

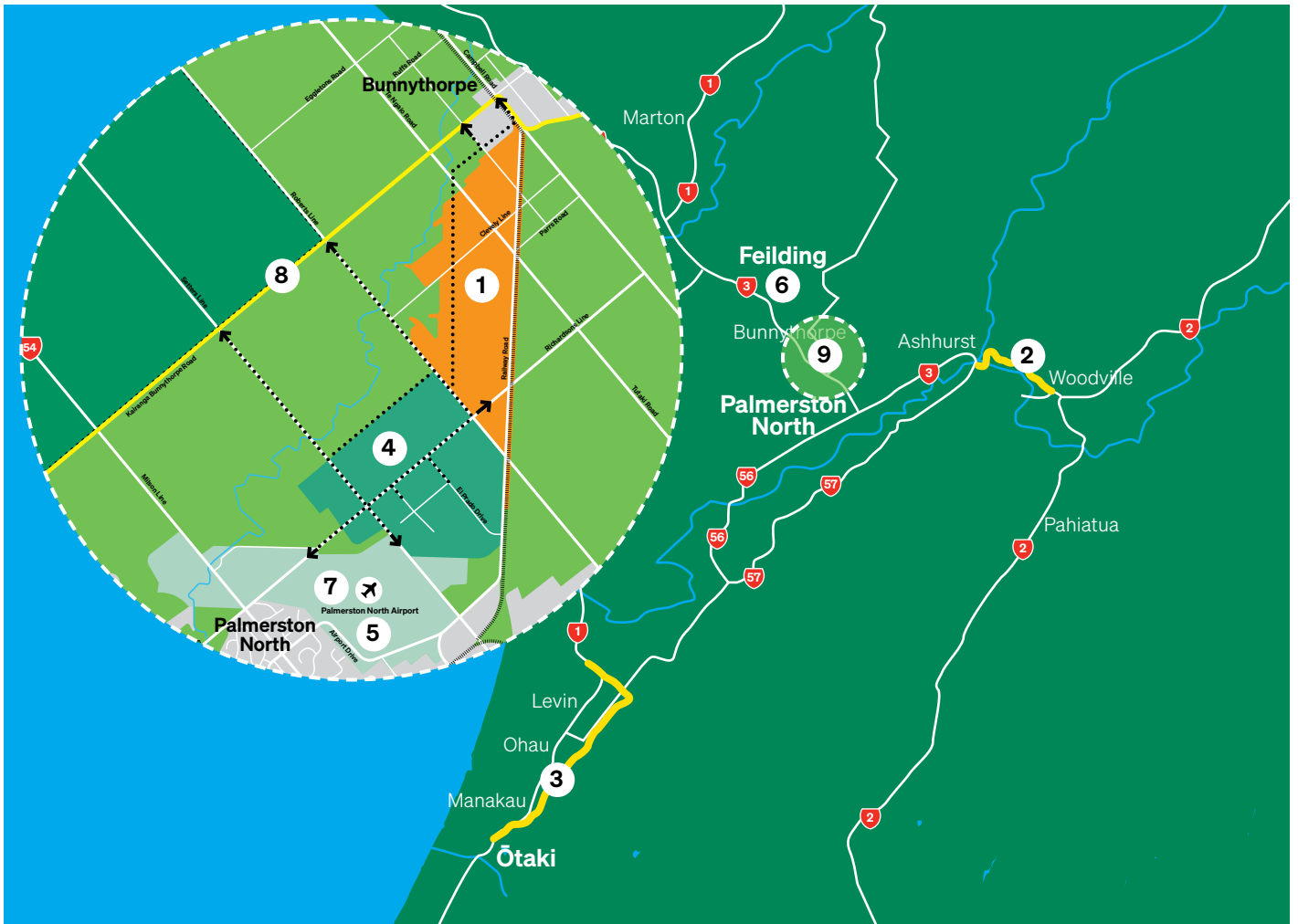


Strategy

**Central New Zealand
Distribution Hub**

Te Utanganui is a unique multi modal distribution hub in the lower North Island of New Zealand. The Strategy was developed in 2020, and is endorsed by councils and economic development agencies, supported by iwi, and backed by central government agencies.

Te Utanganui, as a project, encompasses several infrastructure projects in Manawatū, that when combined, create the primary distribution and transport hub for central New Zealand.



Te Utanganui's strategy encapsulates road, rail and air as part of the national freight and supply chain strategy. Te Utanganui's Project Team oversees three key workstreams of Inward Investment and Acceleration, Advocacy and Communications, and Master Planning including several large-scale roading projects that range from 'business case stage' through to 'currently under construction.' Projects directly planned or aligned with Te Utanganui include:

1. KiwiRail's Regional Freight Hub
2. Te Ahu a Tūranga: Manawatū-Tararua Highway
3. Ōtaki to North of Levin (O2NL) Expressway
4. North East Industrial Zone (NEIZ)
5. Ruapehu Business Park
6. Kawakawa Industrial Precinct, Feilding
7. Palmerston North Airport
8. Palmerston North Integrated Transport Initiative – Regional Freight Ring Road
9. Manawatū Inland Port

In addition to the project, Te Utanganui's strategy encompasses the broader transport and distribution system across central New Zealand including:

- Port developments and investments at the major international ports
- Secondary developments including Marton Rail Hub, Whanganui port, Smart Road in Taranaki, Oringi in Tararua, Whakatū inland port in Hastings and Horowhenua Business Park



The hubs name of Te Utanganui was gifted to the project in 2021 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 representing 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 mana of this name and partnership with Rangitāne o Manawatū is foundational to Te Utanganui.

