

# Story

**Serving the  
distribution needs of  
central New Zealand  
and beyond**

# **Te Utanganui is a unique multi modal distribution hub in the lower North Island of New Zealand, consisting of rail, road, air and sea connections. Complementing the Golden Triangle and the southern Christchurch node, Te Utanganui will act as the third node in New Zealand's national transport and freight network in the heart of New Zealand that will see economic, social, and environmental benefits for its wider community.**

Te Utanganui is the name gifted for the Central New Zealand Distribution Hub by Rangitāne o Manawatū.

The name refers to the concept of an inland port, of transient goods arriving by sea, sky and land, and then out again – ki tai.

Ki uta refers to an inland location and nui describes the hub's vastness and importance.

The name drew inspiration and appreciation from the local geography, of its creeks and streams that carve pathways from the mountains to the sea. It represents the significant role Te Utanganui has in the transport of goods throughout New Zealand and the world.

Ki uta ki tai – mountains to sea.

The development of Te Utanganui's strategy has seen strong collaboration with 26 central New Zealand Councils and many Central Government agencies, along with key Economic Development Agencies (EDA's) and Chambers, with endorsement from the Manawatū Chamber of Commerce, Wellington Chamber of Commerce and Business Central, with more planned and underway.

Te Utanganui is a collaboration between Palmerston North City Council, Manawatū District Council and CEDA, in partnership with Rangitāne o Manawatū, with the underlying strategy supported and endorsed by key government agencies.

**The mana of this name and partnership with Rangitāne o Manawatū is foundational to Te Utanganui.**

**Collaboration and working in partnerships is essential to the success of Te Utanganui.**



# Introduction

**Manawatū is the natural and logical centre for distribution across central New Zealand and sits at the intersection of State Highways 1, 2 and 3, enabling easy connections to Wellington, Wairarapa, Hawke's Bay and Taranaki regions.**

Well served by international ports with ambitious expansion and investment plans, Manawatū is home to the only place in New Zealand where road, rail and air transport options are immediately adjacent to each other. Te Utanganui is the epicentre of this connectivity, with unrivalled road, rail and air freight options clustered together in the city of Palmerston North, or Palmy as it is known.

The region is already a nationally strategic freight location and home to one of three key nodes on the national air freight network, operating 24/7. It is a key central servicing point for the Taranaki, Manawatū-Whanganui, Hawke's Bay, Wairarapa and Wellington regions, and for relatively high-value import and domestic freight between Auckland and the South Island.

It is also a significant exporter to the world via the primary sectors of meat, forestry and dairy, as well as clothing, agricultural and agritech products. The short distances between international ports and Te Utanganui, and from Te Utanganui to central New Zealand's populous areas via all transport modes, helps New Zealand decarbonise supply chains, directly contributing to New Zealand's 2050 emission reduction targets.

**Te Utanganui is a unique multi modal distribution hub being developed in Manawatū, spanning across Palmy and into the wider district. It 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.**

**Once fully completed, the hub will provide economic, social and environmental benefits for the region and the country. It will help to reduce emissions through more efficient freight movement and provide more efficient delivery of goods in New Zealand.**

Te Utanganui strengthens the resilience of New Zealand's transport and logistics system by offering all freight modes from a comparatively low seismic and natural disaster risk area. Improved infrastructure connecting the region and the capital through Transmission Gully, and the proposed O2NL further strengthens Wellington's resilience.

It is an ambitious, multi-year project which maximises the value of infrastructure investments already committed across the North Island, both private and public, and advocates for inward private investment, government and local government support, and regional and iwi collaboration.

The location of Te Utanganui is key. Manawatū is currently experiencing unprecedented levels of growth fuelled by significant public and private investment. Part of the success of the region as a logistics hub is the ease of business for logistics operations in Palmy and Manawatū District.

More than \$8 billion of transport and infrastructure investment is planned and already under way in Palmy and Manawatū in the next 10 years, and \$3.3 billion of this is committed to roading infrastructure upgrades in the region alone. Te Utanganui supports and enhances this significant investment pipeline for the region, creating economic and community wellbeing outcomes.



