

Franklin Plus 2010

A Development Strategy for a Rural-Based Economy



**The strategy's aim
is to achieve:**

*"an innovative, sustainable
and growth oriented rural
economy".*



Contents

	Page No.
1. Introduction	4
2. Strategic Aim	5
3. Indicative Spatial Plan	6
4. Background	
4.1 International Context	8
4.2 National Context	8
4.2.1 Exports	8
4.2.2 National Economic Objectives	10
4.3 Regional Context	11
4.3.1 Changes to Auckland Governance	11
4.3.2 Auckland Region Overview	14
4.3.3 Waikato Region Overview	16
4.3.4 Franklin’s Role in the Auckland and Waikato Regional Economies	17
5. District Profile	
5.1 District Vision and Mission	18
5.2 District Overview	19
5.2.1 Population	20
5.2.2 Employment	21
5.2.3 Economy	22
5.2.4 Business	24
6. Current Situation	
6.1 District Strategies and Plans	25
6.2 Role of Towns and Villages	30
6.3 The Franklin Rural-based Economy	33
6.3.1 Key Economic Activities	33
6.3.2 Economic Development and Maori	44
6.3.3 Spatial Distribution, Rural Clusters and Agglomerations	45
6.3.4 Rural Sector Issues	47
6.3.5 Urban and Regional Influences	52
6.4 Planning and Policy Documents	63
7. Strengthening the Economy	
7.1 Sustainability and Sustainable Development	64
7.2 Strengths	65
7.3 Weaknesses	66
7.4 Opportunities	66
7.5 Conclusions	68
7.6 Recommended Actions	69
7.7 Recommended Performance Indicators and Measures	79

Appendices 80

Appendix 1: Case Studies 80

Appendix 2: District Statistics 89

Appendix 3: Analysis of Public Policy and Regulation 93

Appendix 4: Distribution of Rural Activities in the Franklin District 99

Appendix 5: Distances to Urban Areas and Key Road Intersections 102

List of Figures

1. Indicative Spatial Plan
2. New Zealand's Top Export Markets
3. Regional Boundary within Franklin District to 31 October 2010
4. Split of Franklin District from 1 November 2010
5. Comparison of Waikato, North Island and South Island - Gross Regional Product
6. Franklin, Waikato and Auckland Share of Employment 2009
7. Franklin District Plan Zones by Percentage of Area
8. Franklin District Employment 2004-2009
9. % Range of Occupations for Areas Inherited by Hauraki, Auckland and Waikato Councils
10. Relative Gross Domestic Product (National, Regional and District)
11. Changes in Business Activities (Geographic Units) 2004 – 2009
12. Modified Employment Count – Percentage of Total MECs for Each Area in District – 2009
13. Council's Strategic Direction
14. Economic Activity Clusters
15. Community Facilities in the Franklin District
16. Value of Sales and Exports Franklin District 2006
17. Land in Dairy Production in Franklin District and New Zealand
18. Location of Karaka Equine Cluster
19. Location of Horticultural and Poultry Businesses
20. Trends in Dairy Herd Size
21. Proposed Freight Network

List of Tables

1. Largest exporters by industry sector in the Auckland region, 2006
2. Estimated Population Split between Hauraki, Auckland and Waikato Councils for New Areas Inherited
3. Employment Indicators for the Franklin District, 2006-2009
4. Rural Lots

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Note:

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1. Introduction

The Franklin District is primarily a rural district, comprising a substantial area of rural land, supported by the three main towns of Pukekohe, Waiuku and Tuakau, and a number of smaller urban villages and settlements. Its economy has a significant rural flavour. It is located immediately south of the Auckland urban area, New Zealand's largest domestic market. It is also located within the "golden triangle" of Auckland, Hamilton and Tauranga, which provides a high level of access to the national transport network, facilitating rapid links to regional and export markets and key infrastructure.

These factors provide a unique opportunity to grow the competitive advantages associated with the District's rural sectors including horticulture, agriculture, equine, tourism and manufacturing based around the presence of the New Zealand Steel Mill.

Council has formulated a strategy for this rural-based economy to build on the District's competitive advantages and location. The Development Strategy for a Rural-based Economy (strategy) advocates for "*an innovative, sustainable and growth oriented rural economy.*"

The strategy promotes rural economic sustainability for the whole District. It focuses on the rural economy and acknowledges the supporting economies of the existing settlements and urban areas. Additional work and processes are identified where they are necessary for further development.

The strategy is divided into two volumes. Volume 1 is a snapshot, outlining key recommendations and summarising the main findings. This volume (volume 2) gives more detailed information from consultation with key rural operators and Maori, the examination of existing research and an analysis of national and regional plans and policies impacting on the District. Objectives and actions for the advancement of the economy are recommended.

Council's role in the rural-based economy is not considered to be that of an economic development agency. It is a regulator, provider and persuader.

As a regulator, Council provides an environment for economic growth through its rules, plans and policies relating to building, land use and environmental sustainability. As a provider, Council invests in infrastructure and may also stimulate the economy by investing where there is a public benefit. As a persuader, Council can bring parties together with common interests to develop initiatives and can also advocate for projects and actions which enhance economic growth. Each of the actions recommended is linked to one of these three roles.

Due to the changes to Auckland governance, in November 2010, governance of the Franklin District will be split between the Auckland, Waikato and Hauraki Councils. The target audience for this strategy is these successor councils, including Franklin Local Board members, and other economic and social stakeholders such as Council-controlled Organisations (CCOs), developers, investors and businesses wishing to relocate to the area.

The report is available on Council's website, www.franklin.govt.nz, on CD or as a photocopied document from Council's office at 82 Manukau Road, Pukekohe, or by ringing 09 237 1300.

2. Strategic Aim

The strategy's aim is to achieve:

“an innovative, sustainable and growth oriented rural economy”.

This will build upon the already flourishing rural-based economy of Franklin, its competitive and locational advantages and environmental attributes.

The three areas of focus are:

- A regulatory environment that enables growth and innovation across the key rural sectors.
- Investment in infrastructure and initiatives that support and stimulate economic growth.
- To advocate for the provision of services and infrastructure that promote economic growth.

The strategy will:

- Provide key directions to the Auckland, Waikato and Hauraki Councils for promoting economic growth.
- Inform the Long Term Council Community Plans, Annual Plans, Strategic Planning and Policy documents of all the above three councils.
- Provide direction to District Plan development and reviews.
- Contribute to the Auckland Council Spatial Plan.

3. Indicative Spatial Plan

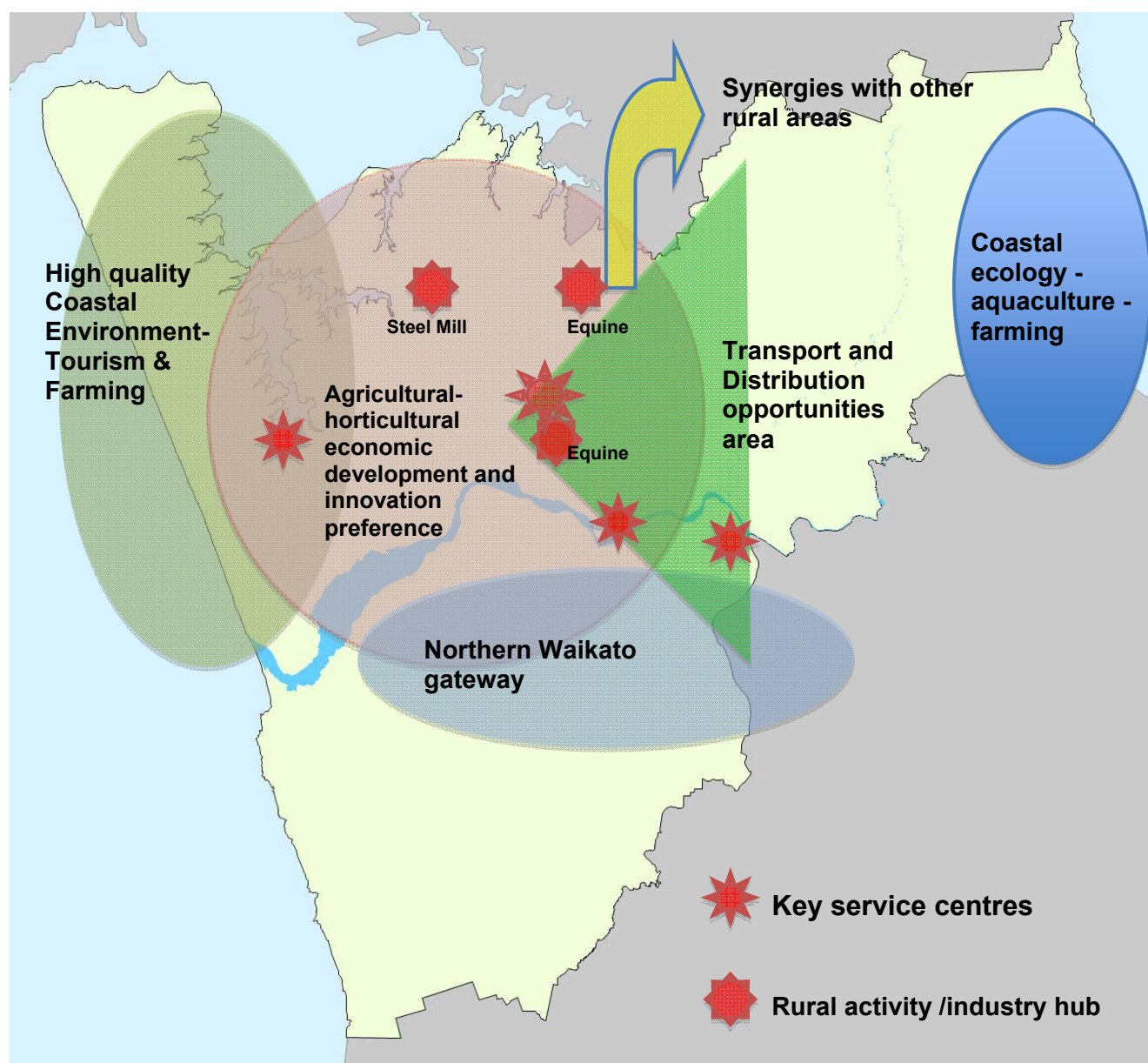


Figure 1: Franklin Plus 2010 – Indicative Spatial Plan

The importance of Franklin to the wider economy is discussed in the following sections of this report.

Franklin Plus 2010 directions should be incorporated into the Auckland Spatial Plan and key strategic documents for Waikato and Hauraki Councils, to highlight Franklin's role in the wider economy, giving impetus to economic growth. The following areas are indicated:

1. An Agricultural/horticultural Economic and Innovation Preference Zone to:

- promote innovation in horticulture, pastoral agriculture and tourism, through greater levels of added value.
- encourage further horticultural processing activities.

- promote hubs of activities, building upon success activities (including horticulture and equine) through the development of key clusters, complementary food technology and rural based science and technology industries and services.
- develop complementary activities associated with steel production other existing infrastructure
- provide for growth in small towns and villages for a range of rural industry employment complementary activities.

2. Transport and Distribution Opportunities to:

- promote opportunities arising from the District's position within the "golden triangle" encouraging transport and distribution industries to locate in the area.
- ensure investment is made in strategic freight routes.

3. High Quality Coastal Environment- Tourism and Farming to:

- Provide for tourism activities and other activities complementary to the high value landscapes, open spaces and heritage sites to promote visitor experience
- Build upon the close proximity to Auckland.

4. Northern Waikato Gateway to:

- Promote the role of Tuakau and Pokeno in providing service and growth centres to the northern Waikato.
- Identify a strategic location for a freight hub where road/rail intersect.
- Promote the importance of agriculture and farming in the northern Waikato.

5. Coastal Ecology, Aquaculture-Farming to:

- Promote the advantages of the east coast area through complimentary tourism and aquaculture activities while recognising the ecology and marine environment.

4. Background

4.1 International Context

Two issues are currently having a major impact on the global economy: the global food crisis and the worldwide economic recession.

Food consumption is now higher than production. Agricultural productivity growth has been only 1-2% per year, which is too low to meet population growth and increased demand. High prices are the ultimate sign that demand is greater than supply. Climate change, with hotter growing seasons and global droughts, combined with lower productivity, has decreased the world's food stockpiles and is likely to continue to do so. In 2007, these stockpiles fell to the second lowest point on record at 61 days of global consumption.¹

The recent global financial crisis has also seen many changes, including credit constraints for businesses, volatile exchange rates and pressure on household budgets. Economic activity seems likely to be relatively subdued for at least another twelve months before most regions will return to sustained economic growth. The global economy is now tentatively described as coming out of recession. Economic projections from the Federal Reserve and Reserve Bank Presidents include a return to typical growth levels (Gross Domestic Product or GDP) of 2-3% in 2010; an unemployment plateau in 2009 and 2010 at around 10%; and inflation that remains at typical levels of around 1 - 2%. However, the risk of another contraction in growth is still quite probable.

Franklin's rural economy is highly geared to horticultural and agricultural production, with a high percentage of this exported. It is strongly positioned to take advantage of both the improving global economic situation and the increasing global demand for food.

4.2 National Context

The New Zealand Institute of Economic Research (NZIER) predicts "the New Zealand economy is out of recession. We expect continued improvement, but the next few quarters will be bumpy as the economy slowly converts the rebound into recovery."² Consumer and business confidence has continued to improve over recent months and this points to further growth. NZIER estimate the economy contracted by -0.9% in the 2009 calendar year (consensus -1.6%) and expect a 2.6% recovery in 2010 (consensus 2%). Economic activity is not expected to return to its pre-recession level until late 2010/early 2011. The average prediction in NZIER forecasts is for the economy to grow by 2.7% in the year to March 2011.

In line with NZIER's prediction, New Zealand's gross domestic product (GDP) was up 0.8% in the December 2009 quarter, according to Statistics New Zealand. This rise follows an increase of 0.3% in the September 2009 quarter and is the third consecutive quarter of growth.

4.2.1 Exports

New Zealand is by necessity a trading nation, as it has "neither the scale nor scope to be anything else".³ New Zealand must export higher value or value added products and services to raise productivity (GDP) and, in turn, the standard of living of its population. It must offer something unique with a competitive advantage to the global market. There are opportunities for New Zealand to build on its traditional high export primary sectors of agriculture, horticulture, seafood, forestry and food.

¹ Bourne, Joel K Jr, National Geographic Magazine, June 2009.

² New Zealand Institute of Economic Research, *Quarterly Predictions*, December 2009

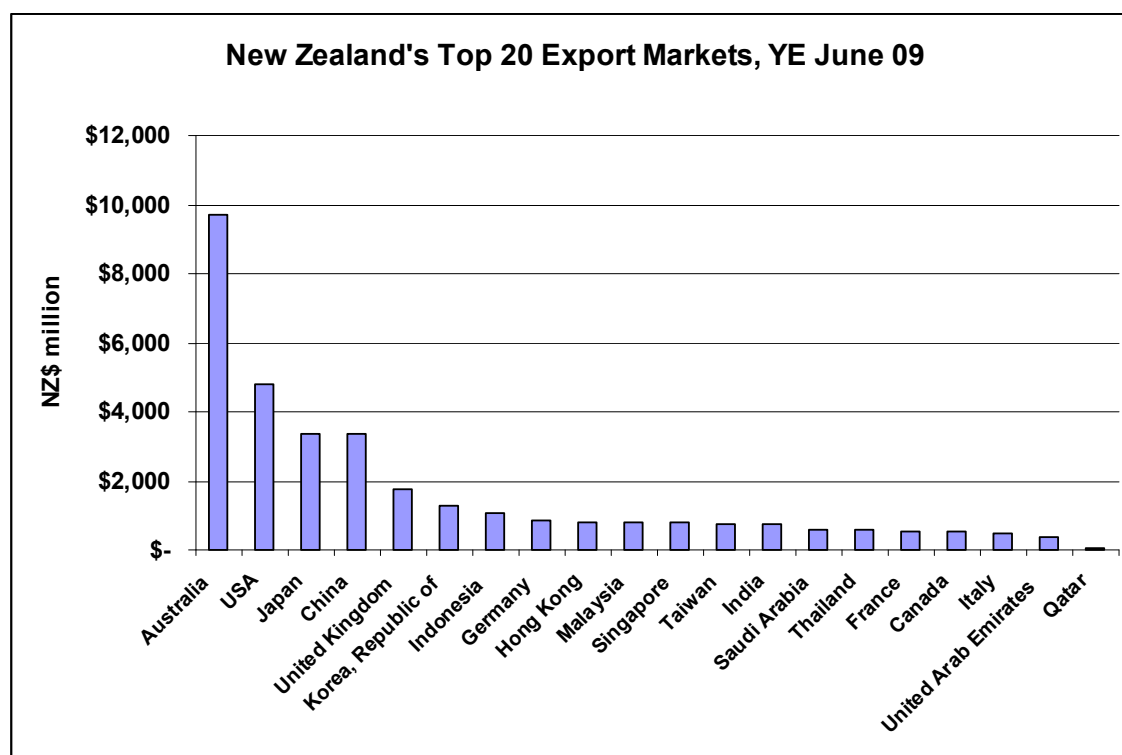
³ Wilson, David, Director, Institute of Public Policy, AUT University

Annual Export Performance

New Zealand's merchandise exports increased 7.5% for the year ended June 2009, and were valued at \$43 billion. The largest increase in export value was in meat, which increased 18.1% (\$885 million) for the year. Mineral fuels had the largest decrease, down 19.0 percent (\$505 million), with price being the major factor for the decrease.

Dairy products were New Zealand's largest export earner in the June 2009 year, accounting for 21.1% of total merchandise exports and valued at \$9.1 billion. Meat was the country's next largest export product, accounting for 12.8% of total exports. Mineral fuels (5%) and machinery (4.3%) were also key components of New Zealand's goods exported.⁴

In 2009, Australia continued to be New Zealand's principal export market, totalling \$9.7 billion, and contributing 22.6 percent of total exports. The United States and Japan were New Zealand's second and third-largest export markets, receiving \$4.8 billion and \$3.4 billion, respectively. China was New Zealand's fourth-largest export destination, with exports valued at \$3.4 billion – an increase of 60.7 percent (\$1.3 billion) from the year ended June 2008.



Source: Statistics New Zealand
 Figure 2: New Zealand's Top Export Markets

Despite the annual increases in exports, companies have been slow to take on opportunities in the global marketplace. The country's share of world trade has dropped from 0.28% in 1980 to 0.22% in 2004.⁵ One of the main reasons for this poor export performance has been an inability to 'move with the times'. Current exports look similar to 25 years ago, and remain dominated by commodity-based sectors, particularly agriculture. Emerging sectors, such as the wine, information technology and biotechnology industries do not yet comprise a significant share of the country's exports. Few improvements have been made to the value-added component of traditional exports. There is, arguably, also a need for better use of research and development

⁴ Statistics New Zealand

⁵ New Zealand institute of Economic Research, taken from various reports.

capital. It is clear that New Zealand businesses should be more active in international markets for New Zealanders to fully benefit from globalisation.

The current ratio of exports to GDP is around 30%, the lowest of all OECD economies with a population of 10 million or less. The government has set a target of increasing this to 40% by 2020.⁶

The Franklin rural economy is strongly export orientated with a significant volume of agricultural produce exported to the Asian, Australian markets and European markets in particular. The local economy also demonstrates an increasing trend towards added-value products (such as processed and packaged food). Building on this added value could provide a more comprehensive basis for competing in international markets. This is in line with the government's key economic objectives to "result in improved and enduring economic growth".⁷

4.2.2 National Economic Objectives

There are a number of national initiatives being undertaken to promote economic development. These include:

Growth and Innovation Framework

In 2002, the government launched its Growth and Innovation Framework (GIF), which provides a basis for improving New Zealand's economic performance. It focuses on the development of industry clusters, the use of information and communications technology (ICT) in business and developing a strong culture of innovation and enterprise.

Sustainable Development Programme of Action

The Sustainable Development Programme of Action (Programme) was released by the government in 2003. The Programme defines sustainable development as "*development which meets the needs of the present without compromising the ability of future generations to meet their own needs*". The GIF is a core element of the Programme, to ensure national sustainable development.

Broadband

The government has a \$300M plan for the roll out of broadband to rural areas, with a priority to get fast broadband to the 25% of people who live outside urban areas. Within six years, 93% of rural schools will get fibre connections and speeds of 100 megabytes a second, while the remainder will get services with speeds of 10 megabytes a second. The aim is to ensure 80% of rural homes get broadband at speeds of five megabytes a second, with the rest getting it at one megabyte a second.

New Zealand Transport Strategy (2002)

The New Zealand Transport Strategy (NZTS) aims to develop a transport system taking into account the principles of affordability, integration, safety, responsiveness and sustainability. It provides a framework for transport planning until 2010. The NZTS sets out specific objectives of economic development, safety and personal security, access and mobility, public health and environmental sustainability.

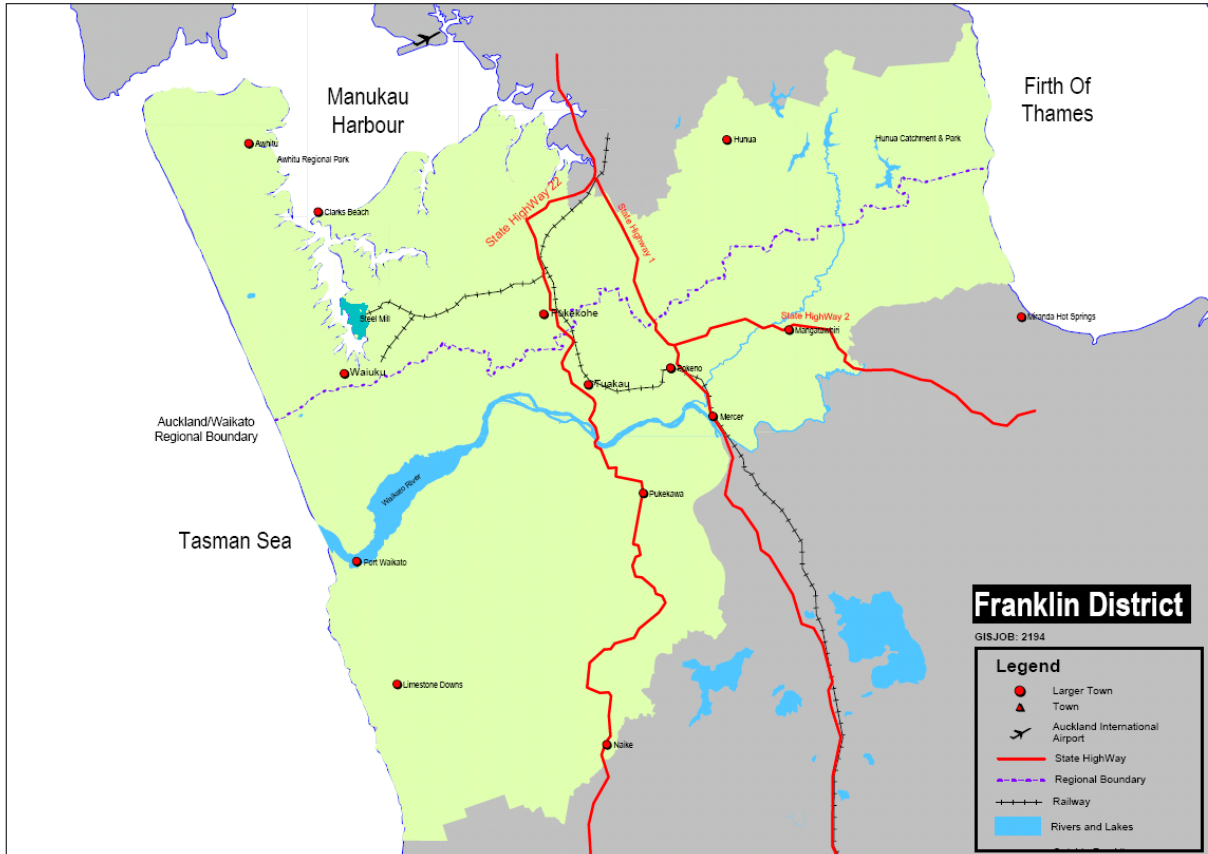
⁶ National Party Trade Bluesheet, 2008

⁷ Excerpt from Prime Minister John Key's speech to business breakfast hosted by Cullen Law, July 2009.

4.3 Regional Context

4.3.1 Changes to Auckland Governance (Single Planning Framework)

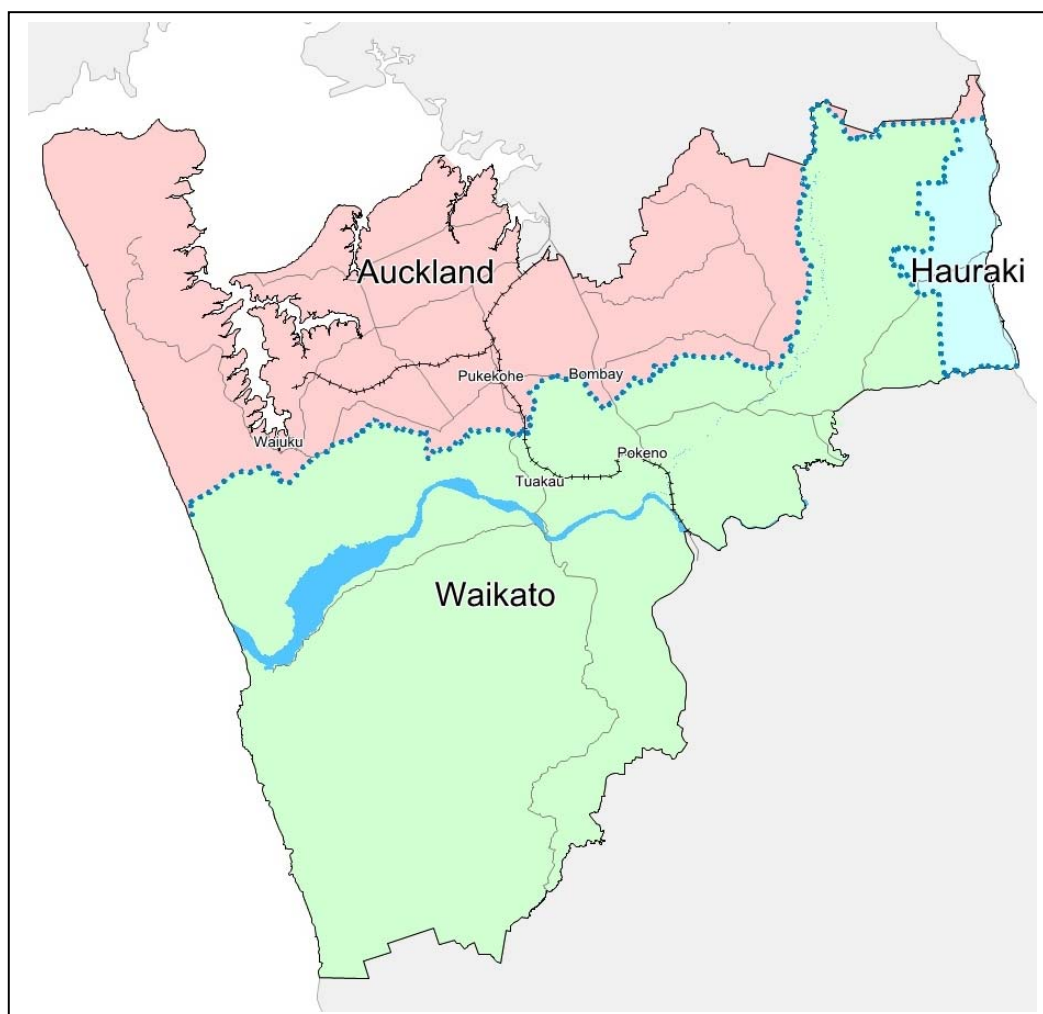
The Franklin District currently falls under two regional councils, the Auckland Regional Council and Environment Waikato. The existing regional boundary that bisects the District is shown below:



Source: Franklin District Council

Figure 3: Regional Boundary within the Franklin District to 31 October 2010

The recent decision on Auckland governance splits the Franklin District into three. From 1 November 2010, the top portion of the current Franklin District will be under the new Auckland Council and the bottom portion will be mainly under Waikato District Council. A small part of the District (including Kaiarau to the East) will be transferred to the Hauraki District Council (see map below).



Source: Franklin District Council
Figure 4: Split of Franklin District from 1 November 2010

Regional planning documents for the Auckland and Waikato regions that will have an influence on the District in the future may include:

- Spatial Plan
- Regional Planning Strategy
- Social Plan
- Economic Development Plan
- District Plan.

It is important that future stakeholders, in developing these documents, provide an environment which enables Franklin's rural economy to continue to flourish and contribute to the well-being of the community, the region, and ultimately the nation.

Clevedon's Economy

Clevedon will become a key service centre in the Wairoa subdivision area, shortly to become part of the new Franklin Ward of the Auckland Council.

Clevedon is predominantly a rural area of Manukau City. It includes a number of inland and coastal settlements such as Whitford, Beachlands, Maraetai, Clevedon, Kawakawa Bay and

Orere Point. It is primarily a lifestyle focussed area, with unspoilt countryside whilst still being close to city amenities. There is some rural industry based around traditional farming, viticulture and aquaculture. The equine industry is also very strong in Clevedon, particularly the specific disciplines of polo, dressage and eventing. It has a thriving and popular farmers' market, which is an important focus for the community and magnet for visitors. Clevedon's economy is seen as being driven by Manukau City, with lifestyle being the main driver. Clevedon is the main service town for lifestyle rural activities, whilst others in the area are seaside settlements or small rural villages.

There are various initiatives and plans that set out the community's aspirations and vision.

The Clevedon Community Board has adopted a Community Advocacy Plan for 2008-2011, which sets out the vision, aims and objectives of the Community Board and gives community priorities through planning exercises and surveys. The advocacy plan is due to be updated during 2010.

The Towards 2060 project, undertaken by Manukau City Council, included community workshops as a platform for sustainable development and future advocacy. As part of the project, workshops were undertaken with the Clevedon community, giving them an opportunity to start a discussion on their long-term future and determine what that desired state might be. The Towards 2060 workshop output can be used by the Community Board to set the longer-term vision which can be addressed by the Community Plan.

Manukau City Council will also shortly release a draft Sustainable Development Plan for Clevedon. During community consultation for the Plan, the boutique farms and industries in Clevedon, together with the equestrian sector, were identified for growth and development. Current constraints identified included flooding and infrastructure limitations, including wastewater disposal. The community wants to plan for and manage sustainable growth, and much of this will be focussed on development around the Wairoa River, which winds through Clevedon. Additional walkways, cafes etc, will further enhance Clevedon's role as a rural destination, attracting visitors and tourists from Auckland and further afield.

There are similarities between the current Clevedon and Franklin communities. Lifestyle is a driver of both economies, together with natural landscape and heritage features that are also attractive to visitors and tourists. The eco tourism opportunities utilizing the natural environment contained in the Regional Parks, the Hunua Ranges and the coast are again shared by the Clevedon and Franklin communities. Both communities also have thriving country markets, with Clevedon's being a major focus of the community and a magnet for visitors.

Common issues that both communities face include freight transport, and the ability to get goods to market on time. There are also infrastructure issues in both areas, with water supply, stormwater and wastewater being issues for both communities. Clevedon has particular flooding issues, and stormwater and wastewater projects, in particular, have been identified as priorities for the Clevedon community. According to the Clevedon Community Advocacy Plan, stormwater projects should be "inclusive of sound, affordable green engineering principles, avoiding erosion, pollution and sedimentation of waterways".⁸

Future synergies after amalgamation under the Franklin Ward include visitor and tourism trails (perhaps incorporating the farmers' markets in both areas), opportunities to combine knowledge and/or products from the food and beverage sector (potentially opening up export opportunities for Clevedon's food sector), and working together on joint projects, such as the management of Ardmore Airport (to be included in the Ward after amalgamation) as a potential industry "hub."