Mayoral Endorsement and Government Support



There has been strong collaboration with central New Zealand councils and Central Government agencies during the development of Te Utanganui's strategy.

The 26 councils spread across four regions in the Lower North Island, including regional, city and district councils, have broadly endorsed Te Utanganui's strategy. The strategy has been widely shared with Economic Development Agencies (EDA's) and Chambers, with endorsement from the Manawatū Chamber of Commerce, Wellington Chamber of Commerce and Business Central, with more underway.

To date we have endorsement from:

Manawatū-Whanganui Regional Chiefs
– all eight councils support.

Greater Wellington Mayoral Forum

– all nine councils support.

Taranaki region four Councils

– plus their EDA - Venture Taranaki. *(Pending)*

Hawke's Bay region five Councils

– *(Pending)*

Rangitāne o Manawatū and Ngāti Kauwhata are actively involved with Te Utanganui governance groups.

Through the development and implementation of the strategy, extensive engagement has been undertaken with central government including Waka Kotahi, KiwiRail, MBIE, Ministry of Transport, Housing and Urban Development, Kainga Ora, and Crown Infrastructure.

Executive Summary

Manawatū is the natural and logical centre for distribution across central New Zealand by road, rail, and by express air delivery nationwide. The region is well served by international ports with ambitious expansion and investment plans.

The project team for Te Utanganui is focused on attracting inward private investment, ensuring ongoing government agency backing, and enhancing inter-regional and iwi collaboration. The strategy provides a cohesive nationally focused plan that creates a resilient, efficient, competitive, and multi-modal transport system for central New Zealand.

Situated on the main trunk rail line, and at the intersection of all state highways connecting Taranaki, Hawke's Bay, Wellington, and the North, Te Utanganui provides unrivalled connectivity for the inbound and outbound transportation of goods for central New Zealand.

The Palmerston North airport is one of three key nodes on the national air freight network and boasts a 24/7 consent with freight connecting between Christchurch, Palmerston North, and Auckland on a nightly basis. The airport forms a core part of the existing Te Utanganui hub.

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.

A round trip from Ports of Auckland to Te Utanganui is ~1030km versus a round trip from Port of Napier of just ~370km. Te Utanganui is just 142km to the capital of Wellington via road and rail.

Private investors in property development, transport and logistics can see the significant investment opportunities that exist in Te Utanganui through this strategy. By working with local government agencies, iwi partners and central government, the region is providing investors with an opportunity, and the confidence, to invest in the nationally strategic Te Utanganui distribution hub.

Te Utanganui is the only place in New Zealand that offers road, rail and air transport options in one hub.

Executive Summary

The ongoing development of 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.

With the potential for distribution of goods for approximately 20% of New Zealand's population, Te Utanganui is a key component of the New Zealand Freight and Supply Chain Strategy being developed by the Ministry of Transport. By the nature of its geographical and strategic positioning within the New Zealand transport system, Te Utanganui will be comparable to the transport and logistics centres of South Auckland, Waikato and Canterbury.

The wider Manawatū-Whanganui region is a significant exporter to the world via the primary sectors of meat, forestry and dairy, as well as clothing, agricultural and agritech products. This provides the balance of imports and exports that is needed for the efficient and cost-effective flow of goods.

To support the growth projected in Te Utanganui, the region's tertiary institutes provide a direct skills pipeline for businesses at Te Utanganui. AgResearch, Plant and Food Research, Riddet Institute and food science and innovation hub FoodHQ are all based locally, along with more than 3,900 scientists and researchers, working with primary producers to innovate, grow and distribute produce nationally and globally.

Private and public investment in Te Utanganui is accelerating with large national businesses investing in warehousing. KiwiRail is purchasing land for their Regional Freight Hub at Bunnythorpe, adjacent to Palmerston North's North East Industrial Zone. 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 to north of Levin' (O2NL) expressway in final planning stages. The business case for the transformation Regional Freight Ring Road has been signed off by Waka Kotahi.

