Businesses in Selwyn District Rural Zones

Economic Assessment for District Plan Review (RU002)

8th November 2017 - FINAL

m.e consulting

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1 Introduction

Market Economics (M.E) is contributing to a scope of work that reviews the provisions of the Operative Selwyn District Plan (SDP or DP). The purpose of that scope of work is to provide advice and recommendations on the appropriateness or otherwise of various types of non-rural business activity in Rural Zones; the appropriateness of continuing to provide for Rural Based Industrial Activities in the Rural Zone; and the scale threshold over which non-rural business activities should be located in an urban Business Zone and/or require resource consent. This report forms an appendix of the Rural Topic: Rural Character, Density and Business Activity Report prepared by Boffa Miskell.

1.1 Overview of Rural Zones

The Selwyn District comprises 5 main rural zones. In addition, there is the Porters Ski and Recreation Area Zone which, for the purpose of this report, is included as part of the High Country Rural Zone. There is also a Rural Residential Zone, which has been treated as part of the urban area in this assessment (Figure 1.1).

The High Country Zone is the largest in area (approximately 56% of the District land area) followed by the Outer Plains (31%) and the Malvern Hills (7%). The combined urban zones of the District make up just 1% of the land area but 44% of the built footprint (ground floor only)[1]. The more natural and remote landscapes of the High Country and Port Hills are highlighted by the very small relative shares of building area (1% and less than 1% respectively). The Inner Plains zone (21% of building footprint) and Outer Plains (33% of building footprint) are more intensively developed with structures, which include dwellings and other buildings that serve some sort of role in economic activity (be it farming related or otherwise) (Figure 1.2).

[1] Source: NZ Building Outlines shape file, Selwyn District Council.

