PALMERSTON NORTH CITY COUNCIL

AGENDA

MINUTES ATTACHMENTS

COUNCIL

9:00 AM, WEDNESDAY 12 NOVEMBER 2025

COUNCIL CHAMBER, FIRST FLOOR

CIVIC ADMINISTRATION BUILDING

32 THE SQUARE, PALMERSTON NORTH

COUNCIL MEETING

12 November 2025

Annual Report 2024-25

Presentation to Palmerston North City Council

12th November 2025

CEDA
CENTRAL ECONOMIC DEVELOPMENT AGENCY

Ki te kahore he whakakitenga, ka ngaro te iwi

Our Vision

Manawatū 2030;
Ko te rohe tino ahu whakamua o Aotearoa – New Zealand's most progressive region

Our 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

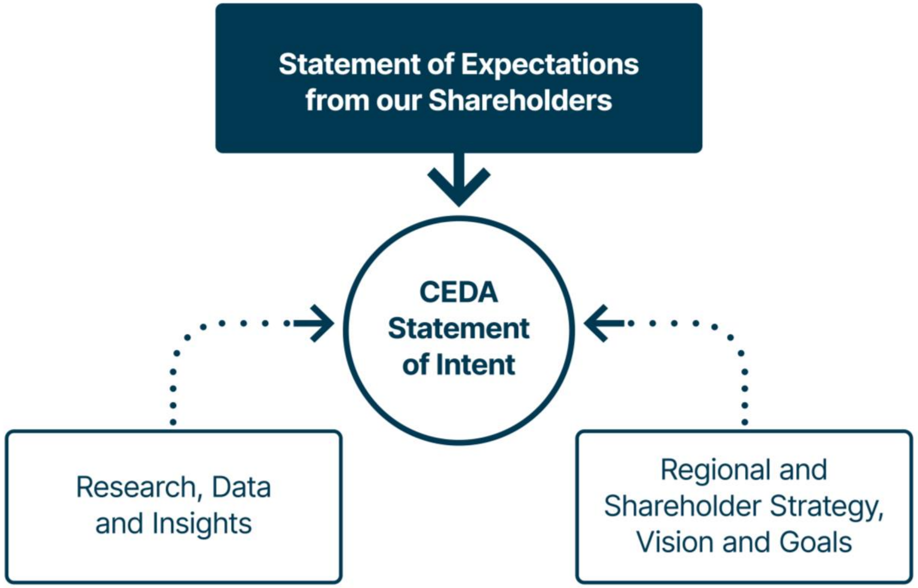
Kotahi te kohao o te ngira e kuhuna ai ngā whāinga - How We Work