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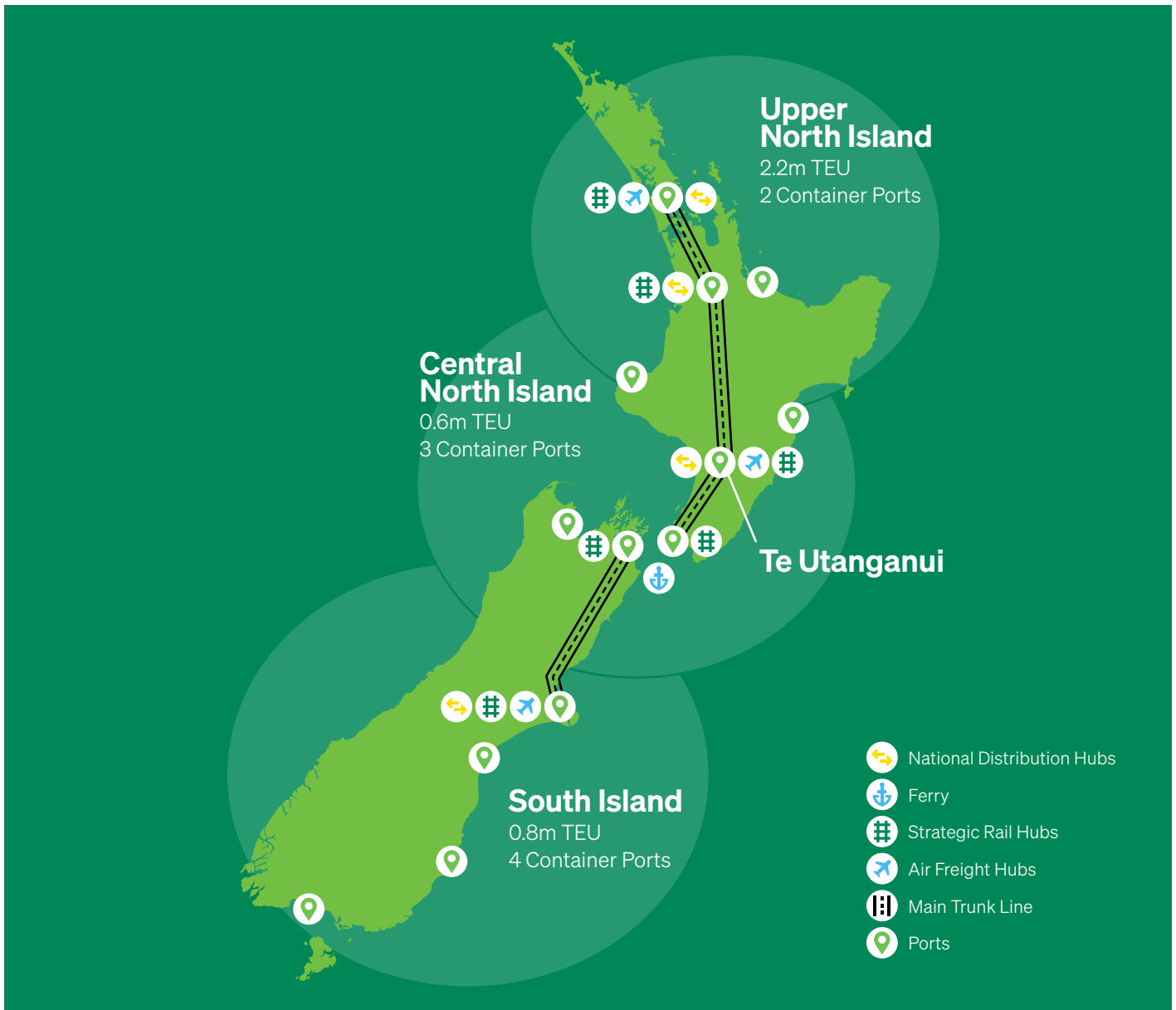
A round trip from Ports of Auckland to Te Utanganui is ~1030km versus a round trip from Port of Napier of just ~370km. Te Utanganui is just 142km to the capital of Wellington via road and rail.

In total funding of some \$3.3bn is committed to roading infrastructure upgrades in the Manawatū region alone, which will directly support the ambitions of Te Utanganui's strategy. 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. Te Utanganui supports and enhances this significant investment pipeline for the region, creating economic and community wellbeing outcomes.

To complete the strategy for Te Utanganui, the project team are focused on accelerating planning for more industrial land zoning and enabling infrastructure in Palmerston North, supporting capital projects and accelerating private investment in distribution and transport related businesses.

Private investors in property development, transport and logistics can see the significant investment opportunities that exist in Te Utanganui through this strategy. By working with local government, iwi partners and central government, the region is providing investors with an opportunity, and the confidence, to invest in the nationally strategic Te Utanganui freight distribution hub.

National Positioning



Manawatū is at the crossroads of several major state highways and is the natural and logical centre for distribution across central New Zealand. 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.

National Positioning



Upper North Island (UNI)

The debate on national transport and logistics has been dominated in recent years by the UNI. The concept of moving Ports of Auckland has generated two major studies, the Upper North Island Supply Chain Study (UNISCS) which considered moving cargo operations to NorthPort and Port of Tauranga, and the subsequent peer review by Sapere that suggested a move to West Auckland.

Additionally, the rapid growth in the 'golden triangle' has attracted significant public and private funding, and the Port of Tauranga and its many business partners continue to expand their operations. This includes an alliance with Tainui Group Holding's Ruakura Superhub development.

The UNI has the two biggest international ports in New Zealand with a combined throughput of 2.2m TEU. Generally, the first port of call for imported goods is Auckland and the last port for exports is generally Tauranga, making them strategically significant ports.

South Island (SI)

In the South Island, the devastating impact of the Christchurch earthquakes has seen a resurgence in distribution investment including two inland ports at Rolleston, extensive distribution centre investments, and upgrades to regional roading networks.

This, and the location of the distribution expansion in Rolleston to Christchurch Airport, has seen a rapid expansion of not only distribution centres but a growth, in related business activity in the region. Lyttelton Port's continued growth as the key SI port, with over 50% of the

island's volume, has also contributed to the significance of the Rolleston distribution centre development.

In terms of demographics, Te Utanganui shares a similar profile to Canterbury, serving a similar size population base.

Central New Zealand (CNZ)

Te Utanganui is being strengthened through the considerable investment into core infrastructure on Transmission Gully, O2NL, Te Ahu a Turanga: Manawatū-Tararua Highway and KiwiRail's Regional Freight Hub.

One key component to completing a robust strategy for Te Utanganui was to clearly understand the LNI distribution network. The strategy clearly shows the importance of the Manawatū, and specifically Palmerston North, 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.

Te Utanganui is the only place in New Zealand that offers road, rail and air transport options in one hub.

COVID-19 has highlighted the vulnerability of global supply chains and continues to put pressure on the timely and efficient delivery of goods. This is forcing supply chains and businesses away from 'just in time solutions' and is re-shaping distribution centre investments away from single node models to multi-node models. This puts Te Utanganui in a strong strategic position.

Container Shipping and Ports



Import and Export flows

In general, international shipping enters New Zealand at Auckland to offload imports at 'the first port of call'. As such Auckland is also the primary national hub for empty containers. Once unloaded, the containers are returned to container depots in South Auckland and made ready for exports.

