COUNCIL

AGENDA

Meeting to be held

THURSDAY 15 DECEMBER 2016
8.30AM

In the Manawatu District Council Chambers,
135 Manchester Street, Feilding

Dr Richard Templer
Chief Executive
MEMBERSHIP

Chairperson

Her Worship the Mayor, Helen Worboys

Deputy Chairperson

Deputy Mayor, Michael Ford

Members

Councillor Steve Bielski
Councillor Stuart Campbell
Councillor Barbara Cameron
Councillor Shane Casey
Councillor Hilary Humphrey
Councillor Phil Marsh
Councillor Andrew Quarrie
Councillor Alison Short
Councillor Howard Voss
ORDER OF BUSINESS

1. MEETING OPENING

Major Wayne Jellyman of the Salvation Army will open the meeting in prayer.

2. APOLOGIES

3. REQUESTS FOR LEAVE OF ABSENCE

Councillor Howard Voss – 8 May to 3 June 2017, and 26 September to 15 October 2017.

4. CONFIRMATION OF MINUTES

Draft resolution

That the minutes of the Council meeting held 16 November 2016 be adopted as a true and correct record.

5. DECLARATIONS OF INTEREST

Notification from elected members of:

5.1 Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and

5.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members’ Interests) Act 1968.

6. PUBLIC FORUM

6.1 BRIDGET MURPHY

Bridget Murphy will be in attendance to talk about environmental issues.

6.2 DEL GIBB

Del Gibb will be in attendance to brief Council on the recent launch of the book “Feildings Community Pride 1978-2013” which details the history of Keep Feilding Beautiful.

6.3 FEILDING BUSINESS PROMOTION AND MANAWATU CHAMBER OF COMMERCE

Representatives from Feilding Business Promotion and Manawatu Chamber of Commerce will be in attendance to discuss issues around the current regional Police review.
6.3 MANAWATU YOUTH AMBASSADORS

Manawatu Youth Ambassadors will be in attendance to talk about their activities.

7. NOTIFICATION OF LATE ITEMS

Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:

7.1 The Council by resolution so decides; and

7.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.

8. OFFICER REPORTS

8.1 RE-ESTABLISHMENT OF THE JOINT STRATEGIC PLANNING COMMITTEE


8.2 MANAWATU DISTRICT ECONOMIC PROFILE


8.3 COMMUNITY FUNDING POLICIES


8.4 SUPPLY OF ANAEROBIC DIGESTION EQUIPMENT CONTRACT C4/16058


8.5 PHARAZYN STREET RECONSTRUCTION, STAGE 3 - TENDER RECOMMENDATION


9. CONSIDERATION OF LATE ITEMS

10. MEETING CLOSURE
Minutes of a meeting of the Council held on Wednesday 16 November 2016, commencing at 8.30am in the Manawatū District Council Chambers, 135 Manchester Street, Feilding.

PRESENT: Mayor Helen Worboys (Chairperson)
Cr Steve Bielski
Cr Barbara Cameron
Cr Stuart Campbell
Cr Shane Casey
Cr Michael Ford
Cr Hilary Humphrey
Cr Phil Marsh
Cr Andrew Quarrie
Cr Alison Short
Cr Howard Voss

IN ATTENDANCE: Richard Templer (Chief Executive)
Shayne Harris (General Manager – Corporate and Regulatory)
Brent Limmer (General Manager - Community and Strategy)
Hamish Young (General Manager – Infrastructure)
Frances Smorti (General Manager – People and Culture)
Wendy Thompson (Principal Planning Adviser)
Michael Hawker (Project Delivery Manager)
Colleen Morris (Chief Financial Officer)
Paul Stein (Communications Advisor)
John Jones (Roading Asset Manager)
Jim Mestyanek (Senior Project Engineer)
Karel Boakes (Regulatory Manager)
Doug Tate (Community Facilities Manager)
Lorraine Thompson (Executive Assistant – Chief Executive)
Beth Hawker (Senior Finance Officer - Rates)
Maria Brenssell (Executive Assistant – Mayor)
Nichole Ganley (Business Support Officer)
Allie Dunn (Business Support Team Leader)

MDC 16/015 MEETING OPENING

Her Worship the Mayor welcomed everyone to the meeting.

MDC 16/016 APOLOGIES

There were no apologies.

MDC 16/017 REQUESTS FOR LEAVE OF ABSENCE

There were no requests for leave of absence.

MDC 16/018 CONFIRMATION OF MINUTES

RESOLVED

That the minutes of the Council meeting held 25 and 26 October 2016, and the extraordinary Council meeting held 3 November 2016, be adopted as a true
and correct record with a correction to the minutes of 26 October 2016 to show Councillor Quarrie recording his vote against the motion for appointment of the Deputy Mayor.

Moved by: Councillor Stuart Campbell
Seconded by: Councillor Steve Bielski
CARRED

MDC 16/019 DECLARATIONS OF INTEREST

Councillor Hilary Humphrey declared an interest in item 8.1 Feilding Community Committee.

MDC 16/020 CHANGE TO ORDER OF BUSINESS

RESOLVED

That item 8.11 First Quarter Report to 30 September 2016 be taken prior to item 8.1 Feilding Community Committee.

Moved by: Councillor Stuart Campbell
Seconded by: Councillor Michael Ford
CARRED on the casting vote of Her Worship the Mayor

MDC 16/021 PUBLIC FORUM - ACCOLADE GROVE SOCIETY SUBCOMMITTEE

Bob Buchanan and Di Anderson were in attendance and spoke about concerns with traffic associated with stage 4 of the Accolade Grove extension. They tabled a petition requesting that favourable consideration be given by the Council and the land developer team (Mr Zhang) to undertaking stage 4 of the Accolade Grove (Accolade Street extension) by facilitating the land development and building activities by way of direct entry from Pharazyn Street for all trades and associated vehicles, rather than routing such traffic volume and anticipated disruption, through residential Accolade Grove.

MDC 16/022 PUBLIC FORUM - FEILDING COMMUNITY COMMITTEE

Sandra Crosbie, Chairperson of the Feilding Community Committee spoke about Community Planning for the newly established Feilding Community Committee, seeking Council agreement to the Feilding Community Committee being able to undertake the community planning exercise in the current financial year.

MDC 16/023 PUBLIC FORUM - QUOTABLE VALUE

Simon Willocks from Quotable Value presented to Council on the district revaluations. He spoke about the revaluation process, sector changes, capital value changes, and land value changes. He outlined the objection process with objections needing to be lodged by 25 November 2016. He advised that the new rating values would be used from 1 July 2017.
MDC 16/024 NOTIFICATION OF LATE ITEMS

There were no items of extraordinary business notified.

MDC 16/025 FIRST QUARTER REPORT TO 30 SEPTEMBER 2016

Report of the General Manager – Corporate and Regulatory dated 1 November 2016 providing a summary to 30 September 2016 of the Council's performance against the second year of the 2015/25 Long Term Plan. A copy of information outlining significant projects funded from loans over the past three years, and how the loan servicing costs were being funded, was tabled.

Councillor Cameron left the meeting at 9.25am and returned at 9.30am.

MOVED

That the Chief Executive provide a plan to reduce the requirements for planned new debt of $11.7 million in the current financial year.

Moved by: Councillor Stuart Campbell
Seconded by: Councillor Michael Ford

WITHDRAWN

It was noted that the matter would be referred to a future workshop for discussion.

RESOLVED

That the Council receive the First Quarter Report to 30 September 2016.

Moved by: Councillor Howard Voss
Seconded by: Councillor Michael Ford

CARRIED

The meeting adjourned for a tea break at 10.41am and resumed at 11.08am.

MDC 16/026 FEILDING COMMUNITY COMMITTEE – COMMUNITY PLANNING

Report of the General Manager – Community and Strategy dated 2 November 2016 seeking consideration of a request received from the Feilding Community Committee to fund the development of a community plan for Feilding in the 2016/17 financial year.

Councillor Humphrey declared an interest, took no part in the discussion and did not vote.

RESOLVED

That the Council confirms its previous intention to consider funding the development of a Community Plan for Feilding as part of the draft 2017-18 Annual Plan.
Moved by: Councillor Stuart Campbell
Seconded by: Councillor Barbara Cameron
CARRIED

MDC 16/027 AGREEMENT TO FORM JOINT COMMITTEE WITH PALMERSTON NORTH CITY COUNCIL

Report of the General Manager – General Manager – Community and Strategy dated 1 November 2016 presenting a proposal to negotiate and sign an agreement with Palmerston North City Council to re-establish the Joint Strategic Planning Committee.

RESOLVED

That the Chief Executive be authorised to prepare and sign an agreement with Palmerston North City Council to re-establish the Manawatu District / Palmerston North City Joint Strategic Planning Committee, based on the previous agreement dated 20 October 2015 and updates agreed in March 2016.

Moved by: Councillor Michael Ford
Seconded by: Councillor Phil Marsh
CARRIED

MDC 16/028 C4 1523 ARAPATA ROAD BRIDGE S3A REPLACEMENT

Report of the General Manager – Infrastructure dated 7 November 2016 seeking approval to award Contract 1523 for the replacement of Bridge S3A on Arapata Road at approximate RP 2km. Officers presented on the tender process for the contract to replace the Arapata Bridge.

RESOLVED

1. That Contract 1523 for Arapata Road Bridge S3A Replacement, Contract be awarded to Bailey Civil Ltd for the sum of One Million, One Hundred and Fifty Seven Thousand and Twenty Five Dollars and Thirty Cents excluding GST ($1,157,025.30 excl GST).
2. That the Council notes that this amount includes a 10% contingency, which can be utilised only upon the Engineer's approval.

Moved by: Councillor Alison Short
Seconded by: Councillor Shane Casey
CARRIED
MDC 16/029 MDC ROADING PROCUREMENT STRATEGY


RESOLVED


2. That the Council approves the use of shared in-house professional services subject to a forthcoming review.

Moved by: Councillor Howard Voss
Seconded by: Councillor Steve Bielski

CARRIED

The meeting adjourned for lunch at 12.23 pm and reconvened at 1.01 pm

MDC 16/030 ADOPTION OF COMMITTEE STRUCTURE

Report of the General Manager – Corporate and Regulatory dated 28 October 2016 seeking determination of the membership, terms of reference and delegations of authority for each of the committees established by Her Worship the Mayor under Section 41A of the Local Government Act 2002. It was noted that the election of a deputy chairperson for the Workshop Committee would need to be undertaken by Council.

RESOLVED

That System B as outlined in Clause 25 of Schedule 7 to the Local Government Act 2002 be used for the election of the Deputy Chairperson of the Workshop Committee.

