



# *MEDIA RELEASE*

## **GROWTH PRESSURES BEING ADDRESSED BY PALMERSTON NORTH CITY AND MANAWATU DISTRICT COUNCILS**

Residents of Palmerston North City and Manawatu District Councils will be asked for their views on proposals ranging from boundary change to amalgamation as possible ways of managing economic growth in the City and District.

The recommendations are among four options outlined in a significant report by consultant Morrison Low and Associates which was commissioned by the two councils.

The four options in brief as ranked by Morrison Low are:

- Amalgamation, under which the two councils would combine into a single council covering the city and district
- Boundary change option 2 which would see an area of Manawatu District land to the north and west of Palmerston North transferred to the city
- Boundary change option 1 which would see a smaller area of Manawatu District land to the north west of Palmerston North transferred to the city
- Cross-boundary servicing, under which Palmerston North City Council would provide various services to developments on both sides of the boundary between the two authorities

The report emphasises that it looks at the issues purely from the point of view of economic growth and does not address wider social, cultural, environmental or political issues.

A joint Palmerston North City and Manawatu District strategic planning committee will now consider the report and make recommendations on the next steps to be taken by the councils.

on:

- the Morrison Low ranking of the four options; or
- the councils' agreed ranking of all four options based on economic growth and community impacts; or
- One, two or three options of amalgamation and boundary change based on economic growth and community impacts with the councils indicating no preference or with a preference

Chief Executives of the two councils, Paddy Clifford and Lorraine Vincent, see this issue as being the most significant subject engaged by the two councils for many

years. The aim is for both councils and their communities to eventually define the best outcome for the long-term benefit of this important sub-region of New Zealand for decades to come.

They say amalgamation would achieve good economic outcomes but it carries the potential risk of failure at a mandatory poll and delaying resolution to the growth pressures on the joint boundary for at least three years. It also has the greatest affect on communities of interest and levels of representation, particularly in the rural communities.

Boundary change 2 is considered to have a reduced risk of failure and to be significantly less protracted.

“It has a lesser affect than amalgamation on communities of interest and their ability to be effectively represented. However, this option would need to include consideration of how to mitigate the loss of rate revenue for the District.”

The area which could be transferred from Manawatu District into the City includes Longburn, Cloverlea, Bunnythorpe and land to the north-west of Ashhurst. The change would affect some 990 households containing an estimated 2900 residents.

The two chief executives say this boundary change would achieve the objective of managing the economic growth that is already occurring in what the report describes as the Palmerston North City and Manawatu District “sub-region” while preserving the identities and representation of the communities affected.

Boundary change 1 would preserve the communities of interest and the representation interests of residents but would not address the long-term growth needs of the sub-region.

Cross-boundary servicing is seen as a short-term solution to immediate problems but elsewhere it has been shown as not providing a long-term solution.

Palmerston North City has experienced solid growth in recent years, with employment growth running above the national average between 2000 and 2009.

This growth is expected to continue into the future, as the city becomes an increasingly important transport hub and distribution centre given its strategic location in the central lower North Island. Most of the growth pressure is occurring on the north-eastern boundary of the city.

The Morrison Low report says continuation of the status quo would be likely to see on-going, protracted, case-by-case negotiations between the two councils as to how best to respond to growth issues as they arise.

Paddy Clifford and Lorraine Vincent say the issue is extremely important and the decisions that are eventually made will have a profound influence on the future shape and governance of this sub-region.

“We are recommending to both councils to canvass all of the views in the community to ensure that we follow a course that will enhance our area as a great place to live, work and do business.”

If the councils adopt the recommendations for consultation it is expected that this will take place during October and November of this year. The results would then be presented to a workshop of the newly elected councils in December followed by a formal joint report being presented to both councils in early 2011.

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For further information see websites:

[www.pncc.govt.nz](http://www.pncc.govt.nz)

or

[www.mdc.govt.nz](http://www.mdc.govt.nz)

or:

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