Figure 1.1 – Map of Selwyn District Rural Zones

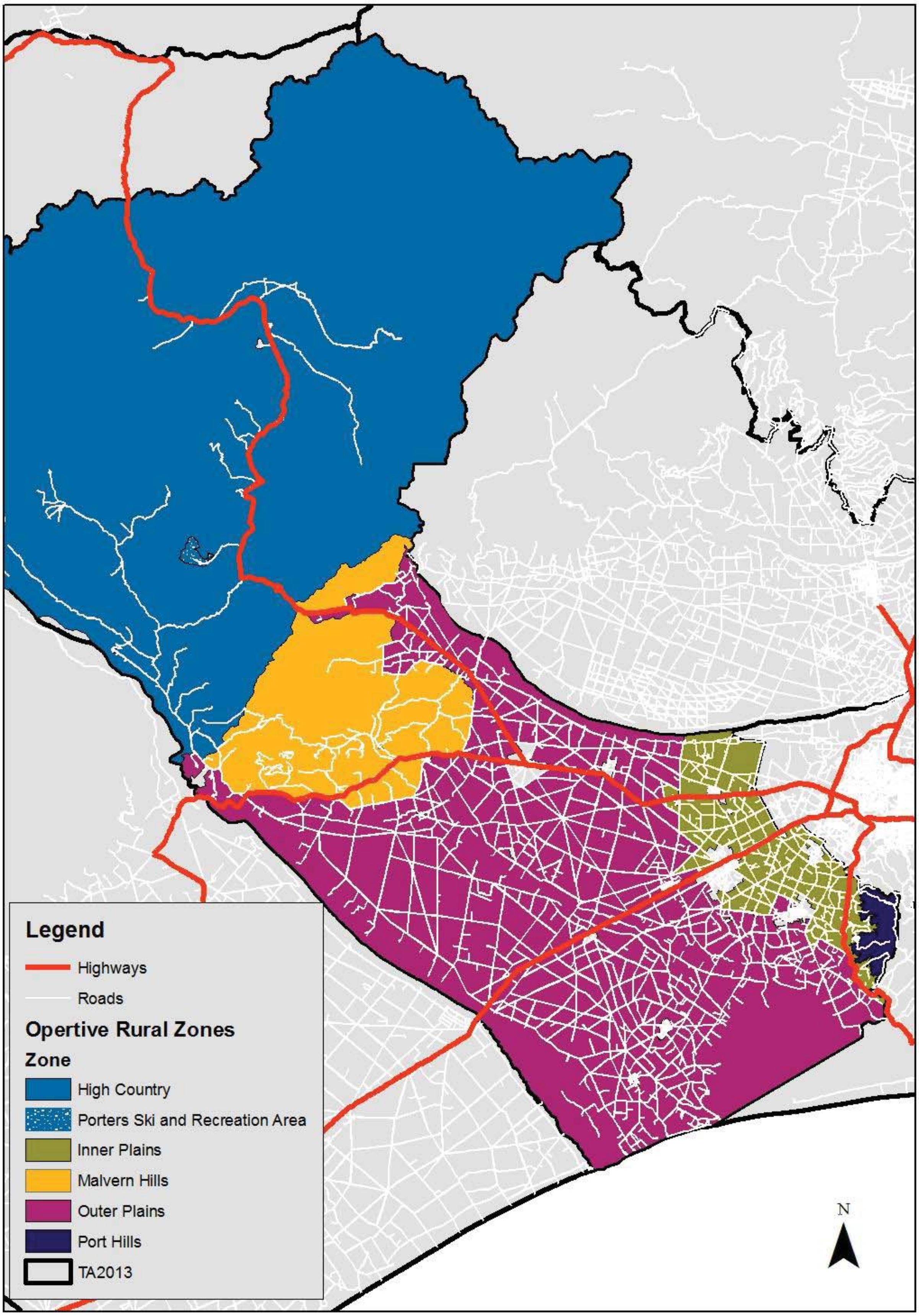


Figure 1.2 – Summary of Approximate Land Area and Building Footprint

Rural / Urban	Zone Name	Land Area (sq Km)	Share of District Land Area	Building Footprint ('000 sqm) **	Share of District Building Footprint Area
Rural	High Country *	3,690	56%	80	1%
Rural	Malvern Hills	484	7%	162	2%
Rural	Inner Plains	257	4%	1,949	21%
Rural	Outer Plains	2,027	31%	3,050	33%
Rural	Port Hills	33	0%	12	0%
Rural	Rural Sub-Total	6,490	99%	5,253	56%
Urban***	Urban Sub-Total	62	1%	4,128.56	44%
Total District		6,553	100%	9,382	100%

** includes Porters Ski and Recreation Area*

*** All buildings (approximately), including houses, sheds and commercial buildings.*

**** Includes Rural Residential Zone for the purpose of this assessment.*

Based on GIS analysis, M.E

1.2 Issues and Objectives

The SDP enables a range of business activities to occur in the Rural Zone, whilst aiming to manage the adverse effects of those activities. There have been some concerns raised by the community and Council that a number of non-rural businesses have been able to inappropriately establish in the Rural Zone under the current District Plan provisions. There is also a view that particular areas (such as the area between SH1 and the rail reserve) in the Inner Plains zone have become "hot spots" for non-rural business activities.

The SDP provides for some non-rural, home-based business activities in the rural zones with limits on vehicle movements, scale (floor area) and number of staff. Such activities are outside the scope of the Rural Topic work but included in this analysis as they cannot be easily distinguished. Limits also apply to Rural Based Industrial Activities, which are encouraged to locate in the Outer Plains Zone, with 'other' types of industrial activities being directed to Business 2 (urban) zones.

The purpose of M.E's assessment is to contribute to the evidence base of inappropriate business development occurring in the Rural Zone(s) and to consider the potential economic effects (costs and benefits) of this land use pattern currently and in the future under the operative provisions. Key objectives include:

1. Provide analysis of the historic, current and future location of business activity within Selwyn District by quantifying business and employment trends in the rural zones and the combined urban area, discussing the potential location characteristics that may be driving those business location decisions, projecting future employment growth and estimating the future demand for business land by zone type.

