



**PAPAIOEA
PALMERSTON
NORTH
CITY**

PALMERSTON NORTH CITY COUNCIL

AGENDA
MINUTES ATTACHMENTS
**FINANCE, PERFORMANCE &
AUDIT COMMITTEE**

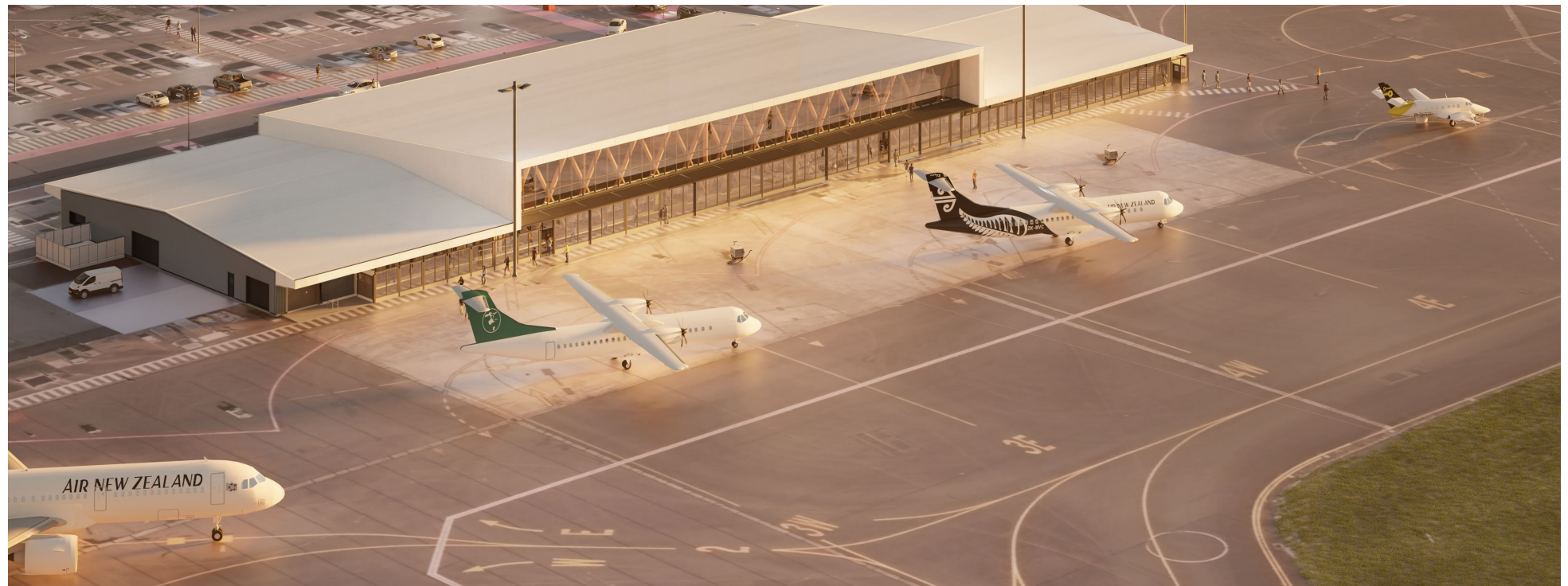
9.00AM, WEDNESDAY 1 APRIL 2026

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

FINANCE, PERFORMANCE & AUDIT COMMITTEE MEETING

1 April 2026

- 9 Palmerston North Airport Limited - Interim report for six months ending 31 December 2025**
1. Palmerston North Airport Limited - Interim report for six months ending 31 December 2025 and Draft Statement of Intent 4
- 12 Central Economic Development Agency (CEDA): 6 month report 1 July 2025 to 31 December 2025 and Draft Statement of Intent 2026/27**
1. Central Economic Development Agency (CEDA): 6 month report 1 July 2025 to 31 December 2025 and Draft Statement of Intent 2026/27 31
- 14 Manderson Private District Plan Change acceptance and notification approval**
1. Manderson Private Plan Change acceptance and notification approval 42



