

FUTURE WORK IN RURAL SOUTHLAND

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A NEW ZEALAND RURAL LEADERSHIP PROJECT

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SUMMARY OF CHAPTERS

A. THE STORY SO FAR -

1. A quick SWOT Analysis: Strengths, weaknesses, opportunities, threats. Southland's rural economy.
2. The land is ideally suited for its present use, which is mainly sheep production, followed by grain, beef, dairy, deer and goats. We have an established infrastructure for moving these products to world markets.

Therefore it can be expected that our economy will continue to be overwhelmingly reliant on our established pastoral and cropping industries.

3. Ownership of the land by those who work on it is a vital social and economic factor. How did our community evolve and why does it matter?
4. Ownership of input and output factors, such as co-operative buying groups, meat processing works, fertiliser works and dairy companies is also highly important. This is especially true where competition is precluded by the demands of size and specialisation.

But no matter how far we 'vertically integrate', our small number of base products is a fundamental weakness, leaving us vulnerable to changes in the global trading environment.

5. Some changes we have to consider in the world environment.
6. There is a new attitude to change among rural New Zealanders, caused by the upheavals of the last five years. Necessity has spawned a mass of new ideas about combining individual skills with the particular attributes of our land resource, in order to diversify sources of income. Some ideas are listed under plants, animals, manufacturing, and services.

Few of these ideas, however, have so far come to fruition. Why? Distance from markets is our single overriding problem. There is reason to expect that continued advances in technology will see us at less of a disadvantage as time goes on.

There is another ingredient missing, perhaps, and that is an entrepreneurial tradition. A 100 years of exporting to a willing Britain has made for a society which is comfortable, generous, noncompetitive, and relatively non-materialist.

Improved returns forecast in the short term for our traditional products may well mean that the perceived need for change will fade away. This is therefore a window in time which should be seized to keep these ideas "on the boil". The problems of diversifying the farm business are discussed.

7. 1989 has brought a groundswell of movement from a variety of organisations, nearly all at grass roots level, to promote the development and marketing of Southland products, and of Southland itself.

B. WHERE NEXT?

Somehow the threads of these organisations should be drawn together so that they do not duplicate effort, but in such a way that they can continue to follow their own aspirations.

The new local authorities ought to have promotion and development at the top of their list of priorities. They are well placed to provide the required catalyst.

8. Regional Council could be the right body to call all the parties together to determine common ground and to initiate a strategy for co-ordination, hopefully to be followed by a co-ordinated strategy! It is important that they agree on functions before they talk of structures. Some functions are suggested at regional level.

There is a danger in a Southland-wide agency concentrating on urban development, particularly if the focus is on immediate job creation. Instead, there should be equal emphasis on rural and urban enterprise, with a stated aim of encouraging a return to the land, so that people can choose, via a wider choice of occupation, a rural lifestyle. A target population growth of say 2% each three years would provide a focus for effort.

9. The new Southland District Council covers the rural area. Some functions are suggested at this level.

Finally, it must be acknowledged that this essay, although focused mainly on opportunities to increase variety and quality of life in rural Southland, has frequently spilled over into areas concerning Southland as a whole, and even the whole of New Zealand. No apologies for this as the problems of our relationship with a changing world are all shared. They are just more visible from the far end!

No apologies either for repeating the 'clean, green' concept. The present worldwide environmental awareness gives us the best possible opportunity to move our products upwards in the market place, which is the only way we are going to compete.

CHAPTER 1

A QUICK SWOT ANALYSIS - SOUTHLAND'S RURAL ECONOMY

Strengths

Land: Plenty, fertile, watered, scenic, varied. Wildlife.

People: Resourceful, solid, self-employed.

Sea, Rivers, Lakes: Plenty, clean, scenic, fish, shellfish, seaweed.

Minerals: Lignite in vast quantities. Coal. Limestone. Platinum and gold potential. Silica-bearing sands.

Forests: Coming to profit. Native and exotic. Public and private.

Recreation: Mountains, lakes, rivers, fishing, hunting, diving, golf, team sports.

Climate: Fresh, healthy, clean.

Businesses: Large food processing co-operatives. Fertiliser co-operative. Aluminium smelter. small businesses.

Education: Outward looking Polytechnic. All levels of distance teaching. Good choice of secondary schools.

Weaknesses

Climate: Perceived as unpleasant, = cf. rest of New Zealand

People: Few, not money-driven. Fully occupied at present. Seen as conservative.

Markets: Tiny local market. Great distance for export. Costly, hi-tech, vulnerable to labour disputes. Licences, tariffs, language, culture, middlemen.

SOE's: Electricity, post, telephone. Life is dearer in the countryside.