⁸ Clevedon Community Advocacy Plan, 2008-2011

Waikato District

The 2006 census population of the Waikato District was 43,959, with nearly 17,000 dwellings. Nearly a quarter of the population (10,665) are Maori. The bulk of the urban population is located within the three main townships of Huntly, Ngaruawahia and Raglan, with the remainder, (approximately 50%), spread across small settlements, rural and countryside living and large holdings.⁹

Pastoral farming is the largest single land use in the District, with rural zoned land accounting for approximately 281,849ha (or 88 percent) of all land in the District. The dairy industry (this includes both farming and processing) is the most economically significant industry in the district, while forestry and dry stock also feature strongly. This is reflected by the high proportion of people working in agriculture, electricity, forestry, fishing and mining, which accounts for approximately 22 percent of workforce in the District

Waikato District Council will inherit approximately 14,500 residents and incorporate the towns of Tuakau, Pokeno, and Mercer as part of the Auckland Governance changes. The Waikato District will expand geographically to incorporate 100,000 hectares of land, and 6,800 properties currently in the Franklin District.

Waikato District Council's District Growth Strategy has common themes with Franklin District Council's strategic aims, particularly:

- Revitalising towns and villages
- Protection of rural and productive land
- Transport planning and integration as a key consideration
- Growth in motorsport activities.

The key issues that will influence population and economic growth in the District include:

- Increasing growth pressures from outside the District, notably rising costs in Auckland, Tauranga and Hamilton.
- Continuing improvements to transport corridors, notably the Waikato Expressway (SH1), rail purchase and airport upgrade.
- The economic (manufacturing, research, technology and logistics) influence of the Golden Triangle (Auckland, Hamilton, Tauranga).
- The strength of the key national assets in the south-north corridor.

4.3.2 Auckland Region Overview

Domestic Market

The current Auckland region has New Zealand's largest population (1.3 million in the 2006 census) and economic base, and is the country's major commercial hub, education centre and gateway to the world. Auckland's Gross Regional Product (GRP) for 2006 was estimated at \$54.9 billion, accounting for 35.4% of the country's total GDP.¹⁰ This makes it an important domestic market for the Franklin District, as well as a major export exit point.

Exports

The primary driver of economic growth in the region in the last 10-15 years has been population growth. However, Auckland population and labour force projects to 2031 predict population

⁹ Waikato District Growth Strategy 2009

¹⁰ Economic Futures for the Auckland Region, ARC, December 2008

growth at a slower pace than that of the past 15 years, with a more ethnically diverse and ageing population. The labour market will grow at a lower rate than the population growth rate, and be more ethnically diverse.

To Compensate, Auckland needs to become an ‘internationally competitive, inclusive and dynamic economy’ in the next 25 years.¹¹

\$M	Export \$M	Gross Output \$M
Air transport, services to transport and storage	1,175	4,519
Machinery and equipment manufacturing	919	1,905
Other food manufacturing	659	2,319
Wholesale trade	595	11,708
Dairy produce and manufacturing	583	1,319
Textile and apparel manufacturing	432	854
Basic metal manufacturing	426	1,036
Accommodation, restaurants and bars	402	1,577
Business services	369	11,707
Transport equipment manufacturing	322	1,354
Rubber, plastic and other chemical manufacturing	317	1,774

Note: export includes exports overseas and to regions outside Auckland

Source: Auckland Region Economic Futures Model

Table 1: Largest exporters by industry sector in the Auckland region, 2006

It is predicted that the sectors driving Auckland’s economy in the future will be niche, high-tech and value-added activities. They will include information and communications technology (ICT), specialised manufacturing (including advanced materials and marine), food and beverage manufacturing, digital content, creative, aquaculture and health technologies (including biotechnology). These high-growth potential sectors are complemented by a strong commercial and financial sector. However, most of the sectors service the domestic economy and none are leading export sectors. Building on and adding to New Zealand’s comparative advantages and helping to build specialised and export focused industries within Auckland are key challenges for the region.

Franklin’s rural economy provides the opportunity for such value added products across a range of sectors, including agriculture, horticulture and steel manufacturing, as part of the future drive to grow the economies of Auckland and Waikato.

Economic Update

The New Zealand economy is cautiously described as coming out of recession. Regional indicators show that this growth is coming from the Auckland region. Seasonally adjusted quarterly GDP shows stronger growth in Auckland than for the country as a whole.¹² The seasonally adjusted quarterly percentage change for Auckland (1.1%) was greater than for the rest of the country. However, the effects of the recession in the economy, such as growing unemployment, continue to take effect.

¹¹ Economic Futures for the Auckland Region, ARC, December 2008

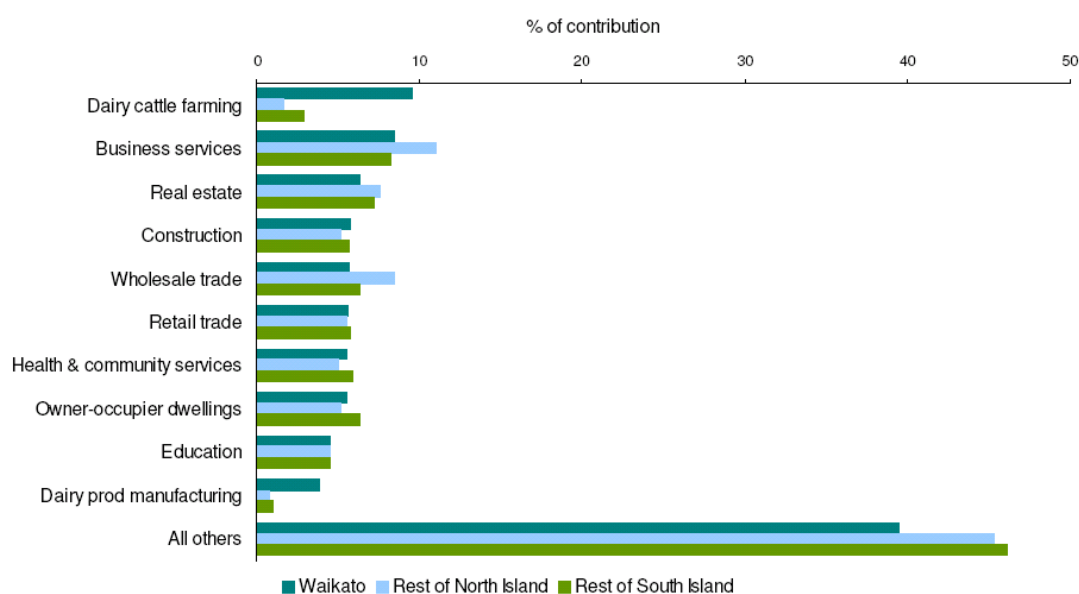
¹² www.knowledgeauckland.org.nz, Economic and Labour Market Update, October 2009 – GDP, in this instance, refers to Gross Regional Product

4.3.3 Waikato Region - Overview

The current population of the Waikato region is 395,000 residents. Waikato is currently the fourth largest regional economy in New Zealand and contributed 9.1% of national GDP and 10% of New Zealand’s exports in the year ended March 2007. It is estimated that Gross Regional Product (GRP) for the year ending 31 March 2007 was \$15,606 million. This represents a 25% increase on 2004 when GRP was estimated at \$12,493 million.¹³

The largest sectors in the Waikato in 2007 were dairy cattle farming (\$1.4bn), business services (\$1.2bn) and real estate (\$931M). Dairy farming, combined with dairy manufacturing, make up 13 per cent of value added to the Waikato economy.

Figure 5 shows the relative contribution of the top 10 sectors compared with the rest of the North Island, and the South Island. Dairy cattle farming has the highest contribution at 9.6% of Waikato GRP, significantly more than in other regions of New Zealand.



Source: 2009 Waikato Economic Futures Model

Figure 5: Comparison of Waikato, North Island and South Island - GRP

Since 2004, the relative contributions of some sectors have changed significantly. The sectors which grew the fastest were real estate (89%), dairy product manufacturing (80%) and business services (48%).

Total exports from the Waikato region were valued at \$3.7bn in 2007, 10% of the national total. Over a third of exports were from the dairy manufacturing sector, 26% from other manufacturing and 18% from other food and beverages.

Between 2004 and 2007 there was a small decline in real terms in dairy cattle farming. The reasons for this decline include higher prices of fertiliser, labour, and feed supplements, coupled with high interest rates and land prices. The dairy manufacturing sector did, however, experience an 80% increase in value-added. In other words, more was obtained from less. Over this period there was significant growth in high-value dairy product exports to emerging markets such as Asia and the Middle East.

¹³ Yvonne Phillips (Matthews), Waikato Economic Report, December 2009.

Future Proof

A sub regional growth strategy has also been prepared through a partnership of Waikato District Council, Hamilton City Council, Waipa District Council, Environment Waikato and New Zealand Transport Agency. This strategy is known as Future Proof.

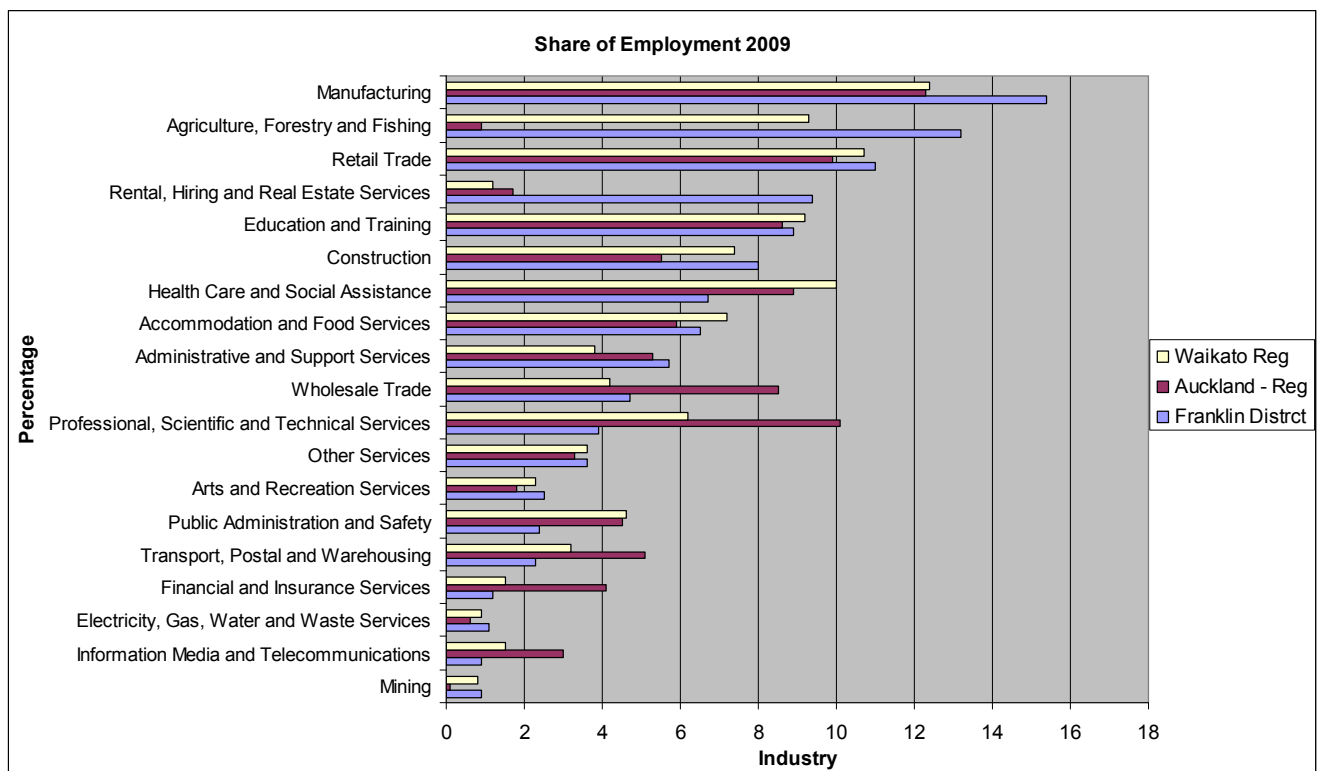
Looking ahead to 2061, Future Proof predicts a significant increase in the Waikato District’s population (from around 44,000 today to 87,000 in 2061). Combined with a trend of reducing household size, the expectation is that the District will need to more than double its supply of housing over the next 50 years.

The social, financial and resource implications of such a scale of growth pose a challenge. Future Proof establishes principles that will guide investment and development decisions across the region. In terms of determining a future pattern of growth within the District, these include:

- Protecting high quality farmland for productive purposes,
- Planning for alternatives to reliance on cars,
- Planning for efficient transport systems,
- Optimising use of existing infrastructure and planning for growth impacts,
- Protecting infrastructure and transport corridors,
- Providing housing choice and access to recreation, health and education services,
- Maintaining town and neighbourhood centres to support local communities,
- Providing a reliable supply of serviced industrial land.

4.3.4 Franklin’s Role in the Auckland and Waikato Regional Economies

Figure 6 highlights Franklin’s economic activity by employment in key rural sectors compared to the current Auckland and Waikato regions.



Source: Statistics New Zealand

Figure 6: Franklin, Waikato and Auckland Share of Employment 2009

Franklin's economy is dominated by the agriculture, forestry and fishing sector (agriculture, forestry and fishing is a Statistics New Zealand category ANZSIC06 and includes horticulture). The District also shows an overall greater proportion of manufacturing than the two regions. The latter is produced by the presence of New Zealand Steel. The District is less comprehensive in the service sectors, including professional and technical services, with the exception of real estate and education and training. It is similar to the Auckland and Waikato regions in the proportion contributed by retail sectors.

The above comparison highlights Franklin's important role as a major producer of agricultural and horticultural products in the Auckland regional economy. Auckland's proximity also means the District has lower levels of employment in the service sector, as these needs are partly met by the Auckland, and to a lesser extent, the Hamilton urban areas.

5. District Profile

5.1 District Vision and Mission

The District's vision statement is:

"A country lifestyle in harmony with our environment".

The District's mission statement is:

"A diverse people living within defined, planned and serviced country towns and villages surrounded by countryside offering great living, working and recreational options, connected to cities by well developed transport links".

Underlying the vision and mission statements are seven community outcomes relating to different aspects of the social, economic and physical environments:

- *An economically strong community*
- *A District that is easy to get around*
- *A safe, healthy and active community*
- *A culturally and socially vibrant and inclusive community*
- *A place of special character and healthy, natural environment*
- *Well managed growth for quality living environments*
- *An educated and enabled community.*

The importance of a countryside environment comes through strongly in these statements and outcomes, with a clear distinction between the settlements and the surrounding countryside. These statements have been used to set the guiding principles for this and other Council strategies.

Enterprise Franklin Development Trust

The Enterprise Franklin Development Trust (EFDT) operates in partnership with Council to foster, influence and initiate economic development in Franklin. EFDT are champions and custodians of the Economic Growth and Innovation Framework (Framework) (see section 4.1 for further details). The Framework influences and guides the District's economic focus in both the short and long term. The methods for achieving economic growth in the Framework are to:

- **Retain existing wealth** – retain the spending of local businesses, residents and workers.
- **Create new wealth** – grow businesses providing goods and services to business and people outside the District.

- **Capture wealth from elsewhere** – attract people with money earned outside the District to spend time and money in the District.

These are used as guiding principles by both EFDT and Council to foster and facilitate growth in the District.

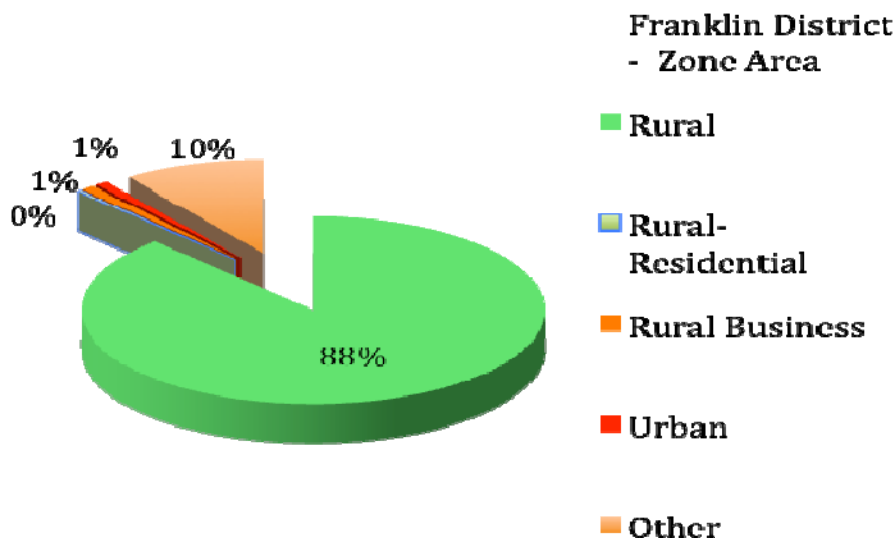
5.2 District Overview

The Franklin District comprises 2,190 square kilometres. The District has three major towns (Pukekohe, Waiuku and Tuakau), the largest of which is Pukekohe, with a current population of around 25,000.

The District has retained its distinctive, natural character, especially on the Awhitu Peninsula and in its remote coastal areas. Franklin has long been recognized by both Maori and Pakeha as an area with uniquely good (mainly volcanic) soils and climate for food production. The Franklin economy is distinguished by the extent and nature of rural-based activities.

Presently, dairy farming and cropping are the dominant land uses in the central, western and northern parts of the District, with sheep and beef farming found in the south and east. Forestry is also scattered throughout the District, particularly on land unsuitable for agriculture. Mining occurs with a number of mineral extraction activities throughout the District, and iron sand extraction at the Waikato Heads.

The land within the District is extensively rural with 88% (186,000 hectares) of its area zoned for rural activities. In addition, approx 2,064 hectares (1% of land outside the urban towns and villages) is zoned for specific business activities and rural residential.¹⁴



Source: Franklin District Council GIS Database
Figure 7: Franklin District Plan Zones by Percentage of Area

¹⁴ This is based on the zoning as contained in the Franklin Operative District Plan (2000). Plan Change 14 (Decision Document 2006) which alters the rural zoning (introducing a Coastal zone and Rural zone and Countryside Living) is subject to appeals, and issues have yet to be resolved. However, the zoning proposed in this Plan Change is little different in its extent from the operative plan.

5.2.1 Population

The 2006 census recorded the population of Franklin as 58,932, a 14.1% increase on the 2001 census. This is the third largest population growth in the Auckland region, only Rodney (17.6%) and Manukau (16.2%) experienced stronger growth. In addition, Franklin had the largest population growth of all territorial authorities in the Waikato region.

Projections from Council's District Growth Strategy, adopted in 2007, predict that the District's population will increase to approximately 108,000 by 2051, an 83% increase. Recent revisions, based on Statistic New Zealand projects and estimates, suggest that this may be closer to 117,000 or 98%.

Franklin has a youthful population, with approximately 31% of the population under 20 years, compared with the national figure of 29%. Franklin also has a youthful Maori population, with 39% of the total Maori population of 8,500 being under 14 years old. Its Māori population ranks 24th in size out of the 73 districts in New Zealand.

Council recognizes its youthful population in its Social Wellbeing Policy, adopted in 2009. It contains specific actions, to strengthen relationships and provide a voice for the District's youth. This youthful population is important to the District's economy in providing a skilled workforce, both now and in the future.

Franklin currently has a higher median personal income than the adult population nationally (\$27,800 compared with \$24,400 nationally). The District also has a lower level of socio-economic deprivation than the national level. However, there are pockets of deprivation, particularly in Pukekohe North and Tuakau, which both have low decile ratings.

From 1 November 2010, the population in the District will be split as follows:

	Hauraki	Auckland	Waikato
Population (based on 2006 Census)	561	43,596	14,655

Source: Statistics New Zealand

Table 2: Estimated Population Split between Hauraki, Auckland and Waikato Councils for New Areas Inherited

The urban/rural split of population for the three new areas is:

Auckland: 50% urban
 Waikato: 22% urban
 Hauraki*: 50% urban

* Note: in the area under Hauraki District Council, most of the people within the meshblocks live in residential areas hugging the coastline.

5.2.2 Employment

The unemployment rate in the Franklin District is 3.8% for people aged 15 years and over, compared with 5.1% for all of New Zealand. The recession has resulted in a recent increase in unemployment within the District (refer Appendix 2).

Employment has generally continued to grow, (apart from the recent downturn due to the recession), with a proportionate increase in earnings. It is important to "retain existing wealth" generated in the District, one of the key principles from the Economic Growth and Innovation Framework.

Employment Indicators for the Franklin District	Mar 06	Mar 07	Mar 08	Mar 09
Total filled jobs	16,160	16,950	17,570	17,160
Total quarterly earnings \$	153,828,900	166,070,100	184,527,800	181,054,500

Source Statistics New Zealand

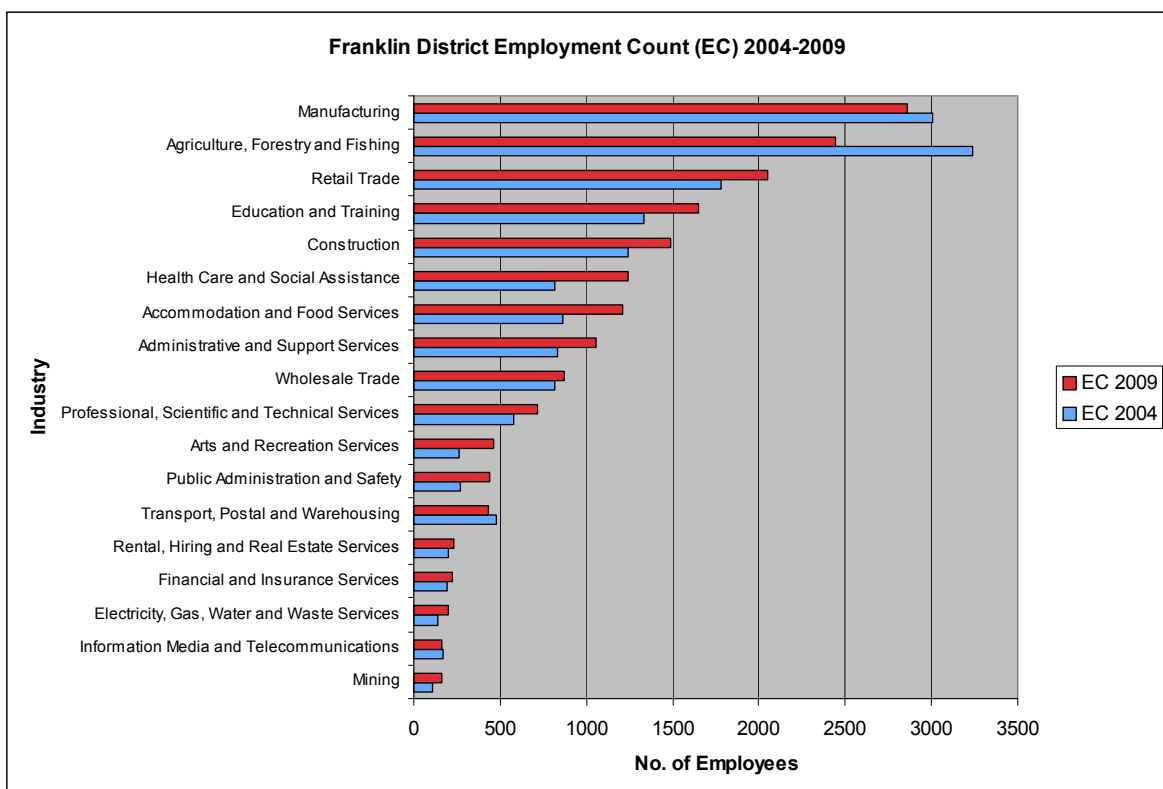
Table 3: Employment Indicators for the Franklin District, 2006-2009

Franklin has employment levels considerably below self-sufficiency, indicating leakage of demand outside the District. From 2006 Census data, Franklin has 18,399 jobs available and 29,745 people employed, so the District has the capacity to employ 62% of the employed workforce. This means 38% had no choice but to travel outside the District.

3,237 of these 18,399 jobs available are held by people who live outside Franklin. This means the net percentage of employed Franklin residents who work in Franklin is 51%. Taking into account population projections, to maintain the current level of residents employed in the District, an additional 7,500 jobs must be created by 2021. This performance measure is contained in the Long Term Council Community Plan 2009-2019.

Employment Sectors

Manufacturing (which includes New Zealand Steel) and agriculture, forestry and fishing (which includes horticulture) dominate the District’s employment. In 2009, manufacturing accounted for 3,010 jobs (15.4%), replacing agriculture, forestry and fishing as the single largest employment sector. Just under half of these employees were employed at the Glenbrook Steel Mill. Agriculture, forestry and fishing accounted for 2,830 jobs (13.1%).



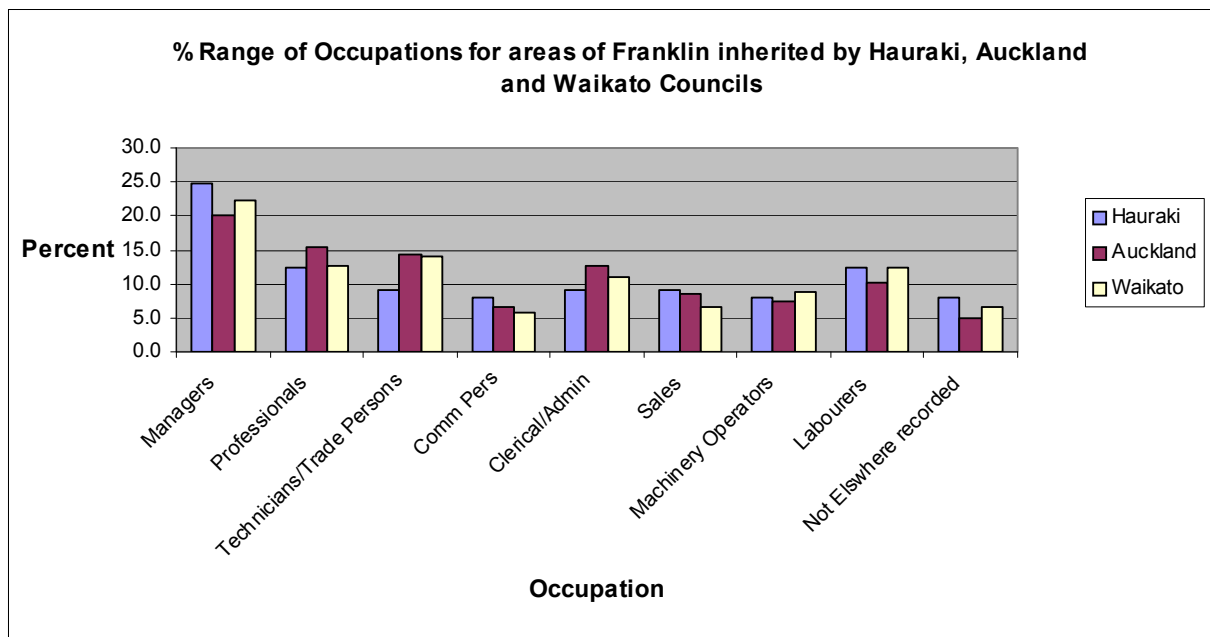
Source: Statistics New Zealand

Figure 8: Franklin District Employment 2004-2009

Figure 8 highlights the relative importance of the key sectors in terms of the District, and the changes that have occurred between 2004 and 2009. Refer Appendix 2 for other employment data.

Overall, a reduction in employment levels from 2004 to 2009 has occurred in the key rural sectors of agriculture, forestry and fishing (declining 25%) and manufacturing, including New Zealand Steel (declining 5%). This compares to the retail trade, which has grown 15% in that period, reflecting in part the growth in average income and capital values. Growth has also occurred in a range of service sector areas.

The range of occupations split between the three new parts of the District from 1 November 2010 will be as follows:



Source: Statistics New Zealand¹⁵

Figure 9: % Range of Occupations for Areas Inherited by Hauraki, Auckland and Waikato Councils

The most common occupational group in the District is 'Managers', with 24.7% living in the area to be inherited by Hauraki District Council. 'Professionals' is the second most common occupational group in the District, and the most common group in New Zealand.

5.2.3 Economy

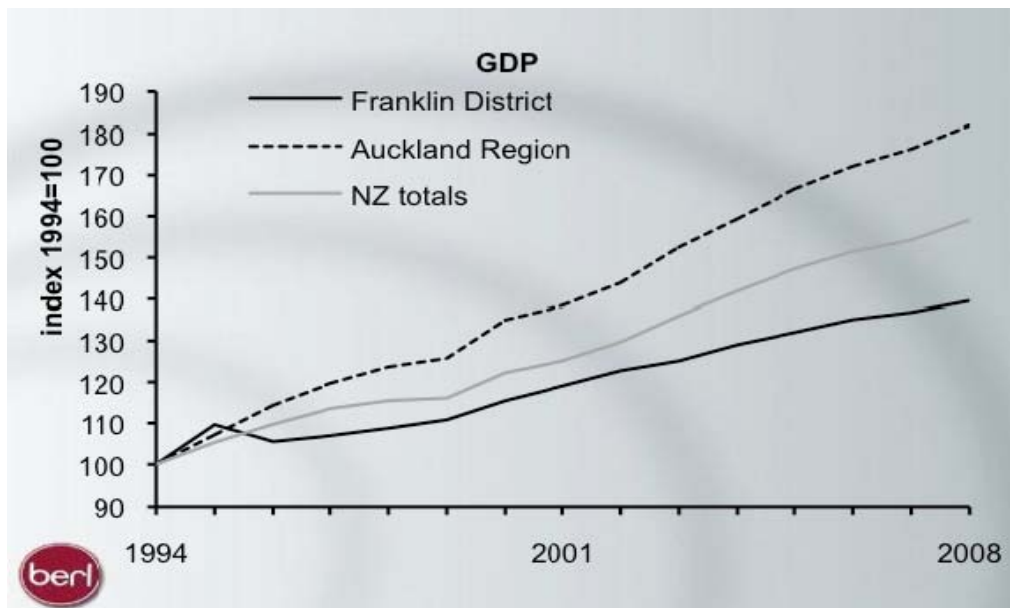
The Franklin District economy reflects its rural nature with the prominence of primary industries and processing. It is driven by a strong agricultural sector, by manufacturing (the New Zealand Steel Mill at Glenbrook), by adding value to farm produce, and by 'population driven' building, construction and retailing. The economy is traditionally weaker in the service sector. However, since 2004, there has been an increase in this sector, including education and retail expansion.

¹⁵ All information is collated from Census 2006 mesh block data. Where mesh blocks straddle the proposed boundaries between Hauraki, Auckland, and Waikato, the mesh block data is assigned to the district containing the largest portion of the meshblock area. Where the number of people in any given category (eg age 1-4) is small enough that confidentiality is threatened, then Statistics New Zealand do not publish the data. This means that while, for example, the "Age Breakdown" gives a good approximation of the area measured, it is not 100% accurate. On the Occupation graph "Comm Pers" stands for Community and Personal Service Workers.

Signs of the economic recession have been felt within the District over the 2008/09 year. The building, construction and property sector has seen a downturn with new building consent numbers continuing to drop. Some retail stores and smaller service businesses have been forced to close down. The horticultural sector has also faced difficulties, due to market shifts and the increased cost of inputs such as fuel and fertilizer.

