



# Rural Economic Development in the Auckland Region.

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## National Context

Rural regions need distinctive strategies reflecting activities and strengths, understanding linkages with urban centres and how clustering is occurring and functioning. In an increasingly global economy it is vital for the country to constantly explore new approaches and mechanisms for rural economic development that provides an enabling environment being responsive to change. The primary sector in New Zealand is facing some large challenges but also some great opportunities. New Zealand has a deregulated, unsubsidised and open economy which is responsive to economic stimulus. Essentially the agricultural sector is what has helped New Zealand get through the recent recession.

Agriculture is New Zealand's natural advantage however, there are many structural issues at play within the sector that is having an impact on the future of agriculture within the country and these are not uncommon to what is happening in other countries internationally. For example in America policies have been developed to guide community and regional food planning, in response to these structural changes in agricultural production. The U.S. has had a loss of farmland, particularly in metropolitan areas where it is disappearing at a rapid pace. Farmers are aging with one fourth of U.S. farmers and half of farm landlords being at least 65 years old, whereas only about 3 percent of the labour force falls into this group. The U.S. is also experiencing the loss of "working farms" which is threatening rural communities. Obesity is occurring with reports noting that past Federal policy has encouraged overproduction, fuelled by subsidies (therefore driving down prices) of only a few commodities such as corn. However support for fruits and vegetables has been low whereas processed grocery foods, frozen and baked foods represent over 40 percent of supermarket sales in 2000. Produce in comparison was only 9 percent.<sup>1</sup>

Farming businesses are more complex than people are often aware, involving high asset value with low margins and involving many external factors that the business cannot control, such as the climate. In New Zealand agricultural production is facing intensification, monopoly or corporate farming. This coupled with high land prices makes expansion difficult and acts as an entry barrier. Local Government costs such as rates and compliance charges can act as disincentives and in the future water costs are going to influence business activities. There are difficulties with attracting youth into agricultural employment, aging farmers are taking equity out and not reinvesting back into the agricultural sector and the intergenerational handing over of the business is coming under threat. The bottom line is that money is the key attraction for any successful business and for economic developers to solve many of the above challenges the answer lies in assisting in strategies that keeps returns high enough to retain existing investment and attract more capital and innovation.

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<sup>1</sup> American Planning Association. Policy Guide on Community and Regional Food Planning. [www.planning.org/policyguides/food.htm](http://www.planning.org/policyguides/food.htm)

## **Auckland's Role**

What does this mean for a region such as Auckland? Quite simply Auckland is New Zealand's largest domestic market. Approximately one third of the total population is based in Auckland and three quarters of the national population is located in the North Island. More than half of all New Zealand's migrants settle in the Auckland region.<sup>2</sup>

The Ministry for the Environment notes that Auckland has the highest ecological footprint of any region, overshooting its useful land area by 4.82 times. However, on a per capita basis, Auckland has the second lowest ecological footprint out of all the regions, primarily because of the high productivity of land within Auckland, as less land is required to produce the same amount of product.

The report notes that in 1998 there was 481,370 ha of useful land area within the Auckland region, commenting that 65.7 percent of Auckland's ecological footprint was related to the agricultural land, and most of this is embodied in products imported into the region from other regions in New Zealand. Most of the raw materials for manufacturing are purchased from other regions for further processing, with approximately half being consumed within the Auckland economy and half re-exported from Auckland.<sup>3</sup>

Even given recent regional boundary adjustments the general picture is still the same - Auckland relies on inputs from out of the region whether this is for food, raw materials for manufacture, construction or other services such as energy and water. These inputs either pass through the 'rural hinterland' or are provided by other regions. Ultimately these linkages need to be better understood if Auckland wishes to drive economic growth. Secondly Auckland has the potential to play an even greater role with regards to food planning, servicing the rural economy, assisting with international linkages and driving the New Zealand economy. Economists note that innovation is the ultimate source of economic growth alongside stable prices, a robust financial sector and infrastructure investment.<sup>4</sup>

## **Current Situation**

Many primary producers feel a 'disconnect' or are concerned with being governed by urban based planners with little understanding of the issues faced by the rural sector, that ultimately leads to the development of policies or regulatory processes that act as inhibitors to rural economic development. Even past 'rural' councils have not always understood the interactions and economic linkages at play within the agricultural sector and many planners have in the past focused upon the built environment rather than on the economic dependencies at play. A standard response is to regulate rather than to use incentives. Many farmers commonly say that "they just want to get on with the business of farming and be left alone and not have to get resource consents for every aspect of their business".

