



Palmerston North City Council

Palmerston North Industrial Land Use Study

Report on Stage 2 Consultation

January 2002



MWH
MONTGOMERY WATSON HARZA

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1. Introduction

1.1 Background

In August 2001 the Palmerston North City Council received a report and recommendations from the Strategy Leader - Environment and the Strategy Leader - Economy and Learning, relating to the Industrial Land Use Study completed by consultants MWH (Montgomery Watson Harza) in June 2001.

The recommendations included:

“That the City Manager proceeds with Stage 2 consultation on the recommended rezoning of the area identified as North East Airport”; and

“That the City Manager reports the findings of Stage 2 consultation to Council before commencing Stage 3 of the project”.

Consultation has been undertaken in accordance with a brief prepared by the Council in fulfillment of the first recommendation above. This report sets out the methods and summarises the outcomes of the consultative process, and will provide the basis for a further report to the Council in accordance with the second recommendation above.

1.2 Palmerston North Industrial Land Use Study

The Study report was the outcome of a comprehensive brief prepared by Palmerston North City Council relating to Stage 1 of the overall industrial land review project. The brief for Stage 1 set out a wide range of matters to be addressed as part of a three stage process.

The Palmerston North Industrial Land Use Study report addressed the existing industrial land and its constraints and opportunities; identified economic trends and the likely long-term demand for industrial land; determined the level of short-fall between demand and supply; identified and evaluated possible options to meet supply needs; and made a number of recommendations relating to existing industrially zoned areas, and meeting future needs for industrial land.

The preferred options for future industrial land supply for the next 20 years were:

- the North East Airport Area
- the Cloverlea Area

These were recommended in the report for rezoning industrial on a staged basis and subject to a number of constraints relating to future use and development.

The Strategy Leaders' report and recommendations subsequently adopted by the Council recommended proceeding with Stage 2 consultation only on the North East Airport Area, removing the Cloverlea Area from further consideration. The Council also determined to instruct the City Manager to investigate the appropriateness of the Longburn area (the Palmerston North Industrial Land Use Study report's third-ranked option) as an option for industrial development.

1.3 Consultation Methodology

The following definition applies:

*“Consulting involves the statement of a proposal not yet finally decided upon, listening to what others have to say, considering their responses and then deciding what will be done”.*¹

The consultation was narrowed through the Council's decision to primary consideration of the North East Airport Area industrial land option, in the context of the wider Study, thereby reducing the range of considerations to be consulted upon.

MWH was requested to prepare a proposal to undertake consultation based on the Council's decision. This built upon the consultation undertaken as part of the Stage 1 study processes, which is described and summarised in Sections 1.3 and 5 of the Palmerston North Industrial Land Use Study report.

The proposal for Stage 2 consultation included recognition and methods to consult with the following:

- key informants (including business associations, real estate agents and valuers, businesses)
- Tangata whenua (five relevant organisations)
- affected parties (land owners and potential developers/users)
- the general public
- statutory agencies

Separate sections of this report address the methods and general outcomes of consultation with each of the above groups of people. A final section summarises the main issues raised in the written comments received, which included comments representative of most of the range of the above groups of people.

Throughout the consultation period, both the Council's relevant Strategy Leaders and MWH staff maintained an “open door” approach. Details of all consultation contact with MWH has been entered on a consultation data base.

Council officers have kept their own records and passed any specific comments to MWH for information or response throughout the consultation process.

The consultation process commenced in September 2001 and was concluded in November 2001.

¹ Wellington International Airport Ltd vs Air New Zealand Ltd (HC, CA 23/92), 1993, 1 NZLR 671

2. General Public and Affected Parties

2.1 Consultation Opportunities

As well as the Council making available copies of the Palmerston North Industrial Land Use Study report and/or a summary report to anyone who requested it, opportunities for information and feedback for the general public and affected parties were provided as follows:

- An “Open Day” at El Burcio Conference Centre, Milson Line, 2.30pm to 7.00pm, Tuesday 11th September 2001.
- A public meeting at the Palmerston North Science Centre, 5.30pm to 7.00pm , Monday 17th September, 2001.
- An “Open Day/Clinic” at the Science Centre, 2.30pm to 7.00pm, Tuesday 9th October, 2001.

The Open Days involved development of a comprehensive display about the study and the proposed new industrial area. This material remained on display in the downstairs foyer of the Palmerston North City Council offices between the two Open Days.

The Open Days and public meeting were advertised in the local newspaper and were carried on broadcasts by local radio stations. Councillors, local residents and everyone with whom the Study Team had had earlier consulted (including attendees at the original “Open Day” in Stage 1) were written to by the Council, inviting them to the various consultation opportunities.

A summary of the Palmerston North Industrial Land Use Study report, a possible time line for further progress, and an explanation of the roles of the different people involved in the process, were available at the Open Day, along with a form for comments to either place in the box provided at the display, or post or fax back. A cut-off date for return of comments forms of 31st October was determined by the Council. Both Council officers and a range of MWH staff were present at the Open Days. A relaxed atmosphere was sought to be achieved, and refreshments were available at all times.

The first Open Day was attended by approximately 40 people, with 32 attendees providing their names and contact details. Three written comment pages were returned in the box from this Open Day.

The second Open Day attracted some 30 people, including a number of people who had attended the previous Open Day and/or the public meeting. The second Open Day was advertised as an opportunity for people to also book time in advance for private discussions with either Council staff or consultants. Only one person took the opportunity to arrange to meet with a Council officer (a real estate agent). A couple affected by the proposals sought an unbooked opportunity in the early evening to meet privately with a Council officer and a consultant representative.

Both Open Days were generally busy, with a number of visitors staying several hours each, and few periods when no-one was present.

The Public Meeting was considered to be attended by some 60 people, although only 48 names were registered. The meeting was chaired by Dr Jo Rosier, a Senior Lecturer from the School of People, Environment and Planning, Massey University. Short presentations were made by Peter Frawley, the Council's Strategy Leader – Environment, and Sylvia Allan, MWH's Project Manager and Principal Planner. The meeting continued with questions and responses until 7.40pm.