Moved by: Councillor Michael Ford
Seconded by: Councillor Stuart Campbell

CARRIED

RESOLVED

That Councillor Michael Ford be appointed Deputy Chairperson of the Workshop Committee.

Moved by: Councillor Stuart Campbell
Seconded by: Councillor Barbara Cameron

CARRIED
RESOLVED

1. Audit and Risk Committee

   Membership: Councillor Stuart Campbell (Chair) and Councillors Barbara Cameron, Hilary Humphrey, Phil Marsh, Howard Voss, Her Worship the Mayor and John Fowke (independent member)

2. Chief Executive’s Employment Committee

   Membership: Councillor Michael Ford (Chair), Her Worship the Mayor and all Councillors

3. Community Funding Committee

   Membership: Councillor Hilary Humphrey (Chair) and Councillors Barbara Cameron, Stuart Campbell, Shane Casey, Alison Short and Her Worship the Mayor.

4. Hearings Committee

   Membership: Councillor Howard Voss (Chair) and Councillors Shane Casey, Alison Short, Barbara Cameron, Hilary Humphrey, Michael Ford and Her Worship the Mayor.

5. Nga Manu Taiko Manawatu District Council

   Membership: Councillors Stuart Campbell, Alison Short and Her Worship the Mayor plus one representative appointed by Tangata Whenua from each of the following Marae: Aorangi, Kauwhata, Kotuku, Paranui, Parewahawaha, Poupatate, Te Au, Te Rangimarie, Taumata O Te Ra, Te Hiiri, Te Iwa, and Te Tikanga.

6. Strategic Planning and Policy Committee

   Membership: Councillor Phil Marsh (Chair) and Her Worship the Mayor and all Councillors.

7. Workshop Committee

   Membership: Mayor Helen Worboys (Chair), Councillor Michael Ford (Deputy Chair) and all Councillors.

Moved by: Councillor Phil Marsh

Seconded by: Councillor Michael Ford

CARRIED

Andrew Quarrie recorded his vote against the motion.
MDC 16/031 ADOPTION OF SCHEDULE OF MEETINGS

Report of the General Manager – Corporate and Regulatory dated 28 October 2016 presenting for adoption the proposed schedule of meetings for the remainder of 2016 and the 2017 calendar year.

RESOLVED

1. That the Council adopt the following schedule of meetings for the remainder of the 2016 calendar year:

   - **Strategic Planning and Policy Committee:** Thursday 1 December 2016, 8.30am
   - **Community Funding Committee:** Thursday 1 December 2016, 1.00pm
   - **Nga Manu Taiko Manawatu District Council:** Tuesday 13 December 2016, 6.00pm
   - **Council:** Thursday 15 December 2016, 8.30am

2. That the Council adopt the 2017 meeting calendar as set out in Appendix 1 to the report of the General Manager - Corporate and Regulatory dated 28 October 2016.

Moved by: Councillor Howard Voss

Seconded by: Councillor Shane Casey

CARRIED

MDC 16/032 CREATIVE COMMUNITIES ASSESSMENT COMMITTEE


RESOLVED

That the Council appoints Councillors Barbara Cameron and Hilary Humphrey to the Creative Communities Assessment Committee.

Moved by: Councillor Alison Short

Seconded by: Councillor Michael Ford

CARRIED
MDC 16/033 APPOINTMENTS TO COUNCIL ORGANISATIONS, COUNCIL CONTROLLED ORGANISATIONS AND JOINT COMMITTEES


RESOLVED

1. That the Council makes the following appointments to external organisations:

<table>
<thead>
<tr>
<th>Name</th>
<th>Proposed Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mana Whakahaere</td>
<td>Her Worship the Mayor, Deputy Mayor, Chief Executive and Councillor Casey</td>
</tr>
<tr>
<td>Camp Rangi Woods Trust</td>
<td>Two appointees</td>
</tr>
<tr>
<td>Central Economic Development</td>
<td>Her Worship the Mayor and Councillors Casey and Short</td>
</tr>
<tr>
<td>Agency Electoral College</td>
<td></td>
</tr>
<tr>
<td>Manfeild Park Trust Electoral</td>
<td>Her Worship the Mayor and Chief Executive</td>
</tr>
<tr>
<td>College</td>
<td></td>
</tr>
<tr>
<td>Manawatu River Leaders Accord</td>
<td>Her Worship the Mayor and Councillor Short</td>
</tr>
<tr>
<td>Oroua Catchment Care Group</td>
<td>Councillors Short and Casey</td>
</tr>
<tr>
<td>Heartland Contractors Ltd</td>
<td>Mayor, Deputy Mayor and Chief Executive</td>
</tr>
<tr>
<td>Civil Defence Emergency</td>
<td>Her Worship the Mayor</td>
</tr>
<tr>
<td>Management Group</td>
<td></td>
</tr>
<tr>
<td>Regional Transport Committee</td>
<td>Her Worship the Mayor</td>
</tr>
<tr>
<td>Zone 3 – New Zealand Local</td>
<td>Mayor, Deputy Mayor and Chief Executive</td>
</tr>
<tr>
<td>Government Association (LGNZ)</td>
<td></td>
</tr>
</tbody>
</table>

2. That the Council appoints the following Liaison Councillors for Community Committees:

<table>
<thead>
<tr>
<th>Community Committee</th>
<th>Liaison Councillor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apiti Community Committee</td>
<td>Councillor Michael Ford</td>
</tr>
<tr>
<td>Cheltenham Community Committee</td>
<td>Councillor Alison Short</td>
</tr>
<tr>
<td>Colyton Community Committee</td>
<td>Councillor Phil Marsh</td>
</tr>
<tr>
<td>Feilding Community Committee</td>
<td>Councillor Phil Marsh</td>
</tr>
<tr>
<td>Halcombe Development Community Group</td>
<td>Councillor Shane Casey</td>
</tr>
<tr>
<td>Himatangi Beach Community Committee</td>
<td>Councillor Howard Voss</td>
</tr>
<tr>
<td>Hiwinui Community Committee</td>
<td>Councillor Barbara Cameron</td>
</tr>
<tr>
<td>Kimbolton Community Committee</td>
<td>Councillor Steve Bielski</td>
</tr>
</tbody>
</table>
Moved by: Councillor Barbara Cameron
Seconded by: Councillor Phil Marsh
CARRIED

MDC 16/034 ADOPTION OF CODE OF CONDUCT

Report of the General Manager – Corporate and Regulatory dated 7 November 2016 presenting a draft Code of Conduct to elected members for consideration and adoption.

RESOLVED

That the Council adopt the Code of Conduct for Manawatu District Council as set out in Appendix 1 to the report of the General Manager - Corporate and Regulatory dated 7 November 2016, including a provision requiring elected members who are undischarged bankrupts to disclose that fact.

Moved by: Councillor Michael Ford
Seconded by: Councillor Howard Voss
CARRIED

MDC 16/035 ADOPTION OF STANDING ORDERS


RESOLVED

That the Council retains the provision in Standing Order 18.1 that allows a Chairperson to exercise a casting vote in situations where there is an equality of votes.

Moved by: Councillor Michael Ford
Seconded by: Councillor Shane Casey
CARRIED
RESOLVED

That the Council retains the provisions in Standing Orders 12.7 – 12.16 that enables members to join meetings by audio or audio visual means.

Moved by: Councillor Michael Ford
Seconded by: Councillor Steve Bielski
CARRIED

RESOLVED

That the Council retains Standing Order 21.2 Option A for the procedure for moving motions and amendments and removes Standing Orders 21.3 Option B and 21.4 Option C.

Moved by: Councillor Howard Voss
Seconded by: Councillor Phil Marsh
CARRIED

RESOLVED

That the Standing Orders as set out in Appendix 1 to the report of the General Manager – Corporate and Regulatory dated 2 November 2016 and amended as set out above be adopted.

Moved by: Councillor Phil Marsh
Seconded by: Councillor Michael Ford
CARRIED

MDC 16/036 CONSIDERATION OF LATE ITEMS

There were no late items for consideration.

MDC 16/037 ADJOURNMENT

RESOLVED

That the meeting be adjourned and reconvene at 7.00pm.

Moved by: Mayor Helen Worboys
Seconded: Councillor Howard Voss
CARRIED

The meeting adjourned at 2.04pm and reconvened at 7.00pm.
MDC 16/038 NEW ZEALAND CITIZENSHIP CEREMONY

Twenty-six candidates to attend the Citizenship Ceremony to swear allegiance to the Queen of New Zealand before Her Worship the Mayor of the Manawatu District Council.

<table>
<thead>
<tr>
<th>NAME</th>
<th>NATIONALITY</th>
<th>FORM OF OATH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Vaughn Leslie BEDSER</td>
<td>South African</td>
<td>Oath</td>
</tr>
<tr>
<td>Mrs Elizabeth BEDSER</td>
<td>South African</td>
<td>Oath</td>
</tr>
<tr>
<td>Miss Lindsay BEDSER</td>
<td>South African</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr James Norman BLACK</td>
<td>British</td>
<td>Affirmation</td>
</tr>
<tr>
<td>Mrs Darryl Anne BLACK</td>
<td>British</td>
<td>Affirmation</td>
</tr>
<tr>
<td>Mr Homa CHHETRI</td>
<td>Bhutanese</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Diwash POUDEL CHHETRI</td>
<td>Bhutanese</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Anthony Uy CO</td>
<td>Filipino</td>
<td>Oath</td>
</tr>
<tr>
<td>Mrs Carla Andrea Hagad CO</td>
<td>Filipino</td>
<td>Oath</td>
</tr>
<tr>
<td>Mrs Kay Elizabeth COCKS</td>
<td>British</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Timothy Edward COCKS</td>
<td>British</td>
<td>Affirmation</td>
</tr>
<tr>
<td>Dr Margaret Katherine HARTNETT</td>
<td>Australian</td>
<td>Affirmation</td>
</tr>
<tr>
<td>Mr Dirk JOCHEM</td>
<td>Dutch</td>
<td>Oath</td>
</tr>
<tr>
<td>Miss Sikhanyiso Angellah MOYO</td>
<td>Zimbabwean</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Mbuso MOYO</td>
<td>Zimbabwean</td>
<td>Oath</td>
</tr>
<tr>
<td>Mrs Siboniso MOYO</td>
<td>Zimbabwean</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Makhosi Donald MOYO</td>
<td>Zimbabwean</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Mthokozisi Arnold MOYO</td>
<td>Zimbabwean</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Richard Edwin PICKERING</td>
<td>Australian</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr William Angus PINTO</td>
<td>Zimbabwean</td>
<td>Oath</td>
</tr>
<tr>
<td>Mrs Medina PINTO</td>
<td>Zimbabwean</td>
<td>Oath</td>
</tr>
<tr>
<td>Dr Vivien Kaye RODGERS</td>
<td>Australian</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Rudolf Albert SCHULZ</td>
<td>Australian/American</td>
<td>Affirmation</td>
</tr>
<tr>
<td>Mr Harmeeet Singh SIDHU</td>
<td>Indian</td>
<td>Oath</td>
</tr>
<tr>
<td>Mrs Michelle Doreen STEWART</td>
<td>South African</td>
<td>Oath</td>
</tr>
<tr>
<td>Mr Neil Ross STEWART</td>
<td>South African</td>
<td>Oath</td>
</tr>
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MDC 16/039 MEETING CLOSURE

Her Worship the Mayor declared the meeting closed at 7.46pm.