Due to the majority of exports originating elsewhere in New Zealand, the empty containers are either coastally shipped (often on international shipping lines) or transported via road and rail to other ports or aggregation points.

The second major import node is Lyttelton, as the gateway for South Island distribution. Typically, ships enter New Zealand from the north, and track south to Christchurch before returning north.

As the arrows indicate, in general, export cargoes from most ports track north up the country with Port of Tauranga being the dominant 'last port of call'. This currently gives Port of Tauranga an advantage with exporters and shipping lines because it offers the fastest route and largest scale to export markets from New Zealand.

Central New Zealand container ports

Nelson and Napier are export dominant ports with large scale and localised primary production in horticulture. Wellington has balanced imports and exports, but its exports are drawn from the central New Zealand regions of Marlborough, Taranaki, Whanganui, Manawatū and Wairarapa. This requires subsidised freight to be competitive.

While Taranaki no longer has a container port, the Bell Block logistics area is well connected via road to Auckland and Tauranga, and via rail to Palmerston North in Manawatū before connecting to ports around the country.

The map also shows the cargoes that originate within the immediate catchment of Napier Port and CentrePort in Wellington. Napier Port enjoys a rich hinterland with 90% of its cargo coming from within 50km of the port gate. CentrePort on the other hand has just 42% of its cargo in its natural catchment.

Understanding the current network provides clarity and support for Te Utanganui as an important strategic node in the national logistics landscape.

Central New Zealand Positioning



Secondary industrial hubs across central New Zealand that are serving local communities, and in some cases large exporters, contribute to the success of the transport and logistics system in central New Zealand.

Although the majority of investment in Te Utanganui is in and around Palmerston North, the wider Manawatū-Whanganui region benefits from Te Utanganui's development. In an economic development sense, it would be a significant "growth pole" that will have a direct and indirect effect on the regional economy, along with social and environmental benefits for the wider community.

Manawatū-Whanganui Region – Central New Zealand



Whanganui

Heads Road in Whanganui is a regionally significant railhead for Whanganui importers and large-scale exporters e.g. Open Country Dairy and AFFCO. Feilding also has a strong industrial zone supporting regionally focused distribution businesses and benefits from better connectivity with Palmerston North under the Palmerston North Integrated Transport Initiative (PNITI) plan.

All rail freight is trucked from Feilding to the Palmerston North railhead, and the location of the new KiwiRail Regional Freight Hub will strengthen the connectivity to the railhead in what will be a much closer, logical location within Te Utanganui.

Rangitīkei

Rangitīkei plays an important role in Te Utanganui's development, both from an infrastructure and export cargo perspective. The region boasts several large meat producers and exporters as well as railhead development opportunities for existing shippers in bulk forestry, forestry products and food production in Marton. The planned Marton Rail Hub complements Te Utanganui's strategic objectives.

Tararua

Similar to Rangitīkei, Tararua plays a significant role in Te Utanganui's development, and is becoming better connected with Palmerston North with the Manawatū Gorge replacement, Te Ahu a Turanga: Manawatū-Tararua Highway, which is currently under construction. The region has strong road and rail links with the Hawke's Bay and Manawatū regions. With large meat producers, a large Fonterra dairy plant and the Oringi cold storage and logistics centre, the region connects strongly with Te Utanganui's development and strategy.

Horowhenua

The Horowhenua Integrated Transport Strategy (HITS) provides a framework to ensure current and future projects are aligned and support sustainable transport outcomes for the district including improving safety, resilience, improved travel options and freight connections. In recent years, the Horowhenua Business Park in Levin has attracted niche manufacturing businesses with connected distribution. Although small in scale, this localised distribution investment supports Te Utanganui.

Strategic Connections

Taranaki

The closure of the Stratford–Okahukura Line (SOL) in 2010 made the Taranaki region more isolated from a transport and distribution perspective. All rail cargo from the region transits via Palmerston North, adding to the rail task in Manawatū.

A change in Fonterra's logistics strategy redirected regional cargo away from Port Taranaki and in 2017 the port withdrew from all container services making freight movements more costly. Although served by rail from Smart Road near Bell Block, cargoes from the region are split between ports via rail (CentrePort and Tauranga) and road to Auckland and Tauranga.

Taranaki benefits from Te Utanganui by having economical and scalable freight connectivity via rail with the hub for its regional shippers. Its industrial hub at Bell Block has similar characteristics to Whanganui's Heads Road precinct and has several family businesses distributing regionally and nationally.

Wellington

Despite being the largest city in central New Zealand, greater Wellington has seen a steady decline in heavy industry and large-scale distribution businesses over the past 20-30 years.

The distribution and industrial areas of Seaview, Porirua and Wingate (Upper Hutt) are fragmented and relatively small scale. The distribution businesses tend to be family owned small to medium enterprises with most major distribution for the city based elsewhere. This trend strengthens the need for Te Utanganui's development.

The Wellington region in general does not appear to be focused on growing its distribution sector and with the completion of Transmission Gully, the funding announcement for O2NL, and the main trunk rail line connecting Wellington and Palmerston North, the city's distributors will continue to migrate to Te Utanganui.

Hawke's Bay

Te Ahu a Tūranga: Manawatū-Tararua Highway provides an essential connection between the Port of Napier, the Hawke's Bay distribution businesses and Te Utanganui. The KiwiRail Regional Freight Hub will connect cargoes via rail to the growing Port of Napier and provides scalable transport solutions to increase imports from port to the distribution centres within Te Utanganui.

The proposed Regional Freight Ring Road around Palmerston North will provide efficient transit between the Hawke's Bay and Wellington, and then onto the South Island making Te Utanganui an increasingly important node on the national transport network.