2.2 Matters Raised at Open Days

As the Open Days were opportunities for information and informal discussion, few detailed notes were kept. The range of people attending encompassed landowners and neighbours, land-related professionals, members of the wider public, Council elected representatives and Council candidates, business people and representatives of interest groups. A correspondingly wide range of matters was traversed in discussions.

Most of the matters raised have been addressed in written comments received at the time or later, and are described in Section 6 of this report. Matters raised and noted at the Open Days and not specifically raised either in written comments, other meetings or phone calls, include:

- A request for an 80-100m deep buffer along Richardson Line, rather than the 30m proposed in the Study report. This would allow the owners of small sections on the road frontage to retain their land, and a smaller buffer could be provided between them and the future industrial area.
- A suggestion that the primary access road for the new industrial area should follow the north side of the airport runway between Milson Line and Setters Line, and then traverse the industrial area to join with Railway Road.

2.3 Matters Raised at Public Meeting

As well as the formal presentation material, there was well over an hour of comments and questions from the floor and comments or answers from the presenters or other Council or MWH staff present at the meeting.

Aspects encompassed included:

- The limitations and problems of using existing industrial land due to the proximity of residential land and the difficult interface between the two landuses. Council officers described the constraints in the present District Plan and explained that the future intention was to avoid such relationships in future as far as possible.
- A question on the availability of existing vacant industrial buildings and whether these had been taken into account. The response was that this had been looked at

and the availability was within the “normal” range expected in any substantial urban area.

- A comment on the historic growth of Palmerston North and whether the projected demand was not too high for the next 20 years, accompanied by a request for a review of the economic analysis and the assumptions on which it is based. In response, the assumptions were briefly described, including the expectations of future types of activities Palmerston North is expected to attract, along with the need to allow for land for roads, services and landscaping in new “greenfields” areas. It was explained that the projected industrial land use needs are relatively conservative and could have been higher. If the projections are wrong, land will be taken up either a few years earlier or a few years later than projected.
- Council officers were asked to explain how the choice of consultants was made and what peer review processes had been used. They responded, explaining the wide interest from consultants and the internal Council peer review of the draft report.
- A question was posed as to the long-term future of the Airport. In reply, the Airport Company CEO (present in the audience) made a plea for long-term planning and certainty. He pointed out the Airport is limited to its designation but is strongly affected by what occurs around it. A further question related to the long-term suitability of the present airport location. The response related to locational suitability and lack of safety concerns with the present airport location. Council officers confirmed the long-term planning through the District Plan for the Airport, suggesting it has a long-term future in the area.
- A question was raised about whether the Linklater Block has been evaluated. The response was that it had, but was ruled out due in part to topography, services limitations, locality in relation to the Airport flight path, and the desire to avoid surrounding Kelvin Grove with industrial land.
- A number of questions resulted in Council Officers confirming that since the start of the Industrial Land Use Study, a strategic study of residential growth had been commenced by the Council. There was also a transport strategy in preparation (the Palmerston North Transport Management Plan). The residential study will be available for consultation in about April 2002. The purpose of the Transport Management Plan is to make best use of the City’s existing road resources and to ensure future roading issues can be dealt with. Information from the residential and industrial land use studies has been fed into the Transport Management Plan. There is an ongoing public consultation process in place for the Transport Plan study. The final report for that study is due in June 2002.
- The issue of the boundary between the City and the adjacent Manawatu District was raised. It was stated that Manawatu District residents had sought development advice from their Council and had acted in good faith on the basis of the advice received; residents would want compensation if land over the road was to be zoned industrial. Council officers responded that zoning decisions are not subject to compensation.

- The particular uncertainty that owners of smaller blocks of land within the area are being put to was raised. People do not know whether to make improvements to their houses. The answer from Council Officers was that a decision on whether to proceed with zoning would be made within the next six to eight months.
- The productive value of the land in the NE Airport Area was raised.²
- The cost to the community of servicing the area was sought to be clarified. Council officers advised that there would be a combination of Council and developer costs.
- The idea of an industrial park in Manawatu District, away from the city was mooted. The response was that the study had been based on city related economic growth, rather than meeting the needs of the Manawatu District, which has its own provision of industrial land. There would be other needs in future and the City and District would need to address them together (eg Longburn).
- Lack of information in the Study report about the social impacts of the proposal was criticized (eg effects on property values; children and older people who live in or near to the area; traffic and safety impacts).
- A question was asked about the willingness of landowners to sell and what would happen if they didn't. The Council officer's response was that there would be no compulsion and that it was not the Council's business. A person suggested that neighbours could covenant together to refuse to sell.
- The question of stormwater runoff and drainage was raised. It was explained that this will be part of the structure plan exercise and subject to an engineering solution.
- Industrial preference for locations was raised. It was noted that industrial activities prefer reasonable proximity to city services, and that there was a delicate balance between locating away from residential but near to urban facilities.
- A number of questions and comments related to the advertising and letters to local residents about the meeting.
- The appropriateness of the Longburn area for industrial zoning and the ability to provide adequate services in this area (particularly to connect to Palmerston North wastewater) were raised. The commentator considered that Longburn would be easier to service than was generally realised.
- A comment was made about real estate agent activity in the NE Airport Area and whether there had been "insider trading" prior to the release of the report.
- The extent of direction in the brief in relation to the Palmerston North Airport area was questioned. Council officers replied that the airport area and cargo hub concept had been specifically mentioned in the brief, and that there had been ideas for

² The land is Class II s 2 as advised at a meeting with horizons.mw officers.

industrial development in that area for many years, but the study report was the first time that any proposal had been formalised.

The meeting closed following a request from the floor that existing and potential Councillors identify themselves and state what they think about the proposal. Those who spoke in response emphasized the need for long-term planning, the limitations and constraints that the present industrial land presents, and the choice and opportunities that the community has, including the participatory processes.