The Table below illustrates the land available and usage within the Auckland Region. What can be observed from this information is that forestry is largely based in the Rodney area and not at the same extent in the south of the region. However, the southern area has more land involved in horticulture and intensive activities. Land in grasslands is still significant across the region and there is a reasonable amount of "other land" noted.

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<sup>2</sup> <http://www.nationsencyclopedia.com/economics/Asia-and-the-Pacific/New-Zealand.html>

<sup>3</sup> Ecological Footprints of New Zealand and its Regions. <http://www.mfe.govt.nz/publications/ser/eco-footprint-sep03/html/page8.html>

<sup>4</sup> Small, J & Sweetman, C. (2008) Drivers of Economic Growth in Auckland. A report prepared for the Royal Commission on Auckland Governance. Covec Ltd. Auckland Governance, Volume 4: Research Papers. Page 104.

**Table 1: Agricultural Areas in Hectares by Usage and Territorial Authority (June 2007)**

Territorial authority	Tussock and danthonia used for grazing (whether oversown or not)	Grassland	Grain, seed and fodder crop land, and land prepared for these crops	Horticultural land and land prepared for horticulture	Plantations of exotic trees intended for harvest	Mature native bush	Native scrub and regenerating native bush	Other land	Total Land
Rodney District	613	95,950	986	2,411	28,323	6,882	6,825	5,474	147,465
North Shore City	-	315	-	C	C	C	C	35	447
Waitakere City	C	2,304	C	430	176	232	746	281	4,216
Auckland City	C	5,763	C	342	C	788	1,741	386	9,161
Manukau City	74	12,070	C	C	2,621	2,134	879	747	18,925
Papakura District	4	7,375	C	341	194	C	C	738	8,921
Franklin District	562	117,814	2,359	9,461	8,334	7,579	3,727	4,870	154,706

Source: Statistics New Zealand

Planners are worried about the spread of lifestyle properties and the loss of productive agricultural land but generally have little understanding of the primary sector changes occurring and no idea what to do about the problems.

The usual planning response is to intensify urban development, establish Metropolitan Urban Limits and put regulatory and planning controls in place. Sometimes best intentions have unexpected consequences. Take for example in the former Franklin District where planners provided environmental lot protection incentives with the initial intent of doing some environmental good whilst at the same time using the opportunity to limit and control rural subdivisions. It initially had the opposite effect when people discovered this opportunity existed, many landowners set out to claim their environmental lot entitlement, fuelling rural subdivisions even further.

In response, recent work has seen planners making it even harder to obtain a subdivision consent raising the bar still higher and going into to fight with rural land owners. The question is, will this solve the problem or is making subdivision so difficult to obtain going to again have an unexpected consequence?

Whilst rural subdivision is being limited what other genuine rural business activities are being affected by such policies? Equine development is one such sector that requires small parcels of land with shared facilities and subdivision is helpful in creating environments suitable to equine needs.

In 2010 as a direct result of the local economic development agency intervention some equine related subdivision was allowed. Simply put all that occurred was communication regarding the economic value and contribution of the activity and the importance of enabling developments rather than stopping and controlling an activity. If this work had not occurred by the Economic Development Agency, the equine investment would have been lost to the region.

Unfortunately the Resource Management Act adds to this situation requiring planners to assess the social, environmental impacts and sadly the economic benefits are often not always well understood or given appropriate assessments. Many rural businesses are in fact

noisy or may smell and involve heavy vehicle movements and no one wants them in their backyard, but they need to be located somewhere. Rural businesses seeking consents initially go into battle but sadly they often simply give up and relocate out of the region or the country. On one hand tourism is being encouraged but when someone wants to use a sleep out to host visitors they are not allowed to as rules prohibit a re-use of such a building.

