

'OUR ASKS'

Palmerston North and
Manawatū Government Deal





Contents

05

Kia ora.

07

Our Government Investment Priorities

09 1. Te Utanganui - Central NZ Distribution Hub and supporting intermodal transport connections

11 2. New Zealand's Food Innovation Capital

13 3. Climate Change: Mitigation and Adaptation

15 4. Earthquake Prone Buildings and Heritage

17 5. Eco-Tourism: Te Āpiti Manawatu Gorge

19 6. City Centre: Te Manawa Museum and Civic and Cultural Precinct

21 7. Decentralisation of Government Departments



Kia Ora.

Regional New Zealand does not exist in a bubble. The same issues that face New Zealand as a nation, including pressure on systems like health, education and police can be seen reflected in the Manawatū and need to be addressed as a priority.

As a region Manawatū and Palmerston North City has prospered. We have done well by ourselves, but now seek much needed investment in the upcoming new term of Government.

A REGIONAL SNAPSHOT

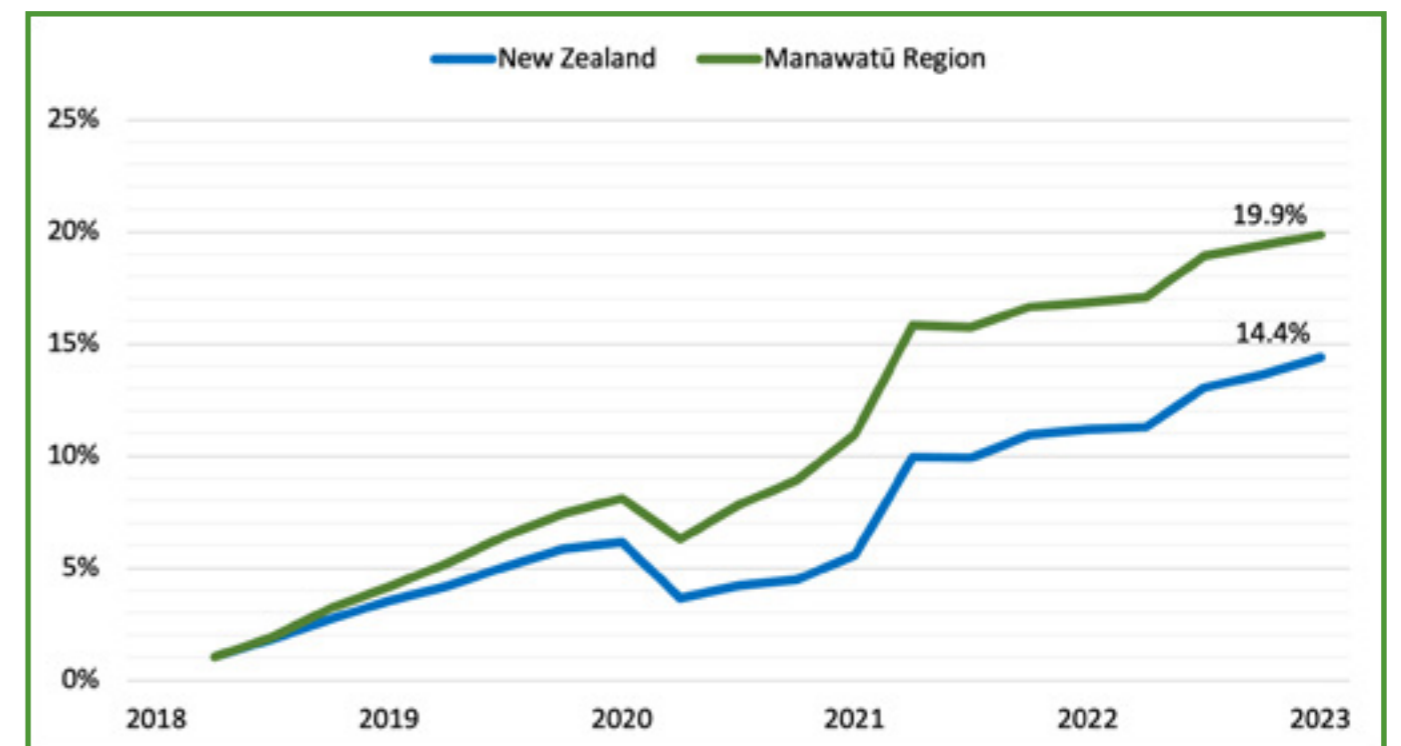
The Manawatū Region has experienced a period of strong economic growth over the five-years to March 2023 with Gross Domestic Product (GDP) increasing by 19.9 percent compared to 14.4 percent growth nationally. But we have done this largely by ourselves with little Government investment, receiving almost no shovel-ready funding, acceleration or targeted Government assistance in recent years.