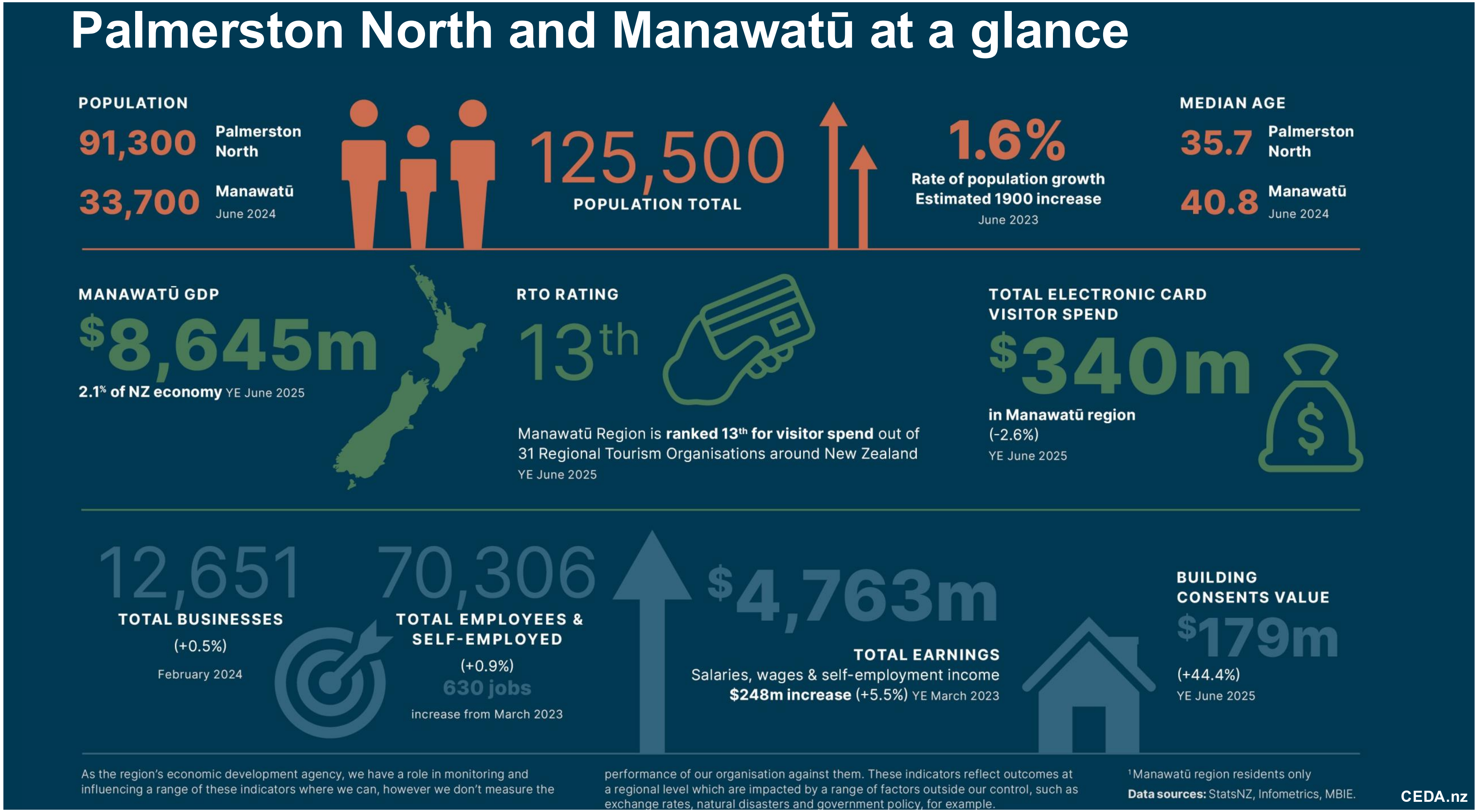
Core Focus Areas

- Stimulate inward investment, retention and expansion of business
- Developing a talent pipeline
- Support domestic visitation and tourism

Shareholders top priorities

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





Palmerston North and Manawatū at a glance
POPULATION
91,300 Palmerston North
33,700 Manawatū
June 2024
125,500
POPULATION TOTAL
1.6%
Rate of population growth
Estimated 1900 increase
June 2023
MEDIAN AGE
35.7 Palmerston North
40.8 Manawatū
June 2024
MANAWATŪ GDP
$8,645m
2.1% of NZ economy YE June 2025
RTO RATING
13th
Manawatū Region is ranked 13th for visitor spend out of 31 Regional Tourism Organisations around New Zealand
YE June 2025
TOTAL ELECTRONIC CARD VISITOR SPEND
$340m
in Manawatū region
(-2.6%)
YE June 2025
12,651
TOTAL BUSINESSES
(+0.5%)
February 2024
70,306
TOTAL EMPLOYEES & SELF-EMPLOYED
(+0.9%)
630 jobs
increase from March 2023
$4,763m
TOTAL EARNINGS
Salaries, wages & self-employment income
$248m increase (+5.5%) YE March 2023
BUILDING CONSENTS VALUE
$179m
(+44.4%)
YE June 2025
As the region's economic development agency, we have a role in monitoring and influencing a range of these indicators where we can, however we don't measure the performance of our organisation against them. These indicators reflect outcomes at a regional level which are impacted by a range of factors outside our control, such as exchange rates, natural disasters and government policy, for example.
[1]Manawatū region residents only
Data sources: StatsNZ, Infometrics, MBIE.
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Highlights from the year

23
Inward Investment activities or opportunities identified

Phase two of **Sustainable is Attainable** delivered

3
workshops delivered to support LEAN manufacturing and energy efficiency

Interactive Crop Suitability Map launched

Attended travel-trade show **TRENZ**, pitching our region to over **60 travel buyers**

Visitor Sector Collective established

650
business engagements completed

$200,751
in capability development support issued

20
gardens participated in the Manawatū Garden Festival 2024

Government Tourism Boost
Funding secured to target the Australian visitor market

+75
Net Promoter Score (Regional Business Partner Programme)