2.4 Other Phone Calls, Comments and Queries to Council Officers and Councillors

While MWH received only a few informal contacts from the wider public, Council officers and Councillors received a number. Many simply sought more information or copies of the report or summary report, but others were more specific. Amongst matters raised were:

- Concern about the timing and extent of publicity about the first Open Day. This resulted in a second Open Day being held with considerable advance notification.
- Expressions of concern about MWH's involvement, as Study authors, in the consultation process.
- Stormwater drainage management of the NW Airport area
- The possibility of extending Mihaere Drive through to Roberts Line South in preference to any rezoning.
- Opinions from two real estate experts that Palmerston North has adequate industrially zoned land for the foreseeable future, and that industrially zoned land is not being taken up at the routes stated in the report.
- Specific questions relating to the future of roading in the NE Airport area and the ring road concept.
- Questions from potential developers/users of large sites as to the Council's progress with rezoning (2).
- Approaches from owners of specific areas of land requesting clarification as to why these areas had not been recommended for rezoning.

All informal letters or comments have been responded to.

3. Contact with Tangata Whenua

The Council's internal document "Iwi Consultation for Resource Management Issues – Best Practice Guide" was made available to the consultants at the start of the Stage 1 Study process, and has guided the approach to consultation.

In the Stage 1 process, a list of appropriate tangata whenua organisations was provided by the Council, and each was written to explain the purpose and intent of the study and "open the door" for contact or a meeting with the organisation if desired. This resulted in one phone call response, asking to be "kept in the loop" as the study proceeded.

A meeting was held with the Council's Maori Liaison Officer, Todd Taiepa, at the start of Stage 2 consultation, to confirm the appropriate approach. As a result of this:

- Mr Maurice Takarangi, Resource Management Advisor to Te Mauri O Rangitaane O Manawatu was contacted by phone with a suggestion to meet. The Iwi preference was that copies of the report were provided to them, with a covering letter, and they would respond if they wished to meet or to comment on any specific aspects. This was done along with a note of the date of the second Open Day, and summary reports.
- Mr Alan Horsfall of the Rangi-marie Marae Committee was contacted to confirm which organisations other than the Marae Committee should be approached. As a result of the discussion, copies of the report, summary, Council resolution and comments form were provided to Te Roopu Awhina and Te Kaunihera Kaumatua O Rangitaane as well as to the Rangimarie Marae Committee.
- A copy of the Study report, along with summaries was sent to Ngati Hineaute Hapu Authority with a request for any comments they may have.

No tangata whenua organisation has sought further information or requested to meet about the study or the NE Airport Area.

Follow-up has been by way of phone-call and has confirmed that iwi have no specific issues at this stage and wish to maintain a watching position. Some are aware of local residents' concerns. Should any evidence of previous occupation or koiwi be found during the area's development, they would expect proper legal processes to be followed.

Mr Edward Penetito and Mr Steven Bray representing Ngati Kauwhata, who have a claim on the wider Palmerston North Area (Wai No 784), attended the second Open Day and discussed the proposals and the programme with MWH staff.

Mr Eljohn Fitzgerald had contacted Council Officers at the end of Stage 1 study, offering to provide information relating to possible archaeological sites and food-gathering areas on the north side of Palmerston North which he had been researching. A follow-up phone call was made as part of Stage 2 consultation. Mr Fitzgerald is a Research Officer in the Maori Studies Department at Massey University.

Mr Fitzgerald advises that some artifacts have been found within the NE Airport Area and that there is a small family burial site within the area towards the Roberts Line end

of Richardsons Line. Although there is no known Iwi occupation of the NE Airport Area specifically, the wider area has been occupied in pre-European and from early European times. There is a significant Maori/European burial site further to the north, near Stoney Creek Road. Mr Fitzgerald would expect a pragmatic approach to be taken to any waahi tapu (including burial sites) on the land, and that they would be protected by a reserve and buffer area.

4. Contact with Statutory Agencies

4.1 Agencies Approached

Four key statutory agencies with responsibilities for environmental management were contacted with the intention of meeting. These were:

- Manawatu District Council
- Department of Conservation
- Horizons.mw
- Historic Places Trust

The Wanganui Conservancy of the Department of Conservation requested a copy of the summary report and a map showing the NE Airport Area. Following receipt of this information, the Department advised that “*there seems to be no issues involved in the rezoning that would give rise to concerns by the department*”³, and chose not to meet.

Meetings were held with the other three agencies. Council staff also corresponded with Transit New Zealand who expressed a desire to be kept informed of progress with the study.

4.2 Horizons.mw

A meeting was held with four Horizons.mw staff with policy, engineering and hazards management responsibilities. The following points were made. Written comments were later received from Horizons.mw.

- Stormwater drainage must be carefully managed. The area is the headwaters of a tributary of the Mangaone Stream. The proposed area for rezoning joins the Mangaone upstream of the spillway. The City would need to apply for stormwater discharge consents. If the activity types were to be limited as suggested in the MWH report, there would be minimal other consent requirements.
- Soils are Type sII and the Regional Policy Statement includes policy relating to good quality soils. Soils improve towards Bunnythorpe, and most of Palmerston North urban area and adjacent land has good quality soils. This land is not amongst the best in the District.
- The Regional Cargo Hub study has not proceeded beyond preparation of a submission to the appropriate government department to seek funding.
- Longburn is an appropriate option for consideration for development as it is adjacent to the river, rail and near to airport. There is very good water supply but inadequate wastewater systems for expansion. Wastewater discharge to land has reached its maximum. There is also considerable rural residential development in the area.

³ Letter dated 30.9.2001, M Patrick to S Allan.

The written comments received align closely with the discussion points. They are summarised in Appendix 1 to this report (submission 26, and reproduced in full in Appendix 2).

4.3 Manawatu District Council

A meeting was held with the Council's District Planner. The following points were made:

- Manawatu District Council has a keen and direct interest in all priority areas identified in the Study report.
- The NE Airport Area is seen as attractive to warehouses and distributors, and offers direct connection to the Airport.
- MDC did not favour Cloverlea because of drainage difficulties and was pleased PNCC did not proceed on that option.
- Palmerston North to Feilding links are seen as important. Milsons Line is seen as a marginally more significant route than Railway Road. MDC is not keen on Richardsons Line for through traffic. A more direct link between the NE Airport Area and the Airport itself is seen as desirable.
- Comments have been made to PNCC officers on the internal brief for the structure plan for the development of the NE Airport Area.
- Longburn is also becoming a rural residential area. MDC would not want to see any industrial development in the Carey Street, Charles cross Street area sewerage and trade wastes are issues. If Longburn was seriously considered for industrial rezoning, MDC would probably look to a boundary adjustment to incorporate the land in the City rather than have it remain in the District.
- If there was an over supply of industrial land in Palmerston North, vacant industrial land in Feilding could be affected, but probably not to a great extent as the two areas seem to attract different types of industry.