The freight corridor between Manawatū and Hawke's Bay becomes increasingly important as port cargoes and horticulture activity increases. Investments in Te Utanganui fundamentally supports this growth.

The announcement of a new 12ha inland port at Whakatu further enhances the transport system in the Hawke's Bay region by facilitating the movement of cargoes via rail between the hubs. Gisborne has close transport connections to Hawke's Bay, which in turn forms a natural extension to Te Utanganui.

Inland Ports



Inland ports provide several logistics functions and are an important part of our national transport and logistics network. Inland ports typically:

- Distribute goods regionally
- Provide warehousing, devanning, and container packing services
- Provide container upgrade services (depot services)
- Provide key transport linkages between inland regions and ports (air and sea)
- Are often multi – modal transport e.g. road and rail. (Additionally, Te Utanganui has the unique advantage of having 24/7 air freight connectivity)
- Provide Approved Transitional Facilities (ATF) for importers

Ancillary services to support the intensity and scale of operations are often planned and provided for e.g. creches, food outlets, housing etc. These ancillary services are all considered as part of Te Utanganui's master planning workstream.

New Zealand has seen significant investments into inland ports in recent years, particularly in the Waikato and Canterbury regions.

Through the aggregation of activities under Te Utanganui strategy, Manawatū is poised to become the third region in New Zealand to offer scalable and efficient inland port services reinforcing its strategic importance in the national context.

Airfreight



There are three key airports on the national airfreight network, Auckland, Palmerston North and Christchurch. International export air cargo is dominated by Auckland with approximately 83% market share (in terms of tonnage) and Christchurch with the balance.

Only Palmerston North can connect export airfreight with Auckland and Christchurch by air. All other regional cargoes are transported to these airports for export via road.

Airfreight



Palmerston North Airport

As one of New Zealand's fastest growing regional airports, Palmerston North Airport Limited (PNAL) is developing and managing Ruapehu Business Park – the central North Island's prime business location for freight and logistics businesses with an air component need. The Ruapehu Business Park and airport are key nodes within the hub of Te Utanganui and form a vital part of Te Utanganui's development.

ParcelAir, based in Christchurch, operates four Boeing 737 aircrafts between Christchurch, Palmerston North and Auckland connecting express parcel networks across the country. With its 24/7 operation, Palmerston North is the preferred North Island airport for air services over Wellington (which has operating hour constraints) giving Te Utanganui a unique advantage over every other distribution hub in the country by offering road, rail and air services in one hub.

The combination of 24/7 operations and the ParcelAir service makes Palmerston North the ideal location for businesses with a strong consumer base that require express delivery of parcels. For this reason, EziBuy has based its global headquarters at Te Utanganui and Toyota has its national parts distribution in the region.

There are significant growth opportunities for express national delivery services from Te Utanganui, especially with strong online retail growth in recent years.

COVID-19 Impacts - International Air Freight Capacity (IAFC) Scheme

Prior to the COVID-19 pandemic, 80% of New Zealand's airfreight was carried in the belly-hold of passenger aircraft, with the remaining 20% carried by cargo-only freighters. Pre-COVID there were approximately 550 international passenger flights into and out of New Zealand per week.

Border restrictions as a result of the pandemic significantly reduced passenger services leading to a collapse of international airfreight movements. The reduction in international air travel meant New Zealand's ability to import essential products, such as medical supplies, and high value export cargo was put at risk. As a small and geographically isolated island nation, international air services are vital to sustaining New Zealand's connectivity for trade and passengers.

To avoid this risk, the government continues to financially support the airlines through the IAFC scheme, so airfreight remains competitive and available for our nation's shippers.

Road Transport

Road transport remains a key mode of transport for Te Utanganui freight and good quality roads are critical to moving freight fast, efficiently, and cost effectively.

The region has developed cohesive and advanced regional, and city plans to understand how to integrate and leverage the components of Te Utanganui. This includes a thorough assessment of the user requirements of the airport, various distribution hubs and the KiwiRail Regional Freight Hub, as well as an understanding of how to create a competitive advantage through efficient connectivity between the developments.

An in-depth understanding of the wider implications has been achieved through the Palmerston North Integrated Transport Initiative (PNITI). PNITI has identified eight key areas of focus ranging from housing development to city traffic flows and industrial zone expansion to support the new KiwiRail Regional Freight Hub, a ring road to connect Te Ahu a Tūranga: Manawatū-Tararua Highway to State Highway One, and connectivity from State Highways 56 and 57 to Te Utanganui.

Waka Kotahi (New Zealand Transport Agency) has finalised its business case to support the construction of the Regional Freight Ring Road which is one of the final building blocks to completing Te Utanganui.

Regional Spatial Plan

The government endorsed Manawatū-Whanganui Regional Spatial Plan, a collaboration across seven Local Territorial Authorities (LTAs), identifies four priorities for the wider region, one of which is a key freight and distribution hub in central New Zealand, taking advantage of its strategic and centralised geographic location. Te Utanganui is an extension and consolidation of this priority.

The Accelerate25 Economic Action Plan for Manawatū-Whanganui identified immediate and medium-term priorities for the region's transport network to enable economic growth and development. The Action Plan identifies Palmerston North as a major intersection requiring more investment in streamlined transport movement on rail and road networks.

Four key projects vital to unlocking the region's distribution and logistics potential and reducing large commercial traffic volumes on local urban roads are:

- Te Ahu a Tūranga: Manawatū- Tararua Highway (Manawatū Gorge replacement),
- KiwiRail Regional Freight Hub (rail),
- Regional Freight Ring Road (Palmerston North Integrated Transport Initiative) and
- Ōtaki to North of Levin Expressway

Road Transport



Palmerston North Integrated Transport Initiative (PNITI)

The PNITI programme is a comprehensive package of transport and land use initiatives to achieve regional aspirations of being a strategic freight and distribution hub in the national supply chain and support the \$8 billion pipeline of infrastructure investments planned and underway in the next 8-10 years in Manawatū.