Rural businesses that want to set up and serve food locally grown are required not only to get licenses but often have to invest significantly in car parking or road developments and other facilities equivalent to an urban area which can be completely over the top compared to the activity being proposed. Different rules apply to seemingly similar activities, for example you can serve food at a Farmers' Market at a stall but you cannot do this at the farm gate.

Competition will continue to increase for land not only from lifestyle developments, but increasingly for industrial expansion where industrial investors generally favour major cities due to the following reasons;

- Senior staff like to live in or close by metropolitan areas
- Proximity to airports, rail and ports not only for transport of goods but also for movement of staff
- Proximity to large population for both skilled and unskilled labour
- Proximity to domestic market and ancillary services
- They often prefer large parcel of single level sites

Auckland may be missing opportunities for international investment because of perceived problems of high land prices and a lack of appropriate and available business land.

Land-use and transport policies are essential to rural economic development as land constraints and transport inhibitors force businesses away. There is a need to drill down from high level strategies to better understand localisation (or clustering) that is occurring within the rural sector. Strategy work that has occurred in the past from the Regional Council is too high level and did not always pick up linkages and important activities occurring in the rural areas. Too much reliance is on desk top work and not enough engagement with rural landowners is occurring.

Work embarked upon in 2010 by the former Franklin District Council, titled Franklin Plus, A Development Strategy for a Rural Based Economy was a good start at attempting to do this level of work, with interviews conducted across a range of rural businesses capturing issues.

The Rodney District Council a few years earlier had undertaken a rural assessment but the focus was more on addressing the problems associated with rural subdivision and land use and did not explore business agglomerations. However, some relevant information was obtained noting that between 2002 and 2008, a total reduction of approximately 100 agricultural properties annually was occurring whilst lifestyle blocks, on the other hand, have had an increase of 330 per annum.<sup>9</sup>

The Auckland Regional Council recently has undertaken extensive economic assessments and reporting as part of the "Economic Futures" work. This past work from both the regional and district councils now needs to translate into action points as there is simply no point going over the same material again. Literature clearly points to the rural economy being smaller than the urban economy, however it is the concentration of economic activities within rural areas and the linkages that exist with the urban area that are critical. Construction for example is significant in rural areas with a high urban influence.

The big question is should all industry sectors be supported equally or should a focus be on stimulating specific areas where a real difference is going to be made? The Ministry of Economic Development notes that New Zealand needs to do well across all sectors but focus limited Government resources on a few at a time, as a way forward. The Government's

priorities for action have several that directly relate to Auckland's rural areas, these are processed foods, high value manufacturing and services, tourism, aquaculture.<sup>5</sup>

Processing food does not happen exclusively as input from production sources is also required. Specific crops or varieties may be encouraged focusing upon niche markets. There are people and businesses throughout New Zealand experimenting with niche crops sometimes taking their produce to the local farmers market or selling at a local store. People often don't know how to take their developments to the next stage or where to even seek support. Processing is not just about the large companies it is also about supporting smaller businesses with innovative ideas.

## **Horticulture**

In terms of local rural specialisation for the Auckland Region it is vegetable and indoor cropping. The Auckland Region is the highest producer in New Zealand of indoor crops from flowers through to tomatoes; it is the highest producing region for broccoli, cauliflower and cabbages. Many of the head office operations are based in the Auckland Region growing crops such as onions in the Waikato region and beyond. The region also offers food processing, packaging and distribution for a range of produce including fresh cut vegetables.

From a threat perspective a key economic consideration must be ensuring that Auckland's horticultural sector is protected and opportunities are explored to develop this sector further. These threats can occur from biosecurity, imports from out of the region, through to Council policies. Food security is as important as electricity or water supply but no real work has been completed on this.

If Auckland doesn't want to lose this sector, it needs to develop greater food system inventories and undertake evaluation techniques to better understand the economic impact and future potential of regional agriculture. A key action is for a plan to facilitate food planning policies that incorporates production, processing, wholesale and retail, waste management and distribution. From this critical issues will be raised where the industry requires support.