FY26 Interim Result & Draft FY27-FY29 SOI



AGENDA

- FY26 Interim Report
- FY27 – FY29 SOI
- FY27 – FY29 Financial Outlook

FY26 INTERIM RESULT

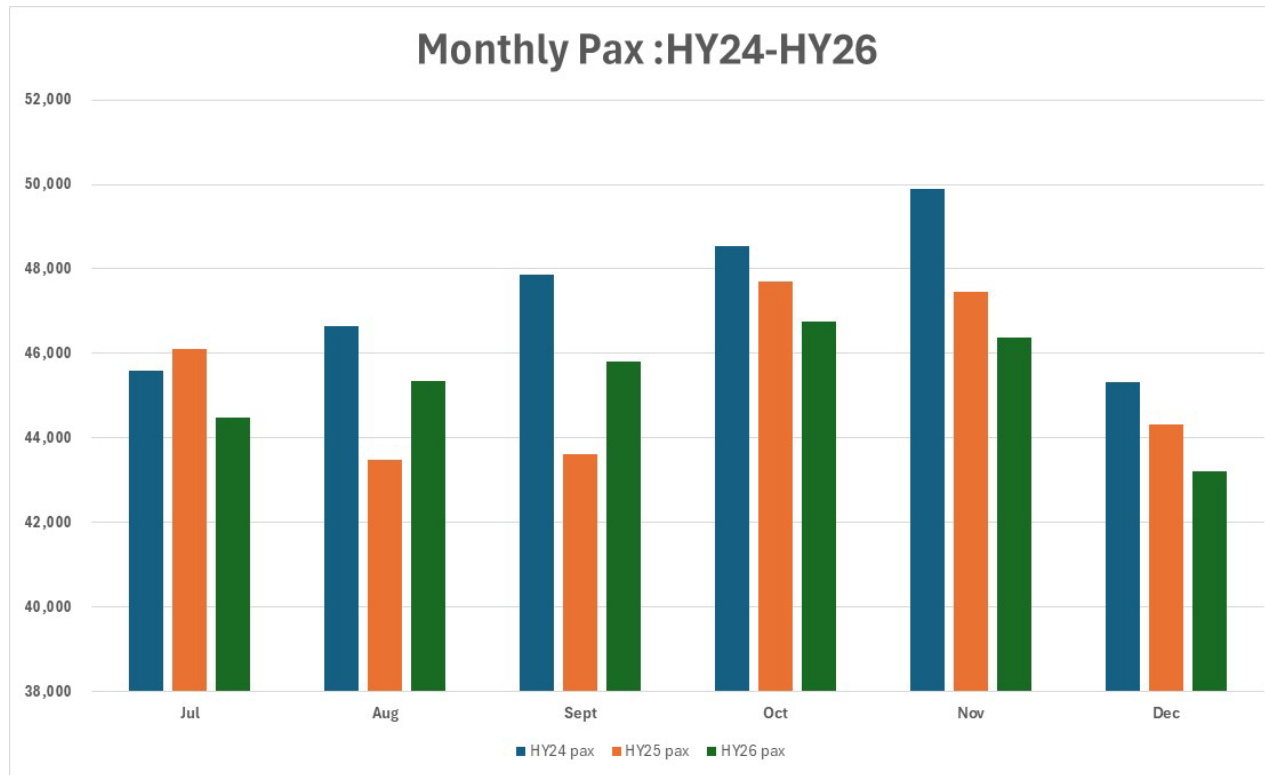
FY26 HI HIGHLIGHTS



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- ✓ Stage 1 of TDP underway
- ✓ Freightways warehouse construction commenced
- ✓ Banking relationship with ICBC secured
- ✓ Net Promoter Score 31%
- ✓ Team engagement score of 82%
- ✓ ACA Level 4 recertified
- ✓ Originair launch Blenheim-Palmerston North route