The programme includes both short- and long-term initiatives. The short-term activities, such as ongoing corridor and intersection upgrades for safety and access, together with safer speeds, and land use changes across the network, will deliver significant transport benefits for a modest level of investment.

PNITI is expected to deliver the following transport benefits:

- 50% reduction of freight movements on residential and place-based streets
- 50% reduction in the number of congested intersections
- Improving journey times on key freight routes by up to 10 minutes
- 35–40% reduction of deaths and serious injuries across the rural freight network
- Supports and enables the Urban Cycling Masterplan initiatives by reducing traffic flow through the city centre, rural villages/ townships, and other key places and routes
- Improve safety and accessibility to new housing developments.

The transport benefits are in addition to the economic development benefits resulting from other public and private investments forecast across the Manawatū region.

Road Transport



Ōtaki to North of Levin (O2NL) Expressway

The O2NL project is the northernmost section of the Wellington Northern Corridor and will improve the safety and resilience of the transport network connecting Ōtaki and Levin, and therefore the wider region.

This project is the fourth and final major stage in the development of the Wellington Northern Corridor and establishes a highly efficient **Southern freight corridor** making distribution to Wellington more efficient.

When completed, the Wellington Northern Corridor Improvement will:

- support Wellington's growing regional population
- support increased freight volumes in the region
- improve access to Wellington's port, CBD, airport and hospital
- reduce congestion on state highways and local roads
- make travel safer
- make journey times more reliable
- make the highway more resilient to crashes or natural disasters by providing viable alternative routes and constructing roads that can recover quicker from natural events.

Te Ahu a Tūranga: Manawatū-Tararua Highway

In April 2017, a major slip left State Highway 3 through the Manawatū Gorge impassable. Currently there is a new road under construction over the Ruahine Range, to provide a safe, resilient, and efficient route between the Manawatū and Hawke's Bay-East Coast.

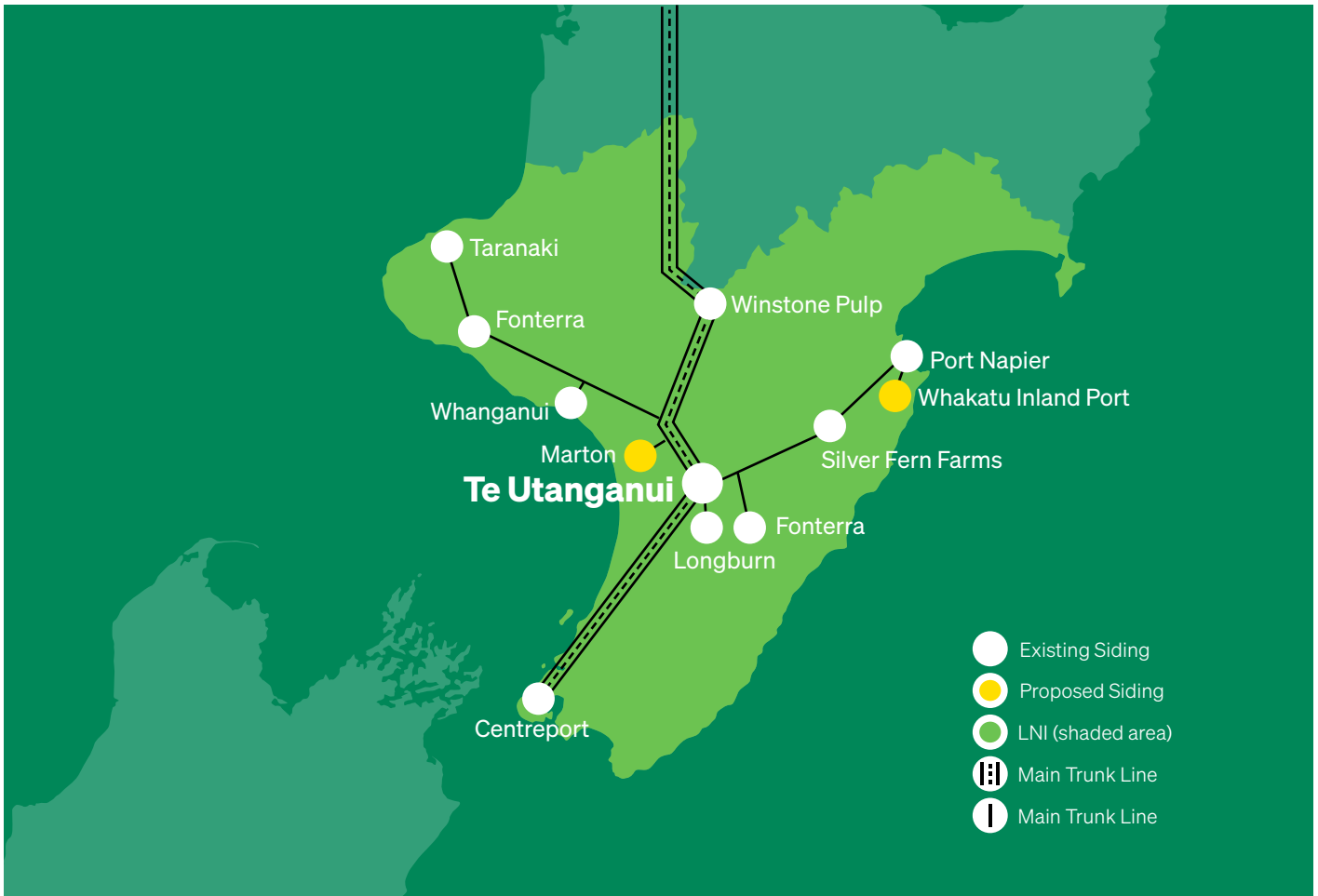
The new 11.5km long road will include roundabout connections with State Highway 57 south of Ashhurst and with State Highway 3 west of Woodville. The road will have two lanes in each direction over the majority of the route, separated by a median strip, new bridge crossing the Manawatū River, a number of structures crossing unnamed streams and property access underpasses.