What we know already is that water competition is on the increase, there are consenting issues and difficulties around water storage and use. Horticultural produce is a price taker and therefore with rising costs the margins are making the industry less viable. Monopolies within the vegetable industry are occurring with fewer but larger players taking control of as much of the process as they can.

Today, growing is a science and not necessarily just a career for the unskilled labour force. The horticultural tractor drivers of today need to be well qualified and trained with an understanding of soil management and the correct use of chemicals when spraying.

Horticulture New Zealand notes in their 2009 strategy "a successful future will not and cannot be based on increased volumes and areas planted in commodity products. Instead we need to grow and market value-added products, capture intellectual property and dominate market niches".<sup>6</sup>

## **Freight Movements**

The domestic market is as important for rural businesses as the export market and it can often be a stepping stone to exporting. Therefore in terms of food production and distribution Auckland is a key place for selling domestically and in co-ordinating the supply

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<sup>5</sup> Ministry of Economic Development. Economic Growth Agenda.

<sup>6</sup> Horticulture New Zealand. (2009). *Growing a New Future. Horticulture Growth Strategy*.

of produce through distribution networks. Businesses that are operating in both supplying the domestic and export markets have sites located in strategic places to facilitate the distribution of goods not only to the domestic market but also to the airport or seaports for export.

For the southern area of the Auckland region this is a critical action point that requires strategies to ensure freight is facilitated throughout the region. Freight research undertaken for the National Freight Strategy (2008) noted that "the greatest increase in goods attracted to the regions is predicted for Auckland, reflecting, in part, the movement of primary products from Northland and Waikato".<sup>7</sup> This report provides a valuable reference for strategic decisions around planning for freight movements and work should continue that engages with the industry to track changes and issues arising.

The issue is wider than freight as niche industries also exist because of the dominance of the Auckland market and these distribution networks. Take the equine industry as an example there is no mistake as to why the Karaka sale yards are located where they are and why significant investment from the equine sector is being directed into the Auckland region. It is an opportunity sector ready to leverage off the market in Auckland and the linkages that exist with Auckland Airport and other regions within New Zealand. Indoor crop growing has developed in Auckland because of the proximity of the Auckland Airport and air freighting requirements.

### **Livestock Farming**

Auckland once had thriving dairy farms but has let this sector exit the region. Some economists comment that dairy farming is "space driven" but in reality there are far more complicated drivers operating, including corporate strategies of Fonterra, opportunity costs which sees farmers cashing in on the high land values and purchasing in regions where land is less expensive using the equity to either expand or reduce debt. The key aspect to this dairy farm decline is that once a dairy farm exits from the region it is not replaced with another dairy operation but instead a change of land use. It highlights the importance of rural economic professionals understanding these types of dynamics to be able to develop specific strategies to retain a primary sector activity or failing that seek to use the land for another suitable activity that will provide an economic return.

### **Fishing**

Fishing is still an important industry for New Zealand accounting for about 5 percent of exports, as well as supplying the domestic market. In the past fishing was important to communities such as Great Barrier Island but with changes to the industry with government administered quotas this has seen a marked decline. However, this is not to say that opportunities do not exist to leverage off this marine environment as a growing part of the fishing industry is around aquaculture.

Again Auckland's role in distribution and processing is highlighted by companies such as Moana Pacific Fishing (a division of Aotearoa Fisheries Ltd) that sources fish from Northland and transports them to a processing facility based in Pukekohe, with employees involved in seafood processing increasing in recent years.

Aquaculture has much wider opportunities than just sea based production. There are land based activities that can also be encouraged with freshwater species. New Zealand already

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<sup>7</sup> National Freight Demand Study. (2008) Richard Paling Consulting in association with IPC Associates, John Bollard Consulting Ltd, Murray King and Frances Small, Ascari Partners. Prepared for the Ministry of Transport, Ministry of Economic Development and the New Zealand Transport Agency.



has trout and salmon grown in New Zealand on land based operations and any number of species could be explored for possibilities.