FY26 HI FINANCIALS AND PASSENGERS



- 271,953 passengers (SOI: 274,513)
- 1% unfavourable on SOI and prior year
- Income of \$9.28m – in line with SOI
- Normalised expenditure of \$4.5m – 5% favourable to SOI
- Six month NPAT of \$0.5m – 177% ahead of SOI
- Capex of \$7.3m (SOI: \$11.1m)

FY26 H2 PLANS

- ✓ TDP & Freightways Warehouse construction progresses
- ✓ Obtain Resource Consent for Zone C Commercial Precinct
- ✓ Submit Resource Consent for Zone A Rental Car Precinct
- ✓ Conclude land sale to PNCC for City water bore
- ✓ Advance discussions with investment partners re commercial opportunities
- ✓ Maintain Part 139 compliance /Zero LTI
- ✓ Watching brief to be kept on fuel impacts on air services and PNAL operations

Middle East Conflict

- Short-term impact includes loss of 6,500 seats across Auckland and Christchurch routes through to beginning of May 2026.
- May impact up to 5,000 pax.
- Industry-wide scenario planning underway re potential ongoing supply constraints.
- Regional route suspensions and closures are the clearest early signal.

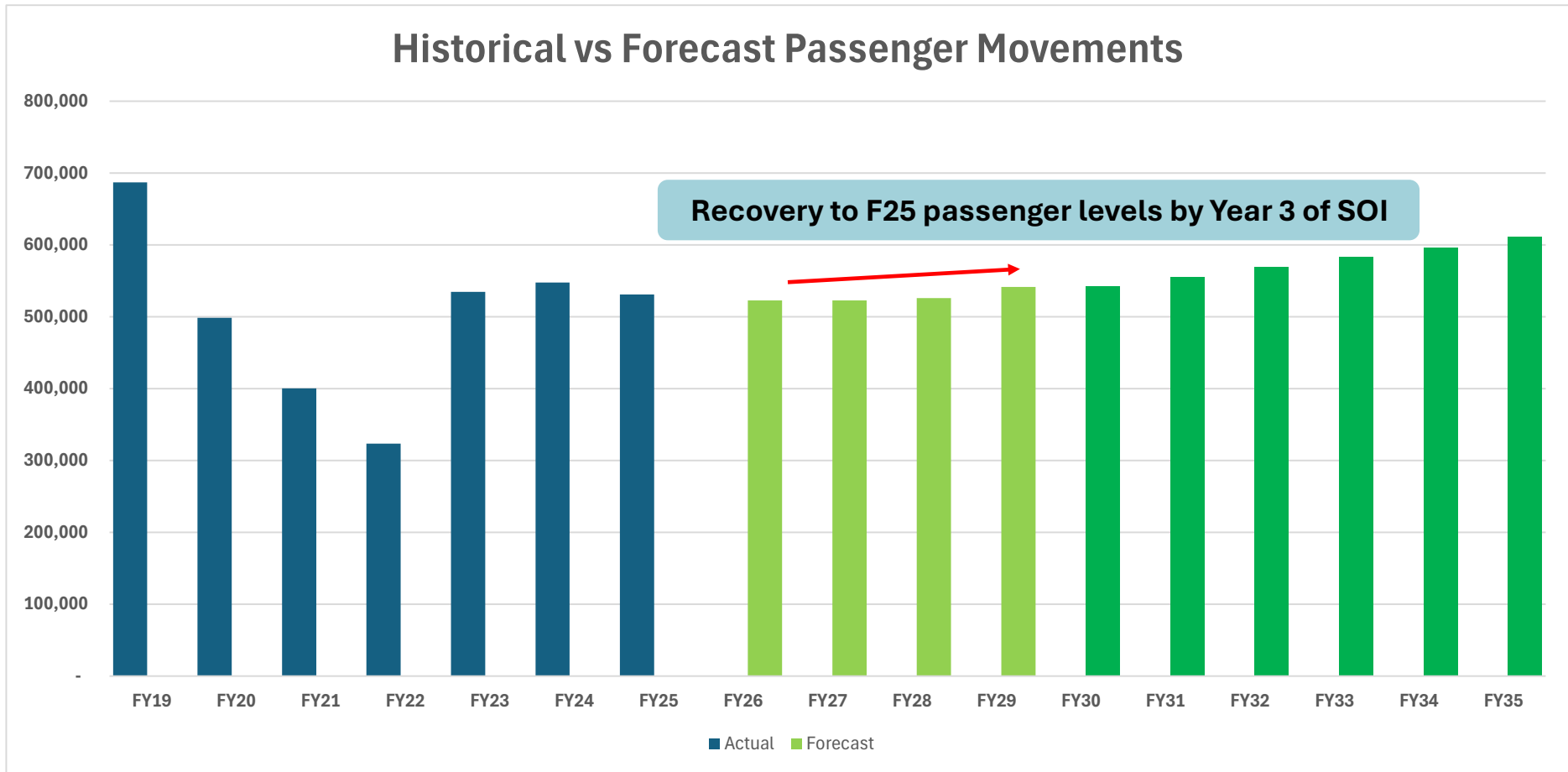




FY27-FY29 DRAFT SOI



Air Services



Air New Zealand

- Awaiting outcome of Air NZ network strategy reset
 - Not anticipating material schedule impacts to Palmerston North – but uncertainty does exist
 - Middle East conflict may influence reset



Air Service Development

- Domestic Jet strategy being pursued for launch in 2028
 - Work underway with CAA to facilitate
 - New terminal is domestic jet capable
- Regional air service development
 - Ongoing discussions with regional carriers around additional routes to Palmerston North





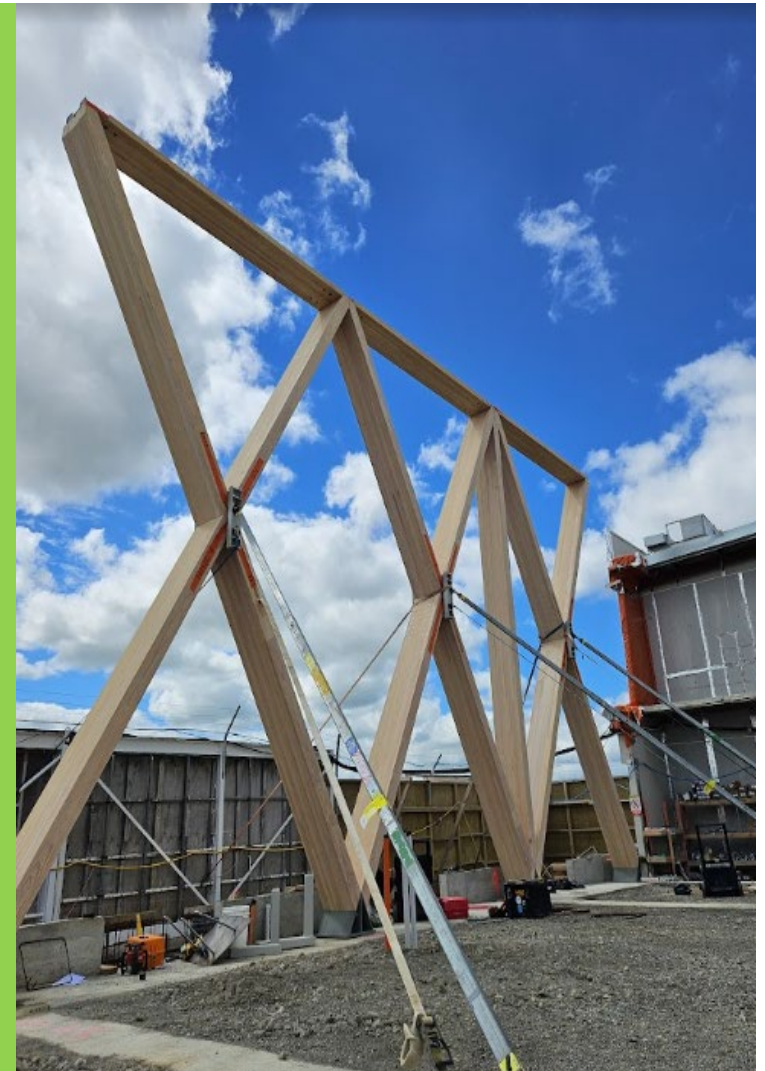
Terminal Development

Terminal Development Progress

- Stage 1 construction complete late 2026.
- Stage 2 construction complete late 2027.
- Installation of laminated timber beams for the check-in and departures area of the new terminal has begun.
- Project remains on budget.