Government: Cost of compliance with IRD, especially employing labour.

Local Government: Major upheaval in 1989. Many things on 'hold'. Planning procedures slow.

Opportunities

Land: horticulture, silviculture, tourism, alternative livestock. Climate may improve. Doing traditional things better.

People: Encourage immigration. At this stage we can choose. Encourage new small business. Encourage entrepreneurship. Encourage immigration by offering new ways to make a living.

Money: Invest in Southland owned finance houses. Keep it working here. International barter.

Industries: Further processing of base products (top quality). New large - mining, smelting, wood processing - electricity users.

Transport: Technology makes it relatively cheaper, faster. Mature industrial relations makes it reliable!

Marketing: Bridge that gap between producer and market. The 'chemistry' is right for a regional initiative.

Trade: The green movement gives New Zealand the edge.

Water: As an export commodity.

Threats

Land: Taken over by big business. Pollution could affect us more, eg ozone loss. Climate may worsen!

People: The world is land hungry. We may have no choice in 20-30 years.

Money: Collapse of international monetary system - no more trade. Recessions in EDC's. Exchange rate fluctuations.

Industries: Technology changes - eg gene manipulation; a cure for foot and mouth? - could leave us behind and our methods irrelevant. Big industries pollute.

Government Attitudes: Penalising productive enterprises. Taxing savings. SOE monopolies, IRD, ACC.

War & Strife: Nuclear war anywhere. Invasion from Pacific. Civil strife
- Maori and European
- Haves and Have-nots
- Drugs and Crime

Trade: How will world trade shape up? Possible Fortress Europe, plus trade war bet. Europe and USA. Britain has to look after itself. Developing countries compete with us.

CHAPTER 2

Since it was first developed, Southland has been known as a rich farming area. It has a reliable climate, fertile soils and a variety of topography. Its cool winters help to keep pests and diseases at bay. While New Zealand itself is renowned as a very favoured farming country, Southland produces well above national average yields in all its established products, eg lambing percentage +10%; wool/ssu +6.5%; grain T/ha +20-25%. Not only quantity but quality is above average, especially our wool, skins and sheepmeat.

Compared to the rest of New Zealand we are more dependent on sheep than any other farming product. In fact we produce about 20% of the country's wool and lambs, as opposed to less than 5% of the beef and 1% of the dairy products.

With nine million sheep in the province, the inefficiencies and the marketing shambles which were allowed to develop in the meat industry, affected us more severely than anywhere else. The lamb producer however did start to benefit from competition among freezing companies as Challenge made its ill-fated attempt to muscle into the business. Now that rationalisation is further along the way we may end up with less competition but a more efficient freezing industry, and that farmer-owned Alliance is a front-runner in the added-value stakes and has co-operated well with other companies in the marketing arena. The opening of several one-chain year-round works where shift work allows high throughput will ensure that Alliance continues to put effort into internal efficiencies.

Dairying in Southland, until lately only 1% of New Zealand's production, is on the increase. We have 10% of the country's deer and 5% of the goats. Beef, although only 4% of the country's production, includes extensive use of Continental breeds, ensuring high yields and (at present) excellent prices.

Unfortunately it takes up to three times the stock units to support a family now as it did only 25 years ago. Farmers returns in 1988/89, although improving, were still half of their real net annual income in the decade prior to 1985.

CHAPTER 3

The hinterland, unlike parts further north, was unpopulated in pre-European times. The whalers and sealers who hunted the coasts from the 1820s settled only in small numbers and mostly in the two main Maori settlements of Riverton and Ruapuke Island. The land was therefore ripe for the picking (not that it was particularly attractive in its native state) when the main waves of immigration arrived in the 1860s. The agent for settlement was the Otago Waste Lands Board. Walter Mantell on their behalf bought the region from the Maori in 1853 for 2600 Pounds. Settlers could then buy land for 10/- an acre.

At this time the Scottish economy, especially the Highlands, was suffering from a lack of incentive, income and employment. This is a story in itself but some factors include - the loss of ownership of the land, the infamous Clearances, and a neglect on the part of central government. The result was that the young and fit were emigrating en masse to all parts of the Empire. Why did so many Scots who came to New Zealand choose the cooler climate of Southland. It may have been the timing, the contacts, or the climate itself. Whatever the reasons, by the 1800s the province was settled by a large proportion of Scots, who have given it its own character, not to mention the famous Southland burr! They were and are distinctly tribal, having great regard for their extended families, their history and traditions. They came from economically poor backgrounds but had a strong tradition of churchgoing, community activities and a desire to be independent. In other words, they were solid! Many have now been four, even five and six generations on the land their fathers settled. There has been movement in recent years but fortunately it has not so far led to large purchases of land by corporate interests.