Dairy farmers have suffered drought conditions in the District for the last three consecutive years and were also predicting a downturn, but this was not as severe as expected to an improvement in their payout.¹⁶ This trend appears to be continuing in 2010, and recent outlooks (May 2010) in terms of Fonterra milk sold price predictions suggest improvement over the intermediate period.

The GDP of the District in 2008 was approximately \$1.7b. This is 2.6% of the Auckland region's GDP and 1% of the National GDP¹⁷. Between 1993 and 2008, the District GDP has declined relative to the region and nationally (see Figure 10).



Source: BERL Economics – (supplied by Enterprise Franklin Development Trust)
 Figure 10: Relative Gross Domestic Product (National, Regional and District)

Against this relative decline, the value added per employee for Franklin (total value created by the businesses and workers) was \$95,779 in 2007, 11.5% higher than the New Zealand average. This, together with the District's proximity to Auckland and its important rural supply role, is a better indication of the true value of Franklin to the national economy, making the District more important to New Zealand than the 1% GDP suggests¹⁸.

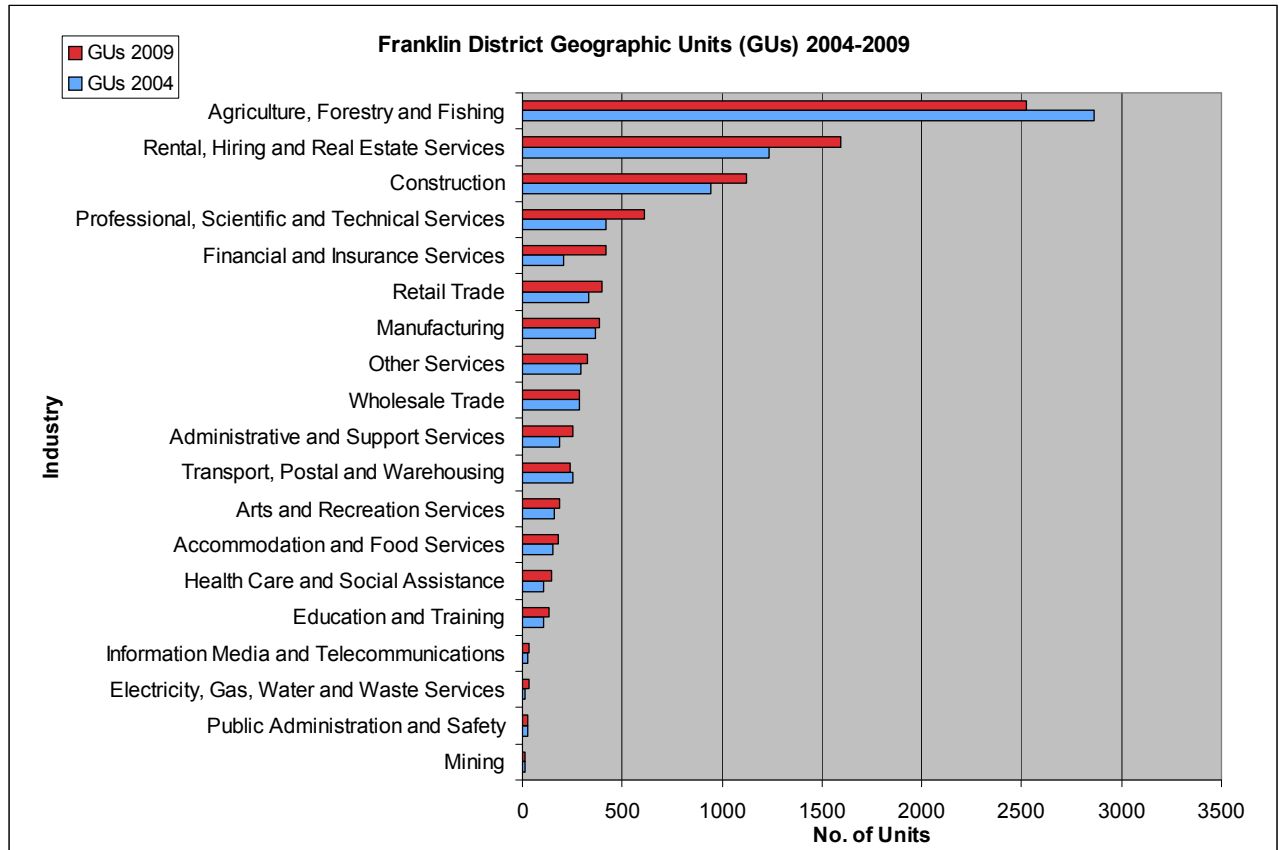
¹⁶ Enterprise Franklin Development Trust, Annual Report to Franklin District Council, November 2009

¹⁷ Berl (supplied by Enterprise Franklin Development Trust, 2010).

¹⁸ Hughes, Warren Dr, Department of Economics, University of Waikato, Economic Profile Franklin District 2007.

5.2.4 Business

In 2009, there were approximately 8,901 businesses (Geographic Units, GUs) in the District. This is an increase of 13% since 2004. Figure 11 highlights changes in businesses (GUs) in the key sectors from 2004 to 2009.

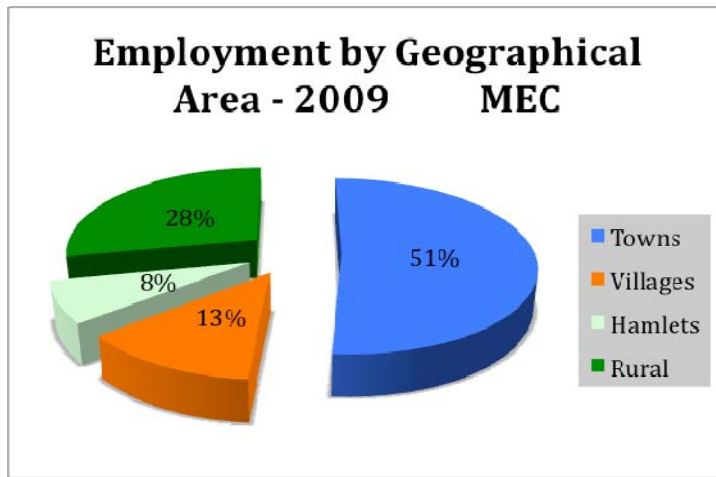


Source: Statistics New Zealand

Figure 11: Changes in Business Activities (Geographic Units) 2004 - 2009

The most dominant sector in terms of total business numbers is agriculture, forestry and fishing (including horticulture), accounting for 28.3% of the District's businesses, although reductions in numbers for this sector have occurred, with a 12% decline from 2004 to 2009. This may, in part, be due to farms merging (purchasing additional blocks or businesses) in the rural area. Mining has also declined 21% in the same period. However, rural based activities in the District are still important in terms of economic activity.

The urban areas provide the greatest level of employment in the District. Over 51% of people employed in Franklin work in the main towns (Pukekohe, Tuakau and Waiuku) and 21% in villages and hamlets (small village such as Pukekawa or Kaihua). The rural area accounts for 28% of employment (refer Figure 12).



Source: Market Economics Limited via Statistics New Zealand¹⁹

Figure 12: Modified Employment Count – Percentage of Total MECs for Each Area - 2009

6. Current Situation

6.1 District Strategies and Plans

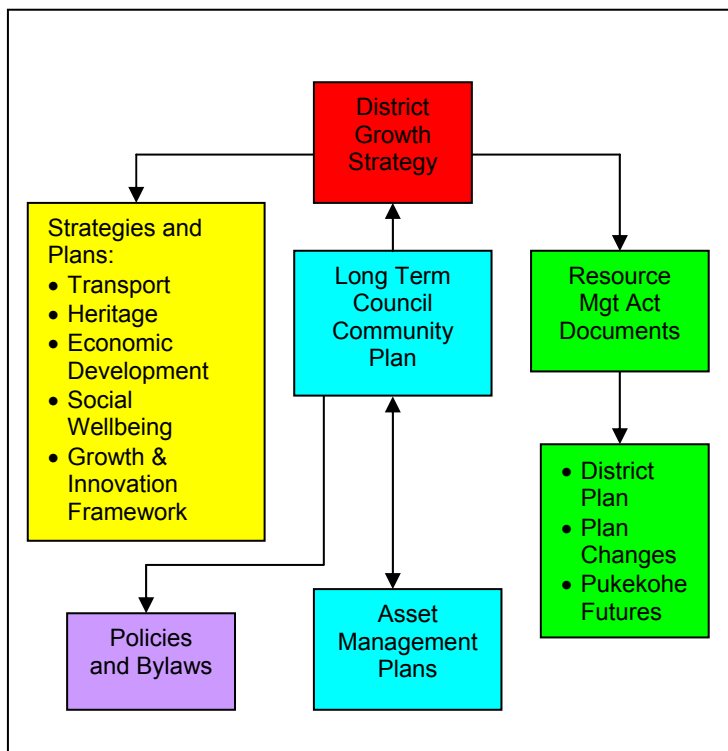


Figure 13: Council's Strategic Direction

¹⁹ The SNZ LEED system provides counts of the numbers of working proprietors in each sector of the economy, and some detail on the numbers of working proprietors who are not also employees. That data suggests that working proprietors who are not employees account for around 15% of total employment. This LEED data has been utilised by Market Economics Limited to develop another measure of employment, the Modified Employment Count (MEC). This includes both the Employee Count and the estimated working proprietors, to provide a more comprehensive measure of total employment, for each sector and location.

There are several Council documents and plans that are linked to or influence the District's rural economy. Those with significant influence are examined in brief in the following section.

Franklin Long Term Council Community Plan

Council adopted its Long Term Council Community Plan 2009-2019 (LTCCP) in June 2009. It sets out Council's strategic direction for the next ten years. The section entitled 'Growing the Franklin Economy' sets out plans for economic development in the District.

According to the LTCCP, the economic development activity initiated by Council (and EFDT) undertakes to stimulate investment, provide business advice and also provide economic monitoring. This includes attracting business to the District, supporting business associations, advocating for business infrastructure and providing visitor information services and support for events.

Over the next ten years, the Pukekohe and Waiuku town centres will continue to be redeveloped and the redevelopment of Tuakau town centre will commence in 2013. On transition, Tuakau will host the northern service centre for the enlarged Waikato District. These towns provide significant services that underpin rural productivity and are an important component of the District identity

Franklin District Growth Strategy

According to Council's District Growth Strategy (DGS), adopted in 2007, one of the main concerns in the District is the increasing fragmentation of land and loss of rural character. The creation of rural lifestyle has the potential to inefficiently use good quality, productive land, and can also damage the rural character that attracts rural lifestyle in the first place. There are also reverse sensitivity that impact on existing rural activities, increased car movements, demands for wider roads and negative effects on the landscape.

The DGS recommends that the majority of future growth is accommodated through infill and redevelopment in existing urban areas, particularly in the three main towns of Pukekohe, Waiuku and Tuakau, and also in the growth nodes of Pokeno and Kingseat. In addition, the DGS provides for greenfield development in selected places and rural living in defined locations in order to meet some lifestyle aspirations where this would not conflict with maintaining and growing the rural and service economies.

Pukekohe Futures Report

The report provides a number of Pukekohe-specific recommendations for the ongoing implementation of the DGS. These are in line with the principle of consolidating population growth in existing towns and villages, protecting the rural area. Recommendations include methods of achieving density and growth targets, the intensification of residential housing in areas where this would not affect rural character and "small town" identity, the provision of business land, further investment in parks and transport infrastructure and the development of growth-oriented catchment management plans.

Franklin District Plan and Plan Changes

The operative Franklin District Plan (District Plan) is the principal Resource Management Document that directs use, development and subdivision with Franklin and defines the Resource Management obligations for the District. It therefore has a considerable effect upon economic activity.

The overriding direction of the District Plan is to manage growth (in particular residential) through an emphasis on greater level residential activity within existing urban towns and villages, and restrict residential subdivision (countryside living) in the wider rural areas. Key strategic directions include protecting the versatile soils of the District to ensure the accessibility of their life-supporting capacity and providing flexibility in urban settlements.

This approach is achieved largely by restricting subdivision in the rural areas and providing a flexible business zone with the specification of thresholds rather than by activity. The District Plan also provides direction in regard to Maori, conservation, hazards, heritage, community needs, transportation, reverse sensitivity and rural character and amenity.

The District Plan also provides for a range of residential, rural-residential, business, rural and other zones that reflect the mix of social and economic needs.

In the business areas of the urban centres, the business zone permits a wide range of business activities including industrial, manufacturing, retail and processing. Future changes to the District Plan will be designed to be more targeted in setting development thresholds and avoiding conflicts between activities. In the rural areas, agriculture, horticulture and forestry are permitted activities. Various rural support services can be established through resource consents. The extraction of minerals is provided for either as a specific zone or within the rural areas as discretionary activities.

Specific zones are provided for prominent rural business including New Zealand Steel, iron sand extraction and various milling operations.

Growth of existing towns (Pukekohe, Waiuku, and Tuakau) is managed through structure plan requirements.

Plan Change 14, notified in 2003, reviewed the rural area and small settlement provisions. The provisions are subject to appeal. Plan Change 14 gives a greater level of direction in regard to managing subdivision in the rural areas and provides for growth around specified villages. Mediation on various issues is presently being undertaken.

Plan Changes have also been introduced to provide additional business land around the centres of Waiuku (Plan Change 23) and Tuakau (Plan Change 22). Plan Change 24 introduces a Structure Plan to provide for an enlarged village or small town centre at Pokeno. This provides for a comprehensive range of zoning including business, retail and residential. The presence of the nearby proposed mineral extraction quarry is recognised and provided for. Some of these plan changes are still subject to appeal, but all are expected to be operative by mid 2011.

Franklin Economic Growth and Innovation Framework

The Economic Growth and Innovation Framework (Framework) sets the foundations for the District's future economic and employment growth. The Framework identifies four high growth sectors in the District. These are:

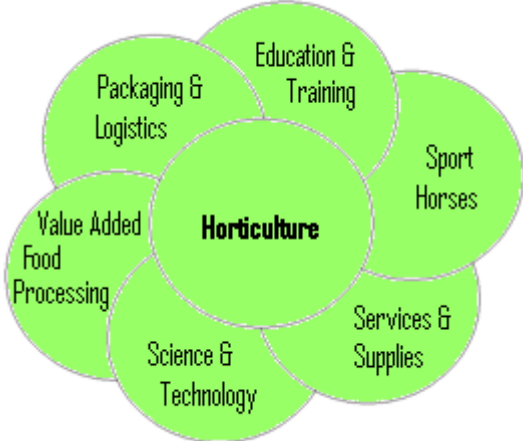
- Horticulture
- Construction
- Steel production
- Visitor experiences

Clustered around these 'driver sectors' are 'complimentary activity sectors' to be developed and grown to support the key sectors. These synergistically link with each other in the cluster as follows:

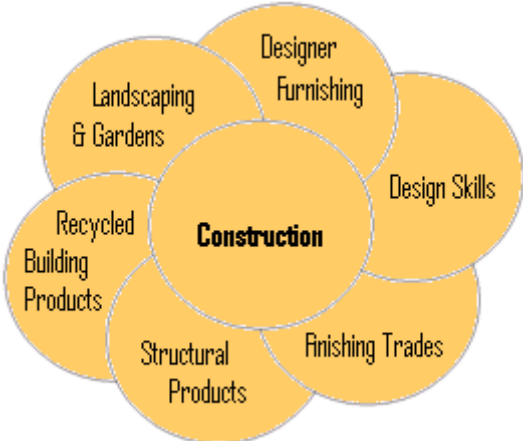
'Quality of Life'



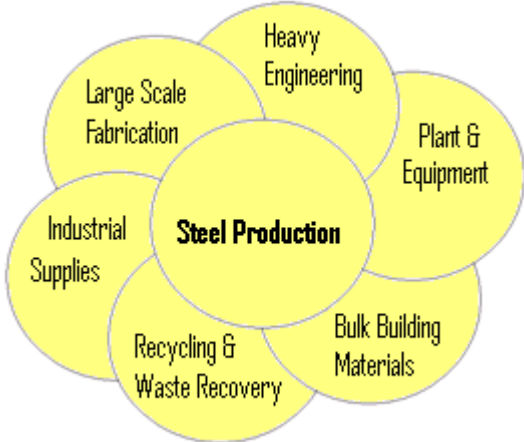
'Rural Innovations'



'Construction Innovation'



'Innovations in Steel'



Source: Economic Growth and Innovation Framework
Figure 14: Economic Activity Clusters

There are strong links between the complementary activities in each of these four sets of activity clusters. These also create strong, mutually reinforcing links between all four of the clusters. As one activity sector grows in one cluster, this can stimulate and support the growth and development of another activity sector in another cluster. In this way, stronger and more integrated economic and employment growth will be stimulated in the District.

The principles arising from this Framework are used as guiding principles by Council and EFDT to foster and facilitate growth in the District.

Franklin Integrated Transport Strategy

Transport is an activity that affects everyone who lives, works and plays in Franklin. The Integrated Transport Strategy expounds the guiding principles and objectives which inform and guide the long term (30 years) development of safe and easy transport in the District. More specific and immediate actions over the next 3-9 years are given in six action plans which complement the Strategy. These action plans cover safe networks for walking, cycling, passenger transport (promoting the development of public transport to support towns and rural areas), freight movement and private vehicles, whilst encouraging sensible parking facilities and positive attitudes to alternative travel options.

The Transport Strategy will be successful if it:

- Supports a strong local economy
- Enables well managed growth to occur
- Provides all groups of residents with real choices for access and mobility
- Assists in providing for a safe, healthy and active community
- Makes best use of finances and existing facilities
- Encourages environmental sustainability.

Franklin Freight Action Plan

The Freight Action Plan (Plan) is one of the six action plans underpinning the Integrated Transport Strategy. The Plan aims to strike a balance between the economic benefits of freight movements and the environmental and social costs of freight activities. The plan identifies how Council intends to facilitate freight movement to support the growth and development of Franklin as signalled by the District Growth Strategy (DGS) and the Auckland and Waikato regional growth plans.

This Plan:

- Recognises that freight movement is one element of the land use/transport equation, and needs to be developed to serve Franklin, regional and national growth.
- Recognises that road freight will be the principal means of freight transport in the foreseeable future, and it needs to integrate with local rail, and regional air and sea freight.
- Identifies an efficient road freight network as a basis for capital and maintenance infrastructure investment.

The Plan confirms and reinforces the existing direction and the way in which roads are currently used for freight movement in the District, and aims to better integrate freight movement with land use goals and road maintenance activities.

Broadband

Connect Franklin aims to help drive economic development throughout Franklin by facilitating the provision of broadband services via a fibre optic network where possible, or the next best option

where it is not. The group comprises Counties Power, Council, Enterprise Franklin Development Trust and other IT specialists.

The benefits to Franklin's rural sector of improved rural broadband could be significant. In particular, high-speed broadband has the potential to increase innovation and productivity on the farm, and in farm-related industries. Information and communication technology (ICT) applications, combined with access to broadband, are likely to become essential tools for maintaining competitive advantages in farming to assist with pasture and stock management, weather monitoring, biosecurity and traceability requirements.

Access to advanced broadband services would also benefit the wider rural economy. In the tourism industry, for example, many businesses have taken advantage of the internet to allow customers in other countries to research and book directly accommodation providers. Rural broadband should facilitate the rapid development of these types of tourism services (for example bed and breakfasts, farm stays, eco-tourism and adventure tourism), generating significant benefits for rural communities.

Broadband could also provide rural communities with significant social, educational and health benefits. The availability of broadband in remote rural areas could help with distance learning, e-government and e-health services, remote working from home and entertainment.

Part of Connect Franklin's role is to educate the rural community on the benefits that broadband can bring.

6.2 Role of Towns and Villages

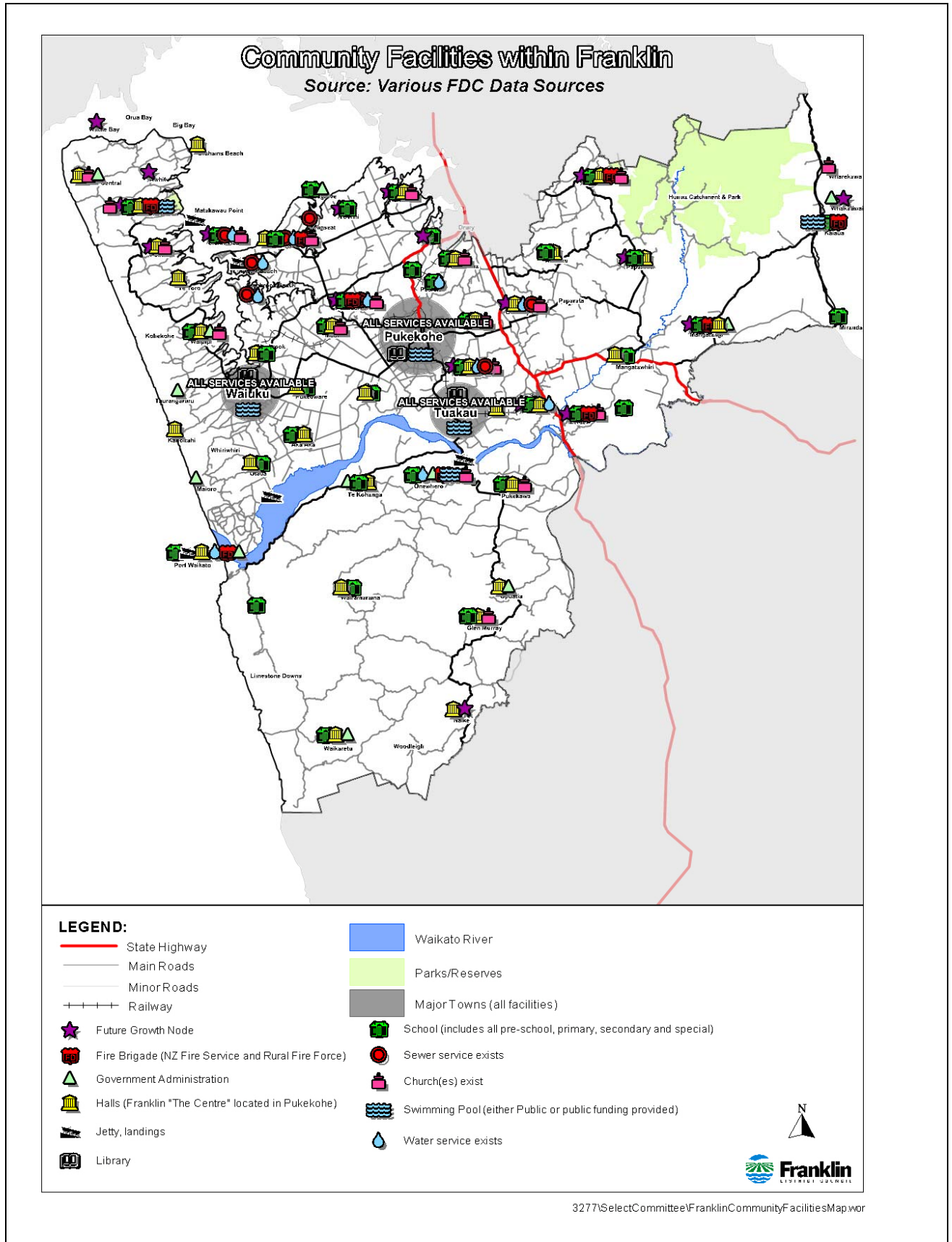
Franklin's towns and villages provide significant services that underpin rural productivity and are an important component of the District identity. The main services provided are:

- a source of employees
- transport connections (rail road)
- warehousing and packaging
- manufacturing and repairs
- financial, legal, accounting, etc
- business supplies
- domestic supplies
- social services (health, library, schools, and other similar public services)
- recreational facilities.

The towns and villages developed as service centres for the rural area. In some cases, these settlements include particular rural service features such as the A and P showgrounds in Pukekohe and the saleyards in Pukekohe and Tuakau.

Pukekohe is the main service centre for the District, with an estimated population at June 2009 (based on the 2006 census) of 25,000. In population estimates undertaken by Statistics New Zealand, Pukekohe has been the fastest-growing main/secondary urban area, in the country, for the last eight years (from the June 2002 year onwards).

Waiuku is the second-largest service centre, (estimated population at June 2009 of 8,590) followed by Tuakau (estimated population 4,440). The remainder of the villages provide a service role to varying degrees. Centres such as Clevedon and Hunua also provide a similar role in the Wairoa subdivision area, shortly to become part of the new Franklin Ward of the Auckland Council.



Source: Franklin District Council GIS Database
 Figure 15: Community Facilities in the Franklin District

Towns and villages are also a source of employees for rural businesses. This workforce, and the businesses that employ them, require services provided by towns and villages. These services include:

- Horticultural/agricultural supplies (fencing, water tanks, processing equipment etc).
- Seed/soil nutrient specialists – providing expert advice to farmers and horticulturalists, also suppliers of seeds, fertilizer etc.
- Machinery servicing – tractors, specialist packhouse machinery, other farm equipment and processing equipment which is too big or heavy to transport far to be serviced or has to be serviced/repaired on-site.
- Banking/groceries/fuel for those working in the rural sector.
- Social and recreational services provided by schools, medical centres, libraries, local stores, halls and clubrooms

Pukekohe has the largest catchment for services, attracting people from all over the District, and to a more limited extent from outside, to purchase products, use social and health services, for recreation and socialising. It also acts as a public transport hub for buses and rail. The catchments of the smaller towns of Waiuku and Tuakau are based on a smaller range of services, less specialisation and a smaller employment catchment than that of Pukekohe. Waiuku; for example, services some of the needs of the Awhitu Peninsula, Aka Aka and Glenbrook, whereas Tuakau services the areas south of the Waikato River.

Clevedon performs a similar role in the eastern Manukau area and in future it will act as the core of the northern part of the Franklin Ward.

The larger towns provide a base for businesses manufacturing and processing rural products adding value to raw materials before they are exported to Auckland and further afield. In addition to the provision of business land in Pukekohe, a number of zoning initiatives for new industrial zones in Tuakau, Waiuku and Pokeno (Plan Changes 22, 23, and 24) provide a basis for encouraging new rural suppliers/service industries and possible distribution/processing hubs. Rural support services can also be established in the rural areas. Plan Change 14 provides the basis for extending the existing opportunities for providing such services.

Villages may host smaller rural product businesses with a theme of locally grown 'slow' food, or organic products. Food destinations, while they may not have a large turnover individually, tend to create a greater awareness of the rural area for urban people and they have the added potential to attract people out from larger centres to recreate, invest and purchase a wider range of goods. Examples of such a marketing 'event' are the Pokeno and Clevedon country markets.

Economies such as Pukekohe's and Tuakau's, which have traditionally relied on rural people visiting and buying services, show this rural dependence and history in their physical layout and heritage. The stockyards in Pukekohe and Tuakau, which are close to each town centre, still function as sale yards. Tuakau's economy, in particular, is heavily influenced by the sale yards, with weekly sales that draw rural people to town to buy and sell livestock, then conduct other business and collect supplies. Many also travel on to Pukekohe to access other shops and services. It is anticipated that the sale yards in both towns will increasingly become tourist attractions, because of their rarity near urban centres.

The Pukekohe A & P showground and stockyards has been in existence for over a 100 years and form part of the character and identity of place. Many local heritage buildings and sites are of a rural and small town appearance or significance. These venues and sites provide a basis for promoting the concept of "country meets town". There is also a cluster effect produced by the tendency for a range of businesses to have easier access to each other and to complement each

other. Together they provide a desirable combination of services for visitors from the 'rural heartland'.

The towns and villages provide an important function, both as business centres in their own right, and as hosts to businesses, that provide a support function to the rural operations. The inter-relationships are complex, nevertheless, maintenance and expansion of options for businesses and such support services are important to maintain and grow the District's economy.

6.3 The Franklin Rural-based Economy

The rural economy is primarily economic activity occurring in the area outside urban areas on land zoned rural, rural-residential and land zoned for special business operations. Approximately 186,000 hectares (88% of the District's total land area) is zoned rural.

6.3.1 Key Economic Activities

The key or emerging economic activities, that presently shape the rural-based economy (ECs and GUs) include:

- horticulture (vegetable, fruit and nut cropping and covered cropping)
- sheep, beef cattle farming
- dairy cattle farming
- poultry farming.
- equine
- mineral extraction and mining
- manufacturing – New Zealand Steel (Glenbrook)
- tourism
- motorsport
- smaller sectors
- services to agriculture.

In addition, while not yet significant, there is evidence of a growing tourism sector based around the rural environment.

The structure and nature of these economic activities (excluding services to agriculture) are discussed in the following paragraphs.

Horticulture

Horticulture has been established in the District for over 80 years, based upon a combination of factors. These include the presence of versatile (often volcanic) soils, availability of water, suitable land and proximity to the Auckland market. A large proportion of New Zealand's vegetables are produced in the District, with a tradition of field crops, such as onions and potatoes.

An analysis²⁰ undertaken on behalf of Council estimated sales from horticulture to be approximately \$172M for the 2006 year. Exports were estimated at \$151M for the same period (87.8% of total sales).

Horticulture in the District comprises a number of activities, principally:

- field cropping of vegetables (outdoor)

²⁰ Franklin D.C. Regional economic model December 2006 and Employment Count as at Feb 2006 - 112 Sector Analysis completed November 2007

- hot/green house vegetable growing (indoors)
- packing operations (accumulation of crop from cropping areas, washing, sorting, packing and distribution)
- specialised fruit and nut cropping

as well as a range of small scale specialised crops, such as olives and figs.

The horticulture business units vary considerably in size. There are a number of single family operations incorporating a large number of landholdings, cropping farms and distribution businesses at a national scale and centralised packing operations.

The horticulture sector (nursery and floriculture production, mushroom and vegetable growing, fruit and nut growing and other crop growing) accounts for 52.2% (1,278 ECs and 536 GUs) of the agriculture, forestry and fishing sector employment.

In relatively recent times, extensive larger scale indoor cropping operations have been established in close proximity to State Highway 1. One operation comprises two hot houses covering approx 11ha and 8ha respectively, with the total national enterprise employing upwards of 70 people and a gross turnover in excess of \$80M.

In line with the changing market, adding value is also reflected in the wider horticulture sector. There is a move to more specialised products and a higher degree of packaging and presentation (as well as marketing promotion) on the principal site of the operation. This is in part driven by domestic supermarket operation stipulations and an increasing demand for fresh, but well-presented and easy to use products.

The sector has, within the last five years, seen the establishment of new specialised crops, such as olives and figs. A complex array of products and production (cosmetics, food as well as oils and dressings) occur on site in association with the crops, for both domestic and export markets. In one instance, cropping is combined with a restaurant and olive tourist experience on the site. There is greater reliance on adding value at source before moving products into the market place (see case study in Appendix 1).