Nationally significant road upgrades have been funded with the gorge replacement Te Ahu a Turanga: Manawatū-Tararua Highway underway reconnecting the western and eastern roading networks of the lower North Island, the Ōtaki to north of Levin (O2NL) expressway underway and the business case for a transformational Palmy Regional Freight Ring Road finalised by Waka Kotahi.

Rail also offers a significant freight hub in Palmy with rail lines connecting with the North Island main trunk. The planned development of the multi-million dollar KiwiRail Regional Freight Hub within Te Utanganui will improve productivity and increase its share of national freight volumes.

Te Utanganui encompasses Palmy's North East Industrial Zone (NEIZ) which is already home to large scale warehousing such as Countdown, EziBuy and Foodstuffs, with Toyota NZ located nearby. There is significant opportunity for further large scale warehousing development.

Palmerston North Airport, located within Te Utanganui, is one of three significant freight airports in the country, offering easy road access for freight to and from the airport, with no restrictions on hours of operation for freight flights.

As one of New Zealand's fastest growing regional airports, Palmy Airport is also developing and managing Ruapehu Business Park – the central North Island's peak business location for freight and logistics, aviation training, retail and light industrial businesses.

**The development of Te Utanganui will result in a resilient, efficient, competitive and multi-modal transport system which will become a productive asset for the whole of New Zealand, driving economic growth, creating jobs and helping decarbonise our freight transport system.**

# Why Manawatū

## **Freight volumes in New Zealand are expected to increase significantly in the coming decades due to population growth and increasing competition in the distribution and logistics market.**

National transport and logistics have been dominated in recent years by the upper North Island, in particular the 'golden triangle' formed by Auckland, Hamilton and Tauranga.

Within the golden triangle are New Zealand's two biggest international ports at Auckland and Tauranga, and the area has attracted significant public and private funding. At 490ha, Ruakura (Tainui Group Holdings), located just outside Hamilton, is set to be the premium logistics and industrial hub in the country, providing an inland port for container movements between the two ports as well as distribution centres for the wider region.

In the South Island, the devastating impact of the Christchurch earthquakes has seen a resurgence in distribution investment, including two inland ports at Rolleston, expansive distribution centre investments, and upgrades to regional roading networks. Lyttleton Port also continues to grow with over 50% of the South Island's volume.

Manawatū is poised to become home to the third key national transport and logistics network with the creation of Te Utanganui, building on the connectivity provided by easy access to all modes of freight transport and enhancing the nation freight network. Te Utanganui demonstrates the importance of the Manawatū, and specifically Palmy, as a primary distribution hub for New Zealand.

The primary distribution hubs across the country all enjoy strong connections to their respective region's ports via road and rail, however, nationally, only Palmy boasts road, rail and air transport options immediately adjacent to each other.

Stationing Te Utanganui in Manawatū fits effectively with the national network and will support growth and development in the surrounding regions as well as connecting Wellington, Taranaki, Hawke's Bay, Tauranga and up the central North Island to Hamilton and Auckland, providing a critical central point for New Zealand.

Delivering on the blueprint of Te Utanganui requires a holistic overview that clearly understands the lower North Island distribution network in order to cover how rail, road and air connect freight to regional cities, towns, ports and airports, and out into national and global supply chains.

Recent events such as COVID-19 have highlighted the vulnerability of global supply chains putting pressure on the timely and efficient delivery of goods within New Zealand and globally. This is forcing supply chains and businesses away from 'just-in-time solutions' and is reshaping distribution centre investments away from single node models to multi-node models. This puts Te Utanganui in a strong strategic position.

Te Utanganui will significantly contribute to New Zealand's productivity growth and supply chain resilience by increasing national freight capacity and decreasing the reliance on the country's key distribution hubs.

It will also enable more efficient movement of goods and a reduction in carbon emissions because of shorter truck routes, while improving community wellbeing with the reduction of heavy freight off suburban roads.

# Current Situation

**Te Utanganui provides key connectivity for the transportation of inbound and outbound goods. Manawatū is also a major exporter of primary sector outputs – meat, forestry and dairy – as well as clothing, agricultural and agritech products.**

Years of planning, analysis and lobbying has laid the groundwork for establishing Te Utanganui. The project will be delivered via a cohesive, nationally focused strategy and plan, working with local and central government, iwi and investors. This will enable planning, approvals and infrastructure development to be accelerated.