2. Identify and describe the economic cost and benefits that arise from rural and rural industrial activities in the Rural Zone – quantifying those costs and benefits where practical.

3. Assess the implications of the non-rural industrial activity locating in the Rural Zones for the implementation of the Township and Activity Centre network (Selwyn 2031).

1.3 Scope

M.E's assessment is limited to a desktop analysis. It relies on available spatial datasets which identify business and employment activity by detailed industry classifications and meshblock location (the Statistics New Zealand Business Directory 2000-2016) as well as Council GIS files on the District Plan zones, property parcels, building footprints and aerial photos. M.E has not included analysis of recent resource consents. These are discussed by Boffa Miskell in the overarching planning report. For employment projections, M.E has relied on Council's Economic Futures Model. This model was developed for SDC by M.E under a separate scope of work (2017).

2 Current and Historic Business Location Patterns

This section provides an independent analysis of the number and type of business activities that are locating in each rural zone of the District, including employment at those businesses. M.E has relied on the Statistics New Zealand (SNZ) Business Directory (BD) which has a time series of business counts and employee counts by detailed industry types located in each meshblock of Selwyn District.

2.1 Approach and Limitations

M.E's approach to this analysis has been to identify business activity by each rural zone, as opposed to the Rural Zone in aggregate. This is important to be able to monitor the effectiveness of different provisions which variously manage activities and effects in each part of the rural environment. Given the focus on the rural zones, M.E has not attempted to analyse business activity by each urban zone. Rather, all urban zones have been aggregated, including the Rural Residential Zone. A benefit of this approach is that it reduces the complexity of the modelling (in line with that agreed outputs and budget). However, a limitation of this approach is that it does not allow a profile of the Business 2 Zone (for example), or any other urban commercial or residential zone to be understood (that is, we do not know the specific location of business activity within the urban area)[2].

While the BD is the best source of detailed business location information (and trends over time), it is reported at the meshblock level and meshblock boundaries do not necessarily align with zone boundaries. Using a spatial join approach, M.E was able to cut each meshblock according to the zone areas it overlapped. In some cases, the meshblock contained only one zone type and the meshblock was therefore "un-split". In such cases, all of the business activity recorded by Statistics NZ as being within that meshblock was assigned to that zone. In other cases, a meshblock contained more than one zone type within its boundary – meaning that the meshblock was "split". Of key relevance was a split between two or more rural zones, or a split between one or more rural zones and one or more urban zones (whether a business, rural residential or residential zone). The latter being meshblocks that overlap the rural-urban fringe. In such cases, it was necessary to allocate the business activity contained in that meshblock to various rural/urban land portions. This is not straightforward and relies on a number of assumptions or allocation rules which need to apply to the 483 different industry types (ANZSICs) present in the District[3].

A summary of the approach used by M.E is as follows:

- 245 meshblocks were un-split – 100% of activity was allocated to the underlying zone. This sample played a key role in guiding the allocation of activity in split meshblocks as it

[2] This may be covered by other scopes of work for the DP review.

[3] M.E carried out the reconciliation of the BD to DP zones at the most detailed level possible to minimise errors associated with aggregated data (which may mask location trends of specific activities) and to provide a greater insight on the nature of activity locating in different parts of the district.

indicates a relative location preference for many types of activity (ANZSICs) (although does not inform trends for all ANZSICs). These meshblocks accounted for 52% of total businesses in the District in 2016 (3,207).