4.4 Historic Places Trust

A meeting was held with Wellington-based HPT staff. The following matters were discussed:

- The HPT has no knowledge of any heritage features or sites of historical significance within the NE Airport Area.
- The Register of sites for the Manawatu-Wanganui region does not show any sites within this area.
- Archaeological and historical study of the area would be necessary to determine conclusively the presence of any sites of historical significance.
- Pre 20th Century farm houses/buildings are possibly located within the Longburn area. A survey would be required to determine whether this is the case.
- In addition, a survey of heritage sites carried out on behalf of Rangitaane Iwi in 19989 by Michael Taylor and Annetta Sutton did not reveal any heritage sites within the NE Airport Area. All sources of information from historic maps and records, archaeological survey and oral tradition show that major occupational

sites, such as kainga and pa, were clustered along the river edge or on the terrace cliffs.

5. Contact with Key Informants

5.1 Background

A list of “key informants” was developed in conjunction with Council officers. This included representatives of the developer, industrial/commercial, real estate, and valuation communities, and existing and potential users of industrial land. This list is given as Appendix 3 to this report. Some had been consulted as part of the Stage 1 study: others were newly involved.

As far as possible, meetings were organised. If this was not practicable, phone conversations were held.

5.2 Main Aspects Arising

Demand

There is some skepticism amongst some of the development community as to the stated rate of recent uptake of industrial land and the projected land needs. Some suggested serviced zoned land is available and affordable but is not being taken up despite ongoing attempts at sales. Others suggested that lack of some types of sites is already constraining demand; an aspect which is enhanced by District Plan constraints on existing industrial zoned land. One developer described demand for good industrial land in Palmerston North as “very strong”.

Most indicated that regional publicity and marketing would be effective in attracting more and larger firms. Palmerston North has a good image, but this could be emphasized and enhanced. Land is affordable, flat and useable, and accessible, with no contaminants or similar constraints. Most were unaware of demands that were not currently being met. One had managed to achieve amalgamation of two pre-existing lots to create a larger parcel, but this was a “first”.

Others noted that the Palmerston North Area is becoming recognised as a distribution center, and while quick turn-around is an important part of that, central depot storage areas (P & O, and Foodstuffs have) are also significant. Dairy activities are increasingly seen as Taranaki rather than Manawatu based. Palmerston North was also seen to have a future as a specialist processing area of farm and other products, and air freight would be an asset. Other growth activities relate to timber handling and processing.

A nationwide real estate study had shown that Palmerston North land values had grown only slowly (half the average of other North Island centres in the 1990-2000 period) in asset value. The threats to Palmerston North’s expansion included population decline, the Asian economy and local/international business mergers. Linton’s growth will help Palmerston North. Climate change policies will also help Palmerston North as a central distribution centre with rail access.

When questioned as to the effects of possible oversupply of industrial land, none considered that it would adversely affect existing markets or the value or saleability of existing vacant industrial land. Any sunk costs of services (community costs) would be a concern. It is important to keep prices of land down. Palmerston North's advantages are its stable work force, technological capabilities and low cost available land (cf Auckland and Wellington)

The existing supply of vacant buildings was discussed. It was generally felt that there is not an oversupply. There are a number of large visible buildings that have been vacant for a long time, but there is a lively market in most useable space. Agents work actually to move vacant buildings. Long-term vacant buildings have practical or technical limitations which meant that the cost of upgrade or building modifications exceeds the cost of a new facility. Some of the larger buildings have no, or a very small, market because of physical (design) constraints. There is usually a tenant if the price is right.

Servicing and the perception of being "out of town" are seen as negatives for Longburn.

One person commented adversely on a lack of developer understanding of long-term issues and recognition that opportunities have already been lost. Another noted that really large development opportunities would not necessarily approach local developers, but would rely on advice from independent (nationwide) agencies, Council officers, or their own property officers. These opportunities would not be known to local developers and agents.

Those who accepted that there was a need for provision of future industrial land through rezoning considered the NE Airport Area to be a logical area. It is compact rather than straggling, and well-placed in relation to the city, rail, road and airport. The ownership and management of a zone would need to be clarified and the land activity marketed. One developer indicated he had independently identified the area as appropriate for development and is actively trying to acquire land. Another remarked that Cloverlea would be better than the NE Airport as it is more accessible, and probably easier to develop, but both are better than Longburn for most types of development.

Commercial Land Issues

A number of people spoken to discussed perceived commercial land shortages. While they supported the policy of a compact commercial area, there was concern that there would be pressure for "destination retailing" type activities in this area. The Council would have to resist the area becoming "big box" retailing, and this would mean that other more central land may have to be found for low-rise commercial expansion.

Cargo Hub

Most of those spoken to already regard Palmerston North as a cargo hub and are unsure about any specific facility. They see new industrial land as providing for a range of activity types, whenever it is located.

It was pointed out by one that the Ports of Auckland/Tranzrail "deal" was not defunct, and that even if Ohakea is set up as a cargo hub, Palmerston North as a centre has

enough economic strength and impetus not to lose significant business. Because of this, the NE Airport Area as an industrial area will still be needed. Centre port, Wellington, was also showing interest and would do deals. Local businesses use freight forwarding firms and mostly don't know or care what the bigger transport picture is, as long as the price is right.

Others suggested Bulls and Marton as a rail "hub" and Ohakea as an air-based "hub".

Industrialist's Issues

The industrialists and transport operators spoken to had mixed news. One was seeking to expand and consolidate and was unable to find a suitable large site. This firm sees the NE Airport Area as generally suitable. Another had already made expansion decisions out of Palmerston North, but within the region, largely because of a land shortage in Palmerston North and residential interface issues associated with expansion of its Palmerston North operations.