Therefore, a large proportion of our rural population is self-employed. Forty percent as opposed to ten percent in urban Southland, stated in the last census that they were either employers, self-employed or worked unpaid in the family business. There would be many women farming partners who classed themselves as 'not working' and therefore were not included in the statistic.

The high rate of self-employment, and their ownership of the resources with which they work, is a powerful social factor, producing as it has a strong classless community life with qualities of self-reliance, perseverance and ingenuity.

It has also produced a large reservoir of individual skills, some brought from generations of farming life and others from the training and experience of those (especially women) who have come from different backgrounds into the farming arena.

One accountant has been heard to say that Southland should be one large farm. Those who argue about the economies of scale would do well to remember the uncounted extra hours of thought and labour which are irrelevant to the equation because they are provided by the personal motivation of ownership. Large numbers of small units are also very flexible: witness the response to the call for heavy lean lambs which took the meat exporters by surprise.

This is not to say that different forms of land ownership should be completely discouraged because injections of capital and ideas are always a good thing. We should take cognisance though of the importance of present ownership structures and keep a watching brief on trends in land purchase.

The author James Robertson in 'The Future of Work' lays out a paradigm for society which at first glance may appear to be a step back to the cottage industries of the past. However the important difference is that with 21st Century technology the huge industries which now require large numbers of wage-workers will in future be able to produce the goods we require but with very few workers and most of them highly specialised. The freedom that ex-wage workers achieve will lead, he postulates, not to a mass of idle unemployed but to a new approach to living and working. People will be able to pursue their talents with much less regard for the need to earn a basic income. (There will have to be a guaranteed personal income). As a contrast to wage working he used the word 'ownwork'. It includes self-employment, essential household and family activities, productive leisure activities such as do-it-yourself or growing one's own food, and participation in voluntary work. For groups of people it may mean working together as partners in a multitude of activities to which they attach personal importance.

The interesting point about this book is that, written as it is from the standpoint of an industrialised society (Britain) where by far the greatest proportion of people go out to work for someone else, if one looks around Southland, especially outside the main centres, one finds that the majority are already engaged fulltime in 'ownwork'. In fact rural Southland in 1989 reflects entirely the vision proposed by James Robertson as an ideal for the entire post-industrial world. Why is this so and what are its limitations?

First, Southland society is based on the family farm. For a century, farms have remained the right size to maintain one family each, ie there have not been huge acquisitions as in older Western societies where the rural population become only employees of large landlords.

Farm servicing industry too has remained small business, mainly operated by the owners with 0-25 employees. The exception is the stock and station business.

CHAPTER 4

What are the limitations of the lifestyle?

The population, free as it is to choose the daily rhythm of activities, is nevertheless constrained in what and when it produces because the demand for its output is controlled by necessarily large industrial conglomerates. Necessarily, because the demands of processing food for export across the world include a centralised, high-capital structure.

One could also point out that the supply of farmers' input in the form of capital is also controlled by complex outside interests. (A cynic would add that at times it is totally uncontrolled).

It is indeed fortunate that producers own at least some of these input and output factors, thanks to the efforts of their predecessors.

It was back in March 1881, hard on the heels of the successful voyage of the Australian shipment aboard the 'SS PROTOS', that Southland sheep producers met to plan the export of frozen meat to Britain.

It is a great credit to them that over the years they were able to set up co-operatively owned businesses to process their output, and export it across the world. Today we still have the Alliance food company, the Edendale Dairy Company, and our own Phosphate Works.

Even so, we are still price-takers. Last year the farmer obtained 13% of the wholesale value of a lamb landed in the United Kingdom, and the trend is downwards. Our meat companies are striving to increase their stake in distribution and retail markets. This makes sense as it seems that the raw material component of almost any product one can think of is of less and less relative value. This is the result of consumerism ... the continuous cry for new products, new packaging, novelty and 'convenience', which is fuelled by the advertising industry, and which in turn fuels technology.

How often have we bought an item only to realise that the wrapping we tear off and throw away is worth more than the item itself?

How many of us have gaped at supermarket meat counters in Europe or USA, at the enormous choice of items, all ready to eat and in tiny packages? To take an extreme but everyday example, a 120 gm bag of crisps on 'special' is today \$1.79. Per tonne of potatoes that would be almost \$15,000. It has increased 5,000% from the farm gate.