29
new content pieces curated

Food Technology Scholarship fund launched in partnership with FoodHQ

Accelerate Academy Hauora Wānanga ō ngā Rangatahi ō Manawatū delivered **supporting rangatahi into employment**

LEAN for Farms workshop delivered to the Primary sector

$1,063,639
in Callaghan Innovation Research and Development grants issued

306,746
sessions on **ManawatuNZ.co.nz**

4
initiatives to support iwi or mana whenua

49
Media Features profiling the region

Key Projects Updates from the year

Te Utanganui – The Central New Zealand Distribution Hub

Strong momentum over the year

- Attracting ongoing commercial interest e.g. hyperdata and green energy
- Ongoing advocacy and stakeholder collaboration
- Showcasing at key events in New Zealand and Australia
- Te Utanganui strategy refreshed and endorsed

Manawatū Regional Food Strategy

Implementation of priority outcomes

- Launch of Crop Suitability Map and Feasibility study
- Development of suite of 'grower guides'
- FoodHQ: E-Tipu Future Food Summit partnership
- The Year of AgriFood 2025
- AGMARDT programme

Manawatū Destination Management Plan

- Regional Identity
  - 5 campaigns delivered, including local advocacy campaign
  - 29 content pieces curated
- Attendance at TRENZ for the first time
- Manawatū Garden Festival
- Visitor Sector Collective established
- KiwiNorth alliance

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Inward Investment

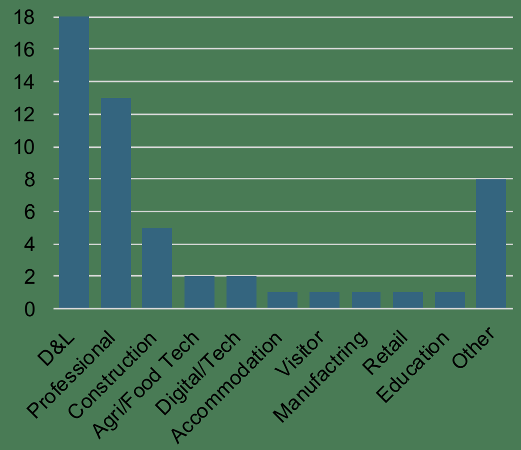
23 Inward Investment activities or opportunity identified

- Commercial optionality report
- Regional Infrastructure Fund bid
- Four conference presentations across NZ and Australia
- Delegation to Sydney
- Te Utanganui strategy refresh, economic impact report and website launch
- Support of North East Industrial Zone land purchase
- Inward Investment Prospectus

Where they came from

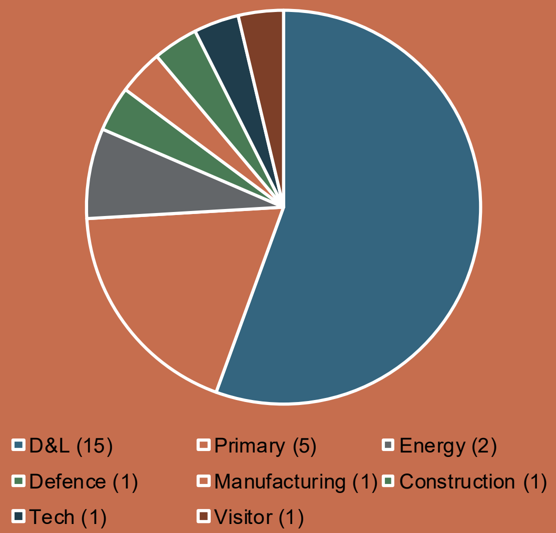
53 Inward Investment Engagements

- 26 business / 27 partners
- 66% from out of region (35)
- Sectors:



Current Activity 2025-26 year

27 Ongoing Opportunities or Planned Initiatives



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CENTRAL ECONOMIC DEVELOPMENT AGENCY