Another firm which uses air freight extensively now ships goods to Auckland for dispatch (with the downgrade of Wellington Airport) and does not see Palmerston North Airport as being available long-term for air freight, particularly for 24 hour services. This firm, along with others, sees themselves as supplying into a network, rather than to a hub, using the most appropriate form of transport available.

Several firms noted the very attractive subsidies being offered by Australian cities for relatively footloose manufacturing.

All emphasised the "central place" location of Palmerston North and integration with urban services such as materials supply and transport firms, along with availability of skilled staff and servicing firms (eg computer system servicing).

Two key national transport and communications firms also gave their general support to the study and the proposed rezoning.

Institutional View

Vision Manawatu is the agency responsible for promoting the Manawatu area as a place to do business of all types.

Generally they are in agreement with the analysis in the Study and consider there to be demand for industrial land which cannot be met with the existing supply. They also regard some in the development community as being too focussed in the short term and having vested interests in other areas, meaning that some views may not be totally objective. They consider that a more proactive and detailed framework is needed within Vision Manawatu to assist the number of specific examples of unsatisfied demand that are known to the organisation, and staff is being taken on for this.

Vision Manawatu is supportive of a regional Cargo Hub study, and consider that, regardless of the outcome, the NE Airport Area industrial land will still be needed, and would relate to either the Airport and/or to other transport systems. Further work is

needed by the city and region on the “inland port” deal with Ports of Auckland and Tranzrail, and also with other Ports – Wellington and Napier.

Residents’ Views

A meeting was held with Jan Dixon as generally representative of residents’ views and as someone who had previously been consulted. She confirmed the comments of some of the development community who expect the council to encounter strong resistance from nearby residents to any new foreseeable industrial area – whether the NE Airport, Longburn or Cloverlea – which will engage the Council in full Resource Management Act processes.

She explained there was strong local suspicion of Palmerston North City Council and MWH, and residents were gathering information to refute the Study. This would incorporate information not just on the Study but on the Cargo Hub concept. Residents are getting organised including legal counsel and planning assistance.

There is a growing support for Ohakea as an airport from ordinary people and other local authorities. Palmerston North City is being small-minded over the cargo Hub concept. Another runway will compound the existing airport problems. Residents will pressure the Council to do an Airport Safety Study.

The value of the airport and nearby land will be higher in residential blocks than in airport and industrial uses.

Residents perceive two main effects from industrial rezoning – noise and traffic. People feel that their children will have their ability to do “lifestyle activities” such as biking to school and riding horses on local roads robbed from them.

There is a threat that any industry in this area will keep on growing.

The Palmerston North City Council needs to liaise with Manawatu District Council, and the Regional Council should be taking an interest.

6. Matters Raised in Written Commentaries

6.1 Breakdown of Comment Types

Thirty-nine written comments were received. These are not formal submissions, as they are not based on a statutory process. Nevertheless, they raise many of the issues that can be expected to be traversed, should the Council proceed to a rezoning.

All comments received are summarised in Appendix 1, and included in full in Appendix 2.

Of the commentaries received:

- 29 were from affected or nearby residents/landowners
- 3 were from residents elsewhere in Palmerston North
- 2 were from environmental/residential organisations
- 2 were from business organisations
- 1 was from a statutory agency
- 1 was from the Airport company
- 1 was from an anonymous person of unknown affiliation.

Of the commentaries received, in respect of the NE Airport Area proposal:

- 5 were supportive (some giving conditional support)
- 25 were opposed
- 9 were neutral or uncertain

6.2 Matters Covered

This section briefly summarises issues raised. For a more complete summary Appendix 2 should be referred to, to the full comments forms included as Appendix 3.

Specific Opposition

- A group of issues relates to existing and nearby use of land, including the suitability of the wider area for rural residential and lifestyle use; the value of the land for agriculture; and the “gateway” location to Palmerston North, which commentators feel should be retained as rural rather than industrial.
- Use of the area’s roads for recreation and low key use including cycling, and associated safety issues was a basis for opposition.
- Loss of residential land values in the vicinity was raised by those closest to the site.
- There was criticism of lack of integrated planning and an overall plan for city development, including roading and residential expansion areas.
- Some are concerned that if the area is rezoned it will not “take off” and will be left in an unsightly state.

- A number of commentators query the basis of demand projections and the extent of use of existing zoned land, including land already developed. These tend to say that there is enough zoned land for ten years. One wishes to see no new polluting industries, preferring growth on the basis of the “knowledge economy”.
- A number emphasise a perceived Airport growth link through what they see as an overly heavy emphasis on the Cargo Hub concept. These commentators emphasise Ohakea as a Cargo Hub and believe there is no need for rezoning for industrial land near to the Palmerston North Airport, particularly for a cargo hub.

Support

- Support focuses on the need for long-term planning for industrial land to give certainty to residents and businesses.
- Support for proposed location as “obvious for industrial zoning”.
- Expectation that effects can be mitigated in this location, including support for structure plan.

Issues raised from a neutral viewpoint

- Adequate and appropriate management of stormwater will be needed.
- Future traffic congestion on Milson Line needs to be addressed.
- Support or suitability of site because of rail access possibilities.
- The alternative opportunities of this site for a green belt, green corridor or recreational route need to be considered.
- Several commentators consider Longburn needs further investigation.

Other issues

- One submission specifically sought that industrial land should not be taken up for retail purposes, and emphasised the need for the City to retain a strong and viable commercial centre.
- Residents who have invested in nearby property feel they have made all the right enquiries with their Council, and that rezoning is not “good faith” and will cost them in loss of property values.
- There is a level of suspicion as to the Council motives and processes in undertaking the work (extended to the consultants).
- Some consider that mitigation through screening and landscaping will help to reduce their opposition, but good guarantees are required.
- Several noted the need for close co-operation between PNCC and MDC for future planning.
- Several people suggested additional small areas in the vicinity to be rezoned industrial.
- There is suspicion expressed in a small number of submissions about the veracity of the Airport Noise Envelope shown on the planning maps.
- Several state that Palmerston North’s economy is declining, not growing⁴.

⁴ See Appendix 4 – Specific NZIER comment on recent GDP projections and 2001 Census results.

7. Conclusion

A wide-ranging consultation exercise has been undertaken on the proposed industrial use of NE Airport Area and other aspects arising from the Palmerston North Industrial Land Use Study.