The new highway is due for completion by the end of 2024 and will re-establish an efficient and resilient **Eastern freight corridor** between the Hawke's Bay, wider East Coast, Manawatū and central New Zealand.

The region has developed cohesive and advanced regional and city plans to leverage Te Utanganui as a centre of excellence for goods distribution across central New Zealand.

Over the next 10-20 years, technology will change the emissions profile of the transport industry. With recent investment into Te Utanganui by alternative fuel companies e.g. Hiringa, the region's transport network development can become a leader in decarbonisation.

Rail Network



Container nodes

The primary rail nodes for central New Zealand container movements are Smart Road (Taranaki), Heads Road (Whanganui), Palmerston North (Manawatū), Napier Port (Hawke’s Bay), and Wellington. All major container movements in central New Zealand connect with these five strategic nodes.

Palmerston North has additional strategic importance being the key node that all rail from the North, Taranaki, Wellington and Hawke’s Bay connects and transits through.

Secondary nodes in the lower North Island include private sidings at Fonterra Whareroa, Fonterra Pahiatua, Silver Fern Farms Takapau, Manawatū Inland Port (Longburn), and WPI International Karioi. The planned inland port at Whakatu will add another node in Hawke’s Bay.

The planned rail hub at Marton will add another rail node in Rangitīkei, further strengthening the central New Zealand proposition as a leading distribution hub in the national transport network.

CentrePort

CentrePort and its subsidiary, Direct Connect Container Services, operate the Smart Road and Heads Road railheads on behalf of KiwiRail. The nodes are port agnostic.

Napier Port

Napier Port has joint ownership in Manawatū Inland Port (MIP) at Longburn with Halls Transport and Ports of Auckland (which has Nexus Logistics domiciled there). Napier Port also has a strong interests in the development at Whakatū Inland Port.

KiwiRail Regional Freight Hub



Manawatū is a nationally strategic freight location, with import, domestic, and export goods moving to the region from Auckland and the upper North Island, Taranaki, Hawke's Bay and Wellington regions.

Freight volumes are expected to increase significantly in the coming decades, and it is crucial that Te Utanganui has an integrated transport network to support this growth. Rail plays a vital role in achieving this growth.

KiwiRail is progressing plans for a high-tech, intermodal freight hub which will help grow Te Utanganui's role as a critical freight distribution centre for central New Zealand. KiwiRail encourages rail and road transport planners and operators to work together to meet the freight demand, while also boosting the regional economy.

The freight hub is aligned with Accelerate25 and Palmerston North City Council growth plans and aligns with other freight transport projects in the wider central New Zealand region.

KiwiRail has received investment through the Government's Provincial Growth Fund to undertake the design of the hub, have the land designated for rail use, and to commence purchasing the required land. A Notice of Requirement process to designate the land for this purpose is progressing and once complete the project will commence.

Benefits

- **Reducing transport emissions and road costs** - every tonne of freight carried by rail has 66% fewer carbon emissions than heavy road freight. Getting more freight on rail also reduces road maintenance costs and improves road safety.
- **Taking pressure off city roads** - situating the hub outside Palmerston North and integrating it with Waka Kotahi's planned freight road and Manawatū Gorge highway, will take freight traffic out of central Palmerston North and reduce congestion.
- **Growing the logistics industry in Manawatū** - KiwiRail will also work with key customers on major infrastructure requirements to encourage logistics and distribution businesses into the area, to help grow the sector and create more local jobs.

The site combines a container terminal, warehousing, bulk goods and forestry loading operations with KiwiRail's train operations and maintenance facilities.

This freight hub will allow for business who require direct access to rail to locate directly on the site. The plan also closely integrates with the neighbouring distribution hub, Palmerston North Airport, planned regional freight ring road, and regional roads.

Planning for the freight hub is based on best international supply chain practice and is future focused – designed to ultimately accommodate longer, more economical 1,500-metre trains.

Distribution



Te Utanganui - One primary hub supporting secondary regional nodes

Manawatū is already established as the primary distribution hub for the lower North Island (LNI). Key national and global businesses have invested in the North East Industrial Zone (NEIZ) and the KiwiRail Regional Freight Hub will further enhance the benefits of investment by similar businesses in the region.

EziBuy utilises the rail, road, and air services for national and Trans-Tasman distribution. DKSH, Foodstuffs and Countdown have substantial warehousing for LNI and national distribution, while Toyota NZ, Norwood and Truckstops NZ all have their nationwide parts distribution businesses based in Palmerston North.

There is no other location that has the capacity, connectivity, and infrastructure to be the primary distribution hub for central New Zealand.

Inward investment opportunities

Te Utanganui's project team has worked closely with KiwiRail, Waka Kotahi, regional leaders, investors and business operators to ensure that transport connections between the individual parts within Te Utanganui are seamlessly planned and executed to create one primary hub. To better understand the requirements of Te Utanganui's current, and future users, three tiers of users have been identified.