FIVE-YEAR GDP GROWTH

Our regional economic performance has been underpinned by the diverse economic structure of the region, with increased commercial activity, high demand for agricultural goods produced in the region, elevated construction investment, and substantial growth in high value services fuelling economic activity over the past five-years. The region has also been less sensitive to the impact of border closures on tourism activity over the period of COVID restrictions.

High employment, earnings growth and relative affordability has supported improved living standards in the region despite an environment of rapidly rising costs and sharply higher interest rates

The diverse structure of the regional economy has boosted the economic performance however significant upside risk remains. High inflation and interest rate costs, mounting challenges for our agriculture and tertiary education sectors, and the signalled economic slowdown, will impact on businesses, families and households. This will ultimately slow our high-performing region.



Our Government Investment Priorities

Outside of the water reform better-off funding, and one small shovel-ready project, Palmy and Manawatū have received very little targeted Government funding in recent years.

So we are asking all political parties seeking election to become the incoming Government a series of investment questions on what they will specifically do for Palmy and Manawatū region.





1. Te Utanganui - Central NZ Distribution Hub and supporting intermodal transport connections

Part of the national supply chain, Te Utanganui – Central New Zealand Distribution Hub is a unique multi modal distribution centre under development in the Manawatū, spanning across Palmy and into the wider Manawatū district. It will build on existing distribution and logistics services and the Palmerston North Airport - one of only three airports in New Zealand permitted with 24/7 jet freight flights. Te Utanganui encompasses several infrastructure projects which, when combined, will create the primary distribution and transport hub for central New Zealand, supporting the transport and logistics centres of South Auckland, Waikato and Canterbury.

Well served by three international ports with ambitious expansion and investment plans, Manawatū is home to the only place in New Zealand where road, rail and air transport modes are immediately adjacent to each other, and Te Utanganui is the epicentre of this connectivity, with road, rail and air freight options clustered together.

Projects directly planned or aligned with Te Utanganui include:

- KiwiRail Regional Freight Hub.
- Ruapehu Aeropark.
- Te Ahu a Tūranga: Manawatū-Tararua Highway.
- Kawakawa Agri-business precinct, Feilding.
- Ōtaki to North of Levin (O2NL) Expressway.
- Palmerston North Airport Masterplan.
- Manawatū Industrial Park.
- Palmerston North Integrated Transport Initiative – Regional Freight Ring Road Programme.

In order to accelerate the development of Te Utanganui, we ask that the incoming Government:

- Endorse Te Utanganui within the NZ Supply Chain Strategy.
- Part-fund the development of the KiwiRail Regional Freight Hub.
- Commit to partnering and delivering the Regional Freight Ring Road Programme as a lead infrastructure project to enable private investment in Te Utanganui, and start within the next 3 years.
- Help part-fund critical supporting infrastructure, e.g. Three waters.



2. New Zealand's Food Innovation Capital

Palmy and Manawatū are well placed to become the nation's food innovation capital.