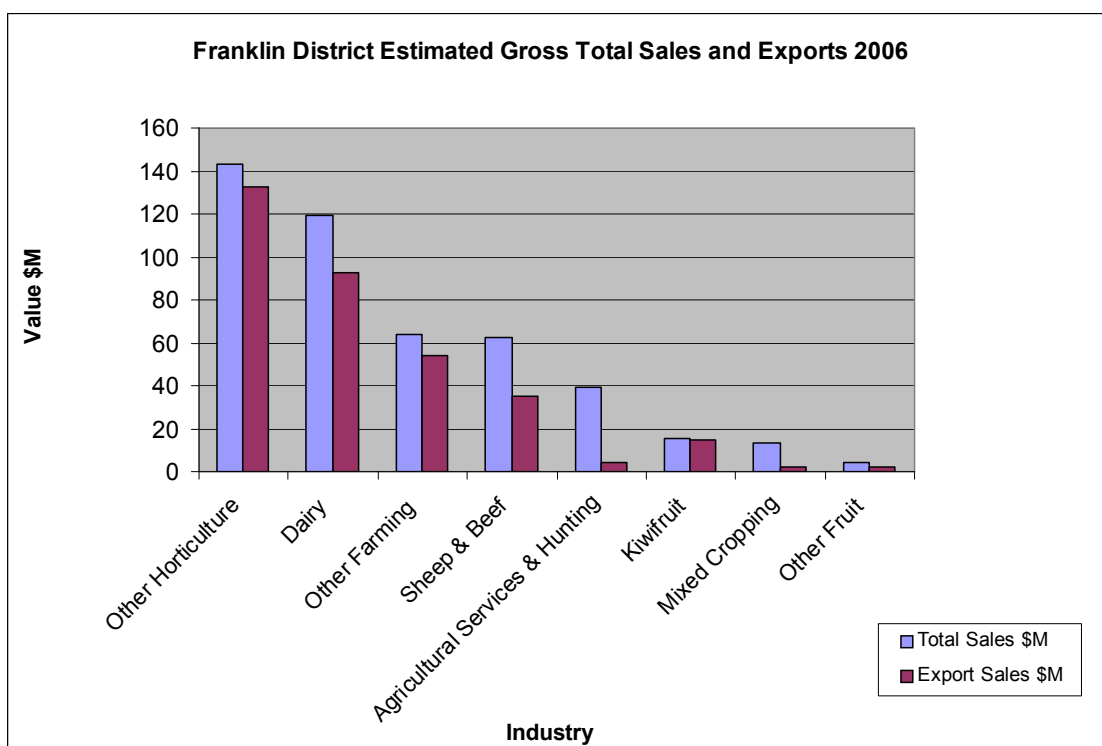
The food and beverage and primary sectors are considered high priority for investment by the government, with over \$700M of funding earmarked over 15 years to boost innovation in pastoral and food industries. Investment from NZ Trade and Enterprise, the government's economic development agency, will be in organisations who are seeking to move up the value chain, from commodity to added value. Opportunities for this exist within the dairy, meat and horticulture industries. NZ Trade and Enterprise has also provided funding to support international market development activities.

Sheep and Beef Cattle Farming

Sheep and beef cattle farming is well established within the District and has been relatively stable since 2004. This sub-sector accounts for 9.6% (234 ECs and 1,019 GUs) of agriculture, forestry and fishing sector employment. The high level of GUs is likely to reflect the high level of self-owner operators in this sector.

The Agricultural Production Statistics: June 2009 (provisional) Media Release notes that nationally, sheep and deer posted lower numbers than in 2008, continuing a period of decline for sheep numbers since 1989. Beef cattle numbers remained stable over this period.

An analysis²¹ undertaken on behalf of Council estimated sales from sheep and beef cattle farming to be approximately \$63M for the 2006 year. Exports were estimated at \$35M for the same period.



Source: Franklin D.C. Regional Economic Model, December 2006 (via Enterprise Franklin Development Trust)

Figure 16: Value of Sales and Exports Franklin District 2006

Dairy Cattle Farming

Dairying and beef farming traditionally dominated agricultural activity in the District, but dairying is in long-term decline, with a 13% decline in land use for dairying in the District between 1992/3 and 2004/5. The sector has also shown a continuing decline in District employment numbers for the greater part of the last two decades, with a substantial decrease since 2004 (25% of ECs). It nevertheless remains the second largest employer in the District.

The Ascari report²² also shows a decline in dairying in the Auckland region. The report comments that this may be attributed to changes to the town milk supply and the development of wider regional and national supply to Fonterra, as well as pressures of land prices and subdivision and the close proximity to Auckland's urban area.

An unpublished report by Market Economics²³ indicates dairying may be constrained by:

- the higher profitability of alternative land uses
- increasing difficulty in obtaining irrigation water
- increasing environmental scrutiny and responsibility

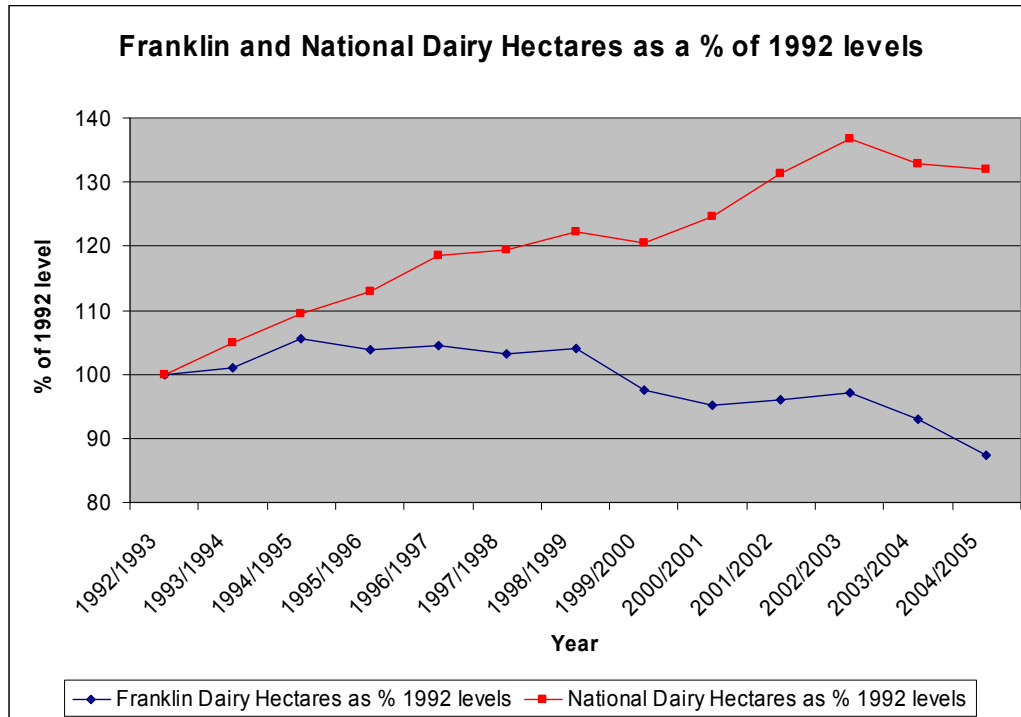
²¹ Franklin D.C. Regional Economic Model y/e December 2006 & Employ Count as at Feb 2006 - 112 Sector Analysis completed November 2007 (source Enterprise Franklin Development Trust)

²² Rural Economies in the Auckland Region – Examining the Transformational Potential - Ascari Partners Ltd for Auckland Regional Council – November 2008.

²³ Franklin's Economic Profile – Unpublished Draft Technical Paper – Market Economics March 2006 – updated March 2010.

- comparatively small initial landholdings
- Fonterra pricing and payout approaches.

This decline is not reflected at a national level. The Agricultural Production Statistics Media Release for June 2009 (provisional) states that New Zealand's dairy cattle numbers hit a record high of 5.8 million in 2009, 4% higher than in 2008. Since 1979, numbers in the overall dairy herd have doubled according to the annual survey. This expansion is due to both dairy conversions and growth in the number of milking cows in existing herds.



Source – Unpublished report - *The Future of Agriculture In Franklin District* - prepared for FDC by Murray Bruges September-November 2006

Figure 17: Land in Dairy Production in Franklin District and New Zealand

In the Waikato region, there has also been an overall increase in the level of dairy activity, both in production and in numbers of stock in the last decade.²⁴

Dairying and other pastoral activities are still a major component of the rural economy in Franklin. The dairy cattle farming sub-sector in the District accounts for 13.7% (335 ECs and 436 Gus) of agriculture, forestry and fishing sector employment. The high level of GUs is likely to reflect the high level of owner/operators in this sector.

The Regional Economic Model Analysis (2007) estimates sales from dairy farming to be approximately \$119M for the 2006 year. Exports are estimated at \$93M for the same period (78.2% of all sales).

Poultry Farming

The Poultry industry is well established in the District. The industry sector comprises:

- Poultry for meat production - including intensive farming operations

²⁴ Figure 7, Dairying in the Waikato Region – Department of Economics - M Cameron and K Bell - Working Paper 13/08.

- Poultry for egg production
- Hatcheries – supplying stock to the above operations as well as export.

The location of such operations (in particular hatcheries) is dictated to a degree by industry requirements for separation between sites to provide a high degree of risk avoidance from both disease and disaster (i.e. fire). Hatcheries seek to obtain a number of separate sites for activities. They are averse to risk from areas of general population intensity and imported disease.

The District also contains a number of substantial operations for meat and egg production. These are largely concentrated to the north and south of Pukekohe and Tuakau.

The poultry farming industry sub-sector accounts for 9.1% (222 ECs and 58 GUs) of the agriculture, forestry and fishing sector employment. In addition, poultry includes intensive poultry operations for meat production.

Figures are not available from the Regional Economic Model Analysis (2007) for poultry farming or egg production. However, poultry meat processing in the District equates to \$44M in sales and \$35M in exports (80% of total sales).

Equine

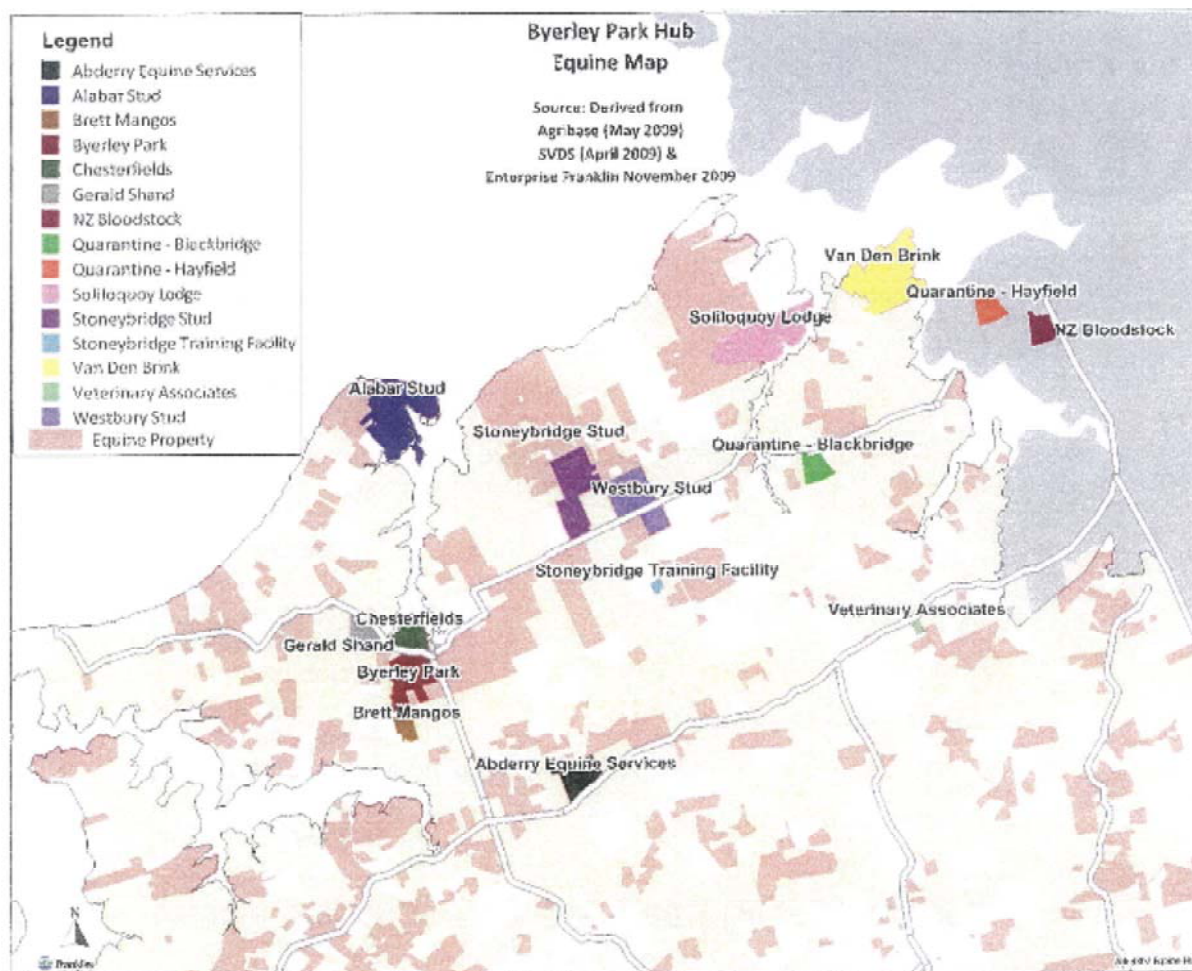
The equine industry is also an established industry in the District. It comprises:

- thoroughbred stud farms
- harness operations (trotting)
- sport horses and recreational horses
- pony breeders
- training operations and racing facilities (including Pukekohe Racing (gallopers) and Franklin Trotting facility – Pukekohe (harness racers))
- recreational service and training facilities (e.g. Abderry Equine Centre, Karaka).
- equine quarantine facilities.

Thoroughbred, harness and sport horses are the most significant sectors. A traditional sector hub for the harness industry has focused upon the Franklin Trotting Club which has facilities in Pukekohe. The Franklin Trotting Club facility is reported to be the largest of its kind in Australasia.

Franklin's Thoroughbred Industry

Within the last decade a further hub has developed for thoroughbred horses in proximity to the Karaka Sale Bloodstock Centre. The hub includes a number of substantial stud farms including the Byerley Park thoroughbred training complex and Westbury Stud. An indication of the location of the thoroughbred equine cluster in Karaka is shown in Figure 18 below.



Source: Enterprise Franklin Development Trust
 Figure 18: Location of Karaka Equine Cluster

The thoroughbred industry (gallopers) in Franklin gained and lost from the closure of the training track in Takanini. The loss is attributed to development being constrained by Council’s land use policies. These prevented residential subdivision in association with other activities, and many trainers moved south to Cambridge. However, others remained and Pukekohe Park gained extra trainers. The District is now attracting back those trainers that left the area with the development of Byerley Park.

The five principal stud farms in Karaka (Byerley Park, Soliloquy Lodge, Westbury Stud, Stoneybridge Stud (now part of Huanui Farm) and Alabar Stud accommodate approximately 1,195 horses and stallions. Training facilities in this hub provide facilities for 336 horses. A total of 143 staff members are employed.

It has been reported that New Zealand exported a total of 1,354 horses through the Karaka Bloodstock Centre during the 2008/2009 year, with a value estimated at \$140M. A total of 900 horses were imported in the same period²⁵

In addition, a considerable number of racing thoroughbred and harness horses from across New Zealand and internationally are regularly housed in facilities in the District prior to or after racing at

²⁵ Information provided by Enterprise Franklin Development Trust.

Ellerslie Race Course or Alexandra Park in Auckland. Others are held in transit from or to international destinations. Due to the highly transient nature of such activities, figures are difficult to secure.

Other Equine Activities

More recent developments in large scale bloodstock breeding, show jumping and horse and rider eventing training have grown up in the vicinity of smaller villages like Bombay, Karaka, Kingseat, Pokeno and Pukekawa, to take advantage of the available employment and easy access to national transport networks and the airport. Provision of a range of housing in these areas would support their development. This is consistent with the hierarchical approach to development taken in the DGS. They are direct competitors with establishments in Cambridge and Matamata.

Other horse and pony breeds in Franklin commonly appearing at local shows are Clydesdales, miniature horses and donkeys, Shetland ponies, Welsh ponies, Arabs, standardbreds, Kaimanawas and breeds designated by colour, such as golden horses and pintos.

There are three Clydesdale stallions standing at stud in Franklin, and a Clydesdale Team and wagons, associated with a brewery, are also located in the District, attending local weddings, shows and street fairs to give rides to the public. An award-winning Shetland stallion, imported from the United Kingdom, is also resident in the District. This breed is growing in popularity in the North Island, and many children learn to ride on Shetland ponies, which are also used for Riding for the Disabled due to their intelligent and calm nature. Welsh ponies are popular for children, and there are a number of studs in the area.

Miniature horses have experienced a huge growth in popularity over recent years, with many adults owning and showing them when they no longer wish to handle a full sized horse. Miniature horse shows, some of which are held in Franklin, attract huge number of exhibitors from all over the country. New Zealand's largest stud of American miniature donkeys is located in Pukekohe East.

Kaimanawa ponies are offered for adoption by the Department of Conservation annually. Many have been rescued by Franklin residents, and there is an active Kaimanawa Club in the District.

Different types of riding disciplines popular in the District also favour different breeds. The Western Riding Club in Tuakau mainly favour Quarter horses, whilst Arabs are used for endurance by members of the Franklin Distance Riding Club. Thoroughbreds (gallopers) and standardbreds (trotters), are often used as pleasure horses, stock horses, show horses and sport horses, either following a racing career or after being unsuccessful at making it to the racetrack. Horses classified by colour, such as pintos (broken coloured horse or pony) and golden horses (palamino, dunn, cremello) are used for showing and riding, and the Golden Horse Club regularly holds its national championship show in Pukekohe.

The equine sector is supported by a range of small associated industries located in the District that include veterinary services, saddlery suppliers, hospitality, feed merchants, farriers and manufacturers of horse floats.

See the case study in Appendix 1 for further information on the equine sector.

Mineral Extraction

The principal mineral industries are primarily related to aggregate extraction processing and sand extraction for roading and construction. Lime is also extracted for fertiliser in the southern part of the District. There are approx 13 quarries in Franklin.

The largest mineral extraction operation has locations in Pukekawa and at Puni Sands on the Waikato River. The operation produces an overall turnover of between \$5M to \$15M per annum. Pukekawa quarry aggregate produces very high quality basalt. A major basalt quarry is also proposed at Pokeno.

The mineral industry sub-sector accounts for 0.7% (110 ECs and 14 GUs) of the District's employment.

The Regional Economic Model Analysis (2007) estimates sales from the mineral industry to be approx \$51M for the 2006 year. Exports are estimated at \$11M (22% of total sales) for the same period.

The case study in Appendix 1 gives further analysis of this sector.

Manufacturing

The manufacturing sector is the largest employment sector in the District, replacing agriculture, forestry as the largest employer since 2004. The sector accounts for 15.45% of District employment (2,860 ECs) located within 4.3% (386 GUs) of the District's business units.

Manufacturing in the District, and in particular the rural area, is dominated by the presence of the New Zealand Steel Mill (Mill) at Glenbrook. The Mill is located outside any urban settlement although it has its own industrial zone. This is surrounded by rural zoning.

The Mill currently employs 1,200 full time staff (42% of the 2009 District's total manufacturing sector employment) and a further 350 contractors who service or provide specialist assistance to the operation on the site. The industrial site is on 114 hectares, and is surrounded by approx 376 hectares of rural zoned land, a total site of approx 500 hectares. The Mill produces a range of steel products for both the domestic and export markets, and also has a number of by-products largely for the domestic market. New Zealand Steel uses locally sourced irons and coal to produce about 650,000 tonnes of steel a year, about 60% of which is exported.

New Zealand Steel is part of Bluescope Steel Limited, which also incorporates the iron sand mining operations at Miaoro. The Waikato North Head Mine (Miaoro) produces up to 1.2 million tonnes of sand as the iron source for the Mill. This iron sand is pumped as slurry to the Mill via an 18 kilometre long underground pipe. The deposit contains more than 150 million tonnes of iron sand.

It is debatable whether this activity should be perceived as part of the traditional rural economy, having none of the typical rural land functions or character. Nevertheless, it contributes significantly to the District's rural economy in a technical sense and is based on a natural resource.

There are also a number of other manufacturing operations located within the rural area (or outside urban areas). These include timber mill and storage operations, animal by-product operations, as well as intensive poultry farming and a number of poultry meat processing operations.

The surrounds of the Steel Mill ultimately have the potential to host additional and supporting industries due to the already established industrial zone, subject to environmental considerations.

Tourism

Another cluster identified for growth in the Economic Development and Innovation Framework is tourism or visitor experiences.

The number of tourist accommodation establishments in the Franklin District when records began in July 1996 was 15. In the 11 years to December 2007, this number only increased by five establishments. During this time, occupancy rates have steadily increased, with peaks in 2003 and 2004, falling back to a steady average of 27% in 2007. The overall trend for guest arrivals is positive, increasing from 31,969 in 2005 to 40,943 in 2007, offering an opportunity for the provision of new tourist accommodation.²⁶

The District has an established brand, “Franklin Country”, which is used extensively to promote tourism, appearing on promotional literature and included on Council’s letterheads. There is also a website, www.franklincountry.com, which provides visitor information, including upcoming events and places to visit.

There is some evidence of operations establishing in Franklin which aim to capture the Free Independent Traveller (FIT) with eco-tourism ventures and rural experience related ventures. The level of activity is not well documented, although examples include the recently established Riverland Quad Bike experience. Tourism opportunities also exist around the east coast and its bird sanctuary, fishing, farming and holiday baches.

The Franklin District Heritage Strategy was adopted in 2008 to provide a platform for Council and the people of Franklin to assist in identifying, protecting and promoting the heritage of the District. The Strategy recommends the development of a heritage trail to be utilised by visitors to the District’s abundant natural and cultural heritage.

Aquaculture

Aquaculture is set to be a key driver in New Zealand’s economic development. A lot of work is being undertaken at government level to facilitate this development, in respect of changes to the RMA and the management of coastal water space.²⁷

The Thames Hauraki Economic Development Committee is facilitating aquaculture development, and working closely with Environment Waikato. Coromandel is ideal for aquaculture development because of its climate, water temperature, water quality and high nutrient levels. Thames is set to become the centre for aquaculture in New Zealand. Caged fin fish farming has the potential to be exported to the huge overseas market. Iwi are keen to see development of aquaculture, and Hauraki Iwi have a large stakeholding in the industry, through customary fishing rights and quota management systems.

Environment Waikato predicts that Aquaculture has the potential to rival the size of the dairy industry in New Zealand, and will be a major growth area for the region over the next 10 - 15 years.²⁸

To date, there has not been any significant infrastructure associated with this industry established within the District. Changes to the Resource Management Act framework governing aquaculture and improvements in technology will influence this sector’s development in the District. Maori have a significant interest in this sector via customary rights claims over the foreshore and seabed.

Aquaculture has also been identified as a key growth sector in the Auckland Economic Futures Report, and provides a potential basis for economic development in the District.

²⁶ Fleming, Lynda, A Profile of the Franklin District Economy, August 2008

²⁷ Report of the Waikato Region Triennial Agreement Forum meeting, 1 March 2010.

²⁸ Report of Waikato Region Triennial Agreement Forum meeting, 1 March 2010

Motorsport

Although not a traditional rural industry, motorsport is part of the Franklin District's economy. Its history dates back to 1920 when a group of Franklin businessmen were responsible for the formation of the Franklin Racing Club and the purchase of a 96 acre dairy farm situated on the Pukekohe–Buckland Road, which is the now 200 acres of "Pukekohe Park". This comprises the Pukekohe Park motorsport track (and horseracing track).

The motorsport track formerly hosted the New Zealand V8 Series, and currently hosts motorcycle racing as well as regular test days which the general public can attend.

Manukau Institute of Technology's Vehicle Division has established a motorsport training facility in Pukekohe close to Pukekohe Park Raceway. This enables trainees to take advantage of the action and race their specially modified vehicles at the end of their training.

In the Waikato District, the Hampton Downs Motorsport Park officially opened on 24 January 2010. The plan by the owners was to build a modern motor sport and entertainment complex to raise the profile of motor sport in New Zealand. Eighty apartments were built, all of which have been sold.²⁹

Developments at Hampton Downs over the next 10 years include extending the track, building a kart track, a lodge and camping ground, a SUV training course, driver training skid pan, commando course, paint ball arena, and 15,000 sqm of automotive showrooms. The area to the west of the track the ground is being prepared for New Zealand's first motorsport village.³⁰

The planned economic benefits that the Park will bring to the area include the creation of up to 500 jobs and the improvement of all the associated local amenities. Nearby, the township of Te Kauwhata is designated for growth from new business opportunities. The motor racing track at Pukekohe Park is viewed by those governing the industry as providing a complementary resource and experience.

It is anticipated that as the motorsport industry in Franklin is developed, links with the Hampton Downs Racetrack, other tertiary education providers and the motorsport industry will increase, enabling the further development of the sector in Franklin.

Smaller Sectors

There are other activities that also play their part in the economy. Some of these are discussed below.

Farmers' Markets

According to Farmers' Markets New Zealand (FMNZ), farmers' markets are a rapidly developing Kiwi phenomenon, which were virtually unknown seven years ago. Ten new markets have opened for the 2009-2010 season making a total of 50 authentic farmers' markets throughout New Zealand.³¹

Franklin has three country markets – in Pukekohe, Pokeno and a newly-established market in Waiuku. These are situated in communities and in public spaces where they can be a meeting place and create a "public place". The markets also attract tourists as a good place to sample local food, meet the locals and experience the New Zealand way of life. This may lead to visitors exploring the District further, thus attracting new wealth.

²⁹ Report of the Waikato Region Triennial Agreement Forum meeting, 1 March 2010.

³⁰ www.hamptondowns.com, Tony Roberts and Chris Watson, Owners

³¹ www.farmersmarkets.org.nz.

Forestry

There is a small forestry sector in Franklin. In 2009, the total plantation area in Franklin was 2,994 hectares, with an average size of 51.6 hectares. The largest area of forestry is in Onewhero/Te Kohanga, south of the Waikato River. There are other smaller areas in Wairamarama, on the Awhitu Peninsula and near Hunua.³² A map showing the spatial distribution of forestry in the District is included in Appendix 4.

The number of businesses involved in forestry and logging in the District declined from 68 to 60 between 2004 and 2009. The number of employees in the industry fell by half in the same period, from 18 to nine.³³ It is anticipated that this may be a growth industry in the future, with the advent of the Emissions Trading Scheme and the decline in traditional agricultural sectors, alternative landuse may see an increase in forestry plantations.

Motocross

Council's Recreation Plan 2006 states that motocross is a growing sport, but there have been increasing problems with noise generated from motorcycle use at beaches, specifically Karioitahi Beach and the west coast beaches of the Awhitu Peninsula, and within the Waiuku Forest.

Noise from trail bikes is one of the most frequent sources of complaint from people living in rural areas. Some people buy a rural property so that they can enjoy riding an off road bike, others might purchase their rural property so that they can enjoy the peace and quiet that the countryside offers. There is a clear conflict between these two aspirations.

Club facilities provide the opportunity for people to ride in an appropriate environment. The Pukekohe Motorcycle Club has a resource consent to operate from its Yamaha Raceway in Harrisville, which states the amount of hours and days that they can operate. The club provides an appropriate area for these activities to take place as opposed to areas that are currently experiencing problems with motor bikes.

Other venues for motocross include Mercer Recreation Reserve and the privately-owned Thunder Cross Valley Bike Park located in the southern part of the District.

Dog Breeding

The New Zealand Kennel Club's flagship facility, a 2,500 m² covered exhibition hall on 23 acres, is located in Ardmore, and will be in the Franklin Ward of the Auckland District Council. Many pedigree dog owners live in Franklin to have easy access to this facility. The exhibition centre holds shows on both days of every weekend for eight months of the year, including conformation (breed), agility and obedience trials. Exhibitors come from all over New Zealand and judges are brought in from all over the world, bringing wealth into the area.

Many people holding executive positions in dog clubs reside in Franklin, and operate a number of breed rescue services in the District.

Franklin is viewed as being "dog friendly" by many owners, and most of the approximately 11,000 dogs registered in Franklin are well controlled. Dog owners, through registration fees, provide funds towards dog control and management. Clubs run by volunteers, such as Counties Dog Obedience and Manukau Dog Obedience, are located in Franklin and offer a valuable service to

³² Agribase 2009 Data

³³ Statistics New Zealand, ANZSIC Code A030

the community on responsible dog ownership and behavioural training for dogs. The District is also host to an agility club, gun dog clubs and working dog trials.

6.3.2 Economic Development and Maori

Maori economic interests and Franklin's rural economy are interwoven but the relationships are not always obvious. For example, many workers and managers in the horticultural and agricultural fields and industries such as the New Zealand Steel Mill are of Maori descent, some Tainui and some from other Iwi.

The predominant Maori landholdings (both freehold and Maori land held under the Te Ture Whenua Act) in the District are held by those descended from the whanau of the Tainui waka. A significant percentage of this land is currently in an undeveloped or semi developed state; that is in lower value uses, such as forestry or extensive pastoral farming. Further development is likely to depend on access to investment capital, although a proportion will remain undeveloped because of steepness and other values, notably tapu and heritage.

Waikato River and Other Settlements

Tainui Iwi have negotiated a range of Treaty claims, including those applying to the Waikato River. It is expected that the outcomes of those settlements will lead to Tainui boards and incorporations becoming increasingly involved in wider economic and social development initiatives as investors and as resource management stakeholders. Specific outcomes will probably include joint venture investments in aquaculture, energy, farming, tourism and education, as well as purchase of existing businesses.

It is anticipated that there will be major changes in Maori governance structures following the River settlements, as the process moves from negotiation to implementation. Some Maori charitable trusts may be reorganised, and new skills required, which will require training for existing personnel or may require new skills to be imported.

The Waikato River Settlement legislation is also likely to see Iwi working alongside regional and district authorities on projects designed to refocus resource management in ways that will affect present land use activities within the Waikato catchments. It should be noted that the Manukau and the Clevedon catchments have a similar sensitivity to some forms of farming and other land use practices and the concerns of the Waikato based Maori are also a concern of the tangata whenua of these areas.

The models for this new approach to land management are the Crown-iwi agreements on the Rotorua lakes and the Lake Taupo catchments. These management regimes are bringing about restrictions on previous farming practices. In the Taupo context, a separate resource management regime was also established on iwi lands. This is not unusual in the international context of resource management, which has seen the development of increasingly targeted management regimes based on local character and local need.

The particular outcomes from the Waikato River settlement (and foreshore and seabed) are expected to shift landuse practices to a more sustainable model overall and have a significant influence on the marketing of products sourced from identifiable local areas managed under specific resource management regimes. Sustainability, product sourcing and green marketing is arguably going to be critical for the future of New Zealand's export trade and the settlements will be one factor in bringing this about. As Franklin is an important contributor to the national rural economy, this will be vital to the future of the Auckland region and the Hauraki and Waikato Districts.

Kaitiaki

The traditional role of kaitiaki (guardian) of resources is referenced in the Resource Management Act 1991, which states that all persons exercising the functions and powers of the Act must have regard to kaitiakitanga; that is, the principles and practice of guardianship, in relation to managing the use, development, and recognise and provide for the protection of natural and physical resources and the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga. In addition, under the Act, the principles of the Treaty of Waitangi and the protection of historic heritage from inappropriate subdivision, use and development must be taken into account. In planning for economic development, within the District Planning framework, these principles should be taken into account.