CHAPTER 5

POSSIBLE CHANGES

Changes in Society and Attitude

In 'Megatrends', written in 1982, John Naisbitt discusses ten aspects of modern life and suggests the direction each will take. As they are fairly self-explanatory I will list them here:

Industrial Society.....>Information Society
Forced Technology.....>High-Tech/High-Touch
National Economy.....>World Economy
Short Term.....>Long Term
Centralisation.....>Decentralisation
Institutional Help.....>Self Help
Representative Democracy.....>Participative Democracy
Hierarchies.....>Networking
North.....>South
Either/Or.....>Multiple Option

Together these give a positive, exciting view of the evolution of the democratic societies.

The lessening of the imminent threat of nuclear war has allowed a whole raft of dormant concerns to float to the surface.

In 1989 the awareness of the environment and our pollution of it has suddenly become the central issue of the day. It stretches further than concern only for our surroundings. It is leading people to question the capitalist ethic on the one hand, while on the other side of the Iron Curtain whole populations are emerging from the dark age of totalitarianism.

There is danger in the increasing gap between 'haves' and 'have nots'. Looking at the 'north-south' axis, there is no question that their relationships will change dramatically. The mere fact of exploding populations in the poor countries and declining birthrates in the rich ones, together with an information base (ie TV, radio) available to all, is going to ensure growing demands from the people of poorer countries.

The current noticeable change in attitude of indigenous people world wide as they emerge from post-colonialism, is a signal that the culture and ethics of Europe and USA will not be the only yardstick in future.

There will be big changes in working relationships.

Fewer but more highly trained workers will be needed. This should lead among other things to more mature attitudes on the part of employer and employee. Because society will be so intimately interdependent, strikes will not be acceptable as a means of settling arguments.

Changes in Technology

Transport is one of the keys to our development. If it continues to become relatively cheaper and more efficient we will certainly benefit. That depends not only on technology but on improved working relationships as mentioned above, because reliability is going to be as important as speed and price.

Gene manipulation represents a quantum leap in the production of food for the world. We are only seeing the results of the first infant steps along this path. For us as current food producers it could end in our becoming redundant altogether, or, if we keep abreast of progress it could strengthen our position in the long run.

We have to consider disease control, not only as it affects us but what would happen if for instance there was a cheap vaccine for foot and mouth.

A problem of higher technology is the specialised knowledge needed for its repair and maintenance. Now, when a tractor breaks down we have to import a mechanic from town and parts from Japan, Germany or USA. The more high-tech we use, the more vulnerable we are to a catastrophe. So here we have a paradox - to be secure we ought to be looking for intermediate technology inputs and producing high-tech outputs!

Economic Changes

The exchange rate is one immediate variable which the producer has to grapple with. He has to accept his powerlessness to affect it and can only attempt to manage the risk of its fluctuations.

On the horizon is the problem of world debt, with its possible ramifications for the entire monetary system. Dramatic changes are more likely here than gradual ones. They are likely to cause huge ripples in the global trading system.

There is a chance that the new era in Europe, starting in 1992, will be the trigger for a realignment of the major trading blocs, with a possible new set of trading restrictions set up round their borders. USA is not likely to accept 'Fortress Europe' and a trade war between them could leave other interests out in the cold. We also have to face the fact that Britain will have to consider her own interests in Europe and may have to flick us off her coat-tails.

The complete removal of restrictions on trade with Australia from 1 July 1990, will provide a whole new set of opportunities. Our 'domestic' market will expand six-fold. Bluff is the closest New Zealand port to the populated S.E. Australian cities.

The Asian seaboard will continue its growth path. Our ability to adapt to and to please those markets will almost certainly determine our prosperity in the medium term. It is to be hoped that in the process we do not sell the country to them.

Some countries of South America have made progress in leaps and bounds. Brazil has industrialised and Chile is fast becoming the competition to beat in some horticultural crops and timber production. Unfortunately for them none have solved their perennial problem of soft currencies.

Africa, economically, is still nowhere in the picture. The giant sleeps on! However the affairs of South Africa are at last moving to a climax. A period of upheaval is only to be expected and as they produce some of the worlds vital minerals there might be some shortages and some flow-on. They are also competitors of ours in southern hemisphere foodstuffs and fibres, so there could be some gaps to fill.

Some upheaval might be expected in the Middle East too. The clash between fundamentalism and the West has not been resolved. The Palestinians will not go away. Neither will Israel.

Then there is the revolution going on throughout the Eastern bloc. Will 'perestroika' be allowed to follow its course? If it does, and the result is strong economic growth we can certainly expect trading benefits.

It is interesting to conjecture just what may happen and how it may affect us. It is nearly always the unexpected, of course. But it indicates just how much we are intertwined in this shrinking world.

CHAPTER 6

Some of the ideas talked about:

1. Plants
2. Animals
3. Manufactured items
4. Services

1. Plants

Southland has the fertility, the reliable rainfall and the variety of conditions to make any temperate crop possible. The advent of cheap plastic tunnel houses has extended the growing season and the crops which can grow here. The question is to seek out any qualities which can give us an edge on other areas.