Building on the rich history of food and agricultural research dating back to the formation of Massey Agricultural College in 1926, Fonterra Global Research and the Crown Research Institutes and FoodHQ which was established in 2013. FoodHQ is a world-class food science and innovation network headquartered in Manawatū, with funding partners representing leaders in science, education and business. Our critical mass of over 3100 science experts attracts the world's smartest food science minds and international investment.

CEDA, our economic development agency, has prepared a new Manawatū Regional Food Strategy that identifies the region's unique strengths and opportunities regarding food, with a focus on the future and sustainable nutrition. The strategy implementation relies on key stakeholders across the food ecosystem and will propose near, medium, and long-term outcomes for the sector.

We ask that the incoming Government:

- Continue to fund key research activity in the region and grow that funding particularly for the long-term direction of growing food and food production.
- Fund new infrastructure to help better connect the FoodHQ innovation campus, to enable all ecosystem partners to work closely together.
- See Manawatū as a test bed for new approaches to food and farming with funds to support that.



3. Climate Change: Mitigation and Adaptation

Palmerston North City Council (PNCC) has reduced its corporate emissions by 29% since 2016 and is committed to reducing citywide emissions by 30% by 2031 (from the 2018 baseline). PNCC has established an annual \$1M low carbon fund to help continue to drive down our corporate emissions and are developing emissions reductions scenarios for both our corporate and citywide emissions.

Palmy and Manawatū are committed to delivering on the Government's Emissions Reduction Plan and are working with the wider region on a new Climate Action Plan. We are also looking at ways to help make our urban areas more resilient to future storm events through innovative stormwater management, e.g. sponge city techniques, in our new urban growth areas.

PNCC recognises that the marginal tonne of CO₂ emitted is determined entirely by the unit price of the Emissions Trading Scheme (ETS). As such, New Zealand's long-term targets are impossible to achieve without reform of the ETS, regardless of the scale and effectiveness of national and local supplementary measures. As it stands, these merely reallocate the costs of emission reductions, rather than reducing total gross emissions.

We ask that the incoming Government:

- Align the settings of the ETS with national targets, such that the supply of credits automatically and predictably declines through to net-zero 2050.
- Ensure the long-term sustainability of the scheme, and address equity concerns such as increased cost of living constraints that the ETS imposes through separate policy, such as through a 'carbon dividend' of ETS credit sale revenue, or similar mechanism.
- Resolve outstanding issues regarding carbon forestry.
- Make Palmy home to new climate science initiatives, such as the new National Greenhouse Gas Testing Facility.



4. Earthquake Prone Buildings and Heritage

Palmy and the Manawatu are in the high-risk zone of the lower North Island. This means we have the shortest time period for landowners to rectify earthquake prone buildings. In many cases the costs of strengthening are more than the value of the current land and buildings. Unless there is legislative change, timeframe adjustment or significant financial support, large parts of our historical city and town centres will be demolished in the coming years, and this will eventually impact Wellington too. Many landowners will elect to simply walk away.

The current legislation poses a significant threat to efforts put in place over many years to revitalise our town and city centres. There is no additional support or recognition to those towns and cities located in the high-risk zone. The high-risk zone is also inequitable as hidden faults pose a threat throughout the entire country.

The costs to upgrade all buildings does not appear proportionate to the risks being managed.

We ask that the incoming Government:

- Reassess the costs and risks of the current earthquake prone buildings legislation.
- Allow further timeframe to strengthen for the lower North Island. Amend the legislation to provide a consistent timeframe across New Zealand.
- Re-establish a national earthquake prone heritage fund.



5. Eco-Tourism: Te Āpiti Manawatu Gorge

Te Āpiti Manawātū Gorge is a taonga that for centuries has been under the kaitiaki of Rangitāne.

A place of great power and beauty, the diverse forest ecosystem of Te Āpiti Manawātū Gorge provides a home to many native birds and plants and is a favourite walking and cycling spot for locals and visitors alike. Today, there are many parties that have a responsibility for managing parts of its large area. They are led by the overarching governance structure known as Te Āpiti Manawātū Gorge Governance Group. The group have identified opportunities to apply for UNESCO geo-park and World Heritage Park status, and are in the early stages of preparing applications.