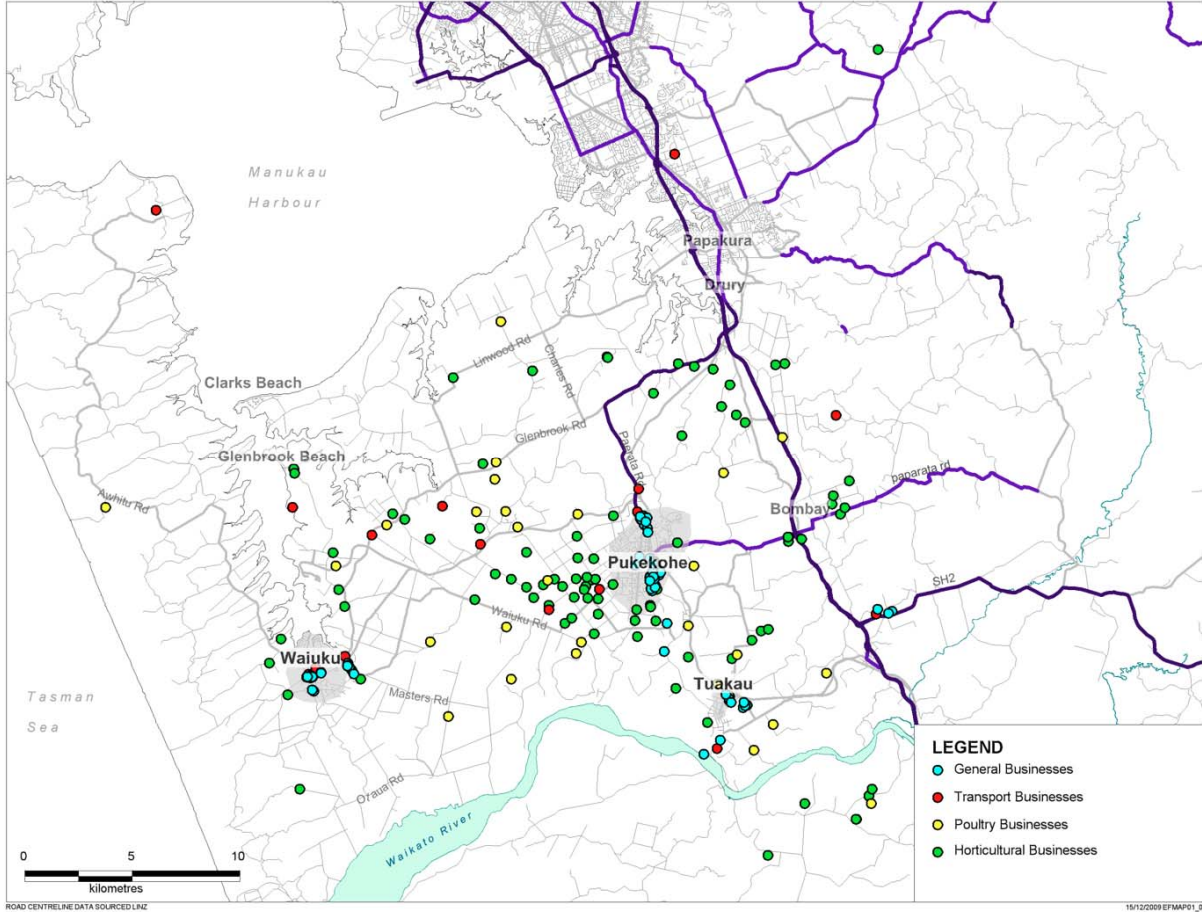
Council's Role

Overall, Maori interests in the rural area of Franklin are dual: general stakeholder interests as investors, employees and employers; and specific, in terms of the direct and indirect outcomes of Treaty settlements and the interests it will create.

Council and its successors can assist Maori rural economic development in its role as regulator and persuader, including working alongside Maori in the development of more sophisticated resource management regimes. There are opportunities that arise from the extent of Maori landholdings in the District, in particular those rural holdings, where there is potential for further development with added investment on multiply-owned land.

6.3.3 Spatial Distribution, Rural Clusters and Agglomerations

The extent and distribution of existing landholdings in the District (2009 Agribase data information) for agriculture (mushrooms and vegetables), dairy (milk and drystock), sheep and beef and other livestock are contained in maps in Appendix 4.



Source: Franklin District Council Freight Action Plan
 Figure 19: Location of Horticultural and Poultry Businesses

Vegetable cropping, fruit and nut farms, and other crops are generally located around the north central area of the District. The majority of crops are located to the south west of Pukekohe, in the Bombay and Pukekawa areas. This is related to environmental dependencies such as soils, water, aspect, terrain etc rather than for any obvious economic reason.

It is noted however (from aerial observation on Council’s GIS data base and Global Earth 2010) that the majority of packhouse operations serving as centralised packing and distribution centres are located in the northern horticulture area, in relatively close proximity to Pukekohe and within close proximity to SH22 or the main arterial road from Bombay (Mill Road). Growers interviewed indicated this was largely historic (initial landholdings). The more substantial operations are all located within approximately 5 km of SH22.

Recent large hothouse operations (established within the last decade) show a definite close proximity to SH1. One major operator indicated such a location was an important choice for these operations (aside from flat land), given high volume and the high reliance on trucking products to Auckland distribution centres, other North Island markets, the Port of Tauranga and Auckland International Airport.

Poultry farming operations are generally located in the northern sector of the District, in relatively close proximity to the State Highway network. There is some evidence of grouping of poultry meat processing operations in the northern sector close to SH1, as well as around the hatchery facilities south of Tuakau (refer Figure 19).

Generally, as expected, the less intensive farming activities (dairy, sheep, beef and other livestock) are relatively dispersed to areas where landholdings are largest. Sheep and beef livestock farms occupy the larger and hillier landholdings on the periphery of the District, with dairy being on smaller landholdings with more gentle or moderate terrain.

There is some grouping of dairy farms in the Aka Aka area (flat, low lying with available water), in parts of Karaka and around Mangatawhiri. There does not appear to be any contemporary economic reason for such agglomerations, although these were among the first areas in the District to be cleared and drained. The soils on these flats are very fertile, although possessing a high water table.

The equine sector is the only sector that exhibits a strong degree of physical clustering, with two distinctive clusters being evident, namely the thoroughbred and sport horse activities group around the Karaka Bloodstock Centre and the harness horses and thoroughbred cluster around the Pukekohe Trotting Club on the southern outskirts of Pukekohe.

6.3.4 Rural Sector Issues

In order to establish the current thinking and views of the rural sector, interviews were undertaken with members of the following key rural sectors:

- Horticulture
- Agriculture/dairying
- Manufacturing
- Transport
- Tourism
- Mineral aggregate extraction
- Equine
- Poultry

The purpose of the interviews was to:

- Identify factors necessary to support continuance of activities
- Identify factors necessary to support growth and any constraints.

A total of sixteen individual interviews were undertaken and one group session with members of the equine sector. In addition, case studies were developed of key sector operations (refer Appendix 1).

A number of key issues have been identified from the interviews and case studies. The issues common to a number of sectors are:

- Rural character and reverse sensitivity
- Fragmentation of land and land costs
- Water
- Transport
- Council interface

A number of sector-specific issues are also discussed below.

Common Issues from Interviews

Perception of Rural Character and Reverse Sensitivity

Interviewees identified a number of issues concerning institutional perceptions of rural character and how matters of reverse sensitivity impact upon existing key sector operations, particularly dairy farming, horticulture and mineral extraction.

Areas of concern include:

- With the advent of greater levels of countryside living, there is an increasing desire that rural character and amenity should be quiet, open, green and landscaped spaces rather than a working environment.
- Opposition to rural activities such as poultry farming, quarries, rural depots or aerial spraying operations.
- Increased complaints against existing farming operations from nearby countryside living residents.
- Lack of emphasis on the rural working economy in regional and district plans.

Fragmentation of Land and Land Costs

Interviewees identified the following issues:

- Lack of availability of large landholdings in the District suitable for viable dairy farms.
- Highly increasing demand from horticulture to accumulate and amass suitable land to remain viable.
- Lack of suitable horticulture sites within close proximity.
- High costs of land in closer proximity to Auckland.
- Competition from countryside living for smaller landholdings.

Water

Issues identified were:

- High reliance by horticultural and dairy activities on groundwater supplies.
- Reliance on water allocation to ensure ongoing viability of the horticultural and dairy farming sectors.
- Competition from the Pukekohe Township for allocations of groundwater from aquifers.
- Impact of future climate change on aquifers and water supply.
- Need to secure ongoing supply and allocation of water to enable expansion of agricultural activities.

Transport

Issues identified were:

- Access to high-quality roading, in particular in relation to high traffic generation from horticultural operations, equine and New Zealand Steel.
- Fragmented nature of horticultural operations requires quality local road network to travel between operations
- The ability of roads to provide for high levels of freight movement, in particular to national transport networks, both accessibility and capacity.

Council Interface

Economic activity within Franklin is subject to a range of regulations that directs how activities can be established or expanded. Interviewees have identified a number of factors that impact upon the operation of activities and their on-going continuance and expansion.

These include the interpretation of plans and rules:

- Lack of consistency and interpretation of planning provisions and ambiguities e.g. discharge thresholds
- Long timeframes and complexity of processing
- Lack of flexibility to meet standards specified in rules
- Need for early involvement with rule and policy development.

Interviewees have also identified a number of factors in relation to dealing with local and regional councils. Areas of concern include:

- Lack of awareness by staff and management of sector requirements and understanding of key processes of any one sector
- Lack of understanding of local issues and problems
- Lack of delegation to staff to make decisions - constant referral to senior staff or Council committees for relatively minor matters
- Lack of consistency across staff; high levels of changing staff with no ongoing continuity
- The need to deal with a large number of staff; and lack of communication between different Council areas (e.g. discharge consents)
- The need for a high level of availability and consultation with key decision makers and politicians.

Specific Sector Issues from Interviews

Horticulture – Outdoor Cropping

Interviewees in this sector identify the following issues:

- A number of changes in the level of product added value are occurring in key sector activities. This includes an increasing requirement to add value to horticultural products.
- Changing markets require a greater degree of specialised packaging for agricultural crops and produce prior to delivery to retail or wholesale operators. Niche markets are developing in the retail supermarket sector in particular for well presented, easy pickup food produce. This requires more specialised on-site facilities, larger washing and sorting buildings and a greater level of packaging and processing products. It also requires more centralised distribution operations within close proximity to the cropping operations.
- A number of packhouses serve as an added value operation for crops from other sites within the District and/or outside the District. This requires complex resource consent. (Note: packing sheds for crops on site are a Permitted Activity).
- Distribution of the added value products is to the Auckland market and export terminuses, and is important for the rural economy. There is pressure to relocate such packhouses to

industrial areas. Relocation costs are high and packhouses cannot be readily duplicated or relocated:

- There is a high reliance on the movement of specialised machinery and vehicles across the District. A number of crops now focus on the Pukekawa area requiring the movement of specialised vehicles across the Tuakau Bridge. There is an issue concerning access and traffic management for heavy and specialised vehicles.
- Thrips potato pest is prevalent in the Pukekohe area, requiring particular management and relocation of cropping operations
- Changing weather patterns with the advent of drier spells will impact upon water supply and availability. Water charges need to take into account changing climate patterns; water recycling and variations in monthly use and supply
- Immigration and labour issues
- Housing availability on-site or within close proximity to any cropping operation

Specialised Crops – Production and Mixed Use

There are emerging horticulture operations that focus on specialised products (olives, figs, cheese and wine) and include a variety of on-site processing and production facilities. Interviewees in this sector identify the following issues:

- Confusion and difficulty of interpretation of what is production and what is cropping process/production of added value products (olive creams etc) in Council's rules.
- Restaurant/olive grove tourism venture required complex resource consent procedures including consents for specialised on-site food production and restaurant/olive grove tourism venture
- There is some expectation apparent in regulatory documents that production is an urban activity and should not occur in the rural area.

Issues arise relating to the ability to acquire consents to undertake such activities. Various planning documents lack recognition of such combinations in rural areas. Confusion arises with regulatory authorities over the understanding of the cropping process and the part it plays in the production of added value products (olive creams etc). Production is treated differently from cropping. Consents may be difficult or complex to obtain. This may prevent or limit the establishment of new activities or the development of added value on-site operations.

Equine

The equine industry is unique with its reliance on shared facilities. There are hubs of equine activities with degrees of dependence. Interviewees in this sector identify the following issues:

- There is a need to develop links between training and housing facilities, and track facilities.
- Harness racers require further horse access links to the Franklin Trotting Track in Pukekohe.
- Thoroughbred studs and training farms close to the Karaka Bloodstock Centre desire greater links between operations. This would address the specific safety issue of use of road by horses.
- Both the harness and thoroughbred sectors rely on the high accessibility of trainers and owners to horses. There is a need to provide for owner-trainer housing on small sites within each particular hub or stud operation. Issues arise over the ability to gain appropriate consents to subdivide.

- A number of complementary activities such as equestrian centres and veterinary facilities and services require complex resource consents.

Manufacturing – New Zealand Steel

The New Zealand Steel Mill at Glenbrook is the largest industrial manufacturing operation in the District. Interviewees in this sector identify the following issues:

- The need to maintain a high quality freight road link from the site to SH1.
- Reverse sensitivity issues arising from subdivision or development and the establishment of sensitive activities within close proximity to the Mill and the iron and steel zone.
- Application of fair rating approach – the Mill and other operations are highly capital intensive. Any rating system should not unduly differentiate against such an activity.
- Lack of public transport to and from the Mill.
- Easement and knowledge of the slurry pipeline over private land. Desire to identify on Land Information Memoranda.

Farmers' Markets

Interviewees in this sector identify the following issues:

- Finding suitable sites. The markets need to relate to town centres and other activities.
- Security of tenure.
- Licenses complex for individual stall holders.
- Need to avoid over-regulation - activities are low risk food handling and should not be over-regulated.
- Consent issue when on residential land - require greater consistency of approach for such activities.

Tourism

Interviewees in this sector identify the following issues:

- Need for coordinated local and regional promotion - aimed at locality and advantages of area.
- Need for specific promotion aimed at Free Independent Travellers – the tourist potential has not been tapped by the District.
- There is a need for more promotional and directional signs. Road signage policy (for directions/profile) place limitations on isolated locations.
- Klondyke Road (Onewhero) should remain unsealed as a tourist experience.
- Greater provision for tourism activities in planning documents.

Aggregate Extraction

Interviewees in this sector identify the following issues:

- Mineral aggregates are a fixed resource of varying quality. There is a need to protect mineral resources from the encroachment of other uses that prohibit its extraction.
- Complexity and expectations of consents for quarrying activities. There is a perception that they are treated unfairly relative to other high traffic activities.
- Consent thresholds need to be more related to industry standards.
- Houses located close to road frontage on haulage routes create problems
- Protection of volcanic cones - requires discussion in regard to future extraction industries/volcanic cones worthy of protection.

Poultry Farming

Interviewees in this sector identify the following issues:

- High cost of consent to establish a poultry farm in a rural area.
- Ability to deal with Council at local level.
- Bio-security risk separation - can be affected by residential/countryside living development or many small lots in vicinity of operation.
- Ambiguity in plan provisions for hatcheries and consent status.

Dairy Farming

Interviewees in this sector identify the following issues:

- Availability of water, in the Karaka area in particular, which is limited to winter grass growth.
- Ageing farmer population.
- High compliance costs: fencing, planting in stream riparian areas.
- Developing bylaws/policies - need early discussion with Council to avoid issues (e.g. recent review of Livestock on Roads Bylaw).
- Farm values variable.
- Council stormwater charges - differentials should not unfairly impact upon rural economic activities.

6.3.5 Urban and Regional Influences

The rural economy is a complex array of differing inter-relationships at the immediate business level that contribute to choice and action, as well as the business relationship with the wider economic community and its networks. As explained in the Ascari report:

*“There is no single narrative that can fully explain Auckland’s rural economy. It is likely to be produced by a range of incentives and motivations, affected by trends produced at local, regional, national and global scales, and determined by path dependencies and lock-ins reflecting earlier investment decisions. However, at a high-level, it can be said that movements of both people (employment commuting, tourism) and goods (home market effects), within different temporal frames (some seasonal, some daily), and to different extents, are responsible for the thick web of linkages between the Auckland region’s rural and urban economies”.*³⁴

This complex interplay of matters is not easily isolated from other key aspects such as international and domestic market factors and pricing, imported and local costs, finance and partnerships, to name a few.

Setting this complexity aside, Franklin’s economy is dominated by activities related to agriculture or land resources. The District is the largest area in the Auckland region in a range of agricultural production activities including dairying and other pastoral farming, as well as having high levels of horticulture production.

The proximity of the Auckland urban area directly influences this economy in both a negative and positive manner. There are also influences from the District’s major towns of Pukekohe, Waiuku and Tuakau. To a lesser degree, the Waikato region provides both a domestic market and technical support services, such as scientific research for horticulture.

³⁴ Rural Economies in the Auckland Region – Examining the Transformational Potential - Ascari Partners Ltd for Auckland Regional Council – November 2008 page 42, Section 5 - Nature of Urban Linkages.

Negative influences include:

- Land prices and competition for land
- Fragmentation of land
- Rural character expectations
- Environmental demands
- Impacts of expansion of Pukekohe on equine hub
- Lack of public transport.

Positive influences include:

- Extent of the domestic market
- Supporting infrastructure
- Transport accessibility and freight movement
- Employment base
- Growth in key settlements
- Tourism and visitors.
- Agricultural sector and industrial land

These are now discussed in more detail below.

Negative Influences

Land Prices and Competition for Land

There is a general premise that the cost of land in the District increases with increasing proximity to an urban area. This is attributed primarily to competing demand for land for countryside living within the rural areas, from the Auckland population. There is some evidence that the mere proximity to Auckland's population does raise land prices, irrespective of any ability to subdivide or develop land for high value activities such as residential or countryside living.

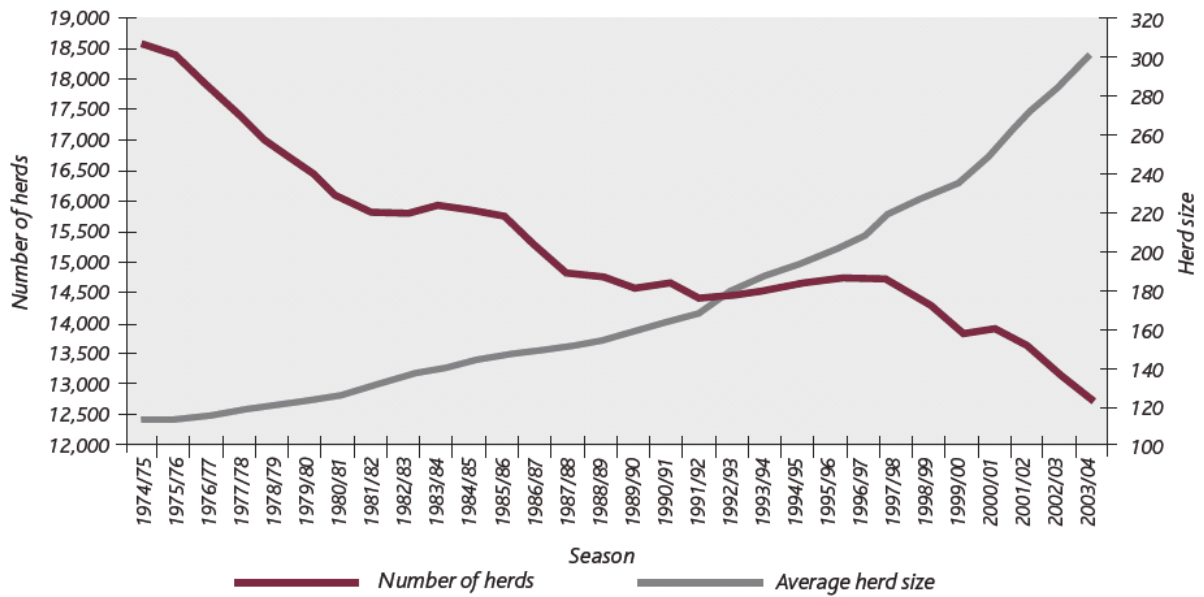
There is a degree of influence of demand from Auckland³⁵ that alters choices over the continuance and expansion of operations in the rural economy relying on larger land holdings or particular forms of land holdings.

There is also evidence of investment land banking from external purchasers as well as existing owner subdivision for land banking (retirement or anticipated capital induction) which may also increase land prices.

Land acquisition and holding costs, however, appear to adversely impact more directly on some key activities, such as dairying and outdoor cropping. Such sectors are also facing greater pressure for increased land holdings to remain nationally competitive. In particular, the dairy industry, in order to achieve a range of efficiencies relating to on-site farm operations and to guarantee market supply requirements, requires larger herd sizes, which in turn requires greater areas of land (refer Figure 20).

³⁵ Rural Economies in the Auckland Region – Examining the Transformational Potential - Ascari Partners Ltd for Auckland Regional Council – November 2008 – Sections 3, 4 and 5.

Graph 2.1 Trend in the number of herds and average herd size since 1974/75



Source: Dairy Statistics 2003-2004 – Industry Statistics Publication

Figure 20: Trends in Dairy Herd Size

Horticultural activities are similarly affected by competing land costs. This is complicated by the limited supply of suitable land for cropping which is available (given reliance on soils/water/slope/aspect etc) rather than simply competition from residential or countryside living. There is a high correlation between particular volcanic soils and horticulture in the Franklin District.

Higher land costs require greater value to be added. Although more intensive activity, or greater levels of infrastructure and technology, could achieve greater output, it should be recognised that there are lower cost options outside the District. This could lead to operations relocating away from the District.

There are clear links between the continuation of rural economic activities and the influence of the expansion of existing towns (Pukekohe, Waiuku and Tuakau) and the establishment of countryside living. The DGS identifies area for growth around the major urban centres that are aimed at avoiding highly versatile areas, and in particular, the areas used extensively by market gardeners to the south of Pukekohe. This is also implemented through the District Plan provisions which provide a more detailed implementation of the DGS framework. This, in effect, reduces the effect of competition for such horticultural land holdings within the proximity of the towns.

Fragmentation of Land

Land holdings in the District vary considerably in size.

Historically, Franklin has contained relatively small agricultural holdings (typically 40 hectares). Subdivision has further reduced lot sizes, with 77% of lots in the District being below 10 hectares, and only 14.8% greater than 20 hectares with 6.3% (958 lots) above 40 hectares (refer Table 4).

Rural Lots (Rural zone) Operative District Plan 2000		
As March 2010		
Category	Count	%
Under 1 ha	4,444	29.1
1 - 4 < ha	3,759	24.5
4 < 5 ha	1,640	10.7
5 < 10 ha	1,908	12.5
10 < 20 Ha	1,291	8.4
20 < 40 Ha	1,294	8.5
40 plus Ha	958	6.3
Total	15,294	

Table 4: Rural Lots

It would appear that in the northern section of the District (north of Pukekohe), land holdings are relatively smaller in size than elsewhere. Considerable subdivision also occurred in the northern area in the 1980s based on the subdivision potential of the then operative District Plans for horticultural sites. Many of these sites have been developed for lifestyle purposes.

Many initial farm subdivisions were based around 40 hectares (100 acres). Dairy farms now require larger herds in order to be viable. As a result, larger areas of land are required to accommodate these increased herd sizes. New Zealand Dairy farms are typically supporting in excess of 400-600 cows (250-300 hectares) and some are well in excess of 1,000 animals (500 hectares). It is difficult to accumulate sufficient sized parcels of land in the District to support a viable herd size. It is also difficult to accumulate parcels of land in close proximity.

While these may still be available for pastoral activities, the level of fragmentation and separate ownership combined with their proximity to Auckland, limit the ability of existing farming operations to amass sufficient land holdings in order to remain competitive to meet new supply and market demands.

Horticulture also relies on the availability of suitable parcels of land with good quality soils, drainage, water supply, aspect and slope. There is also an increasing need for larger parcels to achieve efficiency. Further fragmentation of parcels aggravates availability.

Again for the reasons outlined above for land prices, the influence of Auckland has a considerable bearing on economic options for land holdings, requiring a considerable added value for any activities on such sites.

The exception appears to be the thoroughbred breeding industry. This industry appears to generate sufficient efficiencies and added value to establish on larger land holdings in close proximity to the Karaka Bloodstock Centre, even though this effectively competes with subdivision and demand for countryside living. In addition, horticultural operations that require smaller land holdings such as hothouse operations occur on small sites within areas with prime accessibility to SH1. Such operations effectively add higher value to the site to compete with urban alternatives.

Overall, the level of land fragmentation and lack of availability of suitably sized properties within the District impedes continuance and expansion in the dairy and horticulture outdoor cropping sectors. In particular, the lack of suitable sites for dairy farming and horticulture results in dispersed operations adding additional co-ordination and collection costs and land management issues.

Rural Character Demands and Expectations

The extent of the Auckland influence places a sometimes unrealistic expectation of a quiet, undisturbed areas rather than the reality of working environments. The perceived amenity of open rural character with high visual aesthetics³⁶ is a key factor attributed to demand for rural lifestyle. People move to the countryside for quiet, rural open space and a park-like setting.

To a degree, this principle has been reflected in rules and decisions to limit the establishment of rural industry, production activities and intensive farming, quarrying and even the location and continuance of activities such as dairy and horticulture.

It is perceived that regional plans (in particular) and district plans show a lack of overall awareness of the rural economy as being not just a green/character environment but a working environment, with changing requirements. The District Plan arguably does not place enough emphasis on the economy. Strategic documents are perceived as focusing on managing urban growth, to the exclusion of providing for a comprehensive range of rural activities that support and promote opportunities for growth in the rural economy.

The focus of policy and plans on preventing urban type activities (in order to address growth) presents conflicts with the range of rural activities available. Confusion arises where rural economic activities are interpreted as urban (such as production activities, storage facilities, glass houses, tourist facilities, equestrian and events centres, and poultry operations). Complex and comprehensive consent processes are currently required, often focussing on maintaining rural character.

Reverse sensitivity issues can also arise. One interviewee received complaints on the establishment of an olive grove from a countryside living resident who considered this changed the rural outlook.

A central matter to be addressed is the need to build community understanding and expectations of the working nature of the rural environment. In particular, there is a failure to recognize that the rural area is a working environment that relies on the ability to continue and expand existing and new operations that support the rural economy.

Recognition is given to limiting countryside living opportunities, and the District Plan provides for agriculture, forestry and horticulture farming activities as permitted activities. However, there is an apparent focus in Council decisions and in strategic and policy documents on promoting an open pastoral type rural character rather than recognising contemporary activity trends with the varied forms and effects.

Key On-site Environmental Requirements

Franklin is a key horticultural area established around areas of highly versatile soils, with accessibility to water, a warm climate and suitable terrain aspects. Cropping activities, as well as fruit and nut growing, are highly dependent on these environmental features and are therefore limited to such locations and are not transferable. Therefore, the loss of this land to countryside living and urban expansion can have a significant influence on the continued supply of such sites.

Dairy and other more extensive farming sectors are, to a lesser degree, dependent upon differing conditions that enable grass growth (soils and water). The northern sector of the District, including substantial areas of horticulture, is dependent on aquifers for water supply. Pukekohe

³⁶ Rural Economies in the Auckland Region – Examining the Transformational Potential - Ascari Partners Ltd for Auckland Regional Council – November 2008 – Section 6.1.2.

township is also reliant on the same aquifers. Competition for water allocation can occur between activities, as well as from the township.

Horticulture and dairy farming therefore place a high level of reliance on the overall water allocation process (fairness - first come first allocated - transferability of permits) to ensure their ongoing viability, although there is a counter-principle of allocating local and dispersed sources to dispersed users.

The major sectors of horticulture and dairy are reliant on a high level of understanding of the aquifer capacity by allocation authorities when allocating. The state of the aquifer is under constant review. The regional councils (ARC and Environment Waikato) apply a range of water management regimes to provide for the allocation of groundwater. The Auckland Regional Plan, Water Management Assessment 2007, in addressing the state of the Kaawa Aquifer, which serves the northern sector of the District, noted that this aquifer is nearing capacity. Consents are still being issued, although the aquifer is constantly monitored and may require allocation limitations in the future.

There are also impacts upon the capacity of aquifers from future climate change that may need to be accounted for through monitoring and in conditions of allocation.

Competition for water allocation can occur between activities as well as from the Pukekohe township. Alternative water supplies, such as the Watercare pipeline, are potentially available. The central issue is to secure an ongoing supply and allocation process that can enable continuance and expansion of agricultural activities in the rural economy, while continuing to provide a reliable water supply service in the townships. Increasing consideration of water charging incentives and rain capture may be required to sustain and balance future needs.

Impacts of Expansion of Pukekohe on Equine Hub

A significant equine hub for both harness horse racing and thoroughbreds is located immediately west of the Manukau Road business area of Pukekohe. Consideration of any expansion of the Pukekohe South Growth Area will need to have regard to the protection of this equine hub from proposed residential development, as well as the protection of the A&P Showgrounds and racetrack. These are important to the rural economy. The development of the Pukekohe Eastern Arterial route will also require consideration of the effects on and promotion of this equine hub.

Public Transport

The District is not well served by public transport, creating difficulties for residents moving around, to and from the District. This can deter potential residents from relocating to the District, and cause difficulties for residents in accessing tertiary education and employment outside Franklin. It also limits employee mobility within the District between urban centres as well as key industries in a rural location, such as New Zealand Steel. Remedying transport gaps identified in the Integrated Transport Strategy will be of economic significance.

Positive Influences

Extent of the Domestic Market

The District adjoins the southern boundary of the Auckland urban market, the country's largest domestic market. This has a strong influence on the Franklin rural economy. A significant part of Franklin is within 60 km (generally less than 50 minutes travelling time, depending on traffic conditions) from the Auckland Central area. The greater part of Manukau City and the Papakura urban area is less than 20 minutes travelling time from Pukekohe (see Appendix 5).

Auckland provides a significant market for a wide variety of products produced in Franklin. These include horticultural products such as fresh fruit and vegetables, fruit and nut products and packaged fruit and vegetables for wholesale and retail outlets (including New Zealand's greatest agglomeration of supermarkets and shopping complexes). These are critical elements in supporting the District's produce suppliers.

Key horticulture operators indicate that typically 50-70% of horticultural products are for the Auckland market, although some crops are clearly export led.

A range of specialised farm goods are also being produced in the District (olives, fig fruits and cheeses for example) for this domestic market and for local farmers' markets in Auckland, Manukau, Papakura, Clevedon, Pukekohe, Waiuku and Pokeno. Fresh farm-gate product sales also occur throughout the District.

Other opportunities provided by the Auckland market include:

- Visitors from Auckland (both residents and tourists) provide opportunities for the District's tourism sector.
- The equine sector (thoroughbred and harness horses) provides a significant degree of housing and training of horses that service the Auckland Racing industry (Eilerslie Race Track meetings) and the trotting (harness) industry (Alexandra Park Trotting Track).
- Auckland's construction and building industry is also a major market for mineral aggregates produced in the District. This, like water and soils, should be considered a regionally strategic resource. The District's largest aggregate supplier has indicated that approximately 80% of its products are for the Auckland domestic market.
- The New Zealand Steel Mill, located at Glenbrook, produces a range of steel and related products. Approximately 27% of the total production is for the Auckland domestic market.

Supporting Infrastructure

The economic and population scale of Auckland provides a wide range of infrastructure facilities.

Major distribution centres for the collection of horticulture products and their distribution are located in Wiri and Mt Wellington. A Fonterra milk processing plant is located in Takanini. Auckland wholesale vegetable and flower markets provide a local selling point for fresh fruit, cut flowers, vegetables and other farm products.

The Food Innovation Network New Zealand (FINNZ) has recently been established. This is a government-backed initiative to develop "an open-access food network." As part of the initiative, a Food Technology Centre is to be established in Manukau as a means of enabling food manufacturers to develop new products for national and international markets. The hub is for small-scale manufacture, making first-runs of product and supporting local food manufacturing companies. Proximity to this hub offers sales and research opportunities for horticultural businesses located in Franklin.

The Port of Auckland is the largest export port in New Zealand. Key industry stakeholders indicate, however, that the Port of Tauranga is the major port used to export a wide range of the District's products, including horticultural and steel products. This is mainly due to the Asian shipping destination served from Tauranga. The Tauranga link often involves transfers via the Takanini inland port.

Auckland International Airport is generally less than 40 minutes from Pukekohe and other parts of the District. A wide range of high value horticultural products is exported by air. In addition,

tourists enter the country at this Airport, providing the opportunity to promote Franklin as a destination.