- 22 meshblocks were split between residential and business zones. Given that the objective was not to distinguish activity by urban zones, 100% of activity was allocated to 'urban'.
- 27 meshblocks were split between residential zone types. Given that the objective was not to distinguish activity by urban zones, 100% of activity was allocated to 'urban'.
  - Combined, the un-split and wholly urban split meshblocks accounted for 69% of total businesses in the District in 2016 (4,276). An average of 68% of businesses were located in rural zones and 32% of all businesses were located in an urban zone. This larger sample also played a role in helping to inform allocation rules for the 117 rural-urban split meshblocks.
- 25 meshblocks were split between two or more rural zones – business activity by ANZISC was split by trends in un-split meshblocks. For ANZSICs that showed no activity in one zone but some activity in another zone (in terms of un-split sample trends), then 100% of activity in the meshblock was applied to the zone with at least some propensity of having some of that particular activity. Cross checks with aerial photographs were also applied for some ANZSICs (i.e. forestry). For ANZSICs that showed that activity occurs in more than one of the relevant rural zones, the relative building footprint area proportion was applied for activities assumed to require buildings on-site and the relative land area proportion was applied for activities (mainly primary production) that may exist without built structures. This approach does not adopt the ratios of activity occurring in the un-split meshblock sample, rather it allows land or building area to guide the allocation of businesses if applicable. This method was also applied when none of the zones in the un-split meshblock sample showed the presence of any businesses in a particular ANZSIC. Just because the un-split meshblocks did not show a presence of that activity (and location preference between zones) does not mean that that activity is not located in a particular spit zone meshblock. If present, it needs to be allocated and was done so on the basis of land or building area as appropriate.
- 6 meshblocks were split between a rural zone and a business zone – 100% of primary production, forestry, logging, fishing, mining, and primary sector support services activity (where applicable) was assigned to the rural zone. All other activity was allocated based on the share of building footprint occurring in each zone area within the meshblock.
- 16 meshblocks were split between one or more rural zone, a business zone and a residential zone – in this case, the distinction between the business and residential zone was not important so the allocation was based on a simple rural-urban split. These meshblocks contained an average of just 16 businesses each. It was therefore practical to search (using Google Maps Street View) for what businesses were located in the urban land area of each meshblock and allocated them accordingly, with the balance of businesses allocated to the rural zones. If multiple rural zones were present in the meshblock, regard was given to building footprint, land area and trends in the un-split meshblock sample.

- 85 meshblocks were split between one or more rural zone and a residential zone – business activity by ANZISC was split by trends in un-split meshblocks. For ANZSICs that showed no activity in one zone but some activity in another zone (in terms of un-split sample trends), then 100% of activity in the meshblock was applied to the zone with at least some propensity of having some of that particular activity. For ANZSICs that showed that activity occurs in both rural and residential zones, the relative building footprint area proportion was applied for activities assumed to require buildings on-site and the relative land area proportion was applied for activities (mainly primary production) that may exist without built structures. This approach does not adopt the ratios of activity occurring in the un-split meshblock sample, rather it allows land or building area to guide the allocation of businesses if applicable. This method was also applied when none of the zones in the un-split meshblock sample showed the presence of any businesses in a particular ANZSIC. Just because the un-split meshblocks did not show a presence of that activity (and location preference between zones) does not mean that that activity is not located in a particular split zone meshblock. If present, it needs to be allocated and was done so first with regard to the larger sample or un-split and wholly urban meshblocks (looking for a propensity to be either rural or urban for a particular ANZSIC, or if both, then allocated on the basis of land or building area proportions as appropriate.

This approach was adopted to deal (pragmatically) with the need to allocate business activity over a large number of split meshblocks (which comprised different combinations of zones and in unique proportions in terms of land and building footprint area) across 483 ANZSIC categories. A range of approaches were adopted to make best use of the sample information available and the appropriateness of applying those trends to specific types of meshblock splits.

In all but one case, the allocation rules were developed for each ANZSIC independently of whether there were businesses in a particular ANZSIC to be allocated within a meshblock. This was considered more practical than searching for individual businesses revealed in the data across large expanses of area and within the limitations of Google Maps and Street View. However, M.E acknowledge that for 31% of businesses in the District in 2016, there will be a margin of error in terms of the accuracy of rural versus urban zone location. That margin of error cannot be quantified.