NIWA has conducted research into the problems and possibilities for the development of aquaculture, and marine products. Researchers screened thousands of marine products to identify bioactive compounds for natural remedies, that can later be synthesised for anti-inflammatory medicines, skin care products and other applications. Noting the potential market is huge. Marine bacteria are found throughout the ocean from seamounts to fish guts. Potentially their enzymes could be harnessed for commercial applications, from aquaculture feedstuffs to washing powders.<sup>8</sup>

## **Forestry**

In the past, logging has taken place in the indigenous forests of New Zealand, but the depletion of these forests and the strong political support for their conservation have resulted in mostly an end to this practice. The timber industry is now largely centered on the exotic forests, with Auckland having only smaller plantations in comparison to those in the Central North Island. Forestry is showing signs of recovery, and log prices are expected to rise. Past lean times have seen processing facilities decline and most of the harvests will be exported as logs. The Rodney District due to these factors has seen a decline in forestry related employment in recent times.<sup>9</sup>

It should be noted that whilst exotic plantations are the main forestry activity there is a small but unique indigenous timber sector in New Zealand still occurring, supplying top-end decorative and special-purpose timbers where utility timbers, like pine are unsuitable or inappropriate. New Zealand indigenous timbers now mainly come from sustainably managed forests, are produced in accordance with Part 3A of the Forests Act 1949 and are legal under New Zealand law.<sup>9</sup> There are groups exploring specialty timbers from naturally regenerating native stands (mainly from podocarp species such as rimu and totara) with a view to undertaking sustainable native forestry. Native nurseries have been developing in recent times largely in response to environmental action with native plantings occurring on both private and public land. In the future an opportunity may exist where plantings can be encouraged further but with a commercial incentive. Emerging ideas need to be explored as with a decline in one sector an opportunity may arise in another.

## **Mining**

New Zealand has a diverse range of minerals found making up approximately 3 percent of export (excluding aluminium) but the most important to Auckland is black ironsands found on the west coast of the North Island. This has the highest value mineral production due to New Zealand Steel providing smelting for both the domestic and export markets. Economic development is not just about the selling of goods it is also about protecting and enhancing things that are critical to supporting business development. Mining for aggregates around the wider Auckland region fits into this category as it is imperative to protect to provide sands, gravels and rocks required for construction and growth of urban areas and to facilitate roading developments. Where possible these aggregates should come from sources as close by possible otherwise there will be environmental or cost implications if material is transported from large distances.

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<sup>8</sup> Water & Atmosphere (NIWA), Vol. 14/3 06. Future Times. Our Future Economic Changes. Journal 2001/Vol. 3. New Zealand Futures Trust (Inc). Wellington.

<sup>9</sup> Managing New Zealand's Indigenous Forested Lands for Timber: An Update. Quality Native Timber from Future Managed Stands. [www.nzwood.co.nz/.../sustainable-forest-management-of-native-tree-species-in-new-zealand](http://www.nzwood.co.nz/.../sustainable-forest-management-of-native-tree-species-in-new-zealand). Northland group keen on totara - Country-Wide magazine. [www.country-wide.co.nz/article/6034.html](http://www.country-wide.co.nz/article/6034.html)

## **Manufacturing**

New Zealand manufacturing has struggled in recent times with imports from countries with low labour, regulatory and compliance costs resulting in sectors such as clothing manufacturing declining. Some businesses have survived because of lower input costs and they have utilised local raw materials. The food processing sector in New Zealand has a comparative advantage due to the strength and diversity of the agricultural production and often much of the activity has occurred close to the source of the supply of raw materials. The dairy sector or Heinz Watties canning are a good examples. Technological changes are continuing to enabling changes with this sector and more work is required to explore further opportunities around assisting businesses to add value to products produced. Many businesses within the rural community are simply not aware that funding, support and centres exist for them to develop this aspect of their business. Auckland's role is also wider than just Auckland as production businesses based in Blenheim for example may wish to have support that cannot possibly be provided for in that region.