The Auckland City urban area also contains the Alexandra Trotting Track (Epsom) and the Ellerslie Race Track (Greenlane). These facilities are a pivotal support to the harness and thoroughbred racing industry in Franklin. There is a significant correlation between the provision of these facilities and the success of the industry within Franklin. They not only provide direct revenue from racing events, but also Franklin services these facilities for trainers, and horse caring, housing and training. The Karaka Bloodstock Centre also is an example of a central site providing a focus for the establishment of other equine operations in its vicinity. Sustaining the cluster effect appears to be an important aspect of future proofing the equine industry in Franklin.

Hamilton has a number of established science and technology research facilities which serve key agricultural operations within the District.

Watercare pipeline crosses the District providing a water supply to the Auckland urban area. This may also provide opportunity to provide water to the District's centres, e.g. Pukekohe and Waiuku, taking pressure off other sources.

Transport Accessibility and Freight Movement

The Franklin rural area contains a large number of sites and operations with high freight generation activities, including products moving in and out of the District. This includes horticultural operations, equine operations, poultry businesses, the New Zealand Steel Mill at Glenbrook and a number of aggregate and sand quarries. To a lesser degree, freight movement is also generated by the dairy, sheep and beef farms throughout the District.

The strong presence of horticulture (cropping, hothouse and centralised packing distribution centres) creates high freight generation. There is a strong reliance on moving high volumes of goods daily and quickly to centralised distribution terminuses in Auckland (Mt Wellington and Wiri), to the Ports of Auckland and Tauranga, and the Auckland International Airport.

Franklin is in the "golden triangle" of Auckland, Hamilton and Tauranga. This comprises population centres, ports, a range of rural support activities and the national rail and roading network that links the three cities. The location of Franklin in the triangle provides a high level of access to the transport network, facilitating rapid links to regional markets and key infrastructure. A considerable number of rural business activities, including horticulture (indoor and outdoor), poultry and equine operations, are within 20 km of this transport link.

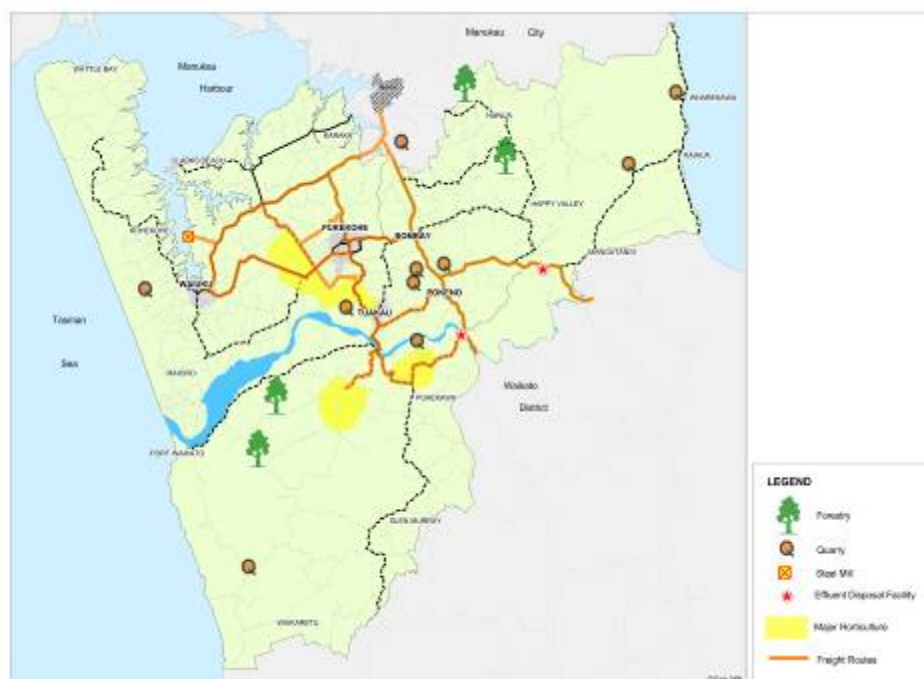
Freight movement on the roading network can be slowed by delays associated with competing traffic for commuters, as well as general positioning and quality of efficient roading systems. A number of interviewees, and in particular smaller operators, indicated that increased delays require delivery at pre-peak hours, thus altering on-site operating hours and transport options. The extent of such inefficiencies is unknown. However, there is little evidence that they have reached a stage where location or expansion choice is greatly affected.

The greater Auckland region generates 34% of the nation's freight movement. Preliminary work undertaken during the development of the Freight Action Plan indicates that road transport is likely to remain the dominant means of freight transport. The exception is New Zealand Steel, which relies on rail for inward movement of coal for steel manufacturing.

District Freight Routes

Overall there is an agglomeration of higher traffic and freight generating activities within the northern area of the District, in particular in and around Pukekohe and Bombay, and in the south,

Pukekawa. Particular natural freight routes associated with this concentration can be identified. Figure 21 outlines the freight routes and the demand sources.



Source: Freight Action Plan – R Ward for Franklin District Council, March 2010.
Figure 21: Proposed Freight Network

Some of these routes have potential to be affected by increasing congestion from urban generated traffic in competition with key freight routes, in particular in and around Pukekohe. Over 47% of Franklin resident journeys to work are to Auckland City on a daily basis.³⁷ Pukekohe and New Zealand Steel are identified in the Freight Action Plan findings as key traffic generators for the District.³⁸

Issues are evident over competing freight generation on Manukau Road, Pukekohe. There are also issues on the efficiency of the Tuakau Bridge to handle heavy vehicle and specialist vehicle movements generated by horticultural cropping operations south of the Waikato River to packhouses and distribution facilities located in the north of the District.

The roading network efficiency is influenced by urban generated activities from Pukekohe. SH22 and the main arterial road from Bombay (Mill Road) are the main feeder roads to the SH1 network. In response to the Local Government Auckland Amendment Act 2004, regional and district growth strategies (Auckland Growth Strategy and DGS) and regional policy statement revisions (Plan Change 6 – ARPS and Plan Change 20 - Franklin District Plan) emphasise the need to integrate land use with transport. This is to be achieved through the development of structure plans and transportation plans, which are aimed at ensuring land use is integrated with transport, including for business/industrial zones and freight transport.

There will continue to be a need for a high level of access to the existing state highway network as well as to regional freight terminals, ports and airports. The importance of upgrades for SH22 and the main arterial from Bombay (Mill Road) is recognised as part of Council's Integrated Transport Strategy and associated Freight Action Plan, and the Pukekohe Futures Report. These links are seen as providing important access to the state highway network.

³⁷ NZ Census 2006 – Journey to Work

³⁸ A Regional Strategic Freight Network for Auckland – Draft Report – Rev 3 R Paling for ARC May 2009.

Council is also further examining the promotion and development of the Pukekohe Eastern Arterial. This will provide a by-pass from Manukau Road, eastward to Mill Road and will improve freight accessibility to the key roading network and reduce conflicts with commuter and commercial traffic.

Employment Base

Much of the northern section of the Franklin District is within 40 km of a substantial part of the Manukau and Papakura urban populations. While many rural businesses rely on local labour, a number of interviewees (hothouse growers, horticultural operations and New Zealand Steel at Glenbrook) indicated that a number of employees travel into Franklin from these areas.

New Zealand Steel estimates that over 50% of the work force is located in the urban area of Auckland. The reasons cited by interviewees included the need for employees' partners to work within the urban areas, proximity to families and educational facilities, and proximity to a range of urban services and facilities.

The journey to work statistics and importance of the urban labour force to serve economic activities have not yet been analysed to confirm the extent of such travel (as part of this report).

Growth in Key Settlements

Considerable residential growth has occurred within the key settlements of Pukekohe and Waiuku. This provides a basis for stimulating the economies of these settlements, including promoting growth of retail and a range of service activities, which also serve the wider surrounding rural communities. This also reduces the need for residents to travel out of the area to Manukau City or Auckland City to meet equivalent demand.

The greatest growth in population within the District has occurred in Pukekohe within the last two decades. Over 31% of the District's residential growth occurred in Pukekohe between 1991 and 2004. Growth has largely been accommodated with the release of residential zoned land within the northern and north-eastern growth areas of the township. The urban area has expanded into these growth areas through the provision of Structure Plans implemented through a series of Plan Changes.

Generally, such rezoning and growth has avoided the high quality soils and horticulture areas, which are primarily south west of the township. This preferred direction for growth is reinforced in the District Growth Strategy and most recent rezoning Plan Changes.

Extensive commercial development has also occurred within the last decade in the southern Manukau Road area. Major retail and bulk retail growth has occurred east of Manukau Road³⁹. Ensuring that further growth does not compromise provisions for essential industrial land is an important Council consideration.

Preliminary work has been undertaken for the Pukekohe Futures Report which highlights the need to provide for business and industrial land in the vicinity of Pukekohe. It is considered that as the rural economy grows, there will be a need for more service industries and suppliers which are likely to want to locate centrally and will need business/industrial land.

There is an emphasis in the DGS for the development of the Paerata area as a location for industrial activity with good transport links. This approach reduces cost and potential conflict with freight transport routes and may also provide opportunities for a range of areas to be developed

³⁹ Pukekohe Business Land Requirements, for Franklin District Council, March 2010 – Property Economics.

for rural services and possible development of a horticulture hub.

Additional growth opportunities are provided for at Pokeno with the introduction of the Plan Change 24 Structure Plan. The Pokeno expansion provides for new residential, commercial and industrial areas. This will provide a stimulus for activity within this area.

Residential growth is also provided through the Rural Plan Change process (Plan Change 14), including additional residential zoned land at Clarks Beach. The DGS also highlights desired areas for growth in Pukekohe, Waiuku and Tuakau.

Tourism and Visitors

Findings from a 2007 visitor strategy entitled 'Bringing the World to Auckland – The Case for Investment in Auckland's Visitor Economy' concluded that Auckland's main strength is its hinterland which contains natural attractions and offers outstanding experiences. An integrated promotional plan for the Auckland region would offer a complete visitor "package", including the attractions and cultural heritage of the wider region. In addition, large events such as the Rugby World Cup 2011 and the Cricket World Cup 2015 provide opportunities to attract visitors out of the cities to visit other parts of the region.

Franklin is a short drive south of Auckland or north of Hamilton. It currently has many attractions, including the historic Glenbrook Vintage Railway, the Hunua Falls, the motorsport and horse racing track in Pukekohe, the Waipipi Bird Park, the Kaiua-Miranda coast, the Franklin Zoo and Wildlife Park and the Manukau Heads Lighthouse. Other tourism ventures include Riverland Adventures (quad bike tours, Te Kohanga), Franklin Farm Tours (farm visits, kayaking, horse trekking and quad bikes), Karaka Point Vineyard, Wrights Water Gardens (Patumahoe), Nikau Cave (Waikaretu), Wild West Adventures (Awhitu) and Alpaca Hill Farms (Bombay). These are dispersed across the District rather than in any dominant location.

It is currently unknown to what extent visitors to Franklin are international travellers, from Auckland or visitors from other parts of New Zealand. Operators spoken to indicated a mixture of such clients.

In his *Framework for Franklin's Future: Visitor Experiences Action Plan 2007*, Derek Kemp recommended further initiatives to provide a range of unique visitor and recreational attractions in the District. These initiatives are still relevant and will help achieve the goals of creating and capturing wealth, by attracting both domestic and international visitors.

Agricultural Sector and Industrial Land

The key towns of Pukekohe, Waiuku and Tuakau provide a strong base of industrial and commercial land that supports complementary industries for the rural sectors. As outlined above, an extensive area of additional land has been zoned business (including industrial) in Waiuku and Tuakau, and in the Pokeno Structure Plan. In addition, the DGS and Pukekohe Futures report gives direction to further business land growth opportunities focused on Pukekohe. It is appropriate that in the development of Pukekohe, opportunities are provided for a wide range of business land that can provide support for the rural sector. These opportunities include business land to the north of Pukekohe, towards Paerata.

In addition, there is potential opportunity for rural support industries to be established in the proposed expansion of the Drury industrial park.

The expansion of the District's key settlements to include additional land for industrial activities, combined with Pokeno and Drury south, will provide relief from the pressure for industrial land from the Auckland region. In relation to such expansion, however, cognisance needs to be taken

on the availability of water and soil resources and potential adverse impacts upon the agricultural/horticultural sector. In addition, it is desirable that the environmental quality of the agricultural sector is maintained by the avoidance of any substantial “dirty”/chemical industries locating in the vicinity of horticultural and agricultural activities.

6.4 Planning and Policy Documents

The Resource Management Act 1991 provides a number of directions and requirements for achieving the sustainability of the environment.

The key national, regional and district policies, standards and plans have been examined in light of how they impact upon the economy of Franklin.

A full analysis of how the various policies and regulations is contained in Appendix 3.

Of note, the key documents that have a considerable influence on the rural economy include:

- Auckland Regional Policy Statement (including proposed Plan Change 6)
- Auckland Regional Land, Air and Water Plan
- Auckland Regional Land Transport Strategy
- Waikato Regional Policy Statement
- Waikato Regional Plan
- Franklin District Plan

and their associated plan changes or variations.

Of particular note is the influence the Auckland Regional Policy Statement (ARPS), and modifications in proposed Plan Change 6, which directs growth and activities within the Auckland region. These documents are required to be given effect to for new district plan changes. The ARPS (and proposed Plan Change 6) principal strategic direction is to manage the growth of Auckland through consolidation of the urban area largely within the confines of a Metropolitan Urban Limit (MUL) or in defined centres.

Outside this MUL, activity is limited. The entire Franklin District is outside the MUL (noting, though, that some specified urban areas – such as Pukekohe - are regarded as urban in the MUL context).

Limitations on activities outside the MUL, including the rural areas of Franklin, are directed by the application of a definition for rural and urban activities. This definition will determine what activities can occur in the rural areas of Franklin. If the definition of rural excludes any urban related activities (such as retail, manufacturing, processing, tourism accommodation), and there is no application of criteria such as scale and character. This could limit the ability to provide for such activities within the rural area. This matter is presently before the Environment Court considering appeals on proposed Plan Change 6.

The analysis in Appendix 3 outlines the range of policy and plan documents and key impacts upon the economy of Franklin.

7. Strengthening the Economy

As demonstrated previously in this report, the economy of Franklin exhibits both strengths and weakness. There are also a range of opportunities available to advance rural economic activities.

In developing the economy, the effect on externalities, such as the environment and people, should be taken into consideration. These effects should be considered in the decision-making processes used by successor councils in their future development of the District's economy.

7.1 Sustainability and Sustainable Development

Sustainability is essentially about using the inputs of land, water, other resources and people more efficiently and acceptably. Sustainability defined in this way is therefore not an additional burden on an economy, but a set of opportunities. Sustainability - the art of doing things better with what is available - is at the core of almost all economic development and if Franklin, among other places, is to grow its economy then it will inevitably need to be factored into the way land and other resources are used.

While there is a strong regulatory dimension in a council's role; for example through standards set on activities in the district and regional plans, and under the Building Act and other legislation affecting business, there is also a need to be better at using resource inputs, as they are generally finite and will, in the future, cost more per unit. Good planning is an essential component. An obvious example is water, which may become locally scarce (aquifer sources in particular) unless wider policy decisions are made as to where to source water from for particular activities (especially important for dispersed rural activities where the property may not be connected to water supply networks). Good soils are also internationally scarce and if Franklin wishes to position itself in the upper end of the resource based market, landowners and users should be considering the protection of land versatility and sustainability of soils to continue being productive.

Much of Franklin's economic activity is founded in the efficient allocation of land between different users, and maintaining and improving transport connections. A planning regime that minimises the impact of neighbours on rural and industrial activity (avoiding reverse sensitivity) is a locally important aspect of wider economic sustainability, as is also the reverse of avoiding the impact of industry on other values such as residential.

It is envisaged that part of Franklin's future will be the offering of attractive living environments for Auckland and Waikato. In this respect, the Franklin District Growth Strategy (DGS), and its vision of a structured environment that allows for complementary activities to occur in specific locations, is future proofing the economy and making it more 'sustainable'. Strategically avoiding conflict and maintaining resource capital is cheaper and better than retrospectively trying to cure a problem. Examples of this are the management of the cross boundary effects of noise, odour, dust and light spill through separating incompatible activities or setting appropriate standards. Franklin's DGS is one of several such documents that will feed into the future Auckland and Waikato spatial plans with the intent of 'planning ahead' to avoid trouble.

There is an advantage for industry in investigating market trends and positioning their products as value-added and premium goods; i.e. sustainable goods. Sustainable development and sustainability are therefore not incompatible with good business and strategic commercial thinking, but arguably central to it. It is likely that international demands for 'sustainable produce' will manifest in more sophisticated industry protocols and environmental management systems linked to accreditation. This could occur particularly in respect of European export markets, but other major markets in Asia and North America are likely to follow, as consumers become more sophisticated and 'green' regimes are used as informal tariff barriers.

Franklin's business sectors will need to work more closely with Government and Councils to create a more sustainable marketing profile. This requires production regimes that are efficient, competitive, yet meet market demands. Examples of such requirements include animal welfare regimes, pollution management systems, content control monitoring and auditing, etc.

Currently the forestry and fishing industries have some of the more highly developed industry accreditation schemes, but the dairy and pharmaceutical industries are following closely behind. Whole towns and regions in Europe are developing market positions based on quality and sustainability. The growth of farmers' markets in New Zealand and boutique winery destinations are early signs of local areas forming a quality based identity. In Franklin's case, this is shown in the Pokeno Country Market, the olive orchard and restaurant at Bombay, the Awhitu and Clevedon wineries and the fish and chip café at Port Waikato. These are all destinations as well as helping to form a local food based Franklin identity.

Sustainable development and sustainability are therefore not, as some think, incompatible with good business and strategic commercial thinking, but arguably central to it. The successor councils' future roles as infrastructure providers, regulators and occasionally investors will necessarily involve thinking about the future dimension of business, not just the present, in how they contribute to and think about standards and how they involve themselves with industry in a strategic sense.

The District's current strengths and weaknesses and opportunities to foster sustainable economic growth are discussed in the following sections.

7.2 Strengths

- Strong, established rural economy. This includes the horticultural industry with traditional horticultural activities and new innovations, the growing strength of the equine sector and establishment of equine hubs and the extensive mineral aggregates deposited throughout the District with established extraction operations.
- Presence of areas of high versatile soils in close proximity to prime local and national roading networks.
- Proximity to the Auckland domestic market and its labour force providing key skills and a source of workers.
- Location in the 'golden triangle' of Auckland, Tauranga and Hamilton with access to key national distribution links, domestic and export markets.
- Good access to key infrastructure - Auckland International Airport, Ports of Auckland and Tauranga, regional retail distribution facilities, science and technology research establishments, produce markets and the Watercare pipeline.
- Continuing population growth in a District with a youthful population that will provide a strong employment base.
- Well established service centres of Pukekohe, Tuakau and Waiuku and future growth centres of Pokeno, Klngseat and Clarkes Beach.
- Presence of and potential for zoning of areas of industrial/business land in Pukekohe, Waiuku, Tuakau and Pokeno.
- Location of Pukekohe and Pokeno with good links to national networks to service transport and distribution sector.
- Manufacturing - presence of New Zealand Steel manufacturing plant (Glenbrook).

- High value landscapes, open space and heritage sites present opportunities for tourism and visitor activities.

7.3 Weaknesses

- Decline in dairy farming and pastoral sectors, traditional mainstays of the rural economy.
- Lack of suitable sized land and high levels of fragmentation impacting on key industries (dairy farming and horticulture) limiting land acquisition required to maintain viable economic operations.
- Conflicts and reverse sensitivity issues between rural economic activities and countryside living (residential within rural areas) inhibiting the continuance of key rural activity.
- Constraints imposed in planning documents that fail to provide for the changing nature and complexity of rural activities.
- Threats from the growth of Pukekohe to the further development of the South East Pukekohe equine hub.
- There is a lack of infrastructure, particularly:
 - High speed broadband, particularly for the rural areas.
 - Reliance on water aquifer and competition for water supply allocations creates uncertainty for key agricultural operations when planning for expansion due to competing uses.
 - Public transport to enable people to move within, to and from the District, including rail services.
 - Cycleway connections between areas in the District
 - Freight network, rail and road.
 - Wastewater infrastructure in the southern part of the District.
- Approximately half of the residents work outside the District, taking some wealth out of the District and creating additional commuter traffic.

7.4 Opportunities

- Build upon the established horticulture sector, increasing export sales in line with national policy by:
 - Creating a regulatory framework that promotes innovation in horticulture enabling greater levels of value added processing and production on-site to meet market demand, particularly from export markets.
 - Develop a regulatory framework that addresses land fragmentation to facilitate economic growth.
 - Develop the horticulture industry in Franklin by working in partnership with local growers and Horticulture New Zealand to identify relevant opportunities outlined in its Growth Strategy 2009-2020 (Growing a New Future). Opportunities contained in the report

include consolidating and creating businesses of scale to become globally competitive, building on New Zealand's perceived cultural and quality attributes to create product differentiation giving competitive advantage, and further developing value-added processes through science and technology innovation.

- Respond to the growing global trend towards, health, wellness and sustainability by supporting horticultural producers to achieve certification, enabling them to show their show green credentials to world markets.
- Further develop the equine hubs in Karaka and Pukekohe south, increase links between training and housing facilities to enable the growth of both hubs.
- Develop complementary activities associated with steel production in proximity to New Zealand Steel to build a manufacturing centre of excellence.
- Build upon the close proximity to Auckland to attract visitors through regional tourism initiatives and the promotion the District's natural features, landscapes, attractions, local food and crop products ventures, rural and heritage experiences, including the development of a heritage trail.
- Retain heritage buildings in existing towns and apply urban design principles in planning documents in order to enhance positive visitor experiences.
- Build on existing infrastructure such as the Pukekohe Park Raceway and the Motorsport Track promoting complementary activities and attracting visitors.
- Further develop the District's transport network to take into account the needs of the rural sector, in particular freight movements and public transport.
- Build upon Franklin's position in the economic golden triangle of Auckland, Tauranga and Hamilton and the access to its established infrastructure, including the roading network, ports and airport to access export markets.
- Secure funding for fibre optic broadband to help increase rural production and innovation, and to help develop rural tourism.
- Provide sufficient industrial land in existing urban areas for the rural support sector.
- Promote the newly-available industrial land available in Pukekohe, Tuakau and Waiuku.
- Provide for growth in small towns and villages for a range of rural industry employment.
- Build upon functions of service centres and future growth centres to promote expansion of complementary industries to established and emerging rural activities (including hubs).
- Promote Pukekohe and Pokeno as locations to service transport and distribution sector.
- Retain existing village and town character including protecting open space sites such as A&P showgrounds and retaining rural facilities such as the saleyards in Pukekohe and Tuakau.
- Promote collaborative ways for key sector operators and council to work in partnership, with the aim of finding innovative, mutually beneficial opportunities and solutions to assist with economic development.

7.5 Conclusions

Franklin is a rural-based economy strongly supported by its existing settlements and its proximity to Auckland. Franklin also lies in the middle of New Zealand's golden economic triangle comprising Auckland, Hamilton and Tauranga. It therefore has links to key infrastructure in these cities, in particular the ports and the airport, supporting a strong export focus in major economic sectors.

Franklin needs to have a governance environment that understands the needs of its land based economy, is flexible, dynamic and able to respond to economic changes quickly and sustainably if it is to continue to experience growth, particularly in its export sector.

The District's economy reflects its rural nature, which is dominated by primary industries and processing. Its economy is driven by a strong agricultural sector, by manufacturing (New Zealand Steel), by adding value to farm produce and by 'population driven' building, construction and retailing. Since 2004, there has been an increase in the service sectors, particularly education, and also rapid retail expansion. There has been considerable population growth throughout the District, and in particular in Pukekohe, which has driven this increase. However, population driven growth in itself is not sustainable, and other aspects are identified as necessary for economic growth.

In line with the changing market, adding value has become important for many traditional rural sectors, including horticulture. There is a move towards more specialised products and more sophisticated packaging, and opportunities exist for increased quantities of processed foods. In addition, specialised, non traditional crops are becoming more popular, often with production on-site adding value at source before they are marketed. This innovation in food offers export opportunities, in line with the government's economic targets. Manufacturing offers opportunities for complementary activities, by the establishment of a manufacturing hub in proximity to the New Zealand Steel Mill.

There is also the opportunity to build on other existing sectors, such as equine and tourism, which can play an increasing future role in the economy, with appropriate support to facilitate development.

To build upon the existing economy and promote sustainable innovation and growth, a number of actions are recommended below.

7.6 Recommended Actions

This strategy aims to achieve “an innovative, sustainable and growth orientated rural economy”.

The recommended actions to achieve this goal are grouped under each role of a local authority as a regulator, provider and persuader.

- As a regulator, a council can facilitate economic growth through rules, plans and policies relating to building, land use and environmental sustainability.
- As a provider, a council can invest in infrastructure and may also stimulate the economy by investing where others will not or cannot.
- As a persuader and advocator, a council can bring parties together with common interests to develop initiatives and grow networks which can enhance economic growth.

These actions will potentially give successor councils a platform from which to further grow the Franklin rural economy. Their relevance to each council has been indicated in the table below.

Council’s Role: Regulator		
1. Provide a regulatory environment that promotes growth and innovation across the key rural sectors		
Objectives	Actions	Specific Actions for Successor Councils
<ul style="list-style-type: none"> • Allow complementary, multiple and value-added rural economic activities to occur on one site. • Create growth sectors around economic clusters. 	<p><i>Horticulture</i> Incorporate in the District Plan and Regional Policy Statements rules to:</p> <ul style="list-style-type: none"> • provide for processes such as packing, processing, manufacturing and distribution of rural related products as permitted activities. • provide for manufacturing, tourism activities and other commercial activities complementary to horticultural operations promoting rural economic growth. • amend the front yard provision for rural pack-houses and associated buildings. 	<p><i>Horticulture</i> <u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Incorporate rules to enable the horticulture sector to grow and add value in District and Regional Plans

	<p><i>Equine</i> Amend the District Plan provisions to:</p> <ul style="list-style-type: none"> • facilitate the growth of equine hubs and complementary activities based around the Franklin Trotting Track and Franklin Racing Track, and the Karaka Bloodstock Centre. • promote on-site living options for trainers/owners/employees associated with equine hubs. • provide linkages between training facilities and stud farms. • Ensure Pukekohe south growth provisions (including Pukekohe Futures Report) complement the promotion of the equine hub around the Trotting Track. • Amend the DGS provisions for residential growth in south east Pukekohe to account for the equine cluster. <p><i>Manufacturing</i></p> <ul style="list-style-type: none"> • Consult with New Zealand Steel in regard to options for improvements to existing zoning in order to promote complementary economic activities that secure improved environmental outcomes, including landscape green belt buffers to adjoining rural areas. • Review rural industry provisions in the District Plan (following the outcomes of Plan Change 14), to provide, in the rural areas, more opportunities for the establishment of a wider range of industries that support rural economic activities. <p><i>Tourism</i></p> <ul style="list-style-type: none"> • Provide for complementary rural tourist related ventures in District Plan rules • Continue the provisions in the District Plan that protect the high value 	<p><i>Equine</i> <u>Auckland Council</u></p> <ul style="list-style-type: none"> • Include rules in future District Plans that facilitate the further growth of Pukekohe and Karaka equine hubs through plans and policies <p><i>Manufacturing</i> <u>Auckland Council</u></p> <ul style="list-style-type: none"> • Improve zoning around New Zealand Steel, Glenbrook <p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Review rural industry provisions in District Plans <p><i>Tourism</i> <u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Provide for new tourist ventures in District Plan rules • Provide for appropriate tourism signage in
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	<p>landscapes, open spaces and heritage sites to promote visitor experience.</p> <ul style="list-style-type: none"> • Implement the recommendations of the Heritage Strategy, including the development of a heritage trail, to protect the District’s heritage and attract tourism. • Recognize the importance of farmers’ markets which provide an economic and social role in the rural sector and also act as a visitor and tourist magnet. • Provide sufficient land for farmers’ markets through suitable zoning in the heart of towns and villages. • Provide for appropriate signage promoting and giving direction to tourism ventures in Policies and Bylaws. • Provide for alternative land use, such as adventure or activity-based tourism, in the District Plan Rules. 	<p>policies and bylaws.</p> <ul style="list-style-type: none"> • Implement the recommendations of the Heritage Strategy, including a heritage trail. <p><u>Auckland Council</u></p> <ul style="list-style-type: none"> • Promote existing tourism, including: <ul style="list-style-type: none"> • Hunua Falls • Motorsport and horse racing tracks • Manukau Heads Lighthouse • Franklin Zoo • Wild West Adventures, Awhitu • Glenbrook Railway • Pukekohe Country Market • Waiuku Museum <p><u>Waikato Council</u></p> <ul style="list-style-type: none"> • Promote existing tourism including: <ul style="list-style-type: none"> • Nikau Caves • Riverland Adventures • Mercer Cheese • Tuakau Museum • Pokeno Country Market <p><u>Hauraki Council</u></p> <ul style="list-style-type: none"> • Promote existing tourism including: <ul style="list-style-type: none"> • Kaiaua Seabird Coast • Waharau Regional Park • Annual Wine and Food Festival
<p>Encourage larger land holdings and address the level of fragmentation.</p>	<p>Following Plan Change 14 outcomes, insert rules in new District Plans and District Growth Strategies to provide for countryside living subdivision to:</p> <ul style="list-style-type: none"> - avoid high levels of dispersed countryside living, 	<p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Include rules on countryside living in District Plans and District Growth Strategies from the outcomes of Plan Change 14.

	<ul style="list-style-type: none"> - reduce conflicts with rural economic activities and minimise reverse sensitivity issues, - promote the productive use of soils. 	
Protect the District's mineral resources for future use.	Consult with the mineral aggregate sector to identify and develop new District Plan provisions to protect the future availability of mineral resources.	<u>Auckland, Waikato and Hauraki Councils</u> <ul style="list-style-type: none"> • Consult with the mineral aggregate sector to develop District Plan rules to protect mineral resources in: <ul style="list-style-type: none"> • Drury (Auckland) • Pokeno and Pukekawa (Waikato) • Kaiaua (Hauraki)
Make adequate industrial land available for rural support industries	<ul style="list-style-type: none"> • Review extent and nature of existing business/industrial land to ensure there is sufficient capacity for rural support industries. • Provide for appropriate levels of industrial/business land in the northern areas of Pukekohe, identified in the DGS. 	<u>Auckland Council</u> <ul style="list-style-type: none"> • Develop further business land in Paerata • Continue to develop and promote business land in the northern areas of Pukekohe • Continue to develop and promote business land in Waiuku <u>Waikato Council</u> <ul style="list-style-type: none"> • Continue to develop and promote Pokeno business land • Continue to develop and promote Tuakau business land
Provide a District roading network that facilitates the movement of freight to and from rural economic activities.	<ul style="list-style-type: none"> • Review the provisions in the Traffic Control Bylaw for the movement of heavy vehicles, to accommodate special vehicle requirements of horticultural and agricultural sectors. • Examine options for the movement of special vehicles over the Tuakau Bridge to facilitate movement between horticultural operations. 	<u>Auckland Council</u> <ul style="list-style-type: none"> • Include provision for the movement of heavy vehicles within the District to support horticultural and agricultural industries in policies and bylaws. <u>Waikato Council</u> <ul style="list-style-type: none"> • Include provision for the movement of heavy vehicles within the District to support horticultural and agricultural

		<p>industries in policies and bylaws.</p> <ul style="list-style-type: none"> • Provide for easier movement of heavy vehicles over the Tuakau Bridge.
Promote recognition of Maori values	<ul style="list-style-type: none"> • Ensure that regulatory frameworks are sensitive to development needs on multi owner land including opportunities for papakainga housing and other social and cultural components. • Ensure the regulatory framework promotes the importance of the Mauri of the land and its potential to form the basis of a creative local tourism industry with a distinctly Maori quality based on kaitiakitanga and manawhenua. 	<p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Provide for multi-owner land in District Plan rules. • Provide for Maori tourism in District Plan rules.
Provide an allocation regime to ensure the availability of water to meet the present and future needs of rural economic activities.	<ul style="list-style-type: none"> • Review the regional plan provisions in regard to the allocation of water with the aim of providing secure long-term ground water availability for dispersed rural operations. • Investigate improvements to the water allocation regime and transferability for water allocation and take permits. 	<p><u>Auckland Council</u></p> <ul style="list-style-type: none"> • Review the allocation of groundwater to horticulture/agriculture and the township of Pukekohe. • Identify and implement improvements to the water allocation regime.
Promote a wider understanding of rural character	<ul style="list-style-type: none"> • Amend the definition of rural character in the District Plan to incorporate the concept of the rural area as a working environment. • Amend Regional Policy Statements to place greater emphasis on the rural working environment. 	<p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Amend District Plans and Regional Policy Statements to emphasise Franklin’s rural working environment.