Approved and adopted as a true and correct record:

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CHAIRPERSON                        DATE
Council

Meeting of 15 December 2016

Business Unit: Community and Strategy
Date Created: 25 November 2016

Re-establishment of the Manawatu Palmerston North City Joint Strategic Planning Committee

Purpose

To re-establish the Manawatu District / Palmerston North City Joint Strategic Planning Committee, appoint members to that committee and set meeting dates for 2017.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

1. That the Council re-establish the Manawatu District / Palmerston North City Joint Strategic Planning Committee, with terms of reference as outlined in the agreement to form the Manawatu District / Palmerston North City Joint Strategic Planning Committee dated 16 November 2016.

2. That the Council appoint ............................................. as members of the Manawatu District / Palmerston North City Joint Strategic Planning Committee.

3. That meetings of the Manawatu District / Palmerston North City Joint Strategic Planning Committee be held on the following dates:
   - 22 February 2017
   - 31 May 2017
   - 23 August 2017
   - 22 November 2017

Report prepared by:
Allie Dunn
Governance Team Leader

Approved for submission by:
Brent Limmer
General Manager – Community and Strategy
1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand

<table>
<thead>
<tr>
<th>Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.</th>
<th>The Manawatu will attract and retain residents.</th>
<th>Manawatu district develops a broad economic base from its solid foundation in the primary sector.</th>
<th>Manawatu and its people are connected via quality infrastructure and technology.</th>
<th>Manawatu’s built environment is safe, reliable and attractive.</th>
<th>Manawatu District Council is an agile and efficient organisation.</th>
</tr>
</thead>
<tbody>
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<td>✓</td>
<td>✓</td>
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</table>

2 Background

2.1 In August 2014, changes to the Local Government Act 2002 were made by the Local Government Act 2002 Amendment Act 2014. These changes mean that under Schedule 7(30A) all joint committees must have an agreement that all committee members have entered into that covers all the requirements set out in the amended legislation. This agreement is required to be negotiated and signed prior to the joint committee being formed.

2.2 At its meeting held 16 November 2016, the Manawatu District Council passed the following resolution:

"MDC 16/027 AGREEMENT TO FORM JOINT COMMITTEE WITH PALMERSTON NORTH CITY COUNCIL

That the Chief Executive be authorised to prepare and sign an agreement with Palmerston North City Council to re-establish the Manawatu District / Palmerston North City Joint Strategic Planning Committee, based on the previous agreement dated 20 October 2015 and updates agreed in March 2016."

2.3 The Palmerston North City Council passed a similar resolution and accordingly an updated agreement was signed by the Chief Executives of the two Councils (copy attached).

3 Discussion and Options considered

3.1 Now that the agreement for re-establishing the Manawatu District / Palmerston North City Joint Strategic Planning Committee has been signed by the two Chief Executives on behalf of their Councils, both Councils are now asked to separately pass further resolutions establishing the Joint Committee, appointing members and setting dates for the committee to meet in 2017.

3.2 As set out in the Terms of Reference contained in the agreement to re-establish the Joint Committee, the membership of the Joint Committee comprises ten members, made up of the Mayor and four Councillors from each Council. The Manawatu District Council is now asked to appoint the four Councillors who will join the Mayor as Manawatu District Council’s representatives on the Joint Strategic Planning Committee.
3.3 The Joint Committee will appoint its Chairperson and Deputy Chairperson at its first meeting, one of whom will be the Mayor or a Councillor of Manawatu District Council and the other the Mayor or a Councillor of Palmerston North City Council.

3.4 The Terms of Reference set out that meetings of the Joint Committee will be held at intervals of three months, with other meetings being held as and when required. It is proposed that a similar meeting schedule to prior years be followed, with meetings held on a Wednesday in the months of February, May, August and November. The venue for the meetings will be the Council Chamber at Manawatu District Council.

4 Operational Implications

4.1 There are no capital or operating implications, or maintenance costs, associated with this paper.

5 Financial Implications

5.1 There are no unbudgeted financial implications associated with this report.

6 Statutory Requirements

6.1 Statutory requirements are set out under Clauses 30 and 30A of Schedule 7 of the Local Government Act 2002 as follows:

“Clause 30 - Power to appoint committees, subcommittees, other subordinate decision-making bodies, and joint committees

(1) A local authority may appoint—

(a) the committees, subcommittees, and other subordinate decision-making bodies that it considers appropriate; and

(b) a joint committee with another local authority or other public body in accordance with clause 30A.”

“Clause 30A - Joint committees

(1) A local authority may not appoint a joint committee under clause 30(1)(b) unless it has first reached agreement with every other local authority or public body that is to appoint members of the committee.

(2) An agreement under subclause (1) must specify—

(a) the number of members each local authority or public body may appoint to the committee; and

(b) how the chairperson and deputy chairperson of the committee are to be appointed; and

(c) the terms of reference of the committee; and

(d) what responsibilities (if any) are to be delegated to the committee by each local authority or public body; and
(e) how the agreement may be varied.

(3) An agreement under subclause (1) may also specify any other matter relating to the appointment, operation, or responsibilities of the committee that the parties agree.

(4) A local authority or public body must not enter into an agreement under subclause (1) that is inconsistent with any enactment applying to that local authority or public body, or its members.

(5) A joint committee appointed under clause 30(1)(b) is deemed to be both a committee of the appointing local authority and a committee of each other local authority or public body that has appointed members to the committee.”

7 Delegations

7.1 The Council has the authority to make decisions on this matter.

8 Consultation

8.1 There are no community consultation requirements associated with this report.

9 Cultural Considerations

9.1 There are no cultural considerations to be taken into account in association with this matter.

10 Conclusion

10.1 The Joint Strategic Planning Committee was deemed discharged on 8 October 2016. At their meetings held in November 2016 both Councils authorised their respective Chief Executives to negotiate an agreement to re-establish the Joint Strategic Planning Committee. With the agreement having been signed, the Councils can now re-establish and appoint members to the Joint Strategic Planning Committee.

11 Attachments

• Draft Terms of Reference – Joint Strategic Planning Committee

• Signed agreement to Re-establish the Manawatu District / Palmerston North City Joint Strategic Planning Committee dated 16 November 2016
Joint Strategic Planning Committee

Subordinate to
Manawatu District and Palmerston North City Councils

Subordinate Committees
- 

Legislative basis
Committee delegated powers by Council in accordance with Schedule 7, Clause 32, LGA.

Membership
The Mayor and four elected members from each Council:

Manawatu District Council representatives:
- Her Worship the Mayor H Worboys
- Four councillors (tba)

Palmerston North City Council representatives:
- His Worship the Mayor G Smith
- Four councillors (tba)

Termination date
Next triennial general election for local government.

Quorum
Six members, including at least three from each Council.

Meeting cycle
Meetings of the Joint Committee will be held at intervals of three months. Other meetings may be held at other times as arranged.

Responsibilities
1. The Terms of Reference of the Joint Committee are:
   a. To address strategic planning issues that impact on both Manawatu District and Palmerston North City, in particular issues relating to but not restricted to infrastructure, land use planning and economic development.
   b. To consider community planning and community outcomes implications. For the purpose of the Joint Committee’s Terms of Reference, “Strategic Planning Issues” mean those that are referred to the Joint Committee by either MDC and/or PNCC, taking an inter-regional perspective.
   c. To consider and promote the creation and growth of economic wealth for Manawatu and beyond, with particular reference to the activities of the Central Economic Development Agency Limited.
2. The Joint Committee will appoint and may remove a Chairperson and Deputy Chairperson, one of whom will be the Mayor or a Councillor of MDC and the other the Mayor or a Councillor of PNCC.
3. The quorum of the Joint Committee will comprise six members of the Joint Committee, including at least three elected members (the Mayor and/or other Councillors) from each of the Councils.

4. Each of the Councils will be responsible for the payment of travel expenses for their respective appointees.

5. The Councils will share administrative work associated with the Joint Committee on the basis that one Council is responsible for providing administrative services for the Joint Committee for a full triennium and the other Council for the following triennium. The changeover date for such administration will be the date of the local authority elections.

6. Meetings of the Joint Committee will be conducted according to the Standing Orders of PNCC, except as stated otherwise in this Agreement.

7. Elected members of either of the Councils who are not members of the Joint Committee are nonetheless entitled to receive meeting notices and agenda, and to attend and speak at Joint Committee meetings.

8. Clause 1.6 of the PNCC Standing Orders, which extends the right to vote to non-committee members where the committee has been approved for this purpose by the Councils, will not apply.

Delegated authority

The Joint Committee will have recommending status only, other than the power:

a. To appoint and discharge subcommittees and working parties as it considers appropriate, and to delegate any of its functions or duties to subcommittees so appointed; and

b. To make decisions on meeting procedures where such decisions are either required or permitted by Standing Orders or relevant legislation.

c. In relation to the Central Economic Development Agency Limited (CEDA), the Joint Strategic Planning Committee has the following functions, powers, and duties under the Local Government Act 2002 and/or the Companies Act 1993:

i. To adopt a policy that sets out the process for the identification, appointment and remuneration of directors;

ii. To appoint and remove a person or persons to be directors of CEDA;

iii. To approve the remuneration to be paid to directors of CEDA;

iv. To undertake performance monitoring of CEDA, as per section 65 of the Local Government Act 2002;
<table>
<thead>
<tr>
<th>Limits to delegations</th>
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<tbody>
<tr>
<td>v. To agree with the Statement of Intent of CEDA or, if the Joint Committee does not agree, to take all practical steps to require a Statement of Intent to be modified, as per section 65 of the Local Government Act 2002.</td>
</tr>
<tr>
<td>vi. To receive the half yearly report of CEDA, as shareholder;</td>
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<tr>
<td>vii. To receive the Annual Report of CEDA, as shareholder.</td>
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<th>Recommendations</th>
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<tr>
<td>Recommendations made by the Joint Committee will be reported immediately to the Councils for adoption. Minutes of meetings of the Joint committee will be reported to the following ordinary meeting of the Joint Committee for confirmation as a correct record.</td>
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AGREEMENT IN RELATION TO THE RE-ESTABLISHMENT OF THE MANAWATU DISTRICT AND PALMERSTON NORTH CITY JOINT STRATEGIC PLANNING COMMITTEE

PARTIES:

MANAWATU DISTRICT COUNCIL

and

PALMERSTON NORTH CITY COUNCIL

DATED: 16th November 2016
Dated: ........................................... 2016

Parties:
1. Manawatu District Council (referred to as MDC)
2. Palmerston North City Council (referred to as PNCC)

Background
A. The Manawatu District and Palmerston North City Joint Strategic Planning Committee that existed during the 2013-2016 triennium was deemed discharged as at the local authority elections held 8 October 2016.
B. The Local Government Act 2002 (referred to as the Act) requires an agreement to be made between MDC and PNCC before any joint committee can be established or re-established.
C. MDC and PNCC now wish to record their agreement on matters required by the Act to be agreed upon before the Manawatu District and Palmerston North City Joint Strategic Planning Committee (referred to as the Joint Committee) can be re-established.