A wide range of views and opinions exist in the community relating to industrial land generally, and the NE Airport area specifically. While this is a major land use issue for the City, the number of written comments received is not particularly high. The written comments received particularly focus on the concerns of local residents, as would be expected. These are in general opposition, focussing on effects on residents and landowners from greater traffic in the area, noise and visual impacts. However, residents also query the basis of the study and the need for additional industrial land. Much of the querying of justification appears to relate to the area being seen as a cargo hub rather than a general industrial area, so that Ohakea is therefore seen as a potentially valid alternative.

Comments from some of those specifically consulted as “key informants” also question demand, but others provide information and comments which tend to support a level of potentially suppressed demand at present. The indication that one developer is actively acquiring land in the area suggests that at least one investor has seen a potential in the area. Provided there is not extensive “sunk” community cost, none saw a major disadvantage to the city or region through an industrial zoning of the area.

A number of general issues have arisen through the different streams of the consultation phase. These fall under five main headings:

- questions of demand for industrial land
- issues of cost, relating to services
- integration of planning studies
- a regional focus, including the future of Ohakea
- management of effects of future zones.

The Council is already proceeding with further investigation of some of these aspects.

Appendices

Appendix 1:

Palmerston North Industrial Land Use Study Stage 2 Consultation

Summary of Written Comments Received

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
1	B & A Grimmer	226 Tutaki Rd, PN	Resident/landowner	Having attended public meeting, are generally supportive. Planning for future at an early date is sensible, as relatively few people are affected now compared to in years to come.
2	G Bridge	129 Richardsons Line, PN	Affected resident/landowner	Opposed. Area is already prime residential (houses \$400,000 +). Airport is main entrance and industrial-looking area very undesirable. An industrial area would close option of an attractive gateway. Plane-watching is a recreational activity. Adverse effects on property values. Loss of residential amenity values.
3	D Kerr	54 Moonshine Valley Rd, PN	Forest and Bird	F & B interest in management of runoff into Mangaone Stream. Would like to see riparian planting, adequate stormwater treatment.
4	D H Oglivie	Roberts Line, RD 10, PN	Affected resident/landowner	Concern at lack and cost of servicing. Area is used by cyclists, joggers and walkers. Understands that existing vacant land was not considered – prefers renewal to sprawl.
5	N D Oglivie	Roberts Line, RD 10, PN	Affected resident/landowner	Residents developed expensive houses in good faith in area. Amenity and property values will be reduced. Concern with traffic safety, incompatibilities, and stormwater runoff. Concern that PNCC's airport noise footprint is misleading and will reduce public opposition. Less objection of there can be guarantees that there will be high landscaping and screening (eg Ezibuy) but has no faith that will be achieved. Industrial/commercial areas provide ugly gateway to City.

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
6	M & K Stretton	434 Kairanga-Bunnythorpe Rd	Resident/landowner	Concern about future of Milsons Line if Ring Road concept goes ahead.
7	G Goodman, PN Airport Ltd	PO Box 4384 Airport Drive	PN International Airport	*Airport future closely linked to PN economy's future. Supports rezoning of NE Airport Area, but considers approach conservative. Would seek "normal industrial development" rather than constraints suggested. Should have "visionary" approach, rather than projection of past (gives example of doubling of international passengers through Airport in year 2000). Would like to see deferred zoning technique used to prevent future incompatibilities. Consultation process should recognise that future users are at present unidentifiable. Expresses need to integrate a number of concurrent planning studies; and particularly emphasises need for strategic roading network. Seeks long-term planning and co-operation between PNCC and MDC.
8	D Bryant	199B Richardsons Line, RD 8, PN	Affected resident	Concern at effect on recent investment and life-style. Main concerns are adequate buffer (80-100m) and 24hr heavy traffic (a two lane road with centre median strip, grass and trees).
9	F Van den Hout	170 Railway Rd, RD 10, PN	Nearby resident	Seeks rezoning of his land to industrial (opposite Golf Course).
10	R&L Wedge	383 Kairanga-Bunnythorpe Rd, RD 8, PN	Affected resident	Opposed to NE Airport concept. Expects "hidden agenda" in original brief.
11	S Richard	RD 8, PN	Affected resident	Concern at visual impact of potentially unkempt industrial area (includes photographs of Mihaere Dr overramp and Mako Mako Rd).
12	C McAlpine	20 Tyndall St, PN	Resident and greenie	Supports rail access into area, as expands environmentally friendly and efficient transport system.
13	D Marshall, JP	275 Railway Rd, RD 10, PN	Resident	Concern that area will not "take off". Wishes to see unused industrial areas filled up first. Area is beautiful farmland. Property values will downgrade.

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
14	B Bullock	128 Cook St, PN	PN environmental Trust (not a Trust submission)	Concerned that NE Airport Area may better be used as a Green Belt/Green Corridor location, but this has not been planned. Seeks integrated environmental planning.
15	A D Mackillop	Roberts Line, RD 8, PN	Affected resident	No obvious need for more industrial land. Inadequate roading. Would rail siding be used? Concerned at possible undisclosed "game plan". If warehousing, etc, are main growth prospects, new land should be adjacent to a State highway. Seeks integrated planning.
16	L Mackillop	229 Roberts Line, RD 8, PN	Affected resident	Seeks options in surrounding towns (Feilding, Bulls, Marton, Sanson). Concern about contamination of residents roof water. Noted local opposition to a small industrial activity in area (MDC hearing 12.9.00). Wishes to debate PN Airport future, and its possible relocation.
17	W Vining	Railway Rd PO Box 277	Affected resident/landowner	Supports proposal because obvious location for industrial zoning, and for City's economic growth. People buying near airport and railway should have anticipated future changes.
18	E & P Jamieson	Roberts Line, RD 10, PN	Landowner, PNCC ratepayer	Questioned basis of growth assumptions. Doesn't agree with concept of "greenfields" land. Questions "heavy emphasis" on cargo hub concept. Why not use zoned airport land first? High cost of roading, consequent environmental/visual degradation. Strongly opposed.
19	P & L Chambers	233 Roberts Line, RD 8, PN		Strongly opposed. Develop PN on basis of knowledge economy, not "highly polluting industries". Study shows more than enough industrial land in PN and nearby. NZIER GDP quarterly predictions recently revised down. Existing land can be used more efficiently. Ohakea better location for Cargo Hub. If airport is moved there, present airport land could become industrial.