Council’s Role: Provider

2. Invest in infrastructure and initiatives that support and stimulate economic growth.

Objectives	Actions	Specific Actions For Successor Councils
<ul style="list-style-type: none"> • Provide infrastructure that attracts and retains key economic activities and a skilled workforce 	<p><i>Transport</i></p> <ul style="list-style-type: none"> • Continue to invest in the maintenance and development of the District’s roading network and give greater priority to the protection and development of freight routes that serve economic activity, particularly in rural areas. • Increase connectivity between villages, towns and key industries to assist with mobility for residents, employees and businesses. 	<p><i>Transport</i></p> <p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Invest in the maintenance and development of the roading network. • Increase connectivity between villages, towns and key industries, including across new local authority boundaries.

<ul style="list-style-type: none"> • Invest in economic initiatives and partnerships • Invest in productive and vibrant town centres • Provide a responsive and knowledgeable service • Promote economic growth by continuous review of the District Plan rules. • Retain existing sites with an urban/rural connection 	<ul style="list-style-type: none"> • Develop the Pukekohe Eastern Arterial as a priority, ensuring its development compliments and promotes the continuance and expansion of the Pukekohe equine hub. • Investigate the need for further ring roads or bypass routes for Pukekohe. <p><i>Infrastructure</i></p> <ul style="list-style-type: none"> • Invest in key infrastructure within the District, to provide an environment that attracts and retain appropriate industries and a skilled workforce. • Build on existing infrastructure such as Pukekohe Park Raceway and the Motorsport Track to facilitate growth in the equine and motorsport industries. • Invest in productive and vibrant town centres, building upon town centre plans and urban design guides, attracting visitors and supporting rural economic activities. • Retain and build upon existing connections between highly valued open space sites (e.g. A & P Showgrounds) and links to the town centres. <p><i>Economic Initiatives</i></p> <ul style="list-style-type: none"> • Invest in partners to promote economic growth and initiatives such as i-sites, business promotion and economic monitoring. 	<p><u>Auckland Council</u></p> <ul style="list-style-type: none"> • Develop the Pukekohe Eastern Arterial as a priority. • Investigate further ring roads or bypass routes for Pukekohe. <p><i>Infrastructure</i></p> <p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Invest in key community infrastructure. <p><u>Auckland Council</u></p> <ul style="list-style-type: none"> • Invest in vibrant town centres in Pukekohe and Waiuku. • Retain and build upon existing connections between open space sites and links to town centres, including the A&P Showgrounds, Pukekohe Saleyards and Pukekohe Racetrack. <p><u>Waikato Council</u></p> <ul style="list-style-type: none"> • Invest in vibrant town centres in Tuakau and Pokeno. • Retain and build upon existing connections between open space sites and links to town centres, including the Tuakau Saleyards, Waikato River and Pokeno Country Market. <p><i>Economic Initiatives</i></p> <p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> • Invest in economic partners. <p><u>Auckland Council</u></p> <ul style="list-style-type: none"> • Invest in the established i-sites at
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	<p><i>District Promotion</i></p> <ul style="list-style-type: none"> Invest in and further develop the Franklin Country brand, specifically to promote: <ul style="list-style-type: none"> District tourism, including visitor experiences, heritage sites etc The economic advantages of Franklin, including its key rural sectors and location in the “golden triangle”. Provide supporting infrastructure to facilitate tourism ventures, such as signage, parking and viewpoints along key roading networks. <p><i>Council Service Delivery</i></p> <ul style="list-style-type: none"> Provide a high degree of local contact and a highly responsive, fast delivery one-stop shop service. This should include information sharing, working in partnership and consultation, particularly for consent processing. Review the District Plan rules relating to landuse and subdivision in the rural area on a regular basis, to ensure they are meeting the needs of the rural industries and not constraining economic growth. Develop an organisation-wide rural understanding, and knowledge of rural sector industries and locality factors. Engage in early consultation with affected parties to enable them to have input in the development and review of plans and policies. Provide an organisational structure that ensures a consistent approach and interpretation of Council’s rules and policies. Ensure rating/fees are based on fairness and understanding of rural industry – capital/costs so they are not disadvantaged. 	<p>Bombay, Pukekohe and the information site at Waiuku.</p> <p><i>District Promotion</i> <u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> Invest in and develop the Franklin Country brand. Provide supporting infrastructure for tourism. <p><i>Council Service Delivery</i> <u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> Provide a high quality, fast service with an organisation-wide rural understanding and knowledge. Consult with key stakeholders early on during the development and review of plans and policies. Ensure rating/fees are based on fairness and understanding of rural industry. Develop a rating system responsive to Maori needs.
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	<ul style="list-style-type: none"> Develop a rating system that is responsive to the needs of Maori multiple ownership structures in the rural area to advance Maori economic development. 	
Council's Role: Persuader		
3. Influence and advocate for services and infrastructure that promote economic growth		
Objectives	Actions	Specific Actions for Successor Councils
<ul style="list-style-type: none"> Influence investment in nationally owned infrastructure, in particular: <ul style="list-style-type: none"> Passenger transport Broadband Rail Water supply Support and promote regional and national complementary economic initiatives 	<p><i>Infrastructure</i></p> <ul style="list-style-type: none"> Advocate for research into the future use of the Watercare pipeline to supplement the aquifer for water supply. Advocate to the New Zealand Transport Agency for continued and expanded national transport links to key ports, airport and markets, and the maintenance and enhancement of quality arterial roading to the state highway network. Advocate to Government for improvements to public transport, both within and to/from the District. Continue to advocate for fibre optic broadband across the District. Influence and lobby Government to improve education and youth training investment in the District. <p><i>Economic Initiatives</i></p> <ul style="list-style-type: none"> With economic partners, use the Economic Growth and Innovation Framework as a basis of promoting economic growth through the development of key clusters, including horticulture and equine. Support the development of a Rural Economic Implementation Plan with measurable targets and actions to facilitate innovation and growth in key rural sectors. Work in partnership with local growers and Horticulture New Zealand to support the growth of the industry in line with the Growth Strategy 2009-2020 (Growing a New Future). 	<p><i>Infrastructure</i></p> <p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> Advocate to NZTA for continued and expanded national transport links to major infrastructure. Advocate for funding for fibre optic broadband. Advocate for improvements to public transport. Lobby Government to improve education and training investment in the District. <p><u>Auckland Council</u></p> <ul style="list-style-type: none"> Advocate for the use of the Watercare pipeline to supplement groundwater aquifers. <p><i>Economic Initiatives</i></p> <p><u>Auckland, Waikato and Hauraki Councils</u></p> <ul style="list-style-type: none"> Promote economic growth through the development of business clusters. Collaborate on and develop a Rural Economic Implementation Plan across local authority boundaries. Work in partnership with local growers and Horticulture NZ to identify growth opportunities. Undertake research into opportunities for sustainable and profitable land use.

	<ul style="list-style-type: none"> • Conduct further research into rural land use and future opportunities that exist to diversify the use of rural land in a profitable and sustainable way. • Encourage industries undertaking value-added processing, particularly new types of processing. • Promote the development of complementary manufacturing operations located in close proximity to New Zealand Steel. • Promote business/industrial land made available following the implementation of Plan Changes to attract rural support industries. • Promote Pukekohe, Waiuku and Tuakau as major service centres, including Pukekohe’s advantages in relation to the regional and national transport networks, Waiuku’s role as gateway to the Awhitu Peninsula, and Tuakau’s and Pokeno’s roles in providing service and growth centres to the northern Waikato. • Act as joint venture partners alongside Crown agencies, Iwi and other stakeholders to encourage investment and promote vocational education. • Establish a partnership with Maori to promote Maori economic initiatives and establish protocols for effectively managing resources of importance to Maori. • Continue to promote tourism within the District, including targeting regional tourism, particularly associated with visitors to major events in Auckland, e.g. Rugby World Cup 2011. • Promote opportunities arising from the District’s position within the “golden triangle” by encouraging the establishment of industries such as transport and distribution in the District. 	<ul style="list-style-type: none"> • Encourage innovative industries undertaking value-added processes. • Promote the newly-available business land in Pukekohe, Waiuku and Tuakau. • Establish a partnership structure with Maori. • Promote regional tourism initiatives. • Promote the District’s position within the “golden triangle”. • Encourage training providers to co-operate and develop training programmes. • Conduct further research into future land use opportunities. <p><u>Auckland Council</u></p> <ul style="list-style-type: none"> • Promote the District as a tourist destination for visitors to the Rugby World Cup 2011. • Support and advocate for the government’s proposed Food Technology Hub in Manukau and encourage science and technology industries to establish in Franklin. • Promote the development of complementary manufacturing in proximity to the New Zealand Steel Mill. • Promote Pukekohe as a major service centre, including its links to the regional and national transport networks. • Promote Waiuku as gateway to the Awhitu Peninsula. <p><u>Waikato Council</u></p> <ul style="list-style-type: none"> • Promote Tuakau and Pokeno as service
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	<ul style="list-style-type: none"> • Support the development of the government’s proposed Food Technology Hub in Manukau and encourage the establishment of rural based science and technology industries in Franklin. • Promote increased links with the Hampton Downs Racetrack, to promote the development of the motorsport sector in the District. • Encourage industry training providers and businesses to co-operate and develop new training programmes to support the development of sectors. 	<p>and growth centres to the northern Waikato.</p> <p><u>Waikato and Auckland Councils</u></p> <ul style="list-style-type: none"> • Jointly promote increased links with the Hampton Downs Racetrack to develop the motorsport sector in Pukekohe further.
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7.7 Recommended Performance Indicators and Measures

Any indication of economic health of a local authority area should contain a rural element, and show the relationships between the natural, resource-based economy and the economy as a whole.

The following performance indicators and measures are recommended for successor councils:

Performance Indicators	Performance Measure
Council's Role: Regulator	
District Plans adopted by successor councils contain rules that enable value-added innovative activities to flourish in the rural area.	<ul style="list-style-type: none"> • Annual satisfaction survey of 20 key organisations, enabling benchmarks and trends to be established. • Household labour force surveys to establish employment in innovative industries.
Multiple and complementary activities on site increase in the rural areas.	Annual survey to establish level of increase.
Large land holdings increase and land fragmentation decreases in rural areas.	Annual monitoring and analysis of subdivision resource consent applications in rural areas to establish trends.
Growth sectors are created around economic clusters.	Household labour force surveys to establish employment patterns.
Maori values and kaitiakitanga are recognized and promoted.	Annual satisfaction survey of local Iwi.
Council's Role: Provider	
Investment in infrastructure and vibrant town centres to retain the workforce and existing wealth.	Annual increase in % of working residents employed in the District.
Investment in economic initiatives and partners to promote economic growth.	Measure employment multipliers of selected industries/organisations.
The establishment of businesses in areas earmarked for economic growth.	Monitor number of geographic units (Gus) in a given area of a period to establish trends.
Provision of a knowledgeable and responsive service to customers.	Annual customer satisfaction survey.
Council's Role: Persuader	
Advocate for investment in improvements to nationally owned infrastructure, e.g. public transport, state highways.	Annual satisfaction survey. Track national and regional spend on public transport, state highways and rail in Franklin.
Support sustainable development.	Measure the consumption of renewable resources, e.g. water, energy, to establish trends and for benchmarking against others.

Appendix 1

Case Studies

The following case studies provide a commentary on key economic activity sector groups. The case studies undertaken highlight issues in regard to:

- Key sector activities (horticulture, minerals)
- Expansion or continuance of existing activities (e.g. choice to locate or re-locate)
- New and innovative sector – establishment of activities
- Boutique activities.

The case studies include examples from:

- Aggregate extraction
- Horticulture – small block production, hothouse, large growers
- Horticulture – niche production and manufacturing
- Equine sector
- Tourism

This includes identifying:

- Changing land use needs
- Specific location factors
- Growth impediments.

Mineral Aggregate Extraction and Processing

Nature of Operations

This major mineral aggregate operation includes:

- Pukekawa aggregate quarry
- Sand extraction – Waikato River (Tuakau)
- Future Pokeno quarry

Pukekawa Aggregate Quarry

The Pukekawa mineral extraction quarry, located adjacent to the Waikato River north of Pukekawa, is the largest operating aggregate extraction quarry in the Franklin District. The resource is high quality basalt. This provides a high quality aggregate material for roading, construction and landscaping.

It is estimated the quarry can provide 20 to 30 years of supply to the market. The market is almost entirely domestic (99%) with a small component (1%) of coloured chip material exported to Asia for roofing additive material. The Auckland market is the prime market (80%) for all construction, roading and landscaping products, with the remainder of products for the Franklin and Waikato areas. This varies dependent upon extent and location of major roading and construction projects.

The Pukekawa extraction area is zoned as Aggregate Extraction and Processing in the operative Franklin District Plan. The quarry has been operating on the site for over 30 years. It operates under a number of existing resource consents and zoning from both the Franklin

District Council (Landuse and Aggregate Extraction and Processing zone) and Environment Waikato (discharges to land, air and water).

The product is extracted, washed and sorted on-site and transported (in specialised aggregate trucks) direct to projects and building sites as required. Transport is largely undertaken (and owned) by the operator, with a degree of contracting to private owners.

Sand Extraction

A sand extraction operation is located on the Waikato River south of the elbow and Tuakau. Sand is extracted, washed and sorted. This material is produced entirely for the roading, construction, and landscape industries and is primarily for the Auckland and Waikato regional market.

Pokeno Quarry

An area of approximately 500 hectares has been purchased by the operator for the development of a new mineral extraction area west of the Pokeno Village. The property is partially zoned as a Mineral Extraction zone in the operative District Plan and a resource consent has been granted by Franklin District Council for aggregate extraction. It is located adjacent to SH1 and the North Island Main Trunk Railway Line.

The extent of zoning is also being examined as part of the Structure Plan process (Plan Change 24) for the growth and redevelopment of the Pokeno Village.

The quarry is considered by the operator as providing for a long term option (50 year horizon) to enable a continued aggregate supply by the company to the market in Auckland and regions.

Location Factors

The location of aggregate extraction is dictated by the location, extent, accessibility and quality of the resource. The Pukekawa quarry contains a high quality basalt resource. In addition to the aggregate resource, key location factors include the:

- availability of water
- access to a main road
- proximity to the Auckland market.

A major cost factor is the cost of transport and delivery, which increases with distance from any market or project. Both the Pukekawa and Pokeno sites are located within close proximity to SH1.

Changing Nature of Landuse Needs

Aggregate extraction is fixed to resource, therefore new areas for growth require new resource locations.

The proposed Pokeno extraction site is to provide a future option for supply of the resource in the Auckland region. This can provide a long term supply of basalt aggregate (500 ha – 50 year horizon) and has the added advantage of motorway proximity and Auckland market.

Growth Impediments

The choice for expansion or new area for the activity is constrained by the location and extent of resource. This choice can also be constrained by other sensitive activities on or within close

proximity to the resource. Countryside living can present particular limitations to the ongoing extraction and operations of these activities.

Inappropriate zoning (Residential or Countryside Living) can effectively prevent the resource from being realised. Zoning in Franklin is generally considered adequate for the resource. However, a preference was expressed that such activities should be zoned for aggregate extraction purposes rather than through resource consent within a rural zone framework.

Relatively high quality road access is critical. Issues arise with dwellings being located close to the road frontage on critical delivery routes.

The protection of the resource through a form of regulatory process is considered necessary to ensure future use and availability of the resource. The industry is reluctant to specifically identify known resources which raise fears of land cost rises and the blocking of extraction. Rather the industry seeks that appropriate policies and methods should be included in district plans to prevent other uses that prevent the use of the resource.

Concerns were also expressed as to a widespread approach to protect all volcanic cones (through specific legislation as well as within planning policies and documents) with the resulting exclusion of extraction activities.

Horticulture

The case study includes an examination of:

- Large hothouse operation
- Major horticulture cropping operation
- Small horticulture cropping operation
- Horticulture niche and mixed-use

Large Hothouse Operation

The large hothouse operation examined consists of two main glasshouse complexes located on separate properties at Karaka and Bombay. These provide a total of 29 hectares of covered cropping. The company produces a range of vegetable crops for both the domestic (70%) and export (30%) markets. Approximately 60% of products are for the Auckland market.

Products are sorted and packaged on-site. They are distributed from each site to wholesalers, major supermarkets, food service companies and restaurants throughout New Zealand. The company employs approximately 300 staff.

Major Horticulture Cropping Operation

This company originates from properties in the vicinity of Pukekohe. Operations are now national (four companies) with cropping production in operations throughout New Zealand with fresh cropping and packhouses based in Pukekohe and Christchurch. The company's production base of 2,500 hectares of land includes cropping land in the area of Pukekohe/Pukekawa (in the Franklin District), Waikato, Ohakune and Rakaia (South Island). The Franklin operation includes some 1,112 hectares of crops and employs approximately 120 staff plus seasonal staff.

The business is a significant export earner. In 2009, the company exported 123,000 tonnes (70% of its onion crop). New Zealand onion exports in 2009 totalled \$45M. Within Franklin, cropping is located on a number of sites across the District, with the Pukekawa area now the main supply area within the District (70% of the crop). Approximately 80% of the North Island

crop is centralised to packhouses for packing and distribution. The greater bulk of the domestic crop product is forwarded to the Auckland distribution terminuses (supermarket). Exports are through the Port of Tauranga.

A large packhouse operation is located on the company's property in Pukekohe. This packhouse acts as a major collection, co-ordination and distribution point for the northern operations. Products are washed, sorted and packed before distribution. Current trends are to add value to product on-site (such as potatoes) by specialised grading, packaging and promotion (for instance for gourmet products). This requires considerable areas of building for processing and packaging as well as specialised machinery and equipment.

Small Horticulture Cropping Operation

This operation includes field cropping over a number of properties throughout the District, focused on the Pukekohe and Pukekawa areas. Historically (established 1930) the focus of activity was on the Pukekohe sites. A central packhouse has been established on this site, which serves as a collection, sorting, washing, packaging and distribution centre for their operations. Products include onions, potatoes and fresh vegetables.

Approximately 66% of the products are sold to the domestic market and 33% are exported. The domestic market is primarily to supermarkets with lesser amounts to specific clients and wholesale. The majority of products to the Auckland market are to an Auckland based distribution centre or wholesale markets.

Issues Identified

Location Factors

Cropping operations and sites are limited by soils/water/aspect. The available water is a critical factor in particular for those properties relying on aquifer supply.

Other factors include access to main roads. In the case of the large hothouse operator, close proximity (within 2.5km) to SH1 was a major choice of site factor. For hothouse production, soils are not critical. However, sites need to be relatively flat and have readily available water supply.

Proximity to the Auckland market is important to reduce transport costs but not critical for the operations given other site factors. Freedom from disease (Thrips) is a factor in choice of location.

Transport delivery is made entirely by road (specialised trucks) for both domestic and export delivery. All operators interviewed owned and operated the bulk of their transport vehicles, with only a smaller percentage of delivery contracted out. This provides greater certainty on pricing and delivery.

Changing Landuse Needs

Both field cropping and hothouse are growing sectors. They require greater areas of cropping (through multiple sites) and land (or building areas for covered cropping) to remain viable.

Increasing added value requirements for supermarket and export products require a greater level of packing and more modern and extensive packhouse infrastructure. Dispersed land holdings also require a form of centralised packing and distribution close to cropping but with high level of access to main roads. Relocation costs for an established packhouse are considered prohibitive.

Growth Impediments

A major growth impediment is the availability of suitable land. In the Pukekohe and Pukekawa areas, the high level of fragmentation requires the purchase or use of multiple sites. Fragmented and dispersed smallholdings require greater degrees of management, giving rise to additional transportation and collection costs, and the need for the movement of specialised machinery between sites.

High quality road access is important for crop distribution to collection packhouses and for machinery movement. The Tuakau Bridge poses a particular problem in regard to the transport of specialist machinery between Pukekohe and Pukekawa holdings.

Interviewees considered it is essential that the Permitted activity status for principal agricultural ancillary operations should remain, and production and processing of crops on-site should be regarded as principal to the agricultural operation.

Interviewees considered that potential reverse sensitivity issues may arise from residential dwellings in proximity to cropping and packhouse operations. Overall, however, there was little evidence of any major disturbance to operations from nearby residents. Most issues were dealt with by the operators.

Horticulture - Niche and Mixed-use

Nature of Operations

It is important to note that both these cropping operations replaced traditional pastoral operations with considerably more added value production and landuse than the previous landuses on these sites.

Olive Grove Estate and Restaurant, Bombay

This is a complex consisting of:

- Olive crops – 40 ha involving some 40,000 olive trees.
- Olive oil and olive products - processing, packaging and distribution. This includes the pressing and production of olive oils, olive oil food products, olive skin and body product processing (specialised) and packaging, storage and distribution of all products.
- Restaurant and reception complex and olive grove tourist experience.

The total land area is 86 ha. Current sales are approaching \$5M. The company employs a staff of 42. Approximately 90% of the products are sold to the New Zealand market, of which 50% are sold to the Auckland market. Over 10% of products are exported.

A total of nine land use consents (three principal consents) were required from Franklin District Council to establish the operations on-site. Consents were required from the Auckland Regional Council to alter the stream on the site.

Fig Grower, Te Kohanga

This operation includes the establishment of a one hectare fig crop (planted in 2000) on a 20 hectare property. The export of fresh figs commenced in 2005. Products include fresh and frozen figs and figs processed into various food products. Food processing occurs in a commercial kitchen off-site. Fresh figs (frozen and chilled) are supplied for the export market (90%) and preserved fig products for the New Zealand market. Of the products for the

domestic market, 50% are for the greater Auckland urban market and 50% for the Franklin market. Fig food products processed off-site are primarily sold at the Clevedon Farmers' Market.

The operation has a total of four staff (two part time production staff and two staff managing the crop and other farming operation).

Issues Identified

Location Factors

Both these specialised crop operations rely on special climatic and site conditions. The olive grove is located in a sheltered area with particular temperature conditions conducive to olive growth. The fig grower's site relies on the presence of warm coastal breezes at particular times of the year for fig production. Versatile soil is not a prime requirement. Both operations rely on high levels of water availability on-site.

Accessibility to main highways, and in the case of the olive grove estate, the close proximity to SH1, is an advantage. Issues of distance and travel time to Auckland are relevant to delivery products to the market or to the Auckland Airport for export.

Changing Landuse Needs

Both operations involve a mixture of cropping and production on-site with the development of high added value products.

The olive grove estate operation involves production directly associated with the olive crop including those for high value products. This requires buildings and facilities for specialised production (special chillers) and for storage on-site. Expansion of these facilities is likely to be within the existing property. The company has recently acquired additional land to complement existing land holdings, although this is likely to be used for pastoral activities.

The fig operation envisages an increase in the crop area within the existing 20 hectare property.

In general, it would appear that any expansion of the land area required for increased production is dependent on acquiring areas suited to the crop rather than simply a matter of additional land.

Growth Impediments

Growth of these operations is linked to the suitability of any property or land area for the nature of the crop.

A central matter expressed by interviewees is that such mixed-use operations should not be viewed as separate parts, but rather the understanding that all processes on-site are interlinked and part of a single operation ancillary to the principal crop. This includes (in the case of the olive grove estate and restaurant complex) the idea of an on-site restaurant and tourist experience that complements the crop production. This provides a market point of reference and promotion as much as the product themselves.

The ability to expand such operations is highly reliant on the success of a seemingly complex and uncertain consent process.

Equine

Nature of Operations

This case study examines the nature of the equine activity hubs of:

- Harness/thoroughbred racing at Pukekohe
- Thoroughbred Stud Farms located in Karaka.

Pukekohe Hub – Harness/Thoroughbred Activities

An agglomeration of equine activities for harness horses and thoroughbred gallopers, properties and facilities has developed within an area surrounding the Franklin Trotting Club (FTC) and Pukekohe Racing Club. This facility is immediately south east of the Manukau Road business area of Pukekohe. The largest harness operation is approximately 30 hectares and provides a swimming facility serving 500 horses per annum.

The harness horse operations include a collection of properties that provide training and housing (horse) facilities for national and international horse activities. These are focused on the FTC track and its training facilities. The properties provide holding and training areas for harness horses serving Alexandra Park Trotting Track race meetings in Auckland. They also provide holding areas for horses and trainers serving international events prior to their journey to or from Auckland International Airport. The operators have indicated that such facilities attract national and international trainers. FTC also uses the Alexandra Park venue for club events.

A number of equine properties and activities are also in close proximity to the Franklin Racing Club track. This facility provides housing and training facilities for thoroughbred horses for the Ellerslie Race Track. Similar to the harness activities, these properties also serve as holding and training properties for horses travelling to or from international events via Auckland Airport.

FTC owns a considerable area of land surrounding the track facilities. Direct physical links (horse paths) are provided between the harness activities and facilities properties and the FTC tracks and facilities. Various trotting club facilities and areas are leased to harness trainers and owners. FTC provides track facilities and serves approx 85 trainers. Over 300 horses train daily at the track and a total of 500 horses use the facilities.

The Pukekohe Racing Club provides 50 on-site stables. Over 300 horses are trained daily by approx 60 trainers. Race day events attract up to 3,000 visitors.

Karaka Hub

A second equine hub has developed in the Karaka area. Byerley Park Hub includes 14 stud farms (including quarantine and training facilities) based around the Karaka Bloodstock Centre (KBC). These stud operations also serve the Ellerslie Race Track racing events as well as holding areas for international horse and trainers. This includes holding areas for the KBC. In 2009, New Zealand exported 1,354 horses through the KBC (\$140M) and imported 900 horses.

Issues Identified

Location Factors

Location Factors include:

- proximity and links to track and training facilities

- proximity to the Auckland track and event facilities
- safe road access for horses.

In addition, a high level of capital has been invested in the Franklin Trotting Track and Franklin Racing Track and training facilities. The strong relationship between equine operations and these facilities is a significant location factor for this sector. These facilities cannot be readily relocated or replaced.

Changing Landuse Needs

The nature of equine activities and land use needs is complex. However, there is a strong dependency between trainer facilities and track facilities and linkages (horse paths) between such facilities and properties. The success of the harness horse hub in Pukekohe is reliant on the ability to link service facilities, adjoining training areas, the swimming pool and track area.

A trend is to add value by providing for smaller sites for trainers and owners within the Pukekohe hub. The equine sector interviewee indicated a central land use and efficiency issue is the need to secure linkages and to provide greater opportunities for trainer tenure within this area.

Linkages between equine properties within the Byerley Park hub for training and walkway areas is also considered desirable to promote efficiency.

Growth Impediments

Growth impediments include:

- Subdivision provisions in the District Plan limiting small scale subdivision
- Limited ability to secure linkages (horse paths) and area for activities
- Potential growth of Pukekohe urban area encroaching on the hub.

Council is currently examining options for growth management in Pukekohe (Pukekohe Futures Report). This includes the manner in which growth is accommodated south of Pukekohe, including the eastern arterial Pukekohe by-pass. The potential impacts upon or opportunities to advance the equine hub activities will need to be incorporated into any approach to providing for growth in Pukekohe.

Niche Tourism

Nature of Activity

The activity examined is a niche tourist venture based on part low-level adventure and heritage experience, based in Te Kohanga. The activity provides a quad bike trekking experience. A range of quad bike safari treks (four different tours) are offered, across high elevated farmland and forestry blocks with views of the Waikato River. Part of the tour includes a Marae experience with cultural guide.

The operation is located on a rural cropping property and incorporates the use of an adjoining forestry block and Marae. Infrastructure includes storage and bike service repair shed, office, reception and parking area and 12 quad bikes. A total of three staff run the operation.

The operation targets free independent travellers, of which it is estimated 50% of clients are international and 50% from within New Zealand. The greater percentage of clients results from i-sites at Auckland International Airport, SkyCity Casino and Downtown Auckland.

Issues Identified

Location Factors

Location factors include:

- safe areas and route for quad bike trekking
- elevated site/route area with extensive views of Waikato River
- accessibility to Marae
- good road access and adventure road areas
- presence of nearby Port Waikato Motor Camp for accommodation.

Changing Landuse Needs

The operation is reliant upon creating a range of opportunities for a mixture of adventure experiences that build upon the natural assets of the District. Expansion could involve use of a range of landforms and features. The operator has indicated that more expansive trekking and adventure tourism such as kayaking and use of the Waikato River are being examined to supplement the present range of tours.

Growth Impediments

Growth Impediments include:

- Requirements for resource consent for expansion or use of resources
- Signage limitations – the inability to place directional signage and promotional signage.