Master planning is well underway and will support zoning which has already occurred for the North East Industrial Zone (NEIZ) and likely identify further land for rezoning. Other activity zones nearby include wet industry at Longburn and Kawakawa Road (south east of Feilding), and significant agri-business activities in Feilding which is less than 10km away.

The NEIZ encompasses approximately 212ha of land immediately south of Bunnythorpe that has been zoned for large-format transport, warehousing and logistics operations.



The land is well-suited because it is flat and relatively free from surrounding residential and commercial activities that could constrain its operations and growth. It is also adjacent to the planned Regional Freight Ring Road route, the main trunk railway line and planned KiwiRail Regional Rail Freight Hub. This rail freight hub, along with the NEIZ are key components of Te Utanganui.

Private and public investment in Te Utanganui is accelerating on multiple fronts, with national businesses already investing in warehousing. The area is home to the Ruapehu Business Park, Palmy Airport and major distribution centres including Toyota, EziBuy, Countdown and Foodstuffs. There is additional designated space for large-scale warehousing sites, with room to grow.

# Current Situation

Palmy Airport is one of three key airports in New Zealand that can move freight 24/7. There are nightly freight connections between Christchurch International, Palmy and Auckland International airports.

The combination of 24/7 operations and freight air service makes Palmy the ideal location for businesses with a strong consumer base needing express delivery of parcels (for example EziBuy and Toyota). This market segment is a key focus for inward investment as part of Te Utanganui's strategy.



Another key component of Te Utanganui is the proposed KiwiRail Regional Rail Freight Hub which will enable businesses to make better use of rail and reduce transport emissions, particularly with warehousing, and international and domestic transport connections available on neighbouring sites. KiwiRail has committed funding for the purchase of 177 hectares of land to build the high-tech, large-scale hub.

The rail freight hub will be capable of handling containerised and non-containerised freight, including from longer, high-capacity trains that are expected to come online.

Operations at the hub are expected to begin around 2031 and, as demand increases, the hub footprint is expected to grow to its full size around 2051.

KiwiRail's proposal includes comprehensive conditions for the hub project, including how to manage noise, dust, light and traffic during construction and after completion; a partnership framework with local iwi to ensure they were, and continue to be, involved as the project progresses; and for ongoing community liaison.

# Current Situation



The North Island's primary rail nodes for container movements are Smart Road (Taranaki), Heads Road (Whanganui), Palmy (Manawatū), Port of Napier (Hawke's Bay) and Wellington. All major container movements connect with these five strategic nodes.

Manawatū has additional strategic importance being the key node for all rail from Taranaki, Wellington, Hawke's Bay and Upper North Island (UNI), whether for loco driver changeovers, or most likely for marshalling and reconnecting train packages.

Movement of full containers is influenced and controlled by a handful of powerful players, most of whom are focused on UNI and golden triangle (Auckland-Tauranga-Hamilton) growth. The KiwiRail Rail Freight Hub will encourage investment from those players in the region and will assist them with the movement of containers inter- and intra-region.

Road transport remains a key mode of transport for freight from central North Island (CNI) and good quality roads are critical to moving freight fast, efficiently and cost effectively. With 93% of New Zealand's freight moving by truck, the region's road network is a critical element in the development of Te Utanganui.

Nationally significant road upgrades have been funded, with the Manawatū Gorge replacement Te Ahu a Turanga/ Manawatū-Tararua Highway project under construction, and the Ōtaki/Levin (O2NL) expressway in final planning stages. In addition, the business case for a transformation Regional Freight Ring Road has been finalised by Waka Kotahi.

As the natural and logical centre for distribution across Central New Zealand by road, rail and express air delivery, the development of Te Utanganui takes into account the broader transport and distribution system including port developments and investments at the major international ports and secondary developments (Marton Rail Hub, Whanganui Port, Smart Road in Taranaki, Oringi in Tararua, Whakatū Inland Port in Hastings and Horowhenua Business Park).



# The Opportunity



## **With big thinking comes big opportunity. Te Utanganui presents a win-win for everyone from investors to industries, transport improvement to cities and provinces, environment protection, job creation, housing and much more.**

Key national and global businesses have invested heavily to be based in the NEIZ and the planned KiwiRail hub will enhance the benefits of investment by similar businesses in the region.