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
20	M Rowlands	Roberts Line	Affected resident	Objects to ratepayers money being spent on out-of-town consultants. Other land in existing industrial zones should be used first, including empty buildings. Any further airport development to be at Ohakea.
21	AR Rowlands	Roberts Line		Waste of good farm land and money. Offers 32 ha land in Midhurst available for purchase at any time.
22	Kiwi Property Management	99 Quay St, Auckland PO Box 2071	Managers of the Plaza Shopping Centre, PN	Agrees with recognition of need to plan for future economic growth by providing sufficient land for industrial activities. Seeks to limit spread of retailing activities in industrial zones to protect commercial strength of existing commercial area around Square.
23	K & F Paintin	Roberts Line, RD 10, PN		Object to proposals because: <ul style="list-style-type: none"> - do not believe vacant land with buildings has been taken into account - there is a lot of “for lease” or “for sale” industrial land - would prefer Cloverlea Area. NE Airport will become a rubbish dump until the right developer comes along - ratepayer cost involved - stormwater peak into Mangaone increased - traffic congestion problems; industrial traffic - ugly gateway to city - loss of personal life style - proposal is a “smokescreen” to turn the Airport into a 24 hour noisy cargo hub - Airport noise maps are incorrect
24	R Linklater	Roberts Line, RD 10, PN	Landowner	Proposal is “ad hoc”. Development of existing vacant airport land first. Wants to see the City grow and develop but there appears to be a lot of vacant industrial land already. Seeks delay of any decision until Ohakea plan released.

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
25	F & R Orr	Richardsons Line, RD 8, PN	Residents and owners of four adjacent properties	<p>*Oppose the proposal including the following considerations:</p> <ul style="list-style-type: none"> - Industrial growth rate was in decline between 1994 and 2000. Land agents report a large amount of unused warehouse space, and there is vacant industrial land - Road, rail and air transport are not all needed for industrial development. Road is the preferred transport mode. - There is no clear need or location for a cargo hub - Industrial development infrastructure may be a significant ratepayer cost - Longburn options require further consideration - Regional planning (including Ohakea) is needed - A central government development at Ohakea could release PN Airport land - Concerns about PN Airport development to meet needs of 737s, and local body investment in the airport. - There is no master transport plan to support traffic circulation N, S, E and W. - There is no long-term residential development strategy for the City - The Study report is inaccurate over number of properties or residents directly affected. Affected residents have not been contacted. - Noise effects on 24 hour basis will be significant. A 30 metre buffer is inadequate - There is a conflict of interest in consultants who have done the original work reviewing the consultation process - The Airport Company is seeking to stifle further lifestyle development on the west side of Richardsons Line. Such development will make a second runway more expensive - The Study to date is premature, incomplete, misleading and fails to address regional needs. <p>The submission seeks abandonment of this area and an alternative site where residential impacts are minimised, especially Longburn; and that PN works with Central Government and other regional councils to investigate Ohakea.</p>

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
26	E O'Connor, Horizons.mw	PN	Regional Council	Notes effect on runoff through upper catchment changes and effect on Mangaone Stream spillway. A detention system in the Richardson Line ponding system should be investigated. An open channel is preferable to a piped system within the industrial area. Recommends work on traffic involve Manawatu DC. Suggests a further look at Longburn. Notes both areas involve Class 2 land.
27	K McGeeham	Roberts Line, RD 8, PN	Affected resident/landowner	Seeks withdrawal of report because: <ul style="list-style-type: none"> - insufficient consideration of regional industrial needs - insufficient consideration of transport industry preferences for cargo hub - costings and returns on infrastructure investment not given - the Government willingness to upgrade Ohakea and provide 36 ha of adjacent commercial land is not taken into account - there is no evidence of consultation with nearby Councils.
28	Vision Manawatu	Square Centre, PN	Economic Development Agency	* Welcomes the report and its comprehensive review of availability of and demand for industrial land in PN. Notes PN natural advantage for distribution industry, and importance of industrial land for this. Current land inadequacy is a barrier to future development – VM is aware of recent cases where lack of land has been a barrier to new businesses. Prudent long-term planning is necessary to provide the City and region with sustainable business development. Adverse effects on nearby land should be mitigated; structure plan concepts are supported

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
29	I & A Christensen	167 Richardsons Line, RD 8, PN	Residents, ratepayers	<p>*Do not believe consultants will faithfully report submission. Expect rezoning of NE Airport to harm the environment and adversely affect residents and ratepayers because:</p> <ul style="list-style-type: none"> - industrial growth rate was in decline in PN between 1994 and 2000. The report does not identify which industries will use the land. Vacant land and buildings are not taken into account. - There will be noise, air, visual pollution and 24 hour trucking activities - Report relies on the conjunction of road, rail and air transport, whereas road will be the only significant mode - A cargo hub at NE Airport would be costly to ratepayers because of the road upgrading needed. Safety would be compromised. - This is the first part of an overall strategy which should be publicly debated before any rezoning takes place - Regional bodies should investigate Ohakea as a cargo hub - The anticipated residential growth strategy should be co-ordinated with industrial growth

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
30	F Orr Action Manawatu Inc	PN	Community Group	<p>*The society has been established in response to the Council contracting out a study to potentially industrially rezone land north east of the airport. The group has wider interests in providing for future sustainable industrial and commercial infrastructure in a regional context.</p> <p>Submission seeks an integrated strategic economic approach on a regional basis, rather than PNCC piecemeal ad hoc approach to zoning and infrastructure. The submission comments on detail on:</p> <ul style="list-style-type: none"> - assumptions on PN Airport future and on transport interconnections, emphasising Longburn as a preferential location for trucking freight - lack of consideration of Ohakea on a regional basis - inadequate consideration of larger road transport vehicles and their effects - bias in the Council's study brief and the study report against Ohakea which will render the study inadequate in terms of a section 32 analysis
31	B Holmes & S Quantock	52 Setters Line, PN	Residents	<p>*Concern at lack of public information at an early stage; narrow scope of brief; doubts about extent of economic growth; traffic effects including incompatibility with children cycling; costs of infrastructure; no need for an airport component of the cargo hub; lack of consideration of existing vacant industrial buildings; buffer proposed is inadequate.</p>
32	W & M Strawbridge and 4 others	182 Richardsons Line	Affected resident/landowner	<p>Opposes idea of rezoning. There is other land not so populated or so valuable that is available. Impacts adversely on people who have life style blocks in area. Industry should be as far away as practicable from such good residential land. Cost of rebuilding roads and airport facilities too high.</p>