MANAWATŪ

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Quarterly economic update

NOVEMBER 2025

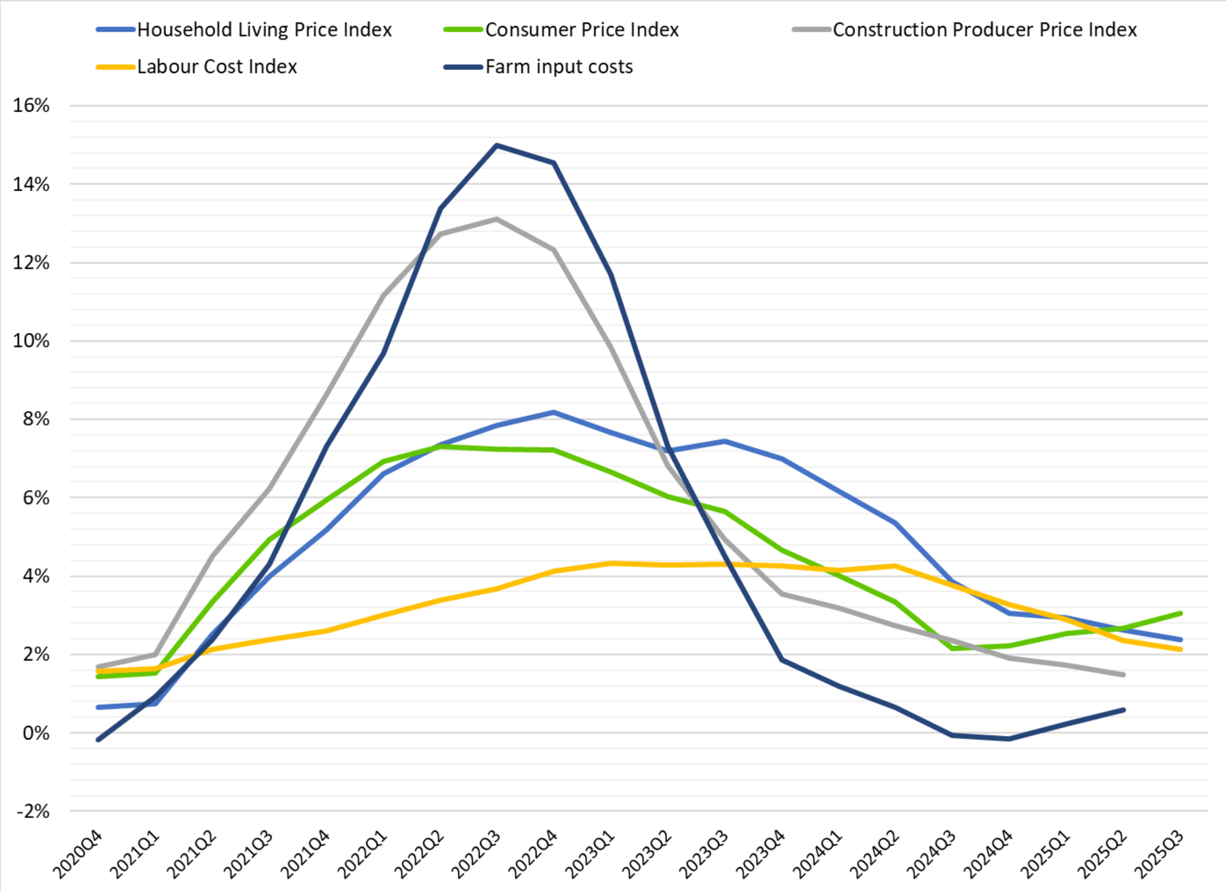
PALMERSTON NORTH CITY

Economic Performance

'The broader context'

- The domestic economy remains **subdued.** Despite occasional signs of improvement, it is proving a **slow road to recovery**.
- The rough end of recession**... weak consumer demand** persists, **unemployment** continues to rise, and **business failures** accelerate
- Persistent **spare capacity** in the New Zealand economy has convinced the RBNZ to move into **monetary stimulus**
- **Lower interest rates** and a strong **export sector** are expected to boost **confidence**, increase **demand** and support levels of **employment** across the economy. It will take time...
- Changing world order… **dismantling** of the **international rules-based order**
- Efforts underway to **broaden international relationships** and **economic cooperation**
- **Challenges** include weak **household confidence**, **house price** stagnation **constrained investment, loss** of **productive capacity, affordability** constraints
- An increase in **infrastructure spend** will be supportive… eventually