Private investors in property development and transport and logistics can see the significant investment opportunities that exist in Te Utanganui, and by working with local government, iwi and central government, the region is providing investors with an opportunity to accelerate their investment plans in this strategic national transport node.

Private and public investment in Te Utanganui is accelerating on multiple fronts, and already, some \$3.3bn in funding has been committed to roading infrastructure upgrades in the Manawatū region. This spend plays a significant part in the region's overall \$8bn pipeline of infrastructure investment

planned and underway which includes upgrades to defence, health, education and capital infrastructure.

All these designated infrastructure upgrades and new projects need to be fast-tracked together if the integrated benefits of Te Utanganui are to be achieved.

The success of Te Utanganui will partly lie with partnering with entities that have a strong focus on UNI development, have a holistic view of the New Zealand supply chain and are genuinely port agnostic.

Alignment with our regional and nation's ports is essential. Although the ports compete for cargo, Te Utanganui must focus on creating a resilient, efficient and competitive supply chain for all users to encourage and incentivise investment into the region's infrastructure.

# The Opportunity

The opportunities are boundless for key potential partners including KiwiRail, and international ports.

During the next 10-20 years, technology is going to change the emissions profile of our transport industry. Traffic flows through the region, including cycle ways, will be seen as one integrated system and help make the region more liveable. Getting more freight on rail also reduces road maintenance costs and improves road safety.

The investment proposition for national distribution centres in the Manawatū is proven. Now is the time to build on existing momentum and create a strong and resilient case for accelerated and increased investment, both private and public.

There are several 'big box' retailers and logistics businesses that could invest into the region based on the strong proposition of Te Utanganui.

Tier two players (large-scale distribution businesses who use road and rail and would benefit from strong connectivity between industrial zones and the KiwiRail hub) include Cardinal Logistics, Spotlight, and Mitre 10.

Investments to develop Palmy Airport, significant upgrades at our defence bases of Ohakea and Linton, along with developments at Massey University would likely be accelerated and supported through better connectivity.

Housing development and planning will become a key enabler to support population and jobs growth as the freight task and investment grows. It is important for people working within the hub to have ready access to housing and other urban amenities such as parks, shops and schools.

The Palmerston North City Council (PNCC) has an established residential growth strategy that can accommodate projected growth during the next 30 years. This includes exciting opportunities at Bunnythorpe, with the potential for new housing to help revitalise the village and make use of existing physical resources, such as the primary school.

Although most investment is, and will continue to be, in and around Palmy and Manawatū, the wider regions of

**The investment proposition for national distribution centres in the Manawatū is proven. Now is the time to build on existing momentum and create a strong and resilient case for accelerated and increased investment, both private and public.**

Whanganui, Rangitikei, Horowhenua, and Tararua will also benefit from Te Utanganui. Secondary industrial hubs serving local communities, and in some cases large exporters, will contribute to the success of the transport and logistics system.

Defence Force estate projects in Linton and Ohakea will also be supported through integrated transport plans.

Te Utanganui will help accelerate New Zealand's economic growth. Key contributing factors include:

- Attracting investment from local companies wanting to scale-up and international companies wanting to enter the New Zealand market, leading to more job opportunities and greater export capabilities
- Local tertiary providers Massey University and UCOL provide a direct skills pipeline for businesses at Te Utanganui
- Experts such as AgResearch, Riddet Institute, Fonterra Research and Development Centre, and food science and innovation hub FoodHQ are also based locally, along with more than 3,900 scientists and researchers, working with primary producers to innovate, grow and export
- Enabling business to co-locate with similar or complementary businesses and services in a purpose-built hub with links to domestic and international markets will boost productivity
- Attracting and retaining skills and investment in Manawatū future-proofs the region for future population and economic growth

# Planned and/ or underway



## **As the strategic vision for Te Utanganui takes shape, several components will require specialist support and planning.**

They include:

- Land requirements and zoning to expand the North East Industrial Zone (NEIZ)
- Reviewing current stormwater needs and recommending the best practicable option for managing stormwater across Te Utanganui
- Ensuring cultural values are protected and embraced
- Housing development to accommodate the growth in population associated with Te Utanganui
- Planning for efficient freight and other transport connections between the airport, NEIZ, KiwiRail Regional Rail Freight Hub and the Regional Freight Ring Road

This is a project that will impact everyone in the wider Manawatū region – from industry and investors to local landowners, iwi and residents – in one way or another. It will also have an impact on all New Zealanders by safeguarding the country's distribution network, increasing capacity and decreasing the reliance on the country's key hubs in Auckland and Christchurch.