The Parties Agree:
1. The requirements and procedures, as set out in the following clauses, will apply for the re-establishment and operation of the Joint Committee.
2. The Joint Committee will be a joint committee as permitted by Clauses 30 and 30A of Schedule 7 to the Act and, as such, is deemed to be a committee of both the Manawatu District Council and the Palmerston North City Council (collectively referred to as the Councils).
3. The Terms of Reference of the Joint Committee are:
   a. To address strategic planning issues that impact on both Manawatu District and Palmerston North City, in particular issues relating to but not restricted to infrastructure, land use planning and economic development.
   b. To consider community planning and community outcomes implications. For the purpose of the Joint Committee's Terms of Reference, “Strategic Planning Issues” mean those that are referred to the Joint Committee by either MDC and/or PNCC, taking an inter-regional perspective.
   c. To consider and promote the creation and growth of economic wealth for Manawatu and beyond, with particular reference to the activities of the Central Economic Development Agency Limited.
4. The Joint Committee will have recommending status only, other than the power:
   a. To appoint and discharge subcommittees and working parties as it considers appropriate, and to delegate any of its functions or duties to subcommittees so appointed; and
Agreement in Relation to the Re-establishment of the Manawatu District and Palmerston
North City Joint Strategic Planning Committee

b. To make decisions on meeting procedures where such decisions are either required or permitted by Standing Orders or relevant legislation.

c. In relation to the Central Economic Development Agency Limited (CEDA), the Joint Strategic Planning Committee has the following functions, powers, and duties under the Local Government Act 2002 and/or the Companies Act 1993:

i. To adopt a policy that sets out the process for the identification, appointment and remuneration of directors;

ii. To appoint and remove a person or persons to be directors of CEDA;

iii. To approve the remuneration to be paid to directors of CEDA;

iv. To undertake performance monitoring of CEDA, as per section 65 of the Local Government Act 2002;

v. To agree with the Statement of Intent of CEDA or, if the Joint Committee does not agree, to take all practical steps to require a Statement of Intent to be modified, as per section 65 of the Local Government Act 2002.

vi. To receive the half yearly report of CEDA, as shareholder;

vii. To receive the Annual Report of CEDA, as shareholder.

5. The Joint Committee will comprise ten members, being:

a. The Mayor of MDC;

b. The Mayor of PNCC;

c. Four appointees of MDC; and

d. Four appointees of PNCC.

6. The Joint Committee will appoint and may remove a Chairperson and Deputy Chairperson, one of whom will be the Mayor or a Councillor of MDC and the other the Mayor or a Councillor of PNCC.

7. The quorum of the Joint Committee will comprise six members of the Joint Committee, including at least three elected members (the Mayor and/or other Councillors) from each of the Councils.

8. Each of the Councils will be responsible for the payment of travel expenses for their respective appointees.

9. Meetings of the Joint Committee will be held at intervals of three months. Other meetings may be held at other times as arranged.

10. The Councils will share administrative work associated with the Joint Committee on the basis that one Council is responsible for providing administrative services for the Joint Committee for a full triennium and the other Council for the following triennium. The changeover date for such administration will be the date of the local authority elections.
Agreement in Relation to the Re-establishment of the Manawatu District and Palmerston North City Joint Strategic Planning Committee

11. Meetings of the Joint Committee will be conducted according to the Standing Orders of PNCC, except as stated otherwise in this Agreement.

12. Elected members of either of the Councils who are not members of the Joint Committee are nonetheless entitled to receive meeting notices and agenda, and to attend and speak at Joint Committee meetings.

13. Clause 1.6 of the PNCC Standing Orders, which extends the right to vote to non-committee members where the committee has been approved for this purpose by the Councils, will not apply.

14. Recommendations made by the Joint Committee will be reported immediately to the Councils for adoption. Minutes of meetings of the Joint committee will be reported to the following ordinary meeting of the Joint Committee for confirmation as a correct record.

15. This Agreement may be varied when resolutions to that effect have been made and adopted by both of the Councils.

16. The Joint Committee will be deemed to be discharged as at the date of the next local authority elections but it will be recommended to both incoming Councils that a new joint committee be established according to the same or similar arrangements as set in this Agreement and as may be agreed upon by the Councils before any such new committee is established.

17. This Agreement comes into force immediately following the signing of this Agreement, at which time the respective Chief Executives for the Councils will report that this Agreement has been signed, enabling MDC and PNCC to then separately pass resolutions establishing the Joint Committee in accordance with the terms of this Agreement and, where applicable, appointing their members to it.

Signed by the Parties:

Signed on behalf of
Manawatu District Council

[Signature]
Dr Richard Templer
Chief Executive

Signed on behalf of
Palmerston North City Council

[Signature]
Paddy Clifford
Chief Executive
Manawatu District Economic Profile

Purpose

The purpose of this report is to provide an overview of the current state and structure of the Manawatu District economy.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That the Council receive the Manawatu District Quarterly Economic Monitor for September 2016.

Report prepared by:
Stacey Bell
Economic Development Adviser

Approved for submission by:
Brent Limmer
General Manager - Community and Strategy
1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand

<table>
<thead>
<tr>
<th>Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.</th>
<th>The Manawatu will attract and retain residents.</th>
<th>Manawatu district develops a broad economic base from its solid foundation in the primary sector.</th>
<th>Manawatu and its people are connected via quality infrastructure and technology.</th>
<th>Manawatu’s built environment is safe, reliable and attractive.</th>
<th>Manawatu District Council is an agile and efficient organisation.</th>
</tr>
</thead>
</table>

2 Background

2.1 Up-to-date information is fundamental to putting in place policies, strategies and action plans that are best placed to achieve the objectives of the Manawatu District. The Infometrics Quarterly Economic Monitor provides an overview of the current state and structure of the Manawatu District economy to inform local decision making.

2.2 Previously the Infometrics Quarterly Economic Monitor has included both Manawatu District and Palmerston North City. While regional reporting may provide an overall picture of the wider economy, economic opportunities specific to the Manawatu District may not be adequately highlighted by regional reporting.

2.3 To enable an accurate picture of what is happening within our district, the September Manawatu District Quarterly Monitor attached excludes Palmerston North from the reporting series providing information specific to the state and structure of the Manawatu District economy.

3 Discussion and Options considered

3.1 The report and supporting information are for information purposes. Any matters that require resolution would be reported separately to Council.

3.2 The key themes from the September Manawatu District Quarterly Monitor are:

- The population of the Manawatu District has grown to 29,800. This equates to an average growth rate of 1.7% over the over the past two years. Average population growth for Palmerston North over the same period was estimated at 1.1%.

- Gross Domestic Product in the district has grown by 1.6% over the past year. This compares with a regional growth rate of 2.1% and a national growth rate of 3.2% over the same period.

- The unemployment rate for the district has averaged 4.2% over the past year. This compares with a regional average rate of 5.8% and a national average unemployment rate of 5.0%. Over the September quarter part time employment in the district increased by 4% alongside a 0.3% increase in full-time employment.

- Growth in traffic flows over the past year have equalled national growth at 4.8%. This compares with a regional growth rate of 5.7%.
The number of residential consents in the district over the year to September has grown by 73%. This figure significantly exceeds both regional and national growth rates at 57% and 14% respectively.

Non-residential consents have decreased on average by 16% across the district over the year to September. This compares to a regional decrease of 23% and an increase in national non-residential consents of 6.8%.

Manawatu house prices have increased by 12% over the year to September. This compares to an average annual growth rate of 11% across both the region and New Zealand.

The number of houses sold in the district over the 12 months has grown by 17%. This compares with a 25% increase in houses sold across the Manawatu-Whanganui region and a 5% increase nationally.

The number of guest nights in the Manawatu has decreased by 9.1%. This compares with a regional increase of 1.1% and a 6.2% increase across New Zealand over the year to September.

Over the 12 months, retail trade declined by 0.2%. This compares with a regional increase of 1.7% and a 2.7% increase nationally. Likely contributing factors include the second consecutive low annual dairy pay out and adjoining development of the Bulls retail precinct.

To the year ended September, the number of new cars registered in the district has increased by 14%. This significantly exceeds growth in car registration numbers both regionally and nationally, reported as 5% and 3.2% respectively.

Similarly, the number of commercial vehicle registrations in the Manawatu has exceeded both regional and national registration figures at 17%. This compares with a regional and national increase of 7.4% and 10% respectively.

The average number of people receiving jobseeker support benefits in the district has decreased by 7.5% over the last four quarters. This compares with a national decline of 0.04% and a regional increase in recipients of 1.1%.

Returns to dairy are forecast to increase by $81m over the 2016/2017 financial year. This constitutes a 53.6% increase in income for Manawatu Dairy farmers, from an estimated $151m for the 2015/16 financial year to $232m in 2016/17.

3.3 With New Zealand net migration figures in excess of 70,000 and national GDP forecast to grow by 3.5% over the next several years, the Manawatu District is prospering on the strength of a strong national economy.

3.4 Over the year to June, population growth in Manawatu exceeded growth rates across the region and fell short of national population growth by only 0.4% (NZ 2.1%). Strong population growth alongside favourable economic conditions have supported an increase in demand for residential property in the district, reflected both by significant growth in residential building consents and the average sale price of residential properties.

3.5 With the Manawatu district economy supported by population growth and favourable economic conditions such as low interest rates, declining unemployment, growth in the
number of jobs and strengthening returns to the dairy sector, it is likely that GDP growth will continue to accelerate in 2017.