The remaining tasks of the approach adopted by M.E are relatively straightforward. The allocation rules applied to businesses in each meshblock and ANZSIC in 2016 were assumed to hold true in the years 2000-2015. This is considered generally appropriate given that many of the businesses present in 2016 established in that location at an earlier year. Alternatively, even when businesses close, they are often replaced with similar types of businesses attracted to the nature of improvements or location characteristics a property offers. This approach also assumes that the current operative zone pattern (and planning provisions) applied for all years.

2.1.1 Allocating Employment across Rural Zones

Total employment by meshblock and ANZSIC was allocated according to the distribution of businesses across zones in each meshblock (described above) for the years 2000-2016. This assumes that business size is the same whether in an urban or rural zone in split meshblocks and will not be accurate in all cases. Even in un-split meshblocks, the BD provides only total employment in a particular ANZISC and so average employment per businesses is the limit of what can be derived. This limitation is relevant to the accuracy to which the BD analysis can inform the scale of non-rural businesses from an employment perspective. It will not distinguish large employers from small employers – only averages within any particular ANZSIC or group of ANZSICs.

Further, the BD no-longer reports employment in terms of FTEs (full time equivalents). While FTEs is a suitable metric if businesses are self-reporting their staffing for a resource consent (for example) it is no-longer a suitable metric should Council wish to independently monitor annual employment in particular locations through methods such as this analysis. The BD records an Employee Count which is the count of all full or part time employees. M.E has added to this count the estimated count of working proprietors to ensure that these 'workers' are not underrepresented. All employment reported for this analysis is therefore M.E's Modified Employment Count (MEC). In terms of understanding effects such as traffic generation and staff parking spaces, the MEC is considered more appropriate than an FTE count going forward.

2.1.2 Implication of Allocation Method on Whole Businesses

As described above, in some split rural-urban fringe meshblocks, businesses are allocated proportionate to land area or building footprint area. This can result in portions of businesses being assigned to different zones (and estimated employment attributed to those portions). This is a limitation of the approach but applies to a small number of businesses overall. M.E has tested a rounding approach (to whole numbers) for businesses but this leads to differences between sub-totals and totals and leads to further complications with MECs (which are less sensitive to rounding). On balance, M.E felt that unrounded estimates of businesses and employment by location was the most appropriate format for reporting results.

2.1.3 Non-rural Business Activity Registered to Home Addresses

There are a large number of non-rural businesses (occupations) that are run from home or are registered to a home address rather than a commercial premises per se. These include businesses where the work is also completed at the home address (i.e. a self-employed web designer with a home office) – which may or may not qualify as a home based business in DP terms – and businesses where the work is carried out elsewhere (i.e. a self-employed builder or plasterer who may only do their administrative work from home).

The industries where home based (self-employed) business locations are more prevalent (but not limited) include the 'Construction' (trade) industry, 'Financial and Insurance Services', 'Rental, Hiring and Real Estate Services', 'Professional, Scientific and Technical Services' and 'Other Services'. The location patterns of these sectors are therefore strongly linked to the patterns of residential dwellings (notwithstanding that access to suppliers and customers is also a factor).

This issue is raised because Rural Zones can show high numbers of businesses likely to be located in residential dwellings because it is the registered address of the business. The BD analysis cannot identify if these businesses are indeed located in a dwelling (which is not of concern in this Rural Topic review) or occupying a commercial premises in the rural zone (which is the relevant issue). Care is therefore needed when considering the findings of the analysis. Especially in terms of inferring a relationship between non-rural business activity and the proliferation of premises (built, yard or both) that could/should otherwise be located in an urban business zone.