One is our latitude which means greater variation in day-length, and longer days in the growing season. Much research exists on the effect of day-length on certain plants - some may be found for which our conditions are a distinct advantage.

Another is the often admired intensity of colour of our flowering plants. Is it due to radiation conditions or is it a factor of the cooler climate?

A third is the unpolluted extensive nature of our land use. Plant health is also aided by cool winters. We are free of many of the diseases that occur further north.

Fourth is the experience of people on the land who have long grown gardens for beauty and food. It is a major leisure pursuit. Admittedly there is a huge gap in attitude and practice between home gardening and growing for profit, but the basics are there.

Some plants now grown commercially in the south -

Root crops: Do better than anywhere in New Zealand. Why have we not cornered the market? Again, transport costs.

Flowering bulbs: Tulips, daffodils, lillies - transportable products, great future.

Dried flowers: Very popular.

Fresh flowers: Cymbidiums, gladioli, carnations - indoors.

Trials of garlic, french onion, chicory this year.

Seaweed (nori).

Some potential crops:

Plants for essential oils: eg roses, lavender, evening primrose.

Native foliage: eg Myrtus, kamahi, ferns, podocarps, flax and toetoe, pingao.

Organic food: This is a bandwagon we should all jump on, as it is exactly the right marketing concept for New Zealand. (We are already close to producing our meat organically).

Trees: For nuts, fruit, oils, timber, seeds, truffles, firewood, cork.

Other seed crops: eg grasses, grains (out of season multiplication for northern hemisphere).

Soft Fruit: We have blackcurrants, some raspberries and strawberries. Transport of whole fruit difficult.

Etc.

2. Animals

Again we have the climate to breed most temperate species, the experience in husbandry, and a comparative advantage in health.

- . The deer and goat industries are moving along well.
- . Llama and alpaca will soon be seen here.
- . We have new fish farming ventures - salmon, paua, scallops.
- . We have interest in rare breeds, eg the kunekune pig. Gene banks of the less common plants and animals may be very valuable in future.
- . The sheep, dairy and beef industries continue to evolve.
- . Racehorse breeding: Well established.
- . What about feathers for down? Muttonbirds and/or geese.

- . Export of live pukeko for parks and gardens overseas. (!)
- . Bees for breeding or for honey.

3. Manufactured Items

Arts and Crafts.

Woolcraft, leatherwork, embroidery, lace, patchwork, pottery, painting, woodwork, collage. All these have strong groups of practitioners.

We have a tremendous choice of quality raw materials especially wool, other fibres, and wood.

Other items. Good engineering skills and Kiwi ingenuity abound.

4. Services

Tourism

The western half of the region is established as a world-class tourist destination. One can hear six languages on a stroll down the main street of Te Anau. It is quite a contrast to the quiet empty roads of the rest of Southland. But an increasing proportion of visitors want to travel independently, to experience life on a New Zealand farm, and to meet New Zealanders. They are certainly made welcome off the beaten track but there is a need to provide more services for them so that the fact of their passing through will actually contribute money to the local economy, eg home hosting, providing youth training on-farm, guiding, fishing, tramping, camping, accommodation, meals, shopping spots, working holidays, specialist activities such as bird-watching, geology, skin-diving.

Some activities which bring, or could bring, more visitors here -

Walkways - coast, bush, mountains
 Wildlife - yellow-eyed penguins, seals, shags
 Fiordland, Curio Bay, Stewart Island.
 Retirement villages
 Conferences
 Sports - golf, mountaineering, team sports, cycling tours etc.

Sea - fishing, diving, sailing, windsurfing

Rivers - fishing, canoeing, boating

Other Services

Education

Energy - wind, sun, wave, biogas.

Advising/consultancy
Teaching rural skills
Book-keeping
Contracting on-farm
Green dollar system

The Problems of Diversifying the Farm Business

Marketability

A feasibility study must take a hard look at marketability:

- . Does a worthwhile market exist?
- . What is its size?
- . What are its precise requirements?
- . Who is supplying now?
- . If no supplier already exists, why not?
- . What advantage do you offer?
- . What marketing constraints exist?
 - eg legal requirements, establishment costs, trading restrictions.
- . What problems of distribution exist?
- . Do they include length of shelf life?
- . What is the cost of marketing?
 - markups
 - promotion
 - freight
 - licences
 - packing
 - organisation - co-operative? company?

Personal Input

There is the need for business acumen and salesmanship. Our people tend to undervalue their own labour.