There are several 'big box' retailers and logistics businesses that could invest in the region based on the strong Te Utanganui value proposition and user level system.

Level

1

Users requiring a railhead location e.g. major freight forwarders. These users will prefer to locate themselves on the KiwiRail site as tenants.

Level

2

Users who prefer to locate outside the KiwiRail site but want enhanced access to the rail facility e.g. a dedicated freight corridor enabling use of heavy-duty rolling stock.

Level

3

Users who prefer to locate outside the KiwiRail site and only require public roadway/gate access to the rail facility, or no access at all.

Strategy and Investments

Jerry Shearman, CEO, CEDA
Ray Mudgway, Technical Advisor, CEDA

Media and Communications

Janet Reynolds, Marketing & Communications Manager, CEDA

contact@teutanganui.co.nz

Bringing Te Utanganui to life

Te Utanganui has a dedicated project team focused on delivering the strategic intent and master plan to tie all the projects together into one cohesive development.

There are three major workstreams underway to bring Te Utanganui's strategy to life:



Master Planning

This workstream will bring the strategy to life and help prepare the hub for inward investment including potential status as a Specified Development Project through the Ministry for Housing and Urban Development.



Inward investment and Acceleration

This workstream is about pursuing funding and investment for the various projects and overarching strategy. A strong focus on private investment and urban development legislative changes is required.



Advocacy and Communications

This workstream drives engagements with industry, investors, regional stakeholders, officials and politicians to secure endorsement and awareness of the opportunity.

Ongoing stakeholder engagement is essential to the momentum of Te Utanganui. Monthly and quarterly Steering and Reference Groups meet for Te Utanganui updates, with the project team working daily to drive the three workstreams. The governance structure is flexible and will evolve with the project development.

Te Utanganui Governance and Management Structure

Te Utanganui Reference Group:

- Palmerston North City Council Mayor Grant Smith (Chair)
- Palmerston North City Council Acting CEO Chris Dyhrberg
- Manawatū District Council Mayor Helen Warboys
- Manawatū District Council CEO Shayne Harris
- Horizons Regional Council Chair Rachel Keedwell
- Horizons Regional Council CEO
- Rangitāne o Manawatū CEO Danielle Harris
- Ngāti Kauwhata Dennis Emery
- Waka Kotahi Director Regional Relationships Linda Stewart
- KiwiRail Executive GM Property Olivia Poulson

Te Utanganui Project Team:

- David Murphy, Chief Planning Officer, Palmerston North City Council
- Jono Ferguson-Pye, City Planning Manager, Palmerston North City Council
- Sheryl Bryant, Assistant Chief Executive, Palmerston North City Council
- Donna Baker, Head of Marketing and Communications, Palmerston North City Council
- Jerry Shearman, CEO, CEDA
- Ray Mudgway, Investment Lead, CEDA
- Janet Reynolds, Marketing and Communications Manager, CEDA

Te Utanganui Steering Group:

- Palmerston North City Council
- Manawatū District Council
- Central Economic Development Agency (CEDA)
- Horizons Regional Council
- Palmerston North Airport
- Rangitāne o Manawatū Investment Trust
- Waka Kotahi
- KiwiRail
- Kainga Ora / Housing and Urban Development Authority
- Accelerate25
- Higgins Family Holdings Limited

Projects and Workstreams

Master Planning

- Jono Ferguson-Pye, and David Murphy
- Palmerston North City Council

Inward Investment, Acceleration and Communications

- Jerry Shearman, Ray Mudgway, Janet Reynolds
- CEDA (Central Economic Development Agency)

Advocacy and Communication

- Donna Baker, Palmerston North City Council
and Janet Reynolds, CEDA

Glossary

ATF	Approved Transport Facilities
CEDA	Central Economic Development Agency
CNZ	Central New Zealand encompassing the Lower North Island and top of the South Island including Nelson and Marlborough
EDA	Economic Development Agencies
FMCG	Fast Moving Consumer Goods
HITS	Horowhenua Integrated Transport Strategy
HUD	Housing and Urban Development Agency
IAFC	International Air Freight Capacity
Level 1 User	Large logistics businesses that are most likely to be tenants within the KiwiRail Regional Freight Hub
Level 2 User	Large scale distribution businesses who use road and rail and would benefit from strong connectivity between industrial zones and the KiwiRail Regional Freight Hub
Level 3 User	Small scale distribution businesses who use predominately road transport but sees benefits in clustering next to other users
LNI	Lower North Island encompassing Hawke's Bay across to the Taranaki and down to Wellington
LTA	Local Territorial Authorities
MDC	Manawatū District Council
MIP	Manawatū Inland Port based at Longburn. Owned by Port of Napier, Ports of Auckland and Halls Transport
NEIZ	North East Industrial Zone, Palmerston North's largest industrial hub adjacent to Palmerston North Airport and KiwiRail's Regional Freight Hub
NIMT	North Island Main Trunk (rail)
NZDF	New Zealand Defence Force
O2NL	Ōtaki to North of Levin Expressway
PNAL	Palmerston North Airport Limited
PNCC	Palmerston North City Council
PNITI	Palmerston North Integrated Transport Initiative. A governance and planning function to quantify the benefits of the proposed Regional Freight Ring Road
RLTP	Regional Land Transport Plan. Horizons is the responsible entity
SDP	Specified Development Projects. The framework to utilise the new Urban Development Act (2020) in HUD
SI	South Island
SOL	Stratford Okahukura Line
TEU	Twenty Foot Equivalent (containers)
UNI	Upper North Island
UNISCS	Upper North Island Supply Chain Study

For more information visit
www.TeUtanganui.co.nz

If you have any queries, please
contact info@teutanganui.co.nz