2.1.4 Understanding the Scale of Non-Rural Premises

While M.E has drawn upon spatially explicit data on building footprints (undistinguished by building use), the data was used at an aggregate level for each zone area within a meshblock to help inform high-level business allocation rules. This assessment does not examine the relationship between building footprints and individual parcels or properties, nor does it assign particular businesses to particular parcels and therefore floor areas. M.E does not have the ability to inform the evaluation of building scale in the Rural Zone through this scope of work. The analysis of consents or the rating database (which is likely to record dwelling footprint) may prove useful in this regard. It is also outside the scope of this report to identify the specific land areas (parcels) occupied by non-rural activity. Should further work on the Rural Topic be commissioned, this may be relevant to consider at that time.

2.1.5 Categorising Businesses to Rural, Rural Industrial and Other

As discussed above, M.E has carried out the reconciliation of the BD to rural zones at the most detailed 6 Digit ANZSIC level (and a copy of that analysis has been provided directly to Council). However, for the purpose of reporting findings in this report, M.E has categorised ANZSICs to align as closely as possible to the definitions used in the SDP provisions for each rural zone[4]. That is, to summarise business and employment activity according to:

- **Rural Activity**. This includes all farming, forestry and horticultural ANZSICs (rural production).
- **Rural Based Industrial Activity**. This is defined as 'industrial activity that involves the use of raw materials or primary products which are derived <u>directly</u> from the rural environment, including agricultural, pastoral, horticultural, forestry, viticultural and crops'. On this basis, M.E has included (for the purpose of this analysis) logging, meat and poultry processing, milk and cream processing, cheese and other dairy product manufacturing, fruit and vegetable processing, oil and fat manufacturing, grain mill product manufacturing, beef manufacturing, wine and other alcoholic beverage manufacturing, wool scouring, log sawmilling, wood chipping, timber resawing and dressing, clay brick manufacturing, and cement and lime manufacturing. These were selected on the basis that they are understood to involve the processing or manufacturing of at least one component that can be sourced directly from rural activities. Note, not all of these ANZSICs currently exist in Selwyn District. This coding is based on the information available and may not capture all businesses that may consider themselves to fall within the definition of a Rural Based Industrial Activity.
- **Other Industry**. This is defined as 'any other industrial activity that is not defined as a Rural Based Industrial Activity'. Industrial activities are defined as 'involving the manufacturing, production, processing, assembly, disassembly, packaging, servicing, testing, repair, direct handling, distribution and/or warehousing of any materials, goods, products, machinery or vehicles (excluding mining, exploration, quarries and forest harvesting). On that basis, M.E has selected the balance of the 'Manufacturing Sector (C)' industries.

[4] M.E has consulted with Boffa Miskell to finalise the coding of activities.

- Other aggregations that M.E has used for reporting results include the following[5]:
    - Fishing and aquaculture
    - Rural Service (which does not appear to fall under the rural activity or rural based industrial activity definitions).
    - Mines/Quarries (which are expected to be in the rural environment but may be operated from a business in a different location)
    - Exploration and Mining Support Services
    - Each remaining 1 Digit ANZSIC sector.

The following sections contain the results of the BD reconciliation to rural zones.

2.1.6 Other Limitations of the BD

While the BD is the most detailed public data available on the spatial location of businesses and employment by detailed industry, it is important to outline what it can and cannot show:

- The location of employment is linked to the location of the business.
    - Specifically, the business location is usually the registered office of the business and may not be the location of some of their activities or landholdings. This may apply (but is not limited to) to forestry and mining related activity for example.
    - This means that workers who carry out their jobs in Selwyn District but work for companies based outside the district will not be counted. Conversely, workers who carry out their jobs outside of Selwyn District but work for companies based inside the district will be counted[6].
- It captures businesses and workers registered with the IRD as at February each year.
    - This means that some businesses that have appeared since February 2016 will not be captured.
    - Businesses are registered to an ANZSIC code which may differ from perceptions of what sort of business is being operated. ANZSICs relate to specific categories of primary activities as defined by SNZ.
    - This may under-represent employment in some sectors that increase their staff numbers during other periods of the year (i.e. harvesting periods, shearing periods, ski season etc). Conversely, it may over-represent employment in

[5] For a full list of M.E's concordance, see the 'Current and Historic BD Analysis – FINAL v2.xlsx' spreadsheet supplied directly to Council.