Comments Form No	Name	Address	Affiliation	Comments (An asterisk indicates lengthy comments which may not have been adequately summarised in the space available: These should be read in full)
33	S Bartlett	146 Richardson Line	Affected resident	Report overlooks wider issues. Visual impact on visitor to City will be ugly. Noise, air and visual pollution, plus 24 hour truck servicing will be an imposition on lifestyles. Industrial traffic will be incompatible with current road users. Upgrading will be costly. Other transport infrastructure is problematic. There is industrial land available. The PN economy is in decline. Ohakea will better meet future freight needs.
34	PJ Dixon	761 Roberts Line, RD 8, PN	Affected resident	Study brief narrow and inappropriate; affects land that is residential, farming and recreation; excludes wet industries therefore will not meet potential demand
35	J Dixon	761 Roberts Line, RD 8, PN	Interested resident	Study not objective because of limitations of brief; notes poor planning in past and suggests further poor planning and ad hoc measures; queries if cargo hub needs an airport and notes Ohakea availability.
36	C McCool	124 Thompson Rd, Napier		Seeks report to be withdrawn because of insufficient consideration of whole region. Most cities worldwide have policy to industrialize to the south and urbanize to the north. Those who have not done so have suffered consequences of ill advised folly.
37	R Dobson	Stoney Creek Road	Resident/landowner, developer	There is enough industrial land for the next ten years in the City. Concern about northern link road mentioned in recommendations.
38	R Henn	33 Manuka St, PN	Affected landowner	Seeks specific areas nearby to be rezoned industrial
39	Anonymous			Submission shows route for a recreation (cycling, walking, 50km drive) route around the City. Key routes include Richardsons and Roberts Line. Intention is to provide for family recreation as a rural trail – low energy and low pollution. Ohakea as cargo airport; Feilding as recreational airport. Sanson, Ohakea and Marton to be industrial areas to support local employment and land values.

Appendix 2

Written Comments Received

Appendix 3

List of Key Informants Contacted

Suzanne Price
Brian Green
Karl Cameron
Chris Marks
Brian White

Wallace Development
Brian Green Developments
Bayleys Real Estate
Chris Marks Ltd
Hobson White Ltd

Adrian Broad
Kelvin Speirs

Vision Manawatu
City Development Committee

Roger Kennedy
Paul Barris
Ian Hutchings
John Heng
Ken Thurston
Francis Small
Chris Callan

Cooper Rapley
Developer
Foodstuffs
Click Clack
Aotea Coldstores
Consultant to Tranzrail
NZ Post

Jan Dixon

Resident and Organiser of Local Group

Appendix 4

New Zealand Institute of Economic Research Comment on GDP Project Changes

In response to submissions 19, which had noted a change in short-term GDP projections by NZIER, comment was sought from NZIER. This is repeated below:

“NZIER has recently revised down its medium term economic forecasts. Our estimate of growth for the year to March 2002 was revised up, from 2.2% to 3.1%, largely due to investment being stronger than expected. And as was widely reported, our estimate of growth for the following year, the year to March 2003, was revised down from 3.0% to 1.7%. This was mainly due to the more pessimistic outlook for the international economy, especially in the wake of the attacks on the World Trade Centre in New York on September 11. This lower growth overseas will affect New Zealand's export earnings.

Our forecast of growth for the year to March 2004 was raised, from 2.8% to 3.4%. This reflects the stimulus to overseas economies arising from an easing in monetary policy and higher spending by governments.

As can be seen, our view of the short term business cycle has changed in our recent forecasts. However, our view of growth over the medium term has hardly changed at all. In fact, our forecast for the level of activity in the year ended March 2006 is up slightly, compared to our earlier forecast.

Our projections for Palmerston North were based on medium and long term trends, with the fundamental determinants of growth being population and labour productivity. By focusing on longer term trends we can be reasonably confident that our long term projections will be accurate. In effect, by focusing on longer term trends we avoid being overly optimistic or overly pessimistic about events that inevitably influence the short term business cycle. Such events include the Asian crisis, the recent improvement in New Zealand's terms of trade (a very positive event), and now the US and global slowdown. Instead, our longer term forecasts are based on fundamental factors that drive New Zealand's underlying growth rate”.

NZIER also commented on the recently-released 2001 Census data on population change as follows:

“MWH has asked the NZIER to have a look at the recently released 2001 census population figures to assess any implications of these population figures on our regional economic projections.

In our initial study we used population and labour force projections provided by Statistics New Zealand. Labour force projections were used to derive national and regional employment projections.

The recently released Census 2001 statistics do not incorporate information on the population or labour force by industry classification, which is needed to assess the accuracy of our industry forecasts of employment up to 2001. Nonetheless, the Census 2001 population figures can be compared to Statistics New Zealand's population projections between 1996 and 2001.

The Census 2001 population figures show that between 1996 and 2001 the Manawatu-Wanganui population fell by 0.8% per annum. By comparison, the projected population of the Wanganui-Manawatu fell by 0.3% per annum over the same period. At the national level, the Census 2001 population figures show that New Zealand's population grew by 0.6% or around 22,000 people per annum. Statistics New Zealand's population projections anticipated an increase in population of 0.8% or around 28,000 people per annum.

The question is whether these population variations make a difference to the national and regional employment projections. The answer is that they are unlikely to make a significant difference. The aggregate population, based on the 1996 Census, give figures for 2001 that are similar to the Census 2001 population figures. It is likely that the full results from the Census, when available, will not significantly alter the findings of the NZIER study."