Appendix 2

District Statistics

Business Zones

Zone	Hectares
Iron and Steel Zone (NZ Steel Mill)	339
Maioro Mining Zone (Iron ore for the NZ Steel Mill)	1,515
Aggregate Extraction Zone	194
Rural Residential Zone	530

Franklin District - Business (Geographic) Units in the Franklin District 2009						
Industry by Geographic Unit Franklin District-(ANZSIC 06)	GU		GU	% of Tot	Diff 04/09	% loss/ gains
Year	2004	% of Tot	2009			2004 - 2009
Employment Category						
Agriculture, Forestry and Fishing	2,865	36.3	2,521	28.3	-344	-12
Mining	14	0.2	11	0.1	-3	-21
Manufacturing	363	4.6	386	4.3	23	6
Electricity, Gas, Water and Waste Services	16	0.2	30	0.3	14	88
Construction	941	11.9	1,125	12.6	184	20
Wholesale Trade	288	3.6	288	3.2	0	0
Retail Trade	329	4.2	401	4.5	72	22
Accommodation and Food Services	150	1.9	177	2.0	27	18
Transport, Postal and Warehousing	254	3.2	241	2.7	-13	-5
Information Media and Telecommunications	26	0.3	30	0.3	4	15
Financial and Insurance Services	203	2.6	418	4.7	215	106
Rental, Hiring and Real Estate Services	1,236	15.7	1,595	17.9	359	29
Professional, Scientific and Technical Services	419	5.3	610	6.9	191	46
Administrative and Support Services	188	2.4	255	2.9	67	36
Public Administration and Safety	28	0.4	29	0.3	1	4
Education and Training	108	1.4	131	1.5	23	21
Health Care and Social Assistance	105	1.3	146	1.6	41	39
Arts and Recreation Services	159	2.0	183	2.1	24	15
Other Services	292	3.7	324	3.6	32	11
Total Industry	7,894		8,901		1,007	13

Source: Statistics New Zealand

New Territorial Authority Business Zone Areas – From 1 November 2010			
Auckland	Auckland	Waikato DC	Hauraki DC
Zone	Area (ha)	Area (ha)	Area (ha)
No Zone	10	7	0
Business	194	81	1
Forest Conservation Zone	2,612	11,369	1,221
Growth Area	0	0	0
Iron and Steel Production Zone	339	0	0
Kingseat Special Zone	57	0	0
Motorway Service Zone	5	0	
Proposed Esplanade Reserve	300	1	0
Recreation	950	950	28
Residential	1,223	239	41
Road	1	0	6,497
Rural	68,127	111,566	0
Rural-Residential	401	129	0
	0	194	0
Maioiro Mining Zone	0	1,515	0
Timber Processing Zone	0	11	0
Wetland Conservation Zone	0	3,439	0
Rural (Wahi Tapu)	0	0	4
Rural-Urupa	0	0	0
Totals	74,219	129,501	7,792

Employment Statistics

Franklin District - Employment in the Franklin District 2009						
Industry by No. of Employees Franklin District (ANZSIC 06)						% loss/ gains
Year	EC 2004	% of Tot	EC 2009	% of Tot	Variance 04/09	2004 - 2009
Employment Category						
Agriculture, Forestry and Fishing	3,240	19.2	2,447	13.1	-800	-25
Mining	110	0.7	160	0.9	50	45
Manufacturing	3,010	17.8	2,860	15.4	-150	-5
Electricity, Gas, Water and Waste Services	140	0.8	200	1.1	60	43
Construction	1,240	7.3	1,490	8.0	250	20
Wholesale Trade	820	4.8	870	4.7	50	6
Retail Trade	1,780	10.5	2,050	11.0	270	15
Accommodation and Food Services	860	5.1	1,210	6.5	350	41
Transport, Postal and Warehousing	480	2.8	430	2.3	-50	-10
Information Media and Telecommunications	170	1.0	160	0.9	-10	-6
Financial and Insurance Services	190	1.1	220	1.2	30	16
Rental, Hiring and Real Estate Services	200	1.2	230	1.2	30	15
Professional, Scientific and Technical Services	580	3.4	720	3.9	140	24
Administrative and Support Services	830	4.9	1,060	5.7	230	28
Public Administration and Safety	270	1.6	440	2.4	170	63
Education and Training	1,330	7.9	1,650	8.9	320	24
Health Care and Social Assistance	820	4.8	1,240	6.7	420	51
Arts and Recreation Services	260	1.5	460	2.5	200	77
Other Services	580	3.4	670	3.6	90	16
Total Industry	16,910		18,560		1,650	10

Source: Statistics New Zealand

The number of working age (18-64 years) recipients of unemployment benefit has increased significantly between the December 2008 and December 2009 quarters as follows:

	Dec 2008 Quarter	Dec 2009 Quarter	Percentage Increase
Unemployment Benefit	374	953	154.8%
Domestic Purposes Benefit	1,543	1,750	13.4%
Sickness Benefit	559	719	28.6%
Invalids Benefit	739	810	9.6%
Total number of working aged recipients of income tested benefits (aged 18-64 years)	3,401	4,470	31.4%

Source: Ministry of Social Development

Franklin District Employment by Area 2009		
Geographic Unit	Employment (MEC)	Percentage/Total
Towns	11,840	51
Villages	2,970	13
Hamlets	1,770	8
Rural	6,510	28
Total	23,090	

Relative Employment Concentration Industry by Employee Count - 2009	Franklin District %	Relative to Auckland Region %	Relative to Waikato Region %
Agriculture, Forestry and Fishing	13.2	0.9	9.3
Mining	0.9	0.1	0.8
Manufacturing	15.4	12.3	12.4
Electricity, Gas, Water and Waste Services	1.1	0.6	0.9
Construction	8.0	5.5	7.4
Wholesale Trade	4.7	8.5	4.2
Retail Trade	11.0	9.9	10.7
Accommodation and Food Services	6.5	5.9	7.2
Transport, Postal and Warehousing	2.3	5.1	3.2
Information Media and Telecommunications	0.9	3.0	1.5
Financial and Insurance Services	1.2	4.1	1.5
Rental, Hiring and Real Estate Services	1.2	1.7	1.2
Professional, Scientific and Technical Services	3.9	10.1	6.2
Administrative and Support Services	0.1	0.1	0.0
Public Administration and Safety	2.4	4.5	4.6
Education and Training	8.9	8.6	9.2
Health Care and Social Assistance	6.7	8.9	10.0
Arts and Recreation Services	2.5	1.8	2.3
Other Services	3.6	3.3	3.6

Appendix 3

Analysis of Public Policy and Regulation

This section provides an overview of how and whether the various and relevant public policy and regulations (national, regional and district) impact or potentially impact upon the rural economy of Franklin. It is not intended to provide a complete picture of all such policies and documents but rather to focus on the particular components or directions that are most likely to impact upon the economy.

The following key legislation has been examined.

1. Resource Management Act Policy Documents and Rules
 - National - Policy Statements and Plans
 - Regional
 - District
2. Growth Strategies
 - Regional
 - District
3. Transport Strategies
 - National Transport Strategies
 - Regional Land Transport Strategy – existing and proposed
 - District Transport Strategy
4. Local Government and Council documents – these include Long Term Council Community Plans (LTCCPs), annual plans, catchment plans and other such documents.

These above documents are examined in light of:

- Existing or proposed imperatives for growth management
- Environmental directions that influence economic activity
- Key infrastructure and support mechanisms
- Identification of how policies and rules impact upon and provide opportunities and constraints for each sector.
- Key balances required between the need for development and the need to take into consideration environmental or public imperatives arising from such policy directions.

The way in which the various Resource Management Act policy documents, plans and standards are to be given effect to, have regard to or be consistent with, is also outlined.

Description	Resource Management Act Note: RGS/RP/DP give effect to NPS RP/DP give effect to RPS	Comments
<p>National Policy Statements (NPS)</p> <p>National Standards (NS)</p>	<p>Current NPS:</p> <ul style="list-style-type: none"> • Electricity Transmissions 2008 (NPSET) • NZ Coastal Policy Statement (NZCPS) <p>Proposed NPS (PNPS):</p> <ul style="list-style-type: none"> - Freshwater Management (PNPSFW) - Coastal Policy Statement 2008 (PNZCPS) - Flood Risk Management (section 32 stage) - Urban Design (Scope) <p>National Standards include those for: Air Quality, Human Drinking Water, Telecommunications and Electricity Transmissions</p> <p>Proposed include: Proposed National Environmental Standard for Assessing and Managing Contaminants in Soil (PNESAACS).</p>	<p>NZCPS - integrated management of coastal environments</p> <p>PNZCPS – reviews current NZCPS</p> <p>PNPSFW - fresh water management, including discharges to water, water quality and water take management</p> <ul style="list-style-type: none"> • effect on farming practices and water management • public submission process commenced <p>PNESAACS - requires land identification, assessment, remediation or containment of land affected by contaminants in soil</p> <ul style="list-style-type: none"> • permits or controls certain activities on land affected by soil contaminants.
<p>Te Puni Kōkiri (Ministry of Māori Development) Documents</p>	<p>Statement of Intent 2009-2012</p> <p>Ngā Kaihanga Hou <i>For Māori Future Makers</i></p> <p>Tirohanga Ohanga mo Te Moana ā Toi <i>Māori Entrepreneurship in Te Moana ā Toi and New Zealand for 2001 and 2006</i></p>	<p>Statement of Intent 2009-2012</p> <p>A key outcome in this Statement is for Maori to achieve enhanced levels of economic and social prosperity, indicated by:</p> <ul style="list-style-type: none"> • improvement in Maori life expectancy • increased levels of Maori employment • increased levels of Maori home ownership • increased levels of Maori household income. <p>Ngā Kaihanga Hou:</p> <ul style="list-style-type: none"> • creates an informed understanding of the possible drivers of influence affecting how Māori will participate in the future New Zealand and global economic systems, • focuses attention on the decisions that need to be made today to ensure active participation and shareholding of Māori in future economic systems. <p>Tirohanga Ohanga mo Te Moana ā Toi:</p> <ul style="list-style-type: none"> • reports on Māori entrepreneur statistics for the Bay of Plenty region • adds value to Te Puni Kōkiri's regional evidence base of

Description	Resource Management Act Note: RGS/RP/DP give effect to NPS RP/DP give effect to RPS	Comments
		<p>Māori entrepreneurs in Te Moana a Toi and Te Arawa.</p> <ul style="list-style-type: none"> • contributes towards the region’s evidence base of Māori businesses and to help support Māori policy making decisions, fact sheets and regional profiles.
<p>Regional Policy Statement (RPS)</p>	<p>Auckland Regional Policy Statement (ARPS)</p> <p>ARPS Plan Change 6 – (PC6)</p> <p>Waikato Regional Policy Statement (WRPS)</p> <p>Auckland Regional Coastal Policy Statement (ARCPS)</p> <p>Waikato Regional Coastal Policy Statement (WRCPS)</p> <p>Waikato Regional Policy Statement (WRPS)</p>	<p>ARPS - directs containment of urban activities within Metropolitan Urban Limits (MUL) - limits urban activities and subdivision outside the MUL</p> <ul style="list-style-type: none"> • emphasis on depletion of life-supporting capacity of soils, water, indigenous vegetation, accessibility to rural resources (minerals), conflicts between activities, visual landscape qualities, visual amenity and rural character, effects of traffic. <p>Central issue - what level of ‘urban’ activity can occur within the rural environment. At present:</p> <ul style="list-style-type: none"> • horticulture/packhouses – rural activities • tourist operations/restaurants in rural areas - urban activities <p>PC6 - reviews the ARPS</p> <ul style="list-style-type: none"> • subject to appeals to Environment Court • places greater emphasis on urban containment and limits outside the MUL with a focus on land use/transport integration (required by LGAAA). • interpretation of ‘urban activities’ may have a considerable effect on rural economic activities. <p>ARCPS and WRCPS - integrated management of the coastal environment.</p> <p>WRPS - includes policies on: soils, water (ground water, quality and efficient use), plants and animals, and minerals.</p> <ul style="list-style-type: none"> • no growth limits on urban activities in the rural activities.
<p>Strategy Documents</p>	<p>Auckland Regional Growth Strategy (RGS)</p> <p>Auckland Regional Economic Development Strategy 2002 (AREDS)</p> <p>Franklin District Growth Strategy 2051 (DGS)</p>	<p>RGS - framework for managing growth introduces growth concept and MUL.</p> <p>Urban expansion should not occur outside MUL or identified towns (Pukekohe).</p> <ul style="list-style-type: none"> • focus on protection of productive soils • transport directions cross-region, inter-region and international transport network; no specific references to freight route. • little direction on rural economies and the way growth, opportunities, rural business and land uses are managed other than to limit urban activities and subdivision. <p>AREDS - non statutory strategy document; provides guidance to Councils for economic development.</p> <p>DGS</p> <ul style="list-style-type: none"> • identifies where growth is accommodated • directs infrastructure planning

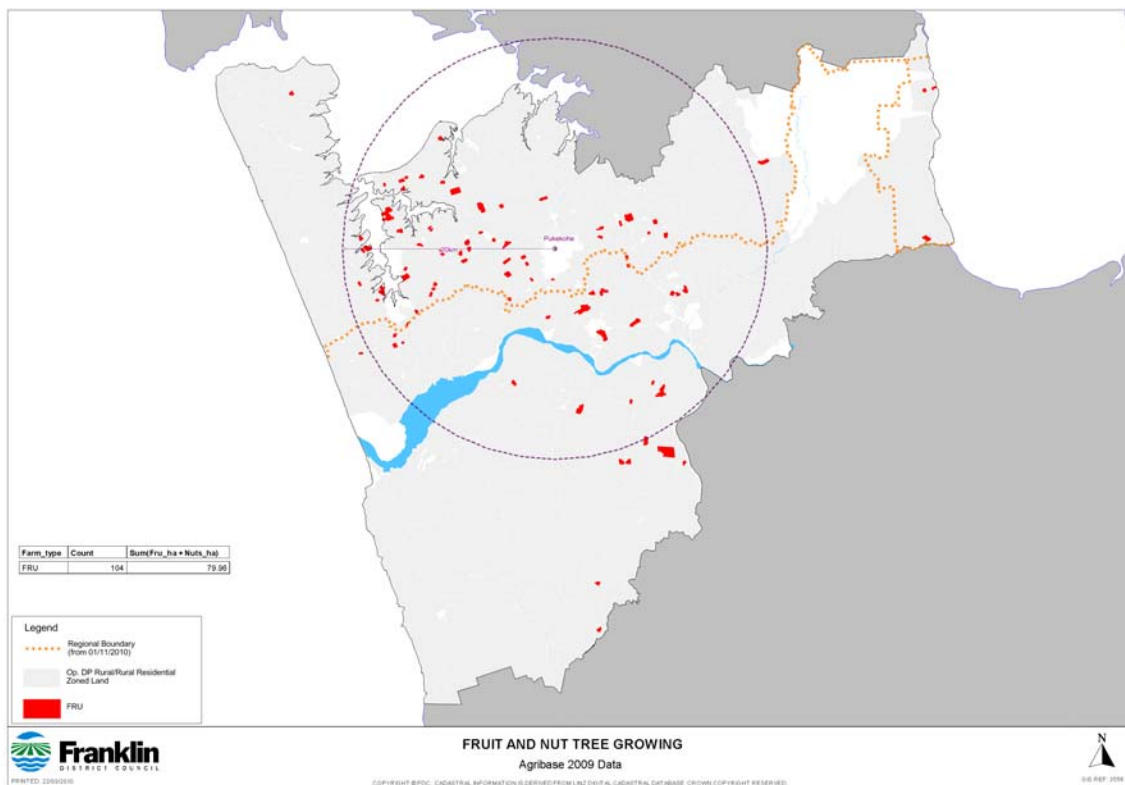
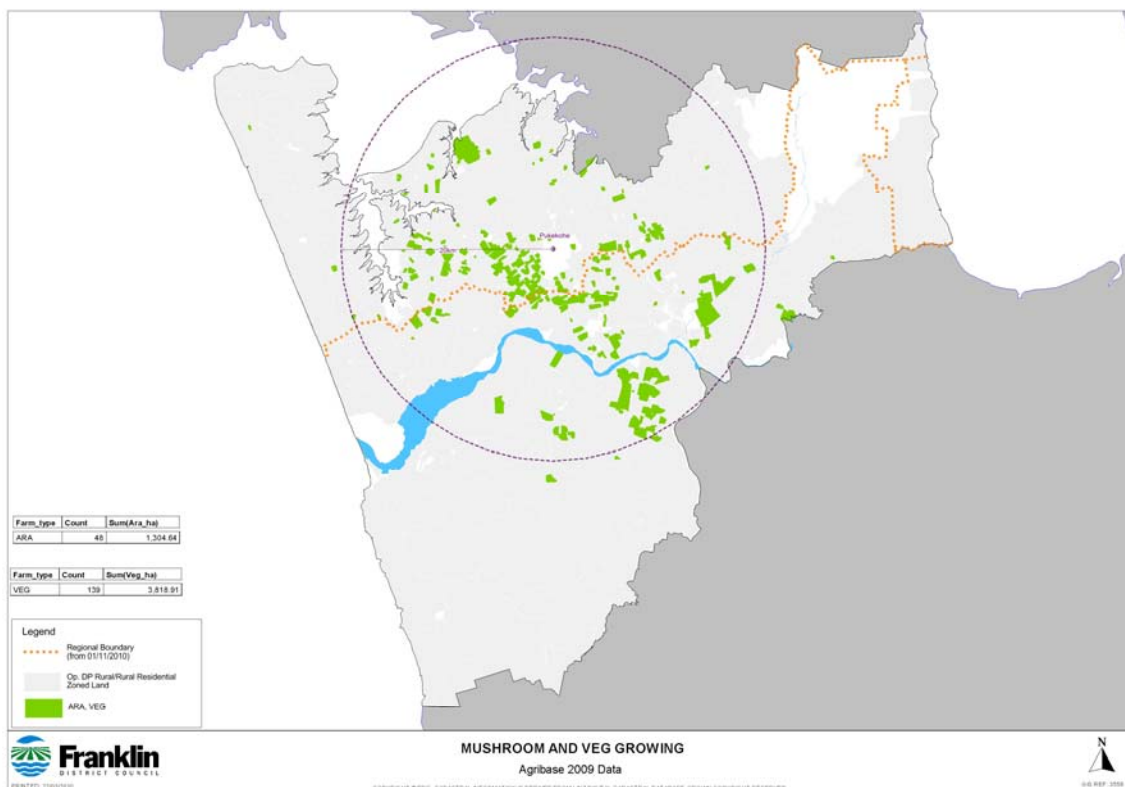
Description	Resource Management Act Note: RGS/RP/DP give effect to NPS RP/DP give effect to RPS	Comments
		<ul style="list-style-type: none"> • rural area themes include protecting versatile soils for production activities, improving transport networks, the importance of agriculture (including vegetable growing), forestry and fishing, and niche clustering around motor sport, thoroughbred and harness horse industry. • highlights a wide range of issues including water supply (noting ground water concerns) and transport • little discussion on the movement of freight • lack of direction in regard to promoting rural economic activity.
<p>Regional Plans and District Plan</p>	<p>The Auckland Regional Plan- Dairy Discharges 1999 (ARPDD)</p> <p>Auckland Regional Plan: Coastal (ARPC)</p> <p>Proposed Regional Plan: Sediment Control (PARPSC)</p> <p>Proposed Auckland Regional Plan: Air, Land and Water – Appeals Version May 2008 (ALW)</p> <p>Waikato Regional Plan 2007 (WRP)</p> <p>Franklin District Plan (DP)</p> <p>Plan Change 14 (PC14)</p>	<p>ARPDD - discharge of farm dairy contaminants to land and water. Some residual issues concerning smaller dairy farms and updating of dairy effluent ponds.</p> <p>ARPC – discharge of contaminants to coastal marine area/</p> <p>PRPSC – land sediment discharges.</p> <p>ALW – high use aquifer management areas, air quality discharges to land and water, land management (stormwater and wastewater), water allocation, beds of lakes and rivers, diversion of surface water.</p> <p>WRP (and variations) - water quality, flows and levels, water takes, efficient use of water, discharges, damming and diverting, wetlands, drilling, non-point source discharges, structures on beds of rivers and lake, river and lake bed disturbance, discharges onto or into land, contaminated sites, air quality and spraydrift. Variation No. 6 addresses water allocation.</p> <p>Overall these Plans impact, to varying degrees, upon the specific operations of rural activities in the District. Discharges are controlled relative to thresholds which determine activity status (e.g. Permitted Activity, Discretionary etc). The central matter in achieving the promotion of sustainable economic activities is the given status of the activity which determines the ease of any application. Thresholds therefore become critical components. Thresholds should therefore be unambiguous as to provide a consistent interpretation. The development of such thresholds in new rules may require a process of consultation at an early stage, and testing with key industry players prior to their adoption or notification.</p> <p>DP - principal document which impacts directly on rural economic activities.</p> <p>Key directions - environmental and growth strategies including the protection of versatile soils; highlights land management, major industries and minerals.</p>

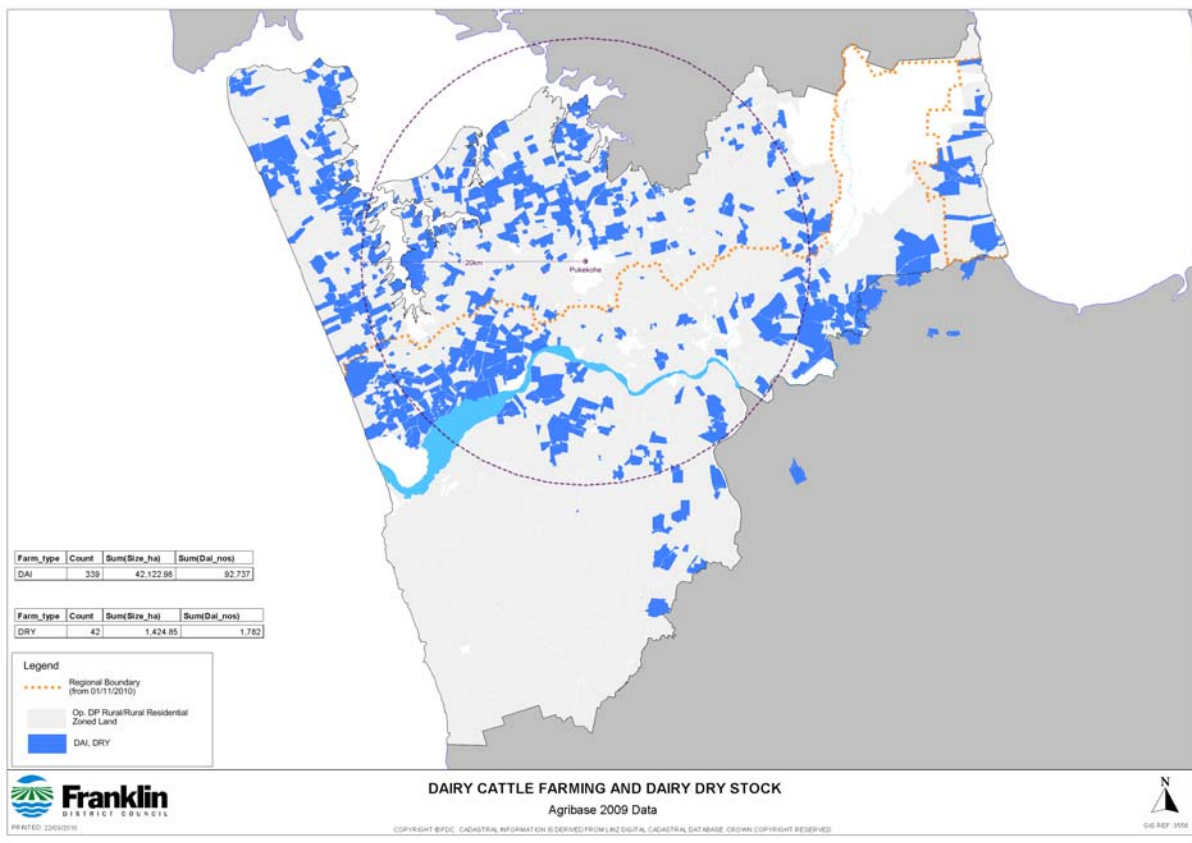
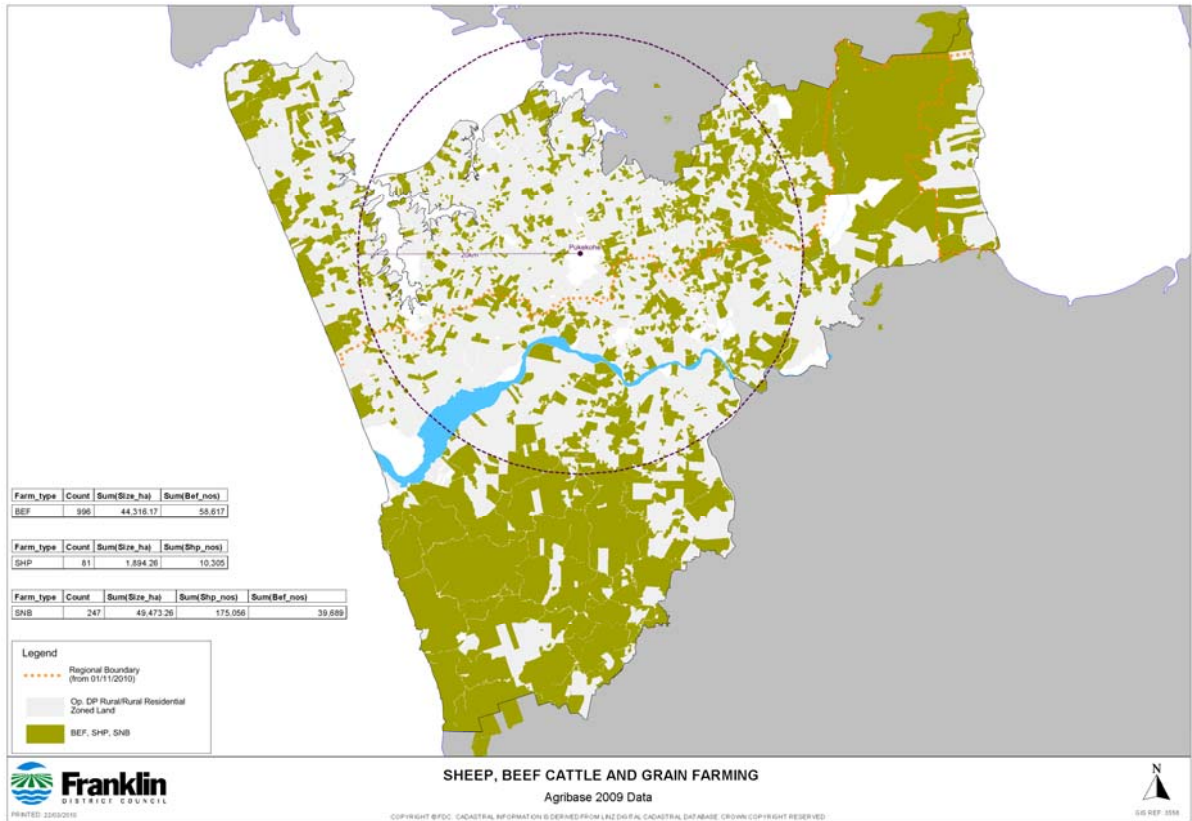
Description	Resource Management Act Note: RGS/RP/DP give effect to NPS RP/DP give effect to RPS	Comments
		<p>Central issue - managing growth. Focus on land fragmentation and subdivision for countryside living, conservation of natural features, protecting versatile soils, water management, conflicts and amenities, managing mining effects and protection of mineral resource, managing conflicts (including a direction that rural activities produce effects that can be expected for the rural environment) and protecting amenity such as significant landscapes. This is translated into a rules regime that allows (for Rural zoned land):</p> <ul style="list-style-type: none"> • as of right (Permitted) activities - agriculture (including horticulture), forestry and farming • Controlled activities – poultry hatcheries • Restricted Discretionary activities – pack housing, processing produce on-site and tourist facilities ancillary to processing produce on-site, intensive farming (including poultry for egg and meat production) • Discretionary activities – equestrian centres, mineral extraction and processing, landfills, waste disposal and utilities. <p>This regime provides a relatively wide range of rural economic functions. However, the DP requires (Part 53) a wide test for consents, well beyond any focus expected for a Restricted Discretionary or Discretionary activity. Tourist activities are limited and activities such as restaurants are Non-complying. The DP also restricts subdivision, limiting residential countryside living in the rural areas.</p> <p>Specific zones are applied to New Zealand Steel and aggregate extraction areas. Policy direction is also given to transport and road traffic management. There is little direction in regard to freight movement.</p> <p>PC 14 - provides for a similar range of activity options including limitations on subdivision. The appeals largely relate to subdivision.</p> <p>A number of provisions are subject to appeal and mediation, some relating to broader options for economic development.</p>

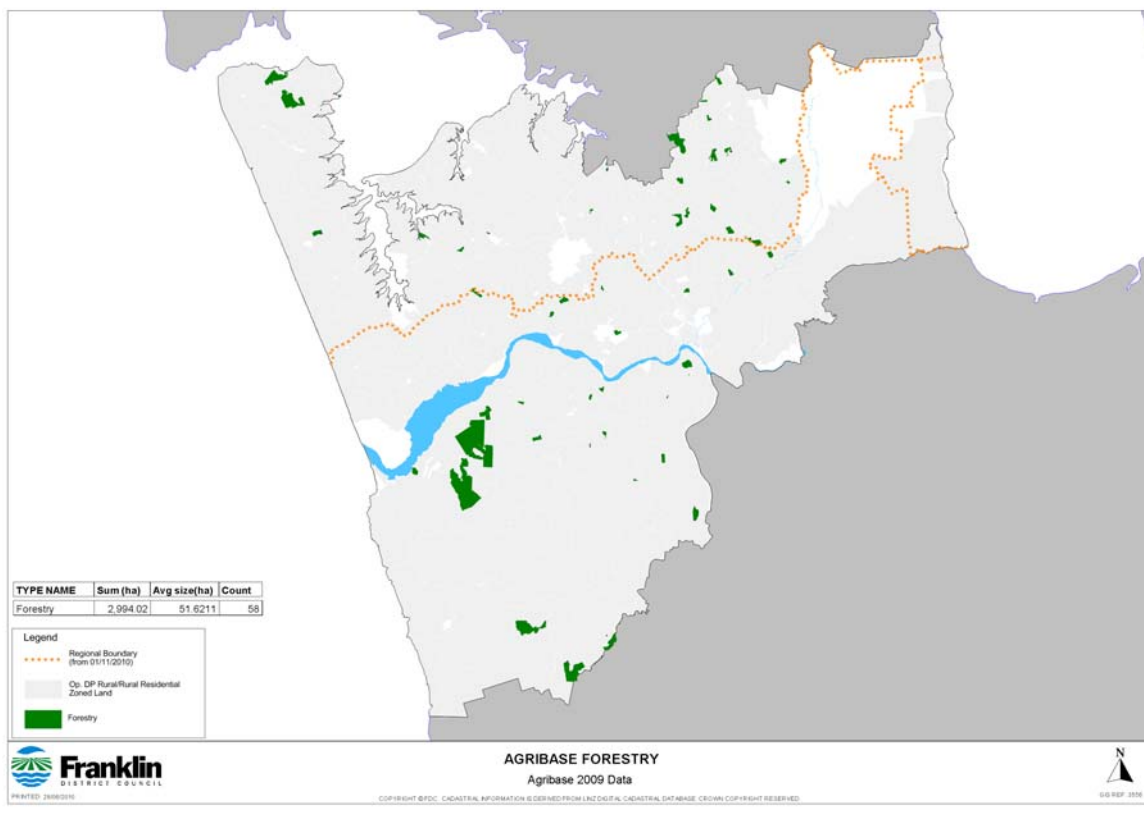
Description	Resource Management Act Note: RGS/RP/DP give effect to NPS RP/DP give effect to RPS	Comments
<p>Local Government Act 2002</p> <p>Local Government (Auckland Amendment) Act 2004</p>	<p>Auckland and Waikato Regional Long Term Council Community Plans</p> <p>Franklin District Long Term Council Community Plan 2009 -2019 (FLTCCP)</p> <p>Annual Plan</p> <p>Franklin Economic Growth and Innovation Framework 2007 (FEGIF)</p>	<p>LTCCP -10 year strategic and working direction for key Council activities. Annual Plan – implements LTCCP on an annual basis.</p> <p>FLTCCP - direction on economic development; partnership with Enterprise Franklin Development Trust (EFDT) for provision of visitor information services and economic development facilitation, advice and monitoring.</p> <p>Community Outcomes - encouragement for business and industry growth; transport (a District that is easy to get around) - better integration of land-use and transport, Council advocacy for good transport linkages (road and rail) to Auckland, Tauranga and Hamilton.</p> <p>FEGIF - action plan for promoting high growth economic sectors of horticulture and visitor experience (rural innovation).</p>
<p>Land Transport Management Act 2003</p>	<p>New Zealand Land Transport Strategy 2008</p> <p>Auckland Regional Land Transport Strategy 2006</p> <p>Waikato Regional Land Transport Strategy 2006</p> <p>Franklin Integrated Transport Strategy</p> <p>Franklin Freight Action Plan</p>	<p>Comprehensive integrated approach to transport management - the way movement is managed in relation to all activities, including business. Council is presently developing a Freight Action Plan as part of its Integrated Transport Strategy. This will provide a direct means of highlighting the management of freight routes of critical importance to rural economic activity.</p>

Appendix 4

Spatial Distribution of Rural Activities in the Franklin District







Appendix 5

Distances to Urban Areas and Key Road Intersections