Local content

- 22 local sub-contractors
- Up to 18 locally based LT McGuinness employees on site.
- LTs office established in PNth.





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Ruapehu Aeropark Investments

Development Pipeline

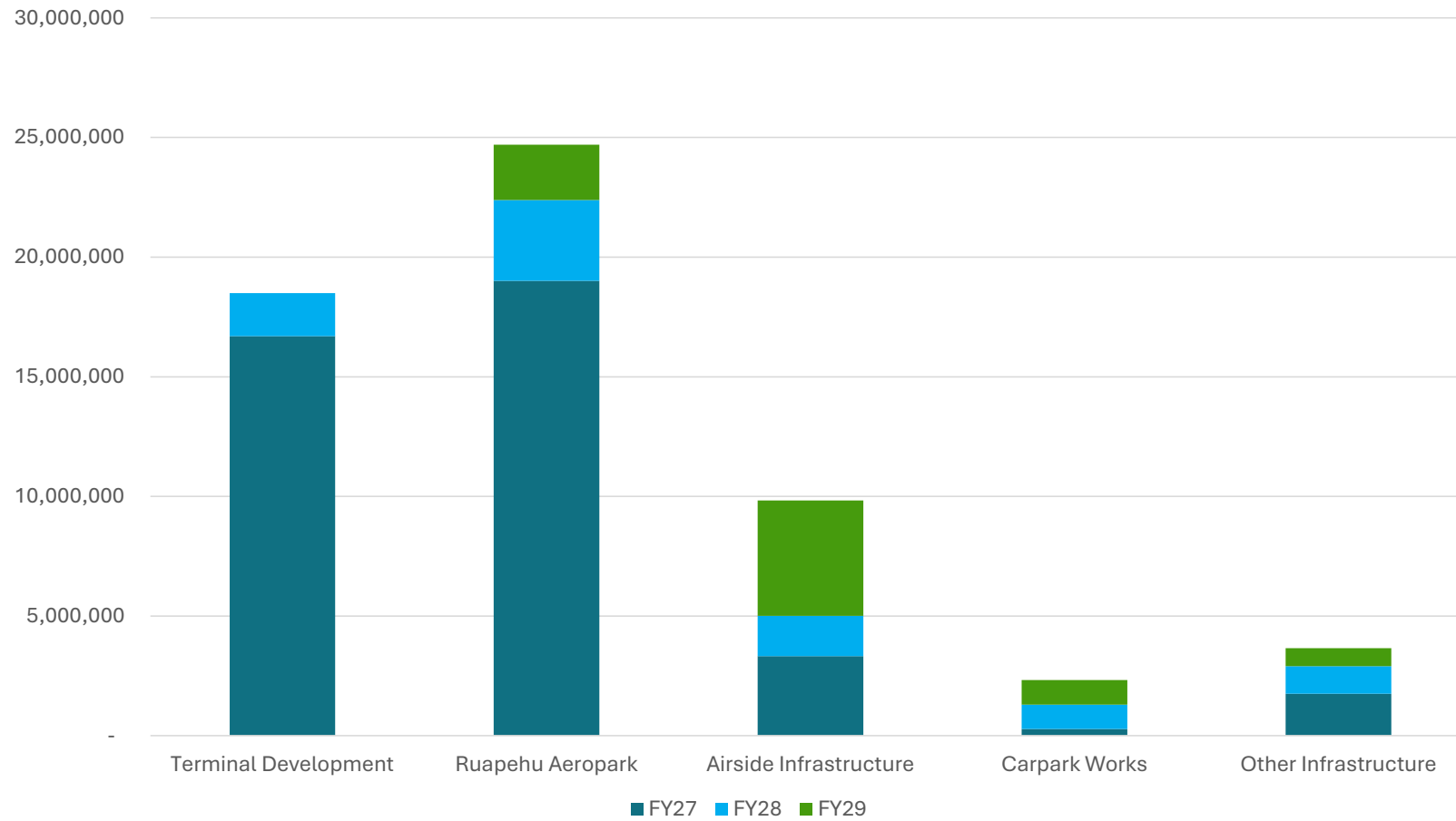
- Warehouses 8,000m2* \$13m
- Rental Car facility * \$7.2m
- Aeromedical hangars * \$6.5m
- Commercial precinct \$60m