ROLLING ANNUAL INFLATION - 5-YEAR TREND



NATIONAL BACKDROP

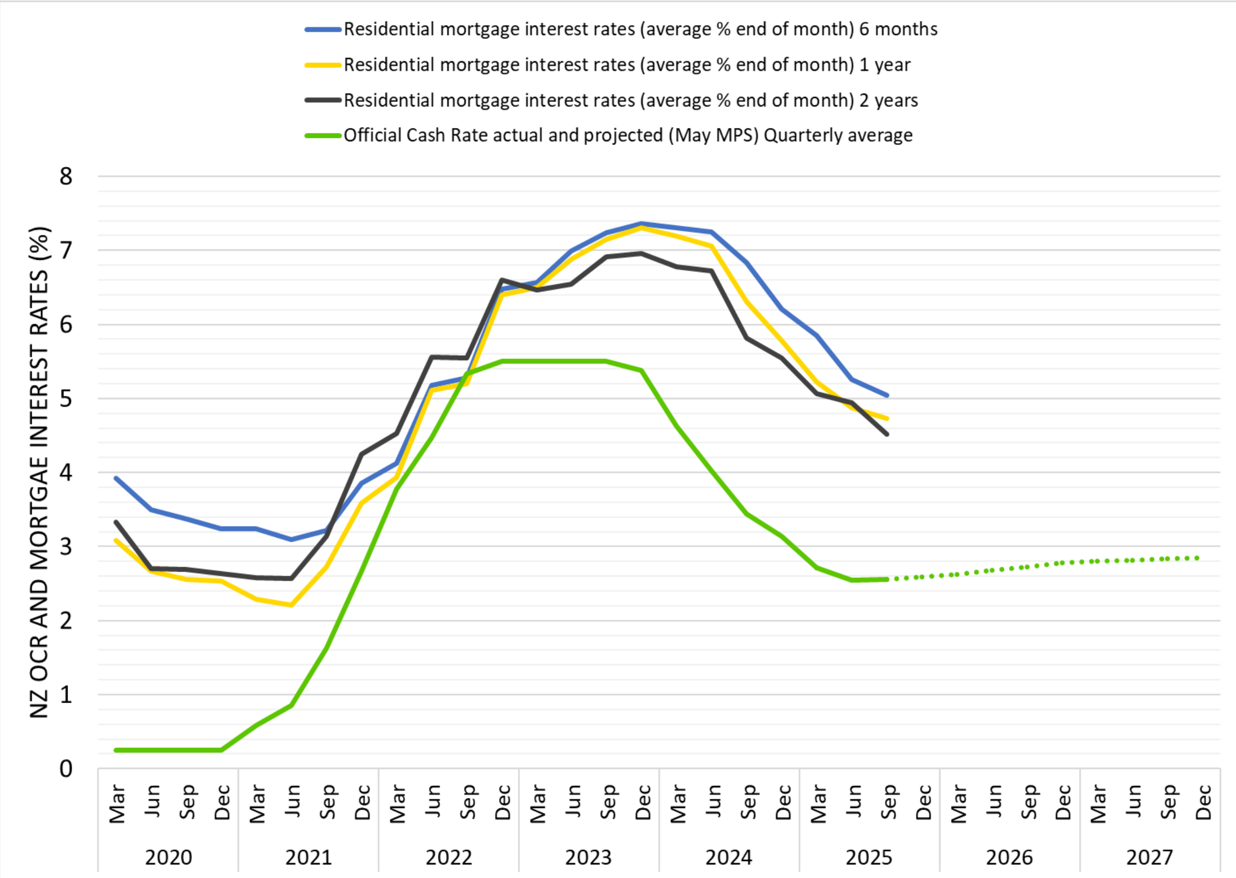
→

Inflation

Some sectors **hit harder** than others

While the **rate of inflation** has **eased, elevated costs** remain

ACTUAL AND PROJECTED OCR VS MORTGAGE RATES



NATIONAL BACKDROP

Monetary policy

Persistent spare capacity and **anchored inflation expectations will** support further easing