4 Operational Implications

4.1 There are no capital or operating expenditure implications or maintenance costs associated with this paper.

5 Financial Implications

5.1 There are no financial implications associated with this paper.

6 Statutory Requirements

6.1 There are no statutory requirements associated with this paper.

7 Delegations

7.1 The Council has authority to consider this matter.

8 Consultation

8.1 There are no consultation requirements associated with this matter.

9 Cultural Considerations

9.1 There are no cultural considerations associated with this report.

10 Conclusion

10.1 The report alongside the Manawatu Quarterly Economic Monitor for the year ended September 2016 presents the most up-to-date economic information to Council to support governance functions. The report and attached Quarterly Economic Monitor are submitted for your consideration and discussion.

11 Attachments

- Infometrics Manawatu District Quarterly Economic Monitor – September 2016
Overview of Manawatu District

Infometrics’ provisional estimate of GDP shows that Manawatu District’s economy grew by 1.6% over the September 2016 year. Economic activity has been supported by strong population growth and rising levels of homebuilding activity, despite lower dairy returns having subdued spending by farmers and others exposed to the dairy sector.

Population growth in Manawatu District over the past year has added significant demand to the local economy. International migration data shows a net 32 migrants arrived into the district over the 12 months to September. Population estimates from Statistics New Zealand, which also include regional migration and natural increase, show that Manawatu District’s population has grown by an average of 1.7%pa over the past two years. This growth is well above the 1.1%pa average growth seen in neighbouring Palmerston North.

Affordable housing and relatively stable employment have been factors drawing people to the area, with Manawatu District’s unemployment rate estimated to have averaged 4.2% over the past year, compared to 5.8% across Manawatu-Wanganui Region as a whole. Increased demand for housing in the district has pushed up house prices by 12%, which has lifted incentives to build. Over the past year, the number of residential building consents has risen 73%.

But as already stated, there were still some people in Manawatu District who struggled over the past year. A second consecutive low dairy payout season saw dairy farmers cut back on spending, which also affected wholesalers, rural consultants, and engineering workshops that rely on the dairy sector for a significant chunk of their income. Data from Marketview shows that retail spending on electronic cards in Manawatu District over the September year eased 0.2%, compared to growth of 2.7% nationally. The annual value of non-residential building consents in the district slipped 16% over the year to its lowest level in five years.

Nevertheless, the outlook for dairy returns has brightened over recent weeks as dairy prices have rallied. Current pricing in international markets could support a farmgate milk price close to $6.00/kgms if it is maintained throughout the season. Such a payout would see dairy farmers breakeven for the first time in three seasons. Even so, farmers’ ability to take advantage of improved returns in the short term could still be hampered by poor pasture growth due to a lack of sun and too much rain this spring.

Overview of national economy

Recent data has shown that most parts of the New Zealand economy are in healthy shape, which is flowing through into better job prospects in most sectors for skilled and unskilled positions alike. All indicators of spending and investment behaviour that we follow were in expansionary territory during the September quarter, including building consents, retail spending, vehicle registrations, and guest nights. Strong population growth from record migration is also adding to demand, which along with soaring international visitor numbers and a general upturn in business activity, has rapidly pushed up traffic flows. With business and consumer confidence at an elevated level, investment holding up, tourism continuing to expand and dairy prices recovering, the outlook for summer is good.
**Gross domestic product**

**Highlights for Manawatu District**
- GDP in Manawatu District was up 1.6% for the year to September 2016 compared to a year earlier. Growth was lower than in New Zealand (3.2%) and lower than in Manawatu-Wanganui Region (2.1%).
- GDP was $860 million in Manawatu District for the year to September 2016 (2010 prices).
- Annual GDP growth in Manawatu District peaked at 5.4% in the year to September 2010.

**National overview**
We provisionally estimate that real GDP grew by 3.2% over the 12 months to September. Underpinning this rapid growth was a sharp increase in consumption, due to surging tourism activity, elevated net migration, and better job prospects. An expansion in construction activity is also adding to investment, while goods exports remain very high, despite dairy production being more subdued. Service exports are also booming, in part because of the tourism sector, but also because of healthy growth in earnings from business, software, and financial services. These observations are supported by NZIER’s Quarterly Survey of Business Opinion, which showed that business activity during the September quarter expanded strongly, while there has also been a lift in business confidence.

**International net migration**

**Highlights for Manawatu District**
- Manawatu District experienced a permanent and long-term net migration gain of 32 persons in the year to September 2016. This compares with a gain of 9 a year ago, and a ten year average of 58 (loss).
- New Zealand’s annual net migration increased to 69,947 from 61,232 a year ago.

**National overview**
International net migration over the 12 months to September was at a record level of almost 70,000 people. The bulk of the increase to the level of net migration was due to people arriving on work visas, followed by resident visa arrivals, and returning New Zealanders. Strong demand for New Zealand resident visas has led the government to tighten requirements by raising the number of points for eligibility, reducing the number of places available in the capped family categories, and temporarily removing the parent visa option. At first glance, the lift in work visa arrivals is heartening given the dearth in spare capacity in key sectors of the economy. For construction and services industries, finding labour this year has been at its most difficult since 2004 and 2008 respectively. However, when we break arrivals down by occupation, we find that the net inflow of construction workers has stagnated at around 2,500 people per annum so far for 2016.
Unemployment rate

Highlights for Manawatu District

- The annual average unemployment rate in Manawatu District was 4.2% in September 2016, down from 5.4% a year earlier.
- The unemployment rate in Manawatu District was lower than in New Zealand, where the unemployment rate averaged 5.0% over the year to September 2016.
- Over the last ten years the unemployment rate reached a peak of 5.7% in June 2013.

National overview

The unemployment rate fell to 4.9% in the September quarter, the lowest it has been since late 2008. This fall, coupled with a solid quarterly increase in employment of 1.4% pa, reflects the strength of underlying economic conditions. However, it is also evident that capacity is becoming stretched in the construction and tourism industries. Labour cost pressures are still weak as a whole, but industries that have directly benefited from the rapid growth in tourism and construction saw their wages increase well past the national average. Looking forward, the unemployment rate is expected to remain fairly steady, although we see a risk that accelerating economic growth drives unemployment lower. Labour market pressures will continue to become more critical for industries experiencing high demand growth.

Traffic flow

Highlights for Manawatu District

- Traffic flows in Manawatu District increased by 4.8% over the year to September 2016. This compares with an increase of 4.8% in New Zealand.

National overview

Growth in traffic flows remained high during the winter months. Infometrics calculations from NZTA traffic monitoring of state highways shows that traffic flows nationally over the 12 months to September were up 4.8% from a year ago. This growth is consistent with high levels of business and consumption activity from other indicators, as well as an expanding population and booming tourism sector. The fact that petrol prices remained relatively low over recent months has also supported increased vehicle movements. Traffic flows are expected to continue growing at a healthy rate over the coming months.
Residential consents

A total of 39 new residential building consents were issued in Manawatu District in the September 2016 quarter, compared with 27 in the same quarter last year.

On an annual basis the number of consents in Manawatu District increased by 73% compared with the same 12-month period a year ago. The number of consents in New Zealand increased by 14% over the same period.

National overview

The number of residential building consents over the 12 months to September was up 14% from a year earlier. Consent numbers were up in all but five of New Zealand’s 16 regions, but the pace of growth has slowed over the past year. This slowdown was most prominent in Auckland’s halo regions, reflecting the rapid growth experienced mid-last year. We expect this slower growth in residential consents to continue over the year ahead. Labour capacity constraints are an increasingly critical issue in Auckland and other parts of the upper North Island, while macro-prudential intervention by the Reserve Bank weakening demand for existing housing will also flow through into softer growth in construction activity.

Non-residential consents

Non-residential building consents to the value of $14 million were issued in Manawatu District during the year to September 2016. The value of consents decreased by -16% over the year to September 2016. By comparison the value of consents in New Zealand increased by 6.8% over the same period.

Over the last 10 years, consents in Manawatu District reached a peak of $57 million in the year to March 2011.

National overview

Low interest rates, a solid economic performance, and a lack of returns on offer from other investment alternatives have continued to drive up non-residential property prices. This demand has spurned significant development of new commercial buildings and offices. Refurbishment of lower-grade office space will become increasingly important again over the next few years as tenants shift to newer premises, particularly in Auckland, Hamilton, and Wellington. Solid domestic demand conditions will also help keep industrial work at a relatively high level, with continued growth in demand for warehouse and distribution facilities. Strong population growth, a buoyant housing market, and rapid increases in tourist numbers have helped propel growth in retail spending, and are reigniting development plans in Auckland, Wellington, Christchurch, and Queenstown. Education building work will be pushed up in parts of the country experiencing strong population growth, as well as large university construction projects in Christchurch and Dunedin.
House prices

The average current house value in Manawatu District was up 12% in September 2016 compared with a year earlier. Growth outperformed relative to New Zealand, where prices increased by 11%.

The average current house value was $265,038 in Manawatu District over the September 2016 year. This compares with $590,726 in New Zealand.

House prices in September were up 11% from a year earlier, compared to the 13% growth recorded over the year to June. Data that has come out since for October indicates that the rate of house price growth is showing some early signs of cooling as a result of the latest loan-to-value restrictions implemented by the Reserve Bank which is taking some of the heat out of demand. We expect to see these restrictions further slow the rate of house price inflation, knocking 4-5 percentage points off price growth over the next 9-12 months. There is even a risk that annual house price inflation could turn negative during 2017, depending on whether debt-to-income ratios are introduced in the first half of next year and the tightness of the restrictions.

Nevertheless, any falls would be modest given the persistent housing undersupply problems in Auckland.

Highlights for Manawatu District

- The average current house value in Manawatu District was up 12% in September 2016 compared with a year earlier. Growth outperformed relative to New Zealand, where prices increased by 11%.
- The average current house value was $265,038 in Manawatu District over the September 2016 year. This compares with $590,726 in New Zealand.

House sales

House sales in Manawatu District in the year to September 2016 increased by 17% compared with the previous year. Growth outperformed relative to New Zealand, where sales increased by 5.0%.

A total of 789 houses were sold in Manawatu District in the 12 months ended September 2016. This compares with the ten year average of 659.

House sales nationally began to pull back heavily during September, with falls particularly apparent in Auckland, Waikato, and Bay of Plenty. Many other regions are also showing signs of losing momentum in sales volumes. Tighter lending restrictions for low-equity borrowers (owner-occupiers with less than a 20% deposit) and investors with less than a 40% deposit are starting to show through, while unaffordability is also subduing demand in some places. Anecdotal evidence points to some banks already reaching their limit of 10% high LVR loans for owner-occupiers. Nevertheless, there were some regions not showing any sign of slowing down just yet, including Southland, Manawatu, and Central Otago Lakes. Debt-to-income ratios, which are likely to be introduced during 2017, will constrain credit for other potential buyers and put further downward pressure on house sales.