There is a need for a regular commitment which may have to take priority over the farm, or at least be programmed into the calendar of operations.

There is an increased workload bringing in perhaps modest returns. Farming families are already very busy and extra labour can be hard to find (as well as hard to finance).

There must be a built-in review mechanism.

Money

Finance for new ventures has to come from existing equity.

According to Haines and Davies (Ref 22) there are enormous numbers of agencies in the United Kingdom which encourage rural enterprise and development. Central government is much more involved than it is here.

CHAPTER 7

A PATCHWORK OF AGENCIES

1. CO-OPERATIVES AND SEMI-PRIVATE GROUPS

SIMARC - South Island Marketing Co-operative

This is the trading arm of CERCA - Community Employment Resource Centre Association. Its aim is physically to market anything and everything. It is in early stages and present projects involve the domestic project.

Southland Employment Resource Centre

Locally funded with some help from Government. Opened in May 1989. Aims to provide information and contacts, and act as a catalyst to get people talking. Have a computer link to other CERCs and to Databases such as SATIS.

Director John Patterson, and David Simpson, who is the secretary to the Southland Chamber of Commerce, have just released a proposal for a Southland Enterprise and Development Organisation. This suggests a community based partnership involving SERC, existing business organisations, local authorities, government agencies, individuals and individual businesses. Their goals are to facilitate job creation; assist expansion of the existing base; provide business advice; provide an inexpensive start-up accounting service; provide training; develop shared workspace units; develop support networks; generate, support and implement community initiatives for economic development and growth.

Project Southland

This initiative was taken by the personnel of SEPS (Southland Electric Power Supply). It involves a group of local businesses who are active on a number of fronts; for example:

They ran a competition for a Southland flag. The object was as much to raise consciousness as to achieve a product.

They commissioned a planning report from Hovell Planning Services Limited, focusing mainly on local authorities approvals procedures as they affect the establishment of new industries. Among the more general recommendations is the preparation of a structured regional economic development strategy, with an extended database, an annual regional forum, and a

body, eg the new Regional Council, given the explicit task of following through the initiatives raised.

They are compiling a resource database. So far this has the headings:

- Government Departments
- Existing major industries
- Professional services
- Energy and Regional Resources
- Communications
- Capital
- Transport
- Social, recreational, cultural, general

Interestingly there is no mention of farms, farmers, farm servicing agents and contractors or any small business. This will no doubt be amended once decisions have been taken regarding the depth of information which will prove useful.

They are working on the idea of an 'embassy' or shop-front in Auckland. They see it as perhaps more of an exercise in teamwork than a plan to make huge profits.

They have made attempts to call businesses together to raise a source of local venture capital. So far it seems that too many conflicting interests arise.

Southland Promotions

This is into its fourth year, a venture combining resources from local government and business. It has mainly concerned itself with tourism and visitor promotion, having an information shop on the main thoroughfare, (which was probably long overdue). It has successfully promoted the idea of the 'Southern Scenic Route' and has played quite a part in identifying grants available for specific projects. It has assisted with the establishment and operation of local promotions groups of which there are now half-a-dozen throughout the province. It has the potential to widen its operations enormously and once the dust of local body amalgamation has settled, there may be a fresh look at Southland Promotions.

This year's projects include the development of a new sister city link with Kumagaya in Japan.

It is currently involved with the possibilities of local buyouts of strategic regional resources from the State.

Local Promotions Groups

Two of these have been particularly active, Gore and Waimea, in seeking out new crops for their region. They have a eucalyptus project in hand, have harvested a trial crop of lily bulbs, and have trials of several specialist vegetable crops underway.

One of their tangible results, disappointing but foreseeable, was that it was more practicable to undertake their plantings on a single plot with professional supervision than to contract out the job to any landowner who showed interest.

Gore ran a resource forum in June this year where groups brainstormed the resources and needs of the area.

Other groups such as Riverton, Tuatapere and Bluff have set up information centres, and such promotions as the Bluff Oyster Festival, Fiordland Promotions are active in publicising activities in and around the National Park.

Product Groups

There are a number of these, and it would be a good exercise to add an exhaustive list to the database mentioned above. Some examples:

Soil and Health Association: This is the organic growers' forum. The Southland Branch was formed this year and with the growing interest everywhere in organics it has plenty of scope to promote its ideas.

Home Hosting Groups: Local home hosters have got together to arrange their own publicity and contacts. One of the early problems with home hosting was the high cream-off by agents who organised bookings.

Craft Council of New Zealand: They have compiled a directory of craft retailers and galleries.

There have been some very recent developments in crafts marketing with the setting up of a subcommittee to study it.

SIMARC has played a part, as has the Polytechnic.

There is a very strong Spinners and Weavers group in Southland.