## **Construction**

Sectors supplying the construction industry throughout the 1990s did well due to Auckland's population growth and opportunities exist to grow this in other ways. With global trends in sustainable development New Zealand could leverage off this more. Linkages already exist with the marine environment in Auckland to successes in international yachting and in the construction of hi-tech yachts and leisure boats, but what about combining specialist construction activities with other activities even further to develop products targeted to specific markets. The most innovative developments usually occur with the combining of specialist functions or activities. A technology adapted in one sector may have a use or could be adapted to another. Why does this fit into rural economic development? It is due to where some of these construction or machinery manufacturing businesses are located. Rural areas have the space and capacity to accommodate activities that cause problems in urban environments, such as noisy or smelly operations, activities that involve heavy transport or where experimental developments can be trailed and tested. Increasing sensitivities are occurring even in rural communities, but smart planning should allow for places where these types of activities are enabled not stopped. Secondly economic development professionals should facilitate this cross fertilisation where possible by bringing diverse groups together.

## **Tourism**

This is a rapidly growing sector within the New Zealand economy. In 2010 it was estimated that tourism supports 92,900 direct and 89,500 indirect (182,400 total) fulltime equivalent jobs (9.6% of the total workforce in New Zealand). In comparison in 1995 it provided 58,000 full-time equivalent jobs directly and 60,000 indirectly.<sup>10</sup>

Tourism in 2010 directly and indirectly contributes \$15.1 billion (or 8.7%) to New Zealand's total GDP (excluding GST and import duties). International tourist expenditure accounted for \$9.5 billion or 18.2% of New Zealand's total export earnings. Domestic expenditure comprises \$9.9 billion household expenditure and \$3.0 billion business and government expenditure.<sup>11</sup>

Tourism is based upon a variety of attractions and more opportunities exist to develop these attractions further. A key action point is to develop more tourism product within the region to offer visitors. New Zealand has in the past levered off its natural assets and cultural experiences, however like all sectors it is becoming increasingly competitive and dynamic. Urban activities have developed with the waterfront village and is leveraging off international events such as the America's Cup and the Rugby World Cup. However,

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<sup>10</sup> <http://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/New-Zealand.html>

<sup>11</sup> Ministry of Economic Development. (2010) Tourism Strategy Group. [www.tourismresearch.govt.nz](http://www.tourismresearch.govt.nz)

opportunities also exist in the rural communities to leverage off environmental enthusiasm involving nature. Some activities exist such as watching whales, walking through forests or adventure sports but many of these activities take place in other parts of the country. Tourists arrive at Auckland airport collect a campervan or join a tour group and head straight off to Rotorua. People living in Auckland don't need to be told where to spend their time – there are two amazing harbours (each offering a different experience). Visitors that stay in the central city can conduct day visits or overnight visits all around the Auckland region and should be encouraged to do so.

An interesting observation heading down the motorway towards Hamilton are the buses that stop at the Bombay Hills, with tourists getting out and buying vegetables. An area for further development is the experience of seeing where food is produced then eating what you pick! To enhance the aquaculture industry tourism should be linked with it, by getting visitors to view the places where mussels are grown and then try some before leaving. Other niche crops such as olives that link food, restaurants and tourism together have emerged. This is particularly seen with vineyards that over the years have been developing, particularly in areas such as Kumeu, Waiheke Island and Matakana.

## **Conclusions**

The issues are not unique to Auckland other major cities around the world have faced similar problems. From research to date we know that "the agriculture sector GDP for the Auckland region has been reducing by 0.4% per annum where as other primary GDP for the Auckland region has been growing at 1.3% per annum".<sup>12</sup>

The key question is what is the vision for the rural areas of Auckland? Increasingly Auckland's rural economy is a site for consumption rather than production. A report on the Rural Economies in the Auckland Region, comments that activities in the rural economy respond to the same drivers as those felt in the urban economy, with the exception of primary activities. The report also comments that a wide range of activities takes place in Auckland's rural economy and there is "little analytical value in talking of a single rural economy".<sup>8</sup>

Therefore two aspects to an economic strategy need to be developed, one that addresses consumption based growth and a second that focuses upon the primary sector.