Highlights for Manawatu District

- House sales in Manawatu District in the year to September 2016 increased by 17% compared with the previous year. Growth outperformed relative to New Zealand, where sales increased by 5.0%.
- A total of 789 houses were sold in Manawatu District in the 12 months ended September 2016. This compares with the ten year average of 659.
**Car registrations**

**Highlights for Manawatu District**
- The number of cars registered in Manawatu District increased by 14% in the year to September 2016 compared with the previous 12 months. Growth was higher than in New Zealand, where car sales increased by 3.2%.
- A total of 794 cars were registered in Manawatu District in the year to September 2016. This compares with the ten year average of 558.

**National overview**

Car registrations over the past 12 months rose a further 3.2% to another record level. Overall demand for vehicles has continued to increase with strong population growth, improving employment conditions, and cheap petrol prices boosting household numbers and car ownership rates. New car prices have also been favourable, with prices plummeting 3.2% over the June 2016 quarter. Robust growth in new car sales is expected to continue in the months ahead, due to strengthening household demand. Used car sales are also anticipated to grow, but at a slightly slower pace as a further depreciation in the New Zealand dollar exchange rate with the yen expected to put used car prices under more upward pressure over the year ahead.

**Commercial vehicle registrations**

**Highlights for Manawatu District**
- The number of commercial vehicles registered in Manawatu District increased by 17% in the year to September 2016 compared with the previous 12 months. Growth was higher than in New Zealand, where commercial vehicle sales increased by 10%.
- A total of 305 commercial vehicles were registered in Manawatu District in the year to September 2016. This is higher than the ten year average of 181.

**National overview**

Commercial vehicle sales continued their upward march, with registrations over the 12 months to September totalling 54,430, up 10% from a year earlier. Even so, despite sales growing in total, there were uneven conditions between different weight categories. Truck sales in the September quarter were buoyant in terms of light trucks, but were still declining for heavy vehicles. We anticipate continued strong growth in light truck sales on the back of a booming construction sector, while recovering export volumes and strong construction activity are beginning to arrest the fall in demand for heavy vehicles. Prices for light commercial vehicles have remained surprisingly subdued, despite upward pressure on prices from the weaker exchange rate during 2015. Nevertheless, we caution that dealers may not be in a position to absorb any further depreciation of the New Zealand dollar.
Guest nights

Highlights for Manawatu District
- Total guest nights in Manawatu District decreased by 9.1% in the year to September 2016. This compares with an increase of 6.2% in New Zealand.
- Visitors stayed a total of 52,451 nights in Manawatu District during the year to September 2016, which was down from 57,720 a year ago.

National overview
Guest nights over the 12 months to September were up 6.2% from a year earlier, with guest night by international visitors growing particularly strongly. This increase in guest nights is also reflected by higher spending by visitors on most items, apart from fuel which was pulled down by lower petrol prices. On a seasonally adjusted basis, the highest ever number of visitor arrivals to New Zealand for any given month on record was recorded in September. Arrivals from the US were up a particularly rapid 36% during the September quarter from a year earlier, with visitor numbers from Australia, the UK, and much of Asia also posting solid gains. Growth in arrivals from China slowed during winter, but are expected to pick up in the December quarter, in part due to a week-long Chinese national holiday in October.

Jobseekers

Highlights for Manawatu District
- Working age Jobseeker Support recipients in Manawatu District in the year to September 2016 decreased by 7.5% compared with the previous year. Growth was lower relative to New Zealand, where the number of Jobseeker Support recipients decreased by 0.04%.
- An average of 607 people were receiving a Jobseeker Support benefit in Manawatu District in the 12 months ended September 2016. This compares with an average of 664 since the start of the series in 2010.

National overview
Strong employment growth during winter saw the number of people receiving Jobseeker Support flatten off. A big factor in employment growth during the September quarter was part-time employment, which rose 4.0% (seasonally adjusted) for the quarter, its fastest rate since March 2011. In comparison, growth in full-time employment over the same period was a sluggish 0.3%. With the last couple of quarters for full-time employment having been strong, along with a generally buoyant economy, these figures suggest that firms are finding it harder to get full-time employees and are instead hiring more part-time workers. This trend bodes well for people trying to get their foot in the door, particularly in industries supporting tourism and construction that are desperate for workers at all skill levels.
Retail trade

Highlights for Manawatu District

- Electronic card retail spending in Manawatu District, as measured by Marketview, decreased by -0.2% over the year to September 2016 compared to the previous year. This compares with an increase of 2.7% in New Zealand.

National overview

The retail sector enjoyed strong growth through the winter months, with data from Marketview showing that electronic card spending on retail purchases over the twelve months to September was up 2.7% from a year earlier. We anticipate that retail spending growth will remain elevated over the months ahead. Supporting this growth will be rising levels of international visitor spend, strong population growth, and healthy labour market conditions. These good job prospects, coupled with improved consumer confidence and the lagged effects of falling interest rates over the past year will also push up retail spending in per capita terms.

Total dairy payout

Highlights for Manawatu District

- Manawatu District's total dairy payout for the 2015/16 season is estimated to have been approximately $151m.
- Manawatu District's dairy payout for the 2016/17 season is expected to be approximately $232m, $81.3m higher than last season, assuming that production levels from last season are maintained.
- The total dairy payout for New Zealand is estimated to have been approximately $7,262m in the 2015/16 season, and is expected to be $3,910m higher in the 2016/17 season.

National overview

Recent sharp upward movements to prices at dairy auctions will put upward pressure on farmgate milk price forecasts. If prices remain at or around current levels then a payout closer to $6/kgms is on the cards for the 2016/2017 dairy season, compared to a payout of $3.90/kgms last season. A payout of this level would mean that most farmers are above their average breakeven point for the first time since the 2013/14 dairy season. DairyNZ estimates that the average dairy farmer needs $5.05/kgms to breakeven. A key driver of recent upward movements to prices has been lower milk production in New Zealand during spring, which Fonterra anticipates will continue throughout the dairy season. Lower milk production in Europe and an easing of production growth in the US are also contributing to the recent upside to prices in dairy markets.
**Technical notes**

**Gross Domestic Product**

Gross Domestic Product is estimated by Infometrics. A top down approach breaks national industrial production (sourced from production based GDP measures published by Statistics New Zealand) is broken down to TA level by applying TA shares to the national total. Each TA’s share of industry output is based on earnings data from LEED. GDP growth in recent quarters is based on a model which uses the various partial economic indicators presented in this report as inputs.

**Net migration**

Net migration is the difference between the number of arrivals and departures of permanent and long-term migrants. Data is sourced from International Travel and Migration statistics from Statistics New Zealand.

**Unemployment**

Regional level unemployment rates are sourced from Statistics New Zealand’s Household Labour Force Survey. Trends in the number of Jobseekers at TA level are used to break down regional unemployment rates to TA level. To reduce volatility the unemployment rate is presented as an average for the last four quarters.

**Traffic flow**

Traffic flow growth rates are calculated from the number of vehicles passing approximately 110 sites monitored by New Zealand Transport Agency. Each of the sites has been mapped to a territorial authority.

**Retail Sales**

The retail spending data is sourced from Marketview. It measures total electronic card spending using spending through the Paymark network and adding to it an estimate of non-Paymark network spending using the pattern of BNZ card holder spending at non-Paymark retailers. For further breakdown of the data by storetype and other variables contact Marketview.

**Accommodation**

The number of guest nights is sourced from Statistics New Zealand’s Accommodation Survey. A guest night is equivalent to one guest spending one night at an establishment. For example, a motel with 15 guests spending two nights would report that they had provided 30 guest nights.

**House sales**

The number of house sales is sourced from REINZ. The indicator measures the number of house sales at the point when the sale becomes unconditional. The unconditional date is the date when all the terms of an agreement have been satisfied and the sale and purchase can proceed to settlement.

**House values**

House value (dollar value) are sourced from QVNZ. The levels quoted in the report are average current values over the past 12 months. An average current value is the average (mean) value of all developed residential properties in the area based on the latest house value index from QVNZ. It is not an average or median sales price, as both of those figures only measure what happens to have sold in the period. These average current values are affected by the underlying value of houses (including those not on the market) and are quality adjusted based on the growth in each house’s price between sales.

**Building consents**

Building consents data are sourced from Statistics New Zealand. Non-residential consents include the value of both new buildings and alterations.

**Vehicle sales**

Car and commercial vehicle sales data are sourced from New Zealand Transport Authority. Sales are based on new registrations which include the first time registration of new vehicles and used vehicles imported from overseas.

**Dairy**

Dairy data has been sourced from the “New Zealand Dairy Statistics”, a publication co-owned by DairyNZ and LIC, as well as calculations made by Infometrics. The data accords to dairy seasons, which run from June to May. Total dairy payouts in each territorial authority have been calculated by Infometrics by utilising milk solids production in conjunction with Fonterra’s farmgate milk price (excluding dividends) from the dairy season in question. For the current season, Infometrics calculates a payout forecast using our own expectation of the farmgate milk price and the assumption that milk solids production continues running at the same level from the previous season.
Jobseekers Support

In July 2013 the New Zealand’s welfare system changed to better recognise and support people’s work potential. As part of this the Jobseekers Support benefit was introduced. This benefit is for people who can usually look or prepare for work but also includes people who can only work part-time or can’t work at the moment, for example, because they have a health condition, injury or disability.

Data presented for the September 2013 quarter onwards is provided by the Ministry of Social Development (MSD). Data prior to September 2013 are Infometrics estimates based on re-grouping pre-July 2013 benefit categories to be consistent with the post-July 2013 benefit categories. The pre-July 2013 benefit categories used to estimate the number of Jobseekers Support recipients are: Unemployment Benefit and Unemployment Benefit Hardship; Unemployment Benefit Training and Unemployment Benefit Hardship Training; Sickness Benefit and Sickness Benefit Hardship; Domestic Purposes Benefit - Sole Parent (if youngest child is 14 or over); Women Alone and Widow’s Benefit (without children or with children 14 or over)
Community Funding Policies

Purpose

To seek Council’s approval in amending the policies that make reference to the Community Funding Subcommittee to reflect the recent name change to that of Community Funding Committee as well as the change in its line of reporting from the Strategic Planning and Policy Committee to Council.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That Council gives its approval for the Chief Executive to amend any policies to reflect the name change of the Community Funding Committee previously known as Community Funding Subcommittee, as well as to amend where appropriate, the line of reporting from Strategic Planning and Policy Committee to Council, including:

- Community Development Funding Policy
- Representative Grant Policy
- Remission of Rates Charged to Community, Sporting and Other Organisations
- Manawatu District Community Honours Award
- Private Cemetery/Urupa Policy

Report prepared by:
Janine Hawthorn
Community Development Adviser

Approved for submission by:
Brent Limmer
General Manager - Community and Strategy
1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand

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2 Background

2.1 At Council’s First Triennial Meeting held on 25/26 October 2016 Council formally noted the Committee structure established by Her Worship the Mayor which included a Community Funding Committee.