*Included in SOI



FY27-FY29 Capex - \$59m



FY27 – FY29 FINANCIAL OUTLOOK

Profit and Loss Outlook

- Positive EBITDA and NPAT performance throughout SOI period
- Temporarily high one-off and depreciation in FY26 and FY27 – terminal related costs
- Capital gains / land sales in FY26 and FY28/FY29
- Strong dividend growth (excludes capital gains)
- Subject to fuel related disruption

	FY26 forecast	FY27 SOI	FY28 SOI	FY29 SOI
Aeronautical Income	\$12.4m	\$12.9m	\$13.9m	\$15.4m
Carpark, Lease & Other Income	\$5.4m	\$6.3m	\$7.7m	\$8.4m
Total Income	\$17.8m	\$19.2m	\$21.6m	\$23.9m
Total Expenses	\$10.5m	\$10.8m	\$10.7m	\$11.0m
EBITDA	\$7.2m	\$8.4m	\$10.9m	\$12.9m
Depreciation and Interest	\$6.8m	\$5.9m	\$7.3m	\$7.3m
Net Profit/(Loss) After Tax Excl capital gains	\$0.1m	\$1.7m	\$1.8m	\$3.2m
(Gain)/Loss on Sale	(\$0.8m)	\$0.0m	(\$2.9m)	(\$2.9m)
Net Profit / (Loss) After Tax	\$0.9m	\$1.7m	\$4.6m	\$6.1m
Dividend declared*	\$0.4m	\$0.7m	\$0.7m	\$1.3m

* Dividends exclude fair value gains / losses and one-off capital gains

Balance Sheet and Metrics Outlook

- Debt within \$100m facilities
- Interest cover at minimum but still compliant – and improves
- Long term metrics outside target range temporarily – and improve

	FY26 forecast	FY27 SOI	FY28 SOI	FY29 SOI
Total Debt	\$34.5m	\$73.1m	\$77.6m	\$77.1m
Total Equity (post-dividends)	\$84.7m	\$85.8m	\$89.7m	\$94.5m
Debt / (Debt + Equity) Ratio < 60%	29%	46%	46%	45%
Interest Cover Ratio > 2.5	6.6	2.7	2.5	3.1
<i>Net Debt / EBITDA < 4.5 (long term)</i>	<i>4.7</i>	<i>8.7</i>	<i>7.1</i>	<i>6.0</i>
<i>Funds from Operations / Net Debt > 11% (long term)</i>	<i>17%</i>	<i>6%</i>	<i>5%</i>	<i>7%</i>