As part of rural economic development, consideration should also be given to policy work to assist with food planning which clearly fits into supporting the agricultural sector within the region. High level analysis needs to be broken down into clearly defined action points and this can only occur with input from the community, industry groups, Local and Central Government collective support.

Increases in "other primary" GDP indicates that there are even further opportunities and this largely lies in innovation. Rural areas have a strong role to play with regards to innovation that should not be over looked. The key questions to be asked are how can a transition to high value added types of business be facilitated?

In a report prepared for the Auckland Regional Council some of the following tasks that could be undertaken were noted:

- Identification of key areas of interest around rural economies – to better understand these areas
- Assess the reasons behind the relative exit of pastoral activities
- Better understand the competition for water

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<sup>12</sup> Auckland Regional Council (2008) Rural Economies in the Auckland Region – Examining the Transformational Potential. Ascari Partners Ltd.

- Conduct case studies to examine how tourism is changing rural practises and the extent to which virtuous cycles exist between tourism and development of niche production activities.<sup>8</sup>

The Rodney District report on the rural economy and lifestyle blocks recommended further research on:

1. Case studies to substantiate the conclusions from reports. Including a detailed sample or GIS based analysis of agricultural activity occurring, particularly on lifestyle blocks (ie. 1-10 hectares)
2. Surveys to establish the importance of rural and coastal amenity to existing and new residents and visitors.
3. An examination of any unique or potentially highly productive soils.
4. Demand assessment for lifestyle blocks by size (to determine whether larger blocks will reduce demand for lifestyle blocks).<sup>13</sup>

Clearly all reports to date recommend further or detailed analysis that digs down to further understand the structural changes at play. This can only occur through case study approaches and with closely engaging with industry players.

Lastly it is vital that any economic development strategy provides businesses and the community with certainty whilst sending signals of future directions. Rural communities need to feel that they are being listened to and support is being provided. If the horticultural sector for example wants to undertake rainfall water harvesting, then the strategy should be to find ways to enable them to do so, without having significant cost burdens placed upon them. At the same time the opportunity exists to explore what other activities could benefit from doing the same thing. Encouragement and incentives should be explored more rather than a control and regulate approach.

Economic development professionals must facilitate interactions across diverse sectors, into other regions and between the urban and rural economies as linkages occur that are not easily identified and information flows are vital to identify future opportunities.

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<sup>13</sup> Rodney District Council (2009). Rodney District. Rural Economy and Lifestyle Block Trend Study. Property Economics.

## RECOMMENDED ACTIONS<sup>14</sup>

Where would we like to be?	How do we get there?	Action required
<p><b>Innovative sustainable and growth orientated rural economy</b></p>	<p><b>Regulatory (Auckland Council)</b> Provide a regulatory environment that promotes growth and innovation across key rural sectors.</p> <ul style="list-style-type: none"> <li>• Horticulture</li> <li>• Aquaculture/Fishing</li> <li>• Equine</li> <li>• Mining &amp; Aggregates (Manufacturing)</li> <li>• Tourism</li> <li>• Niche food (olives, cheese, wine)</li> </ul>	<p>District Plan and Spatial Plan to:</p> <ul style="list-style-type: none"> <li>• Provide for manufacturing, tourism activities and other commercial activities complementary to these sectors</li> <li>• Provide for processes such as packing, processing, manufacturing and distribution of rural related products as permitted activities</li> <li>• Provide for rural operators to invest in ways to harvest rain water, and generate power to reduce the load already on this fragile infrastructure and/or provide an allocation regime to ensure the availability of water to meet the present and future needs of rural economic activities</li> <li>• Encourage co-generation of power between rural businesses and provide for alternate land-use</li> <li>• Facilitate growth of equine hubs and complimentary activities</li> <li>• Protect high value landscapes, open spaces and heritage sites that promote the tourism experience</li> <li>• Provide for alternate land-use that supports rural economic sectors</li> <li>• Promote the productive use of soils</li> <li>• Allow complementary multiple and value-added rural economic activities to occur on one site</li> <li>• Create growth sectors around economic clusters</li> <li>• Encourage larger land holdings and address the level of fragmentation</li> <li>• Protect Auckland's mineral resources for future use</li> <li>• Make adequate industrial land available for rural support industries</li> </ul>