The importance of meaningful and ongoing engagement with iwi is critically important. By truly partnering, Te Utanganui can be fast tracked, investment opportunities will flow, and long-term objectives achieved.

# Summary

**Palmy, in the Manawatū, is the natural interchange point for goods travelling to all corners of central New Zealand by road and rail, and nationwide by express air delivery. The region is already a nationally strategic freight location.**

- Already home to major businesses operating distribution centres including Toyota, EziBuy, Foodstuffs, Australian Defence Apparel and Countdown
- Palmerston North's airport is one of three key locations on the national air freight network, operating 24/7
- State Highways 1, 2 and 3 intersect in the region, offering connections to Wellington, Wairarapa, Hawke's Bay (including Port of Napier) and Taranaki regions. State Highway 1 is the key connection for the region to the ports of Auckland and Tauranga, and Auckland International Airport
- Nationally significant road upgrades are either planned or underway as part of a \$3.3 billion roading development pipeline
- Development of the KiwiRail Regional Rail Freight Hub will be a game changer

**Te Utanganui is set to be the third key national transport and logistics hub, part of a national network comprising the golden triangle (Auckland port, Ruakura in Waikato and Tauranga port) and Christchurch-Canterbury.**

- Key national and global businesses have invested heavily to be based within Te Utanganui
- KiwiRail Regional Rail Freight Hub will enhance the benefits of investment by similar businesses in the region
- Aligned with regional and nation's ports development plans

**Te Utanganui will maximise the value of other transport and freight infrastructure investments already committed across the North Island.**

- More than \$8 billion in transport and infrastructure investment planned and underway in Manawatū over the next 10 years, with \$3.3 billion on roading infrastructure alone
- Roading projects at Ōtaki-north of Levin (O2NL) and Te Ahu a Turanga/Manawatū-Tararua Highway
- Palmerston North Airport developments
- Development at the ports at Wellington, Taranaki, Napier and Tauranga
- KiwiRail's own Regional Rail Freight Hub development

# Summary

**With freight volumes rising, there is demand for Te Utanganui, a major multi-modal distribution hub at the crossroads of road, rail and air to streamline efficient operation of a seamless logistics network serving domestic and international markets.**

- Increasing national freight capacity, with Palmy set to play a pivotal role in the national freight network
- Palmerston North Airport, operating 24/7, is one of three key nodes on the national freight network, alongside Auckland and Christchurch
- The KiwiRail Regional Rail Freight Hub will be capable of handling containerised and non-containerised freight, including from longer, high-capacity trains that are expected to come on stream
- The KiwiRail Regional Rail Freight Hub will attract additional logistics businesses to co-locate
- Significant investment had been made in existing distribution centres including Toyota NZ, Countdown, EziBuy, Foodstuffs
- COVID-19 has highlighted vulnerability of global supply chains and continues to put pressure on the timely and efficient delivery of goods within New Zealand and globally

**Business and local government are already aligned in support of this vision, meaning Government only needs to act as a catalyst investor to generate exponential value.**

- Government investment requirements are of a straightforward 'belt and braces' nature
- Significant investment made into nationally significant road upgrades replacement (Te Ahu a Turanga: Manawatū-Tararua Highway, Ōtaki to north of Levin (O2NL) expressway, Regional Freight Ring Road)
- Integrated with city and regional council long term spatial development strategies
- Better freight traffic management via Freight Ring Road will enable urban development in a rapidly growing city looking to increase housing density while maintaining quality of life and wellbeing
- Defence Force estate projects in Linton and Ohakea will be supported through integrated transport plans

**Te Utanganui will become a productive asset for the whole of New Zealand, driving economic growth, creating jobs and helping decarbonise our freight transport system.**

- Enable more efficient movement of goods
- Reduction in carbon emissions because of shorter truck routes
- Improve community wellbeing with the reduction of heavy freight off suburban roads

For details of, and the strategy for,  
Te Utanganui, visit  
[www.TeUtanganui.co.nz](http://www.TeUtanganui.co.nz)

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