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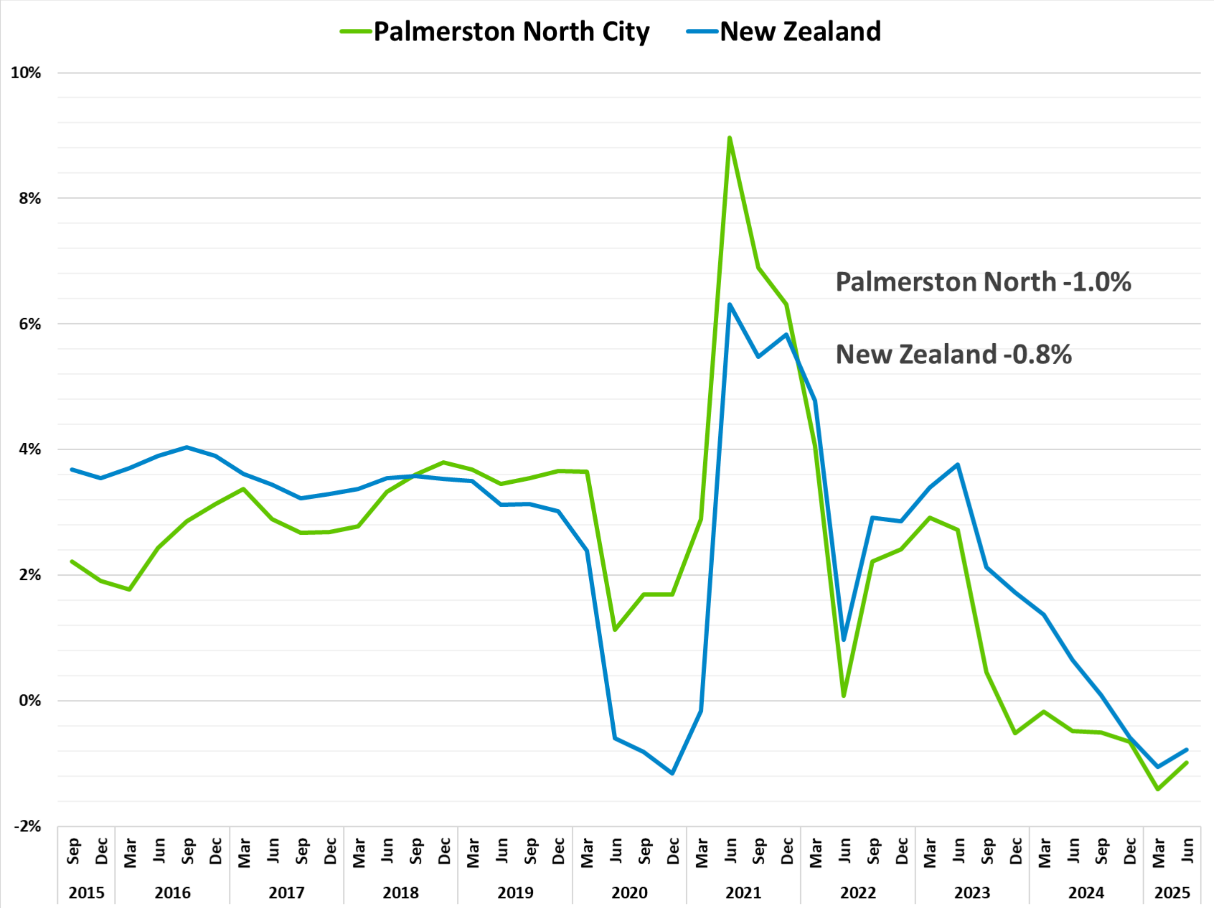
ANNUAL GDP GROWTH – 10-YEAR TREND



How this has played out for our city

City GDP

$6.92 billion
(YE June 2025)