Ten Year Financial Outlook

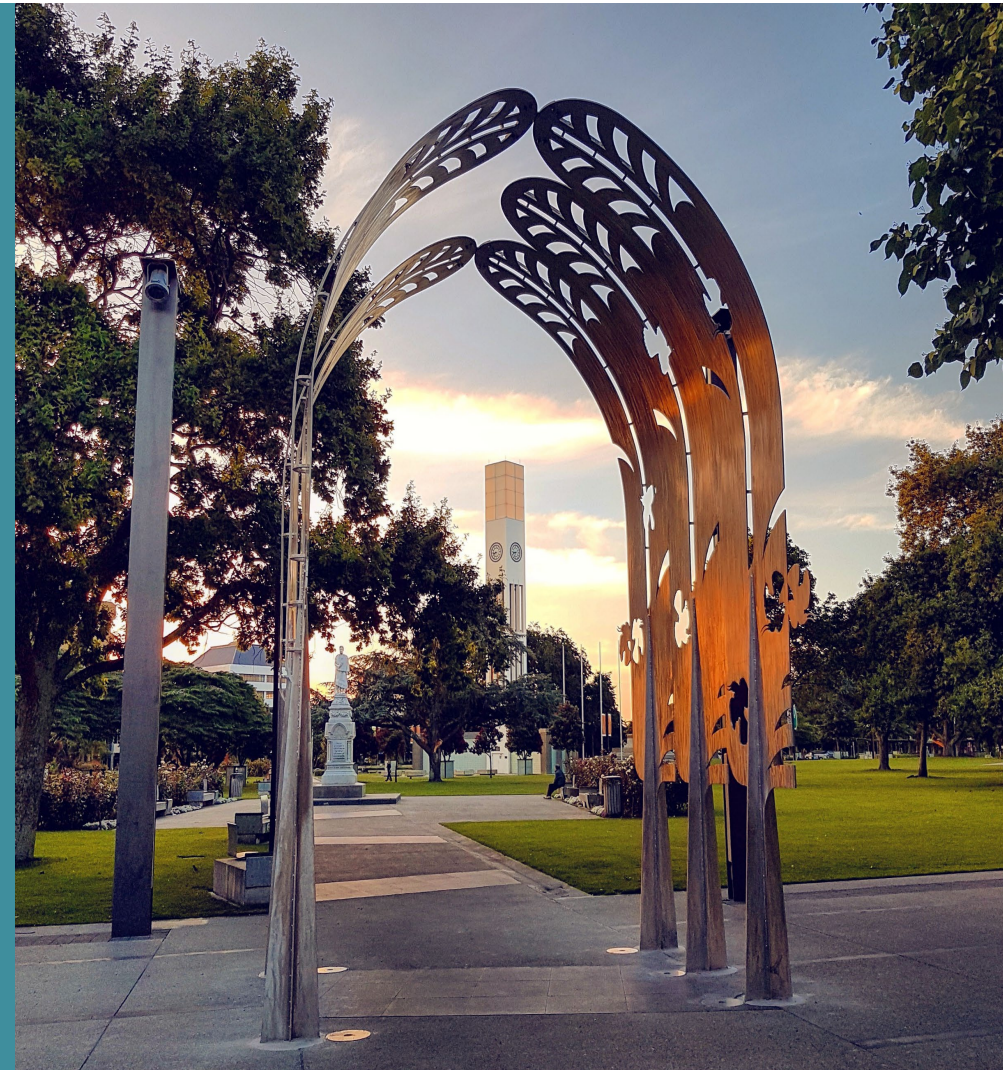
- Debt reduces under BAU scenario with no further developments in Ruapehu Aeropark
- Includes \$15m capital spend on runway in FY29-FY31
- Strong growth in all metrics

	FY29 SOI	FY32 forecast*	FY34 forecast*	FY36 forecast*
Net Profit after Tax	\$6.1m	\$5.5m	\$6.8m	\$8.5m
Total Debt	\$77.4m	\$81m	\$72.6m	\$59.1m
Total Equity (post-dividends)	\$94.5m	\$103.5m	\$111.3m	\$121.1m
Debt / (Debt + Equity) Ratio < 60%	45%	44%	39%	33%
Interest Cover Ratio > 2.5	3.1	3.6	4.3	5.8
<i>Net Debt / EBITDA < 4.5 (long term)</i>	6.0	5.0	4.1	3.0
<i>Funds from Operations / Net Debt > 11% (long term)</i>	8%	12%	15%	22%