Southern Community Arts Council

Vegetable Growers Association

Cashmere Producers Association

Men of the Trees

Farm Forestry Association

Flower Growers Association

Land User Group - a plan to amalgamate Federated Farmers with other land users to form an umbrella organisation.

Other local initiatives include:

Tuatapere Work Development Trust

Green Dollar Barter System - Otautau

Combined Business Group

This is a coalition of Small Business Association, Export Institute, Manufacturers Association, Institute of Management and the Chamber of Commerce.

The aim is to provide more comprehensive assistance to business and would-be business, and to co-operate closely with SERC.

Individuals in Marketing

Some people who regularly travel to markets have been willing to take products with them, and to bring home new ideas. This networking is probably the most effective of all, although the most difficult to pinpoint.

2. GOVERNMENT AGENCIES

Regional Development Council

This is run from the same office as Southland Promotions. It can offer a grant up to 50% of the costs of a feasibility study for a venture new to the area.

Some recent examples include:

Invercargill hydroslide
Manufacture of Lamborghini look-alikes.
Export of deer embryos to Australia
Fresh water salmon farm
Pipfruit orchard at Gore
Bulb-growing in Eastern Southland

Department of Internal Affairs

They have schemes to help new business by way of start-up grants, but only where job creation is proven. An unemployed person can apply, but not a person who is working, unless he is going to employ someone immediately. They also run the SCOPE scheme (Small Co-operative Enterprises).

Ministry of Agriculture and Fisheries Consultancy

Technical advice from the Ministry of Agriculture and Fisheries, and the Department of Scientific and Industrial Research, and other government agencies is now expensive and therefore much less freely available, which is a pity because the costs of amassing that information are all in the past (we have all paid for them) and of course there is no value to information which is locked away and unused.

Business Education

Here we are really well off, having a responsive Polytechnic, and a lot of distance options including TCI, Institute of Management, and Massey University. Otago University has a Business Development Centre which has done a lot of work for Southland County Council in particular.

3. LOCAL GOVERNMENT

We now have a Southland Regional Council and three District Councils. Two are urban and peri-urban, (Invercargill and Gore) and the third covers the remaining townships and most of the land - 10% of New Zealand.

One of the latter's first objectives is to advertise the position of Rural Enterprise Adviser. This is a post jointly funded with Internal Affairs. It is seen as complementary to other agencies but with the specific role of encouraging and advising enterprise developments in rural areas.

CHAPTER 8

All the parties agree that a regional identity is desirable.

It is obvious then that local government must be involved at regional level.

Two main functions at regional level are:

1. Co-ordination of major activities. This does not require leading from the top - it is rather a networking, distributing and collating function.
2. Identification of Southland as an entity.

This should involve a Southland brand and the associated quality control system.

It is mainly a marketing function and as such should employ marketing minds.

Southland Promotions looks ideally placed to expand to a total regional marketer.

Others may not agree, and feel that a new body would start with a clean slate. This would naturally be something to be decided by all interested parties.

Promotion should be internal as well as external. Most people enjoy living in Southland, but it helps to give out some statistics from time to time, especially quotable ones. For instance we like to say that 3% of the country's population produce 20% of the country's exports. The superior yields of our crops as quoted in Chapter 2, along with their high quality, should be known among the general public. The fact that our weaner beef sales are often the highest priced in the country should at least make the farming page!

External promotion must focus on the clean, green and spacious image. This is the only, repeat only, marketing advantage we have. Potential big industries are a threat to that image. Our existing ones, essential as they are, are neither pleasant to work in, nor attractive to the eye.

Distance from Markets

The problem of distance being of such magnitude it should be tackled directly.

How?

The aim is to increase efficiency of transport so that it reaches a standard of cheapness, speed and reliability that enables us to compete.

We have all four modes of transport available to us - air, road, sea and rail. It is very much in our interest to have all maintained and improved. It is valid for regional interests to have input and influence on the governing bodies of each.

Central government needs to know that their off-take in diesel tax, road-user charges, licences etc is positively detrimental to our capacity to earn wealth for the nation.

The sealing of State Highway 92 should be addressed directly. The southern district through which it travels has got a huge unrealised potential for tourism, as well as an undervalued farming resource.

It is valid too for regional interests to speak up in the industrial relations field. In our technological and interdependent age, strikes are no longer a matter between employed and employer. There must come a day, in a small exporting country, when transport stoppages through strikes are unthinkable. The suggestion that Cook Strait becomes an official part of State Highway 1 is a step in the right direction.

The port of Bluff is one of our greatest assets and we must ensure its competitiveness in the new environment. Changes to the rules about wool transport aggregation, and port-works cartage for meat, could give new opportunities. The key is a workforce who realise where their interests lie, ie in being more productive than their colleagues at other ports!