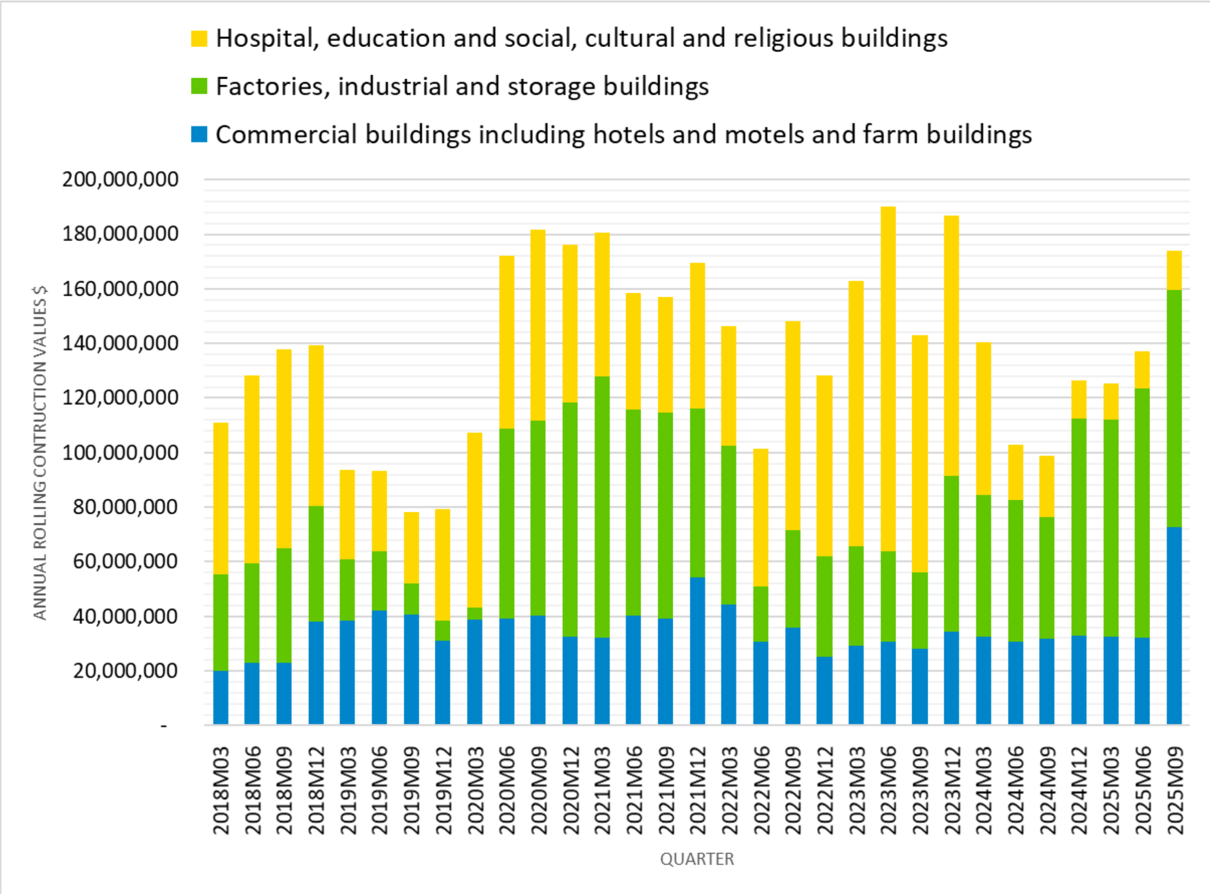
Data **reflects challenges** amid **bright spots**

Jobs growth in the city and **elevated commercial** and **industrial development bucks** the national trend

Business and Jobs	Palmerston North City		NZ
Business counts June 2025 Source: Infometrics	8,203	+0.2%	+0.9%
Non-residential construction investment YE August 2025 Source: Stats NZ	$164.2M	+82.3%	-5.4%
Filled jobs **(Place of residence)** As at June 2025 Source: Stats NZ	34,538	-2.8%	-1.7%
Filled jobs **(Workplace location)** As at June 2025 Source: Stats NZ	48,129	+1.3%	-1.7%
Unemployment rate As at June 2025 Source: Infometrics	4.4%	Average of four recent quarters	5.0%
Change in MSD Jobseeker recipients September 2025 quarter Source: MSD	+327	+9.8%	+6.4%

YE: Year ending **M**: million, **B**: billion *Value and annual change, unless stated otherwise, ** Annual change, unless stated otherwise

Annual consent values (quarterly 2018 – 2025)



Breaking down non-residential construction investment

Hospital, education and social, cultural & religious **-35.7%**

Factories, industrial &storage **+94.2%**

Commercial **+129.5%**

Conditions continue to **weigh on spending**

There are signs of **gradual** improvement

Spending		Palmerston North City		NZ
Retail spending YE September 2025 Source: Marketview		$1.488B	-1.0%	-0.8%
New car registrations YE June 2025 Source: Infometrics		2,992	-6.8%	-9.3%
Commercial vehicle registrations YE June 2025 Source: Infometrics		982	+2.5%	0.0%
Tourism electronic card spending YE June 2025 Source: MBIE	Domestic	$270.6M	-2.9%	-3.5%
	International	$27.8M	+5.2%	+5.9%
Guest nights YE August 2025 Source: ADP		422,400	+1.5%	+0.8%