<sup>14</sup> Franklin Plus 2010, A development strategy for a rural based economy

		<ul style="list-style-type: none"> <li>• Provide a roading network that facilitates the movement of freight to and from rural economic activities</li> <li>• Promote recognition of Maori values</li> <li>• Encourage innovation through a flexible planning environment</li> </ul>
	<p>How do we get there?</p>	<p>Action required</p>
	<p><b>Investment (Auckland Council and its CCOs)</b> Invest in infrastructure and initiatives that support and stimulate economic growth</p>	<ul style="list-style-type: none"> <li>• Invest in infrastructure to secure quantity of supply of water for rural activities in South Auckland region</li> <li>• Invest in rural community broadband initiatives to fast track broadband roll-out</li> <li>• Provide infrastructure that attracts and retains key economic activities and a skilled workforce</li> <li>• Invest in economic initiatives and partnerships</li> <li>• Invest in productive and vibrant town centres (towns are the heart of a rural community)</li> <li>• Promote economic growth by continuous review of District Plan</li> <li>• Retain existing sites with urban/rural connection</li> </ul>
	<p><b>Advocacy (led by Auckland Council and its CCOs)</b> Influence and advocate for services and infrastructure that promote economic growth</p>	<ul style="list-style-type: none"> <li>• Influence investment in nationally owned infrastructure in particular; <ul style="list-style-type: none"> <li>• Freight transport</li> <li>• Broadband</li> <li>• Water</li> <li>• Rail</li> <li>• Energy</li> </ul> </li> <li>• Support and promote regional and national complementary economic initiatives</li> <li>• Work in partnership with HortNZ and local growers to support growth of the industry in line with their Growth Strategy (Growing a New Future)</li> <li>• Undertake research into opportunities for sustainable and profitable land use and into future land use activities</li> </ul>

		<ul style="list-style-type: none"> <li>• Encourage innovative industries undertaking value-added processes</li> <li>• Promote regional tourism initiatives</li> <li>• Establish a partnership with Maori to promote Maori economic initiatives and to establish protocols for effectively managing resources of importance to Maori</li> <li>• Encourage training providers to co-operate and develop training programmes</li> <li>• Act as joint venture partners alongside Crown agencies, Iwi and other stakeholders to encourage investment and promote vocational education</li> </ul>
	<p><b>Business support (led by Auckland Tourism Events Economic Development CCO)</b></p>	<ul style="list-style-type: none"> <li>• Provide business development support with regards to business planning, financial forecasting, cost management, marketing and exports</li> <li>• Provide rural sector market exposure and promotion opportunities through clustering and collaboration (e.g. Food Show, access to international markets, Farmers' markets)</li> <li>• Facilitate interactions across broad industry sectors to stimulate development activities</li> </ul>
	<p><b>Innovation (led by Auckland Tourism Events Economic Development CCO)</b></p>	<ul style="list-style-type: none"> <li>• Encourage the development of new niche products and value added products</li> <li>• Develop a culture of science and innovation in rural communities through schools and on farm-site</li> <li>• Encourage the development of value added products in the forestry and timber industry and proactively set up intervention initiatives to enable such development</li> <li>• Work with Government agencies to facilitate R&amp;D</li> </ul>

		developments to solve problems in identified areas of need
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<p><b>Further work required:</b></p> <ul style="list-style-type: none"><li>• Identify key areas of interest around the Auckland rural economy</li><li>• Investigate the competition for water in the South Auckland area and the possible effects and economic impact on its rural economy should water supply be allocated according to industry requirements</li><li>• Conduct a case study to examine how tourism is changing rural practises and how this can be better leveraged</li><li>• Undertake a rural business land study that identifies the amount of land used for rural business activity as well as type to better understand the extent and geographic locations of rural business land as well as rural business land needs to ensure that policies developed are protecting such activity and providing an enabling environment for growth</li></ul>
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