The Case for More People

It has been said that New Zealand's main economic limiting factor has been lack of population. How much more then is it the case for rural Southland, which has one person per forty hectares (not including Fiordland)?

Arguments have flown to and fro in the press this year. They consider "How many?" and "Who?"

How many?

We can have fantastical thoughts of a million or more. Certainly the land is capable of sustaining that number comfortably, when compared to any other country. However it is a thought not pleasant to the mind of any Southlander. Most are here because they like the space. Most, though, regret the recent wave of depopulation. Community life has been compromised, schools are approaching closing levels, services have vanished. Should we have a policy of inviting a small amount of immigration? Instead of providing jobs could we provide a few acres or a workshop, a house and a small start-up grant? These would all be returnable if the immigrant moved on.

Who?

This idea might appeal to the many displaced Asians who at present have no home. If they have horticultural skills and a knowledge of export requirements they would be an asset to the area. Equally they might have engineering or other workshop skills.

People from the developed countries could also be encouraged here because of the growing uneasiness about the trends in those countries. Pollution, crime rates, crowds, and many other pressures are coming to the forefront of consciousness. People may have a certain idea of our climate, but as a recent speaker here said, it is heaven compared to New York, Hong Kong and many other crowded and popular cities!

What has actually happened so far has been a trickle south of people on benefits who can no longer make ends meet in Wellington or Auckland. Some locals have thrown up their hands in horror. It seems to me that our vaunted traditional community life should be able to absorb some variety, although I agree that on the surface a Hong Kong entrepreneur is a better bargain than an idle "no-hoper".

Anyway, perhaps the important thing about population, insofar as it affects people's attitudes, is not the rate of change but the direction, ie whether it is increasing or decreasing. If we can accept this maybe we can turn things round just a little and still be able to enjoy our space. (The region as a whole lost 2.2% of its population in the three years to March 1989).

The time might be right to call for a new wave of pioneers.

Like the old ones they should be:

- resourceful
- energetic
- self-motivated
- skilled
- able to see problems as opportunities

Wouldn't it be fun if Southland could have its own immigration policy!

CHAPTER 9

DISTRICT LEVEL

Southland District Council should be able to help new enterprise in several ways.

1. Again, the function of co-ordination is valuable. It could include the compiling of registers, perhaps one of existing small business; one of interest groups, especially those who produce for a market; and perhaps an Ideas and/or Talent Bank.
2. It is in a position to provide the infrastructure to enable people to get together. At present it provides finance and office support for various local promotions, organisations, and these are proving very successful as catalysts for action.

It could organise local training days on specific topics, such as getting started in a business. They should be programmed as much as an information exchange, as a day for learning.

3. It should also be able to provide a 'nuts and bolts' advisory function. Highest need here is access to the sales process. This means networking, contacts and a thorough appraisal of the problems. Channels to technical, accounting and legal advice, and help with negotiating would all be valuable.
4. The District Council should have a flexible approach to land use in their district scheme. It is only recently that surplus farmhouses have been able to be subdivided and sold. Apart from the overall criterion that pollution, (visual as well as chemical), should be avoided at all cost, it should be made as easy as possible for people to move out to the countryside.
5. It should be an advocate for its people when government policy affects them. The apparently unbridled power of the state owned monopolies which provide essential services must have some check put on it. It should also argue that small business is the best provider of jobs and should therefore be encouraged. At present all the influences from government are negative. They include the absurd extra costs of employing labour, because of the myriad of returns required for IRD. The high cost of ACC must be addressed, as should the draconian compulsory enforcement of provisional tax rules.
6. A timetable should be drawn up to call meetings at community and ward level, (where local promotions groups do not already exist) so that local people can discuss their own resources, strengths and weaknesses.

These could be followed by a teleconferencing linkup right across the District, using the 10 mobile units owned by the community.

Particular attention should be paid to the quality of facilitators for these meetings. There must be just one or two clear goals achieved, but at the same time there must be an atmosphere of free interchange.

One goal might be to collect the data required for a 'Resource Bank'.

Another might be to identify those people who have new ideas and to discover how they themselves see the difficulties.

A third might be how, collectively, the people of each local area could exploit its particular strengths.

7. District Council should pursue with Government the setting up of a Ministry (or a Commission) of Rural Affairs. Since MAF was corporatised there is no longer a voice within Government speaking on behalf of rural people. Our own Mary Walker from Gore is a strong lobbyist for a new ministry and has studied the Australian equivalent in depth.

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People

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FEEDBACK SHEET

Please remove this sheet and send your comments

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