House price stability continues

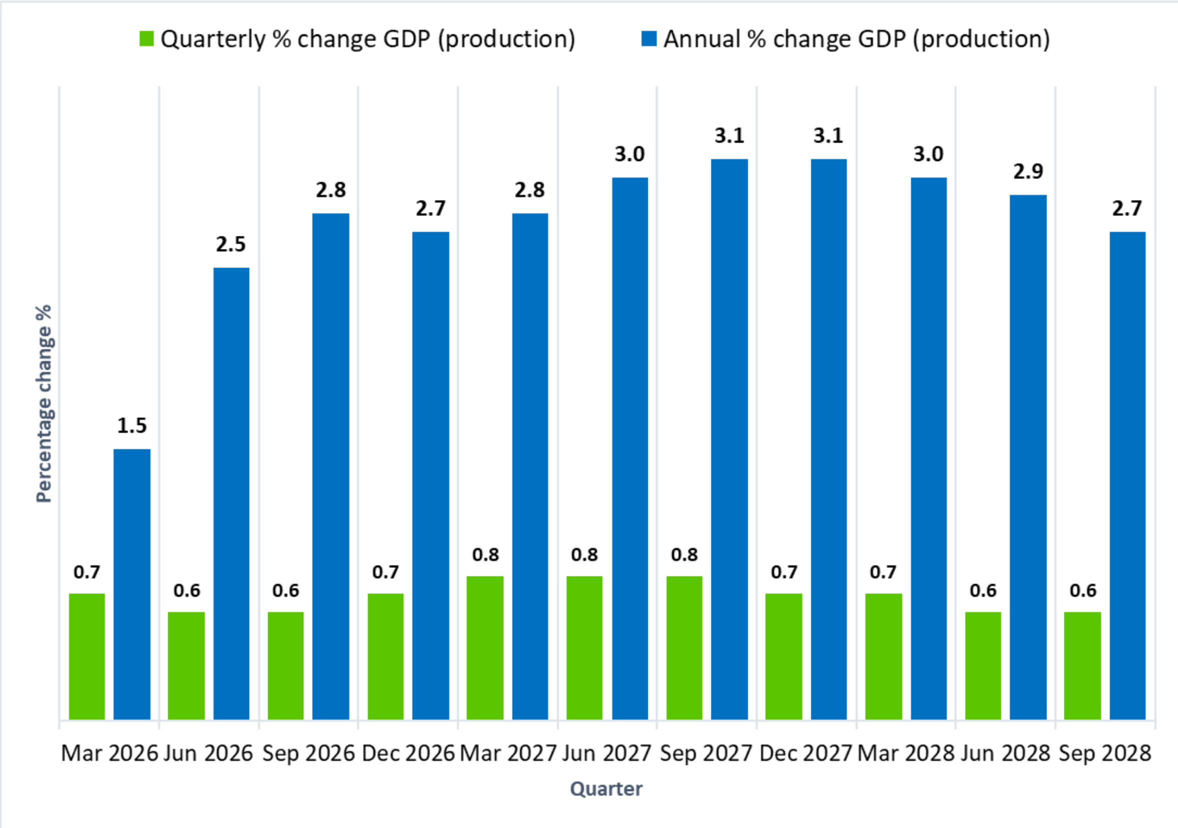
Growth in sales reflects increased activity

Negative wealth effect also weighs on consumer confidence

Housing	Palmerston North City		NZ
Average house price September 2025 Source: QV	$631,762	+0.4%	-0.2%
House sales YE September 2025 Source: REINZ	1,363	+16.3%	+12.3%
Home ownership affordability June 2025 quarter Source: Infometrics	4.7	Ratio of average house value to annual average household income	6.5
Home rental affordability June 2025 quarter Source: Infometrics	20.0%	Percentage of average annualised rent to annual average household income	22.0%
New dwelling consents YE August 2025 Source: Stats NZ	426	+4.4%	+1.3%

YE: Year ending **M**: million, **B**: billion * Value and annual change, unless stated otherwise, **Annual change, unless stated otherwise

RBNZ GDP GROWTH PROJECTION



Times remain challenging

Relief from **lower borrowing costs** are expected to **boost growth**

NZ GDP projected to **grow** by **2.7%** in **2026**

Palmerston North City → Economic Outlook

- Longer term analysis highlights **industry strengths** that will **support recovery**
- **Large stable sectors** play a **key economic role** in the region
- **Industry sectors most exposed** to **weak economic conditions** will be **supported** by **stable** and **anchored inflation** and **lower interest rates**
- **Affordability** will also be **supported** by lower **borrowing costs**
- The outlook for the **rural economy** remains positive
- Elevated **commercial and industrial investment** and an increase in **employment** by **workforce location** reflects emerging confidence
- **Defence Force investment** and **recruitment** into the region will support activity
- As recovery progresses, **confidence to invest** and **employ** will be boosted
- Availability of **skills and talent critical** to economic recovery

Questions ?