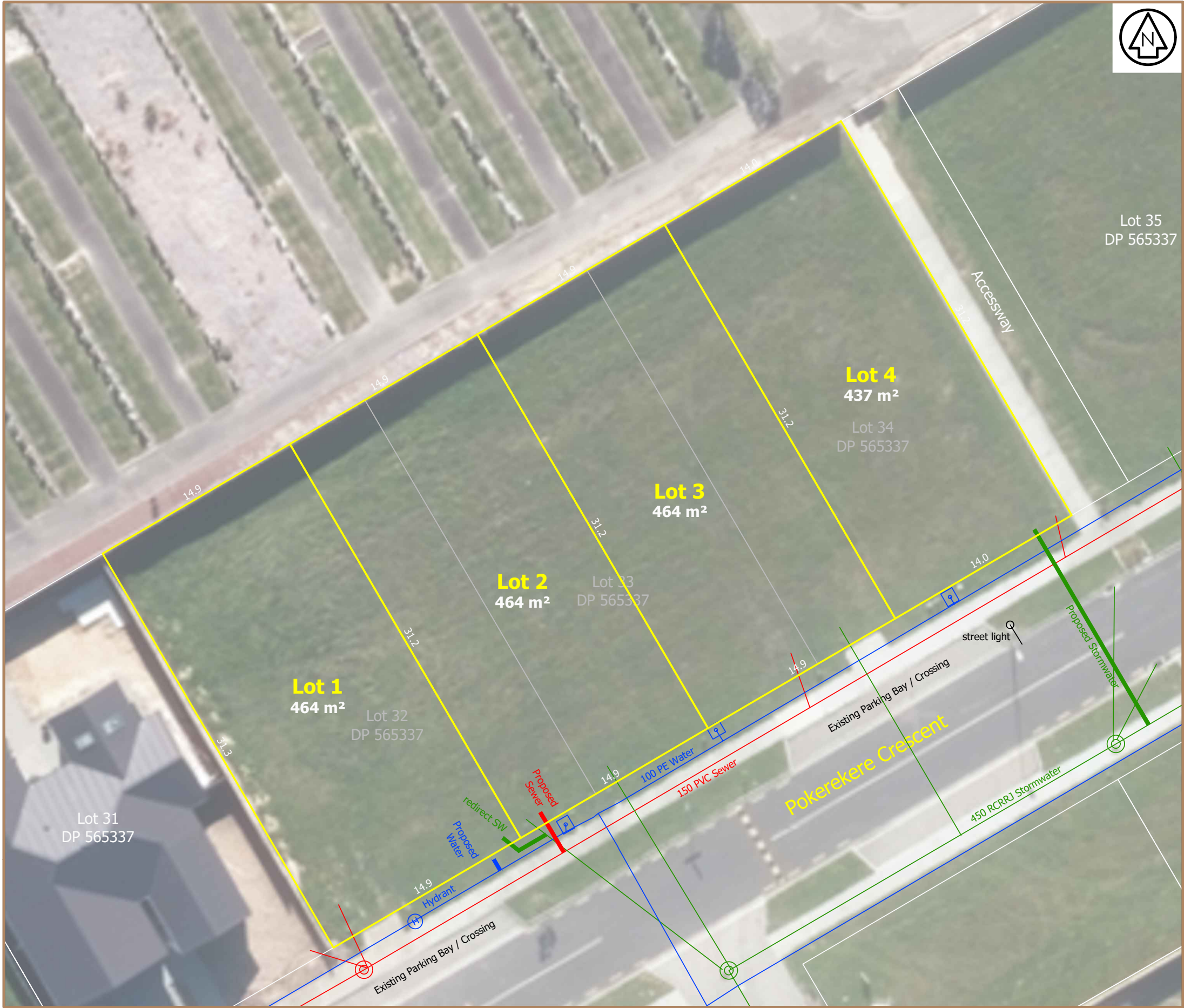
Rev	Date	Amendment	By
A	06/09/24	Original	BC

PRELIMINARY
CONCEPT PLAN

SCALE: 1:250 @ A3

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Palmerston North

Project
Intensification of
Lots 32-34 DP 565337

Rev	Date	Amendment	By
A	06/09/24	Original	BC

**PRELIMINARY
CONCEPT PLAN**

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Tamakuku Terrace Development
Palmerston North

Project
Intensification of
Lots 56-60 DP 565337

Rev	Date	Amendment	By
A	06/09/24	Original	BC

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COMMITTEE WORK SCHEDULE

TO: Economic Growth Committee

MEETING DATE: 11 June 2025

TITLE: Committee Work Schedule - June 2025

RECOMMENDATION TO ECONOMIC GROWTH COMMITTEE:

1. That the Economic Growth Committee receive its Work Schedule dated June 2025.

COMMITTEE WORK SCHEDULE – JUNE 2025

	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause no.
1	11 June 2025 27 August	City Central Indicative Business Case (CCIBC) Update	General Manager Strategic Planning	Awaiting a councillors briefing scheduled for August	19 June 2024 Clause 42-24
2	11 June 2025	Tamakuku Terrace Update (6 Monthly)	General Manager Infrastructure		Terms of Reference
3	11 June 2025	Manawatu Regional Economic Structure Report (2 yearly)	General Manager Strategic Planning	Data Delayed	Rec 1c of the Community Grants & Events Funding Review – May 2021
4	11 June 2025	PNAL – Final Statement of Intent for 2025/26 to 2027-28	General Manager Corporate Services		Terms of Reference
5	11 June 2025	CEDA – Final Statement of Intent for 2025/26	General Manager Strategic Planning		Terms of Reference
6	11 June 2025	2025-2026 Annual Plan – International Relations	GM Strategic Planning		Council 5 June 2024 Clause 102-24

	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause no.
7	11 June 2025	Kākātangiata Development Progress Report	GM Strategic Planning		Council March 2025
8	27 August 2025	Economic Profile: Logistics and distribution (3-yearly)	General Manager Strategic Planning	Delayed due to late release of data and NZIER CBA	30 August 2023 Clause 35-23 Schedule