A Te Āpiti Manawātū Gorge Masterplan has been developed to protect the mana of Te Āpiti and enhance the experiences of those who visit. The Masterplan sets the overall direction for Te Āpiti - Manawātū Gorge for generations to come. It takes into consideration a number of plans that already exist for the area, providing an overarching plan that unifies agencies with a common vision, aligning the work already being done. The Masterplan also sets out a number of key projects for consideration.

We ask that the incoming Government:

- Focus visitor sector investment on regions such as the Manawātū where we can disperse tourism, opening-up new opportunities for regional New Zealand, and meeting the Tiaki Promise around sustainable tourism. This includes Te Āpiti.
- Fund the Visitor Discovery Centre at both ends of Te Āpiti as identified in the Master Plan.
- Endorse (when appropriate on evidence) the UNESCO Geo-Park and World Heritage Park applications for Te Āpiti.



6. City Centre: Te Manawa Museum and Civic and Cultural Precinct

Palmerston North and Manawatu's cultural facilities are uniquely situated in the city's CBD.

Te Manawa is a regional museum working beyond boundaries at the cultural heart of Palmerston North. Te Manawa is unique to New Zealand, as it draws art, science and heritage together to reflect our past, illuminate the present and inspire a creative and sustainable future. It also houses the New Zealand Rugby Museum and nationally significant collections from the medical and military sectors.

For more than 30 years, Te Manawa has been governed by a charitable trust that has responsibility for art and heritage collections. As a non-profit organisation and registered charity, Te Manawa are reliant upon grants and donations to deliver this important mission.

Te Manawa forms part of a wider Civic and Cultural Precinct that includes the nationally acclaimed Palmerston North Central Library, the Globe Theatre, Palmerston North City Council Administration Building and the city's Conference and Function Centre. Te Manawa and the Palmerston North Central Library are both earthquake prone. Future investment will be informed by a new master plan, which is under development.

There is also an opportunity to work on an integrated archives facility across Palmy, Manawatū and the wider region. An opportunity to integrate these Archives centrally in Feilding exists.

We ask that the incoming Government:

- Co-invest in earthquake strengthening and redevelopment of Te Manawa Regional Museum and the City's Central Library.
- Co-invest in an integrated Archives and storage facility across Palmy, Manawatū and the wider region.



7. Decentralisation of Government Departments

Local economic development opportunities to assist Local Government could include decentralisation of Government departments or Ministries to regional cities where the ministries activities are strongly aligned locally, eg: Forestry to Rotorua or Fisheries to Nelson; and making operational budgets go significantly further than metropolitan Wellington.

We ask that the incoming Government:

- Decentralise several Government departments and their associated cost centres into the regions. Amongst these consider the Defence Ministry to Palmerston North and the Ministry of Primary Industries to Manawatū.

Local Government Revenue Streams

In an increasingly complex operating environment, successive governments have devolved additional functions and responsibilities to councils and increased minimum standards, while simultaneously criticising the non-financial and financial performance of councils, e.g. debt levels and rates increases. New Zealand operates a very centralised funding model. Local government provides over 50% of public services, but on only 10% of the combined Tax & Rates take. This centralised 'master-servant' low trust model of Government does not add up and is unsustainable for the nation.

We ask that the incoming Government provides local government with new and deserved reliable revenue streams and local economic development opportunities. Examples include:

- Returning the GST off rates back to councils.
- A percentage of GST collected from within the council jurisdiction.
- A new local government infrastructure fund with an assistance rate system similar to Waka Kotahi - NZTA
- Decentralisation of Government departments and their associated cost centres into the regions, e.g. Defence to Palmerston North or MPI to Manawatū.

New revenue streams for local government will help ensure councils and their residents' rates remain financially sustainable.





pncc.govt.nz / mdc.govt.nz

Craig Nash

+64 6 355 1410 / +64 21 356 499

craig@spearhead.nz