2.2 On 16 November 2016 Council confirmed appointments to the Community Funding Committee as well as the Terms of Reference including Committee delegation.

3 Discussion and Options considered

3.1 There are policies that make reference to the Community Funding Subcommittee and in some cases refer to its line of reporting as being the Strategic Planning and Policy Committee. These include:

- Community Development Funding Policy
- Representative Grant Policy
- Remission of Rates Charged to Community, Sporting and Other Organisations
- Manawatu District Community Honours Award
- Private Cemetery/Urupa Policy

3.2 As a result of the new Committee Structure adopted by Council, there are policies requiring cosmetic changes to be made to reflect the new committee name of Community Funding Committee and the adopted Terms of Reference which has the line of reporting for this particular Committee as being direct to Council.

4 Operational Implications

4.1 There are no capital/operating expenditure implications or maintenance costs associated with this paper.
5 Financial implications
5.1 There are no financial implications in relation to the matters contained within this report.

6 Statutory Requirements
6.1 There are no statutory requirements associated with matters contained within this report.

7 Delegations
7.1 Council has authority to make a decision on this matter.

8 Consultation
8.1 There is no specific consultation required as a result of the matters contained within this report.

9 Cultural Considerations
9.1 There are no cultural considerations that need to be taken into account in regards to this report.

10 Conclusion
10.1 It is requested that Council gives its approval to the Chief Executive to amend any policies to reflect the change in the name of the Community Funding Committee and its line of reporting.

11 Attachments
- There are no attachments with this report.
Supply of Anaerobic Digestion Equipment Contract C4/16058

Purpose

To accept a tender for the supply of anaerobic digestion equipment at the Feilding Wastewater Treatment Plant.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That Council accepts a tender for $854,643.95 (exclusive of GST) from Reliant Solutions Ltd, plus a $100,000 contingency amount, for the supply and installation of anaerobic digestion equipment at the Feilding Wastewater Treatment Plant.

Report prepared by:
Chris Pepper
Senior Project Engineer, Véro Lim/Project Engineer

Approved for submission by:
Hamish Waugh
General Manager - Infrastructure
1 Executive Summary

1.1 The existing digester tanks are at the end of their design life and the initial seismic assessment has revealed the need for a detailed seismic assessment on the existing tanks. The first stage of the renewal will be to acquire a new tank of a capacity of 2,000m³.

1.2 A Request for Tenders (RFT) was issued for the supply and installation of Anaerobic Digester Equipment for the Feilding WWTP.

1.3 Seven (7) Proposals were received and evaluated by Council staff.

1.4 The proposals were independently reviewed by Arno Benadie, Senior Wastewater Engineer at Whanganui District Council.

1.5 The evaluation resulted in a preferred tenderer, Reliant Solutions Ltd, being identified. The key elements of Reliant Solutions Ltd’s proposal were:

a. Cheapest option for adequate digester equipment and application.

b. The equipment proposed is designed for the most constraining seismic requirement (IL4).

c. The tank is designed to account for future changes and the ability to convert to thermophilic conditions.

d. Reliant Solutions Ltd is based in New Zealand and has experience in bolted reservoirs with dedicated supplier and installer in New Zealand. Similar tanks have been installed worldwide for anaerobic digestion.

2 Contribution to the Council Vision and Council Outcomes

2.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

*Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand*

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3 Background

3.1 The existing digester tanks at the Feilding WWTP were built in circa 1967 and are at the end of their design life.

3.2 The initial seismic assessment has revealed the need for a detailed seismic assessment on the existing tanks. In addition to this, it is anticipated that the roof and mechanical equipment will need to be replaced. This could cost up to $1.1 Million if the digester is replaced in the same manner.
3.3 It has been identified that Council’s needs in the future will be best suited with two digester tanks. This will result in improved gas storage, reducing the need for importing natural gas for heating.

3.4 Therefore, the first stage of the renewal will be to acquire a new tank of a capacity of 2,000m$^3$. This will allow for the de-commissioning, inspection and possible repair of the existing tank.

3.5 An Expression of Interest (EOI) was issued by Council to enable digester tank suppliers to inform Council on available equipment, characteristics and ranges of price.

3.6 Following the EOI, the Council has specified equipment requirements and has issued a Request for Tenders (RFT) for the supply and installation of Anaerobic Digester Equipment for the Feilding WWTP. The EOI and RFT were both openly advertised.

3.7 The core works to be priced were the supply and installation of a digester tank of 2,000m$^3$, a double membrane roof (also used as a gas storage) and the mixing equipment.

3.8 Seven (7) Proposals were received and evaluated by Council staff.

3.9 The prices received ranged between $845,986 and $2,141,942 (exclusive of GST).

3.10 The tenders included some extra offerings which were also considered, for example commissioning support.

3.11 Following the evaluation and scoring of the attributes, the scores ranged between 5.2 and 8.0 out of 10.

3.12 The proposals were independently reviewed by Arno Benadie, Senior Wastewater Engineer at Whanganui District Council.

4 Discussion and Options considered

4.1 The evaluation resulted in a preferred tenderer, Reliant Solutions Ltd, being identified. The key elements of Reliant Solutions Ltd’ proposal were:

a. Cheapest option for similar digester equipment and application.

b. The equipment proposed is designed for the most constraining seismic requirement (IL4). This means that the structure is designed for a larger earthquake resistance than an ordinary structure.

c. The tank can be used for both mesophilic (current configuration) and thermophilic conditions (future considerations as thermophilic conditions will provide the pasteurisation required for composting of biosolids).

d. The mixing equipment is externally-mounted to ease maintenance.

e. Reliant Solutions Ltd is based in New Zealand.

f. One of the benefits of Reliant Solutions Ltd is their experience in bolted reservoirs with dedicated supplier and installer in New Zealand.

g. Similar tanks have been installed worldwide for anaerobic digestion.
Technical services can be provided through Calibre Consulting Ltd to complement the Council’s internal expertise.

4.2 The new digester tank has similar capacity to the existing facility. However, the existing system does not function as well as it should due to the old mechanical equipment, the amount of grit that may be captured in the tanks, and the limited gas storage. After inspection and detailed seismic assessment on the existing tanks, the options are to decommission the tank or to refurbish it. If refurbishment is the best option, this would increase the digestion capacity, providing the Council with more flexibility and ability to provide a back-up system to the anaerobic lagoon, produce more gas, utilise the gas better and to receive waste from new commercial businesses.

4.3 One of the recommendations from the reviewer of the Management Plan (Opus International Consultants Ltd) is to reinstate the sedimentation tanks back to a primary sedimentation tank to reduce the loading on the anaerobic lagoon. This conversion would also increase loading on the digester.

4.4 Note that an increase of digestion capacity would help to reduce load to the anaerobic lagoon that is expensive to de-sludge and that the lagoon does not optimise the use of gas produced.

4.5 With an increased digestion capacity, the retention time will be extended, resulting in an increase of gas produced. Gas storage volume will be increased as part of the roof supply. This will reduce the amount of imported gas to supplement boiler heating.

4.6 The ability to run the digester at a higher temperature will enable the sludge to be pasteurised reducing the health risk of handling the sludge for beneficial re-use.

4.7 Foundations and civil works are estimated and need to be confirmed after geotechnical investigations.

4.8 If Reliant Solutions Ltd is selected, this means that more input from Council staff will be required in terms of developing commissioning procedures. Considering the internal expertise, the team has accepted to take responsibility for design and commissioning of the new digestion equipment.

4.9 If more weight was given to technical services around design and commissioning, then Aquatec Maxcon Pty Ltd, Finn Biogas Pty Ltd and ADI Systems NZ Ltd would get a higher score than Reliant Solutions Ltd.

4.10 The need to optimise the system further will be determined by the cost to refurbish the existing tank, evaluated considering the extra benefits created. This may include the cogeneration of the gas to produce both heat for the digestion process, and electricity to offset the power imported.

5 Operational Implications

5.1 The following annual operating costs are expected to be incurred as a result of this contract:

a. Operational support during commissioning $15,000 (2017/18)

b. Depreciation $40,000 – will be incurred from 2017/18 onwards
c. Interest – Nil as the capital to replace the digester has already been put aside as this is a renewals project

d. Operating of digester – same as for existing digester. It is expected that the new digester equipment will have no implication on cost to operate the digester.

e. Electricity $26,000 (22kW pump operating for 365 days per year – 2017/18 onwards at an average cost of 13.5 cents per kWh). This should be similar to the existing digester mixing system.

f. It is noted that the above costs relate to the digester system only and there will be costs (and revenue) associated with gas consumption.

6 Financial implications

6.1 The project budget for asset renewals in the LTP is $1,325,000, of which $475k is budgeted in this financial year and $850k in year 2017/18.

6.2 The current breakdown is as follows:

<table>
<thead>
<tr>
<th>Fielding WWTP digester cost estimate as of December 2016</th>
<th>LTP Budget</th>
<th>Estimated cost</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digester mechanical refurbishment</td>
<td>650,000</td>
<td></td>
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<tr>
<td>Digester structural refurbishment</td>
<td>450,000</td>
<td></td>
<td></td>
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<tr>
<td>Digester roof refurbishment</td>
<td>150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project contingency</td>
<td>75,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Digestion Project Budget</strong></td>
<td><strong>1,325,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement of digester equipment</td>
<td></td>
<td>855,000</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,325,000</strong></td>
<td><strong>$955,000</strong></td>
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</tbody>
</table>

6.3 The value of the proposed digester contract is $854,643.95 (exclusive of GST), plus a $100,000 contingency amount, which will be spread over the current and the 2017/18 financial years.

6.4 This funding is allocated within the WWTP renewals budget.

7 Statutory Requirements

7.1 There are no statutory requirements.

8 Delegations

8.1 The value of the tender award requires the approval of the Council.
9 Consultation

9.1 There are no community consultation requirements associated with this matter.

10 Cultural Considerations

10.1 There are no cultural considerations associated with this matter.

11 Conclusion

11.1 The process undertaken has identified Reliant Solutions Ltd as the preferred supplier of the anaerobic digestion system required at the Feilding WWTP. Therefore their tender for the supply and installation of a new digester tank, roof and mixing system should be accepted.

12 Attachments

12.1 Nil.
Pharazyn Street Reconstruction, Stage 3 - Tender Recommendation

Purpose

The purpose of this report is to recommend the award of the Pharazyn Street Reconstruction, Stage 3 Contract to Higgins Contractors Ltd in the sum of $1,451,280-73 (exclusive GST), inclusive of a 10% Contingency Sum.