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

Total Shareholder Return

- Added to give transparent and accurate measure of financial return to PNCC
- Aligned with how State Owned Enterprises demonstrate return to the Crown
- Measured as growth in commercial value annually (including cash dividends)
- PNAL historic average actual return = 8%
- SOI forecasts look low: 2%-7% range
 - But actual results will be higher → unrealised fair value gains not budgeted
 - Ruapehu Aeropark developments generate significant gains:
 - Cashflow, revenue and dividends
 - Balance sheet asset uplifts



Regional Economic Impact

PNAL's Purpose Statement: Launching our communities into a promising future

Key impacts:

- Enhancement of regional connectivity and accessibility.
- Stimulating private and public investment confidence in our city and regional commercial and industrial areas.
- Improving social resilience and accessibility.
- Highlighted importance and trend towards income diversification nationally and globally

Airport Impact on regional GDP - \$150m in 2025, supporting 2,700 regional jobs.





Kia ora koutou

CEDA's Half Yearly Report to December 2025
and 2026-27 Draft Statement of Intent

Palmerston North City Council; Finance, Performance & Audit Committee 1st April 2026

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

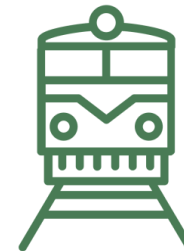
Our Goals



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



OUR CORE FOCUS AREAS



BUSINESS

INWARD INVESTMENT +
 SECTOR DEVELOPMENT



BUSINESS

BUSINESS DEVELOPMENT +
 INNOVATION



PEOPLE

TALENT ATTRACTION +
 RETENTION



PLACE

PROFILING THE REGION +
 ECONOMIC DATA



PARTNERSHIPS

IWI ENGAGEMENT +
 STRATEGIC PARTNERSHIPS

Half Yearly Report

1 July to 31 December 2025

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HIGHLIGHTS FROM THE YEAR TO DATE

4

Inward Investment
 activites completed
 + 3 advocacy events

**Food Tech
 Scholarship**
 with FoodHQ and
 Massey

**Te Roopu
 Hokowhitu website**
 created to support
 seven district marae

\$809,487
Callaghan Innovation
 grants issued

Sprout Agritech
 2025 Cohort
 completed

3.38M reach,
 through 24 national
 and regional
 media features

2

Campaigns
 delivered

+74

Net Promoter Score
 Regional Business
 Partner Programme

145,999
 sessions on
ManawatuNZ.co.nz

**Manawatū Gardens
 Festival**
 held showcasing
 20 gardens + 2 events

**Visitor Sector
 Community
 Sentiment survey**

274

Business Engagements
 + \$97k capability support

**'Live Here' Noho
 Taurikura** section
 on ManawatuNZ.co.nz
 refreshed

Statement of Intent

Draft 2026–27

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PERFORMANCE OUTCOMES 2026-27

INWARD INVESTMENT + SECTOR DEVELOPMENT

- 20 inward investment and priority sector development initiatives aligned to the regions key strengths



BUSINESS DEVELOPMENT + INNOVATION

- 400 engagements with business and industry to support business growth
- 6 start-up + innovation initiatives through partnerships



TALENT ATTRACTION + RETENTION

4 initiatives that support talent attraction and retention, industry, or youth into employment



PROFILING THE REGION + ECONOMIC DATA

- 20 content pieces or media features profiling the region
- 2 campaigns or digital initiatives
- 190k 'sessions' on ManawatuNZ.co.nz
- 4 economic updates



IWI ENGAGEMENT + STRATEGIC PARTNERSHIPS

- 3 initiatives to support iwi engagement and projects
- 12 partnership agreements in place



PRIORITY PROJECTS

- Te Utanganui - the Central New Zealand Distribution Hub
- Manawatū Regional Food Strategy
- Destination Management Plan
- Investment in Feilding and Palmerston North central business districts



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KEY AREAS OF WORK

- Attracting new business and investment
- Showcasing Manawatū to attract investment, business, and people
- Supporting key sectors
- Business development and innovation
- Attracting and retaining talent



WORKING IN PARTNERSHIP

- Developing and growing partnerships
- Working in collaboration to increase efficiencies
- Supporting iwi led projects



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