The Pharazyn Street Stage 3 Reconstruction Contract is the continuation of the work started in November 2015. Higgins Contractors Ltd have recently completed Stage 2 Pharazyn Street and our recommendation is to negotiate directly with Higgins Contractors Ltd and utilise the same rates for the Stage 3 Pharazyn Street Contract. Negotiating directly with Higgins Contractors Ltd adheres to the Manawatu District Council Procurement Policy (Rule 13, 6a-6d).

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

1. That the Pharazyn Street Reconstruction, Stage 3 Contract (c4/16068) be awarded to Higgins Contractors Ltd in the sum of $1,451,280-73 (exclusive GST), inclusive of a 10% Contingency Sum.
## Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

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## Background

2.1 Precinct 4 is a residential growth area of Feilding and the completion of Pharazyn Street is critical to the development / reconstruction of this Precinct. Significant growth within this precinct is evident through the level of development that has already occurred and will continue to grow as services and infrastructure are upgraded.

2.2 Pharazyn Street Reconstruction Stages 2 and 3 are comparable in design and allows direct comparison between both Stages. Through negotiation, Higgins Contractors Ltd have agreed that their submitted rates for Stage 2 Pharazyn Street Reconstruction Contract be used for the Stage 3 Pharazyn Street Reconstruction Contract.

2.3 Comparison of Stages 2 and 3 Pharazyn Street Contracts

### Stage 2 Pharazyn Street (Arnott Street to Root Street)-560m

The Stage 2 Pharazyn Street Reconstruction Contract was recently completed by Higgins Contractors Ltd. Key Contract information for Stage 2:

- Five tender submissions were received and evaluated.
- Tenders were evaluated using Land Transport New Zealand’s Price Quality Methodology for tender evaluation.
- Tenders were evaluated using the Price Quality Method (60% non-price and 40% price).
- Higgins Contractors Ltd tender in the sum of $1,972,985-82 (exclusive GST), inclusive of a 10% Contingency Sum was accepted.
- Higgins Contractors price for Stage 2 Pharazyn Street was ranked second of the five tenders but combined with non-price attributes was ranked first overall.
Stage 3 Pharazyn Street (Root Street to Reid Line West)-480m

The Stage 3 Pharazyn Street Reconstruction Contract from Root Street to Reid Line West will be the final Stage for the urban upgrade of Pharazyn Street.

Our recommendation is to negotiate directly with Higgins Contractors Ltd and utilise rates previously submitted for the Stage 2 Pharazyn Street Reconstruction Contract.

The section of Pharazyn Street, from Root Street to Reid Line West, is 480 metres in length and the scope of the project works includes, but is not limited to the construction of:

- A new stormwater main, 430m metres in length, along Pharazyn Street between Roots Street and Reid Line West. Pipe sizes range from 300mm to 900mm diameter.
- Drainage structures include sumps, sump laterals and manholes.
- The upgrade and extension of the 150mm OD watermain to Reid Line West, a distance of approximately 123 metres. The extension of the watermain line will provide all Pharazyn Street residents access to reticulated water.
- A new 63mm OD medium density polyethylene (MDPE) rider main along Pharazyn Street between (approximately) Root Street and Reid Line West, a distance of approximately 465 metres.
- The extension of the 150mm sewer main to Reid Line West, a distance of approximately 188 metres. The extension of the sewer main will provide access to the sanitary sewer for all residents of Pharazyn Street.
- Street lighting ducts along Pharazyn Street between Roots Street and Reid Line West. The installation of cables within the ducts and the installation of street lighting columns and connections to the electrical circuits will be undertaken as part of this contract. The estimated cost of this work ($67,500 (exclusive GST)) is included in the Higgins Contractors Ltd contract.
- New or relocated underground services, e.g. telecommunications, gas, power.
- Concrete kerb and channel, vehicle crossings, pram crossings and footpaths, and the formation of grassed berms.
- The lowering of the existing road and the construction of a new road pavement and the sealing of the new road surface. A geo-synthetic textile fabric will be laid over the clay subgrade to provide support to the new road pavement and improve its performance. The installation of the stormwater pipelines in Pharazyn Street are required to cater for stormwater flows generated from surrounding land and the ongoing residential housing development in the local area.

2.4 The requirement for the construction of a new road pavement is reflective of the changing use of Pharazyn Street. When it was constructed, Pharazyn Street serviced isolated houses in what was a rural area and also served as a through road. It has now become a feeder route for residential developments in the local area and the road pavement is showing signs of distress due to this increased usage. The installation of the stormwater mains, with excavations of up to 4.2 metres depth, will remove any residual strength from the old road, hence a new pavement, supported with a geo-synthetic textile fabric, is required.
3 Discussion and Options considered

3.1 For a contract of this size and complexity and one that involves trenching to depths of 4m, it is imperative that the successful contractor is able to fulfil their contractual obligations safely, that they adhere to environmental regulations, and meet budget and quality requirements, and achieve completion by the end of June 2017.

3.2 It is imperative that the contractor be very experienced and able to manage risks such as the ingress of groundwater and ground movement, and that they be comfortable working at such depths.

3.3 Higgins Contractors have demonstrated their ability to manage risks and fulfil their contractual obligations.

3.4 We have considered our options and propose to negotiate directly with Higgins Contractors Ltd and use rates previously supplied for the Stage 2 Pharazyn Street Contract. Negotiating with Higgins Contractors Ltd adheres to Rule 13, 6a-6d of the Manawatu District Council Procurement Policy.

3.5 The advantage of negotiating directly with Higgins rather than tendering a Reconstruction Contract for Stage 3 Pharazyn Street are;

- Proposed cost savings by using the same rates submitted by Higgins Contractors Ltd for the Stage 2 Pharazyn Street Contract.
- No down time due to tendering or evaluation of tender submission.
- Similar Contract to Stage 2 Pharazyn Street that allows the same resources, plant and labour, H&S / Quality systems
- Following approval on the 15 December 2016, Stage 3 Pharazyn Street can be started mid-January 2017
- Through the negotiation period with Higgins, we identified four rates that have increased between Stages 2 and 3 Pharazyn Street Contracts. The total increase for the four items was $32,200 (2.4%). The overall increase for the Contract was small in comparison to the size of the Contract. The earthworks rate has increased by $14,500 due to the increased cartage costs of carting spoil to the Feilding WWTP. Previously this material was carted to a dumpsite closer to Pharazyn Street but is deemed beneficial to the WWTP, to fill low-lying areas onsite before the irrigators are installed. The remainder of the increases are due to CPI and material increases. All of these rates are comparable with the rates submitted on the Wellington Street Reconstruction Contract here in Feilding.

3.6 The recommendation to include a Contingency Sum reflects prudent contractual management, plus a recognition of the complexity of this Contract with the ground conditions being poor and there being some uncertainty about the works required to relocate services and service connections.

3.7 The Engineers estimate for this Contract is $1,419,081 (exclusive GST). This is within the approved budget for this Contract in the 2016/2017 financial year. Overall, the price submitted by Higgins Contractors Ltd is $32,199.73 over Engineers estimate. The earthworks increase is approx. 45% of the increase and reflects the additional time and cartage costs to cart the spoil to the Feilding WWTP.
4 Operational Implications

4.1 This project combines utilities, services and roading under one Contract. Projects of this type are often managed as separate Contracts. However, given the size and complexity of the project and the need for co-ordination of the various components, it was deemed critical that it be undertaken as a single contract and that it be managed by one contractor with the appropriate mix of skills and experience to ensure a successful outcome. This will help to ensure, as far as is possible, that the project is run smoothly and that it achieves the specified quality and completion date, and that it remains within budget.

4.2 The following timeline for completion is anticipated:

- Advice on Recommended Tenderer 15 December 2016
- Anticipated Start Date 16 January 2017
- Anticipated Completion Date 30 June 2017

5 Financial implications

5.1 To recommend the award of the Pharazyn Street Stage 3 Reconstruction Contract (c4/16068) to Higgins Contractors Ltd in the sum of $1,451,280-73 (exclusive GST), inclusive of a 10% Contingency Sum.

6 Statutory Requirements

6.1 There are no statutory requirements associated with this report.

7 Delegations

7.1 The Council has delegated authority to award this contract.

8 Consultation

8.1 This work and budgets contained therein were publicly consulted on during the consultation process for the 2015-25 Long Term Plan.

8.2 Directly effected residents will be consulted prior to and during construction works.

9 Cultural Considerations

9.1 No cultural considerations are specifically relevant for this Contract.

10 Conclusion

10.1 We recommend negotiating directly with Higgins Contractors and utilise their rates previously submitted for the Stage 2 Pharazyn Street Reconstruction Contract.

10.2 We are confident the rates submitted by Higgins Contractors for Stage 3 Pharazyn Street are fair and reasonable and represent value for money for the Manawatu District Council.
10.3 The design and methodology for Stages 2 and 3 Pharazyn Street Reconstruction Contracts are comparable and provide scope to utilise existing rates.

10.4 We are satisfied with the quality of work undertaken by Higgins Contractors Ltd for Pharazyn Street Stage 2 and confident that Higgins Contractors Ltd will complete Stage 3 required timeframe and budget.

10.5 The Engineers estimate for this Contract is $1,419,081 (exclusive GST). This is within the approved budget for this Contract in the 2016/2017 financial year.

10.6 It is recommended that Council accepts Higgins Contractors Ltd submitted price for the sum of $1,451,280.73 (exclusive GST), inclusive of a 10% Contingency Sum.

11 Attachments

- The cover sheet from the Roading component of the Contract titled “Pharazyn Street Reconstruction Stage 2” showing the location of the proposed works.

- The cover sheet from the combined Roading and Stormwater component of the Contract titled “Pharazyn Street Reconstruction Stage 3” showing the location of the proposed works.
# MANAWATU DISTRICT COUNCIL
## PHARAZYN STREET RECONSTRUCTION - STAGE 2

### DRAWING REGISTER & TRANSMITTAL NOTICE

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### DRAWING ISSUE STATUS

- **S** = Scheme
- **C** = Construction
- **F** = Final
- **T** = Tender
- **Y** = Consent
- **A** = As Built
- **P** = Preliminary
- **D** = Draft Tender
- **I** = Information
- **W** = Working
- **X** = Swiss
- **E** = WBC
- **M** = MBC
- **G** = GBC
- **H** = HSBC
- **K** = KBC
- **L** = LSBC
- **Z** = ZBC

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**MANAWATU DISTRICT COUNCIL**

**PHARAZYN STREET RECONSTRUCTION STAGE 2**

**COVER SHEET**

**DRAWING NO.** 51-33333-G001

**REV.** A