[6] Future analysis of Journey to Work data (SNZ) may help demonstrate the net flows of workers in and out of the District on an average day.

some sectors that have higher staff numbers in February compared to other periods of the year.

  - It does not capture staff paid by cash.
  - It does not capture small businesses that are not registered for GST. This may be applicable for low turnover businesses such as those selling a relatively small volume of produce for example, or artisan businesses that sell only small volumes of product (including cash/market sales).

- In some sectors, it is possible to have a business with no employment (although the opposite does not generally apply). This is particularly common in the Property, Real Estate and Finance sectors where, for example, individual operators/agents/advisors/insurance brokers often need to set themselves up as individual companies for tax and other legal reasons.

For all of the above reasons, including any inherent errors in SNZ's data collection and reporting, the BD may not always reconcile with what activity can be seen 'on the ground'. The results are estimates subject to a number of assumptions.

2.2 Current Patterns - Total Rural Zone

2.2.1 Businesses

In 2016 the District contained an estimated 6,156 businesses. A significant 65% (4,026 businesses) are estimated to be located in the Rural Zone, with the balance (35%) located in the Urban Zone area. The Rural Zone is made up of 46% Rural Activity businesses, 1% Rural Based Industrial Activity businesses, 2% Other Industrial businesses, 4% Rural Service businesses, and 45% other sector businesses. By contrast, the urban zone area is made up of just 4% of Rural Activity businesses (likely to be very small-scale producers), less than 1% Rural Based Industrial Activity businesses, 5% Other Industrial businesses, 2% Rural Service businesses, and 89% other sector businesses (Figure 2.1).

Figure 2.1 – Rural Versus Urban Business Counts 2016

	Rural Sub-Total*	Urban Sub-Total**	Total Selwyn District	Rural Zone Share of Total District	Composition of Rural Zone	Composition of Urban Zone	Composition of Selwyn District
Rural Activity	**1,863**	**85**	**1,947**	**96%**	**46%**	**4%**	**32%**
Fishing & Aquaculture	10	3	13	76%	0%	0%	0%
Rural Based Industrial Activity	**26**	**6**	**32**	**80%**	**1%**	**0%**	**1%**
Rural Service	148	38	187	79%	4%	2%	3%
Mines / Quarries	10	1	11	87%	0%	0%	0%
Exploration & Mining Support Services	3	-	3	0%	0%	0%	0%
Other Industrial	**99**	**100**	**199**	**50%**	**2%**	**5%**	**3%**
Electricity, Gas, Water and Waste Services	9	3	12	73%	0%	0%	0%
Construction	275	404	679	41%	7%	19%	11%
Wholesale Trade	73	80	153	48%	2%	4%	2%
Retail Trade	74	111	185	40%	2%	5%	3%
Accommodation and Food Services	56	73	129	44%	1%	3%	2%
Transport, Postal and Warehousing	53	75	129	41%	1%	4%	2%
Information Media and Telecommunications	11	17	28	38%	0%	1%	0%
Financial and Insurance Services	122	95	217	56%	3%	4%	4%
Rental, Hiring and Real Estate Services	722	433	1,155	63%	18%	20%	19%
Professional, Scientific and Technical Services	162	200	362	45%	4%	9%	6%
Administrative and Support Services	73	69	142	51%	2%	3%	2%
Public Administration and Safety	11	30	41	27%	0%	1%	1%
Education and Training	41	61	101	40%	1%	3%	2%
Health Care and Social Assistance	28	90	118	24%	1%	4%	2%
Arts and Recreation Services	83	43	126	66%	2%	2%	2%
Other Services	76	113	189	40%	2%	5%	3%
Total	4,026	2,129	6,156	65%	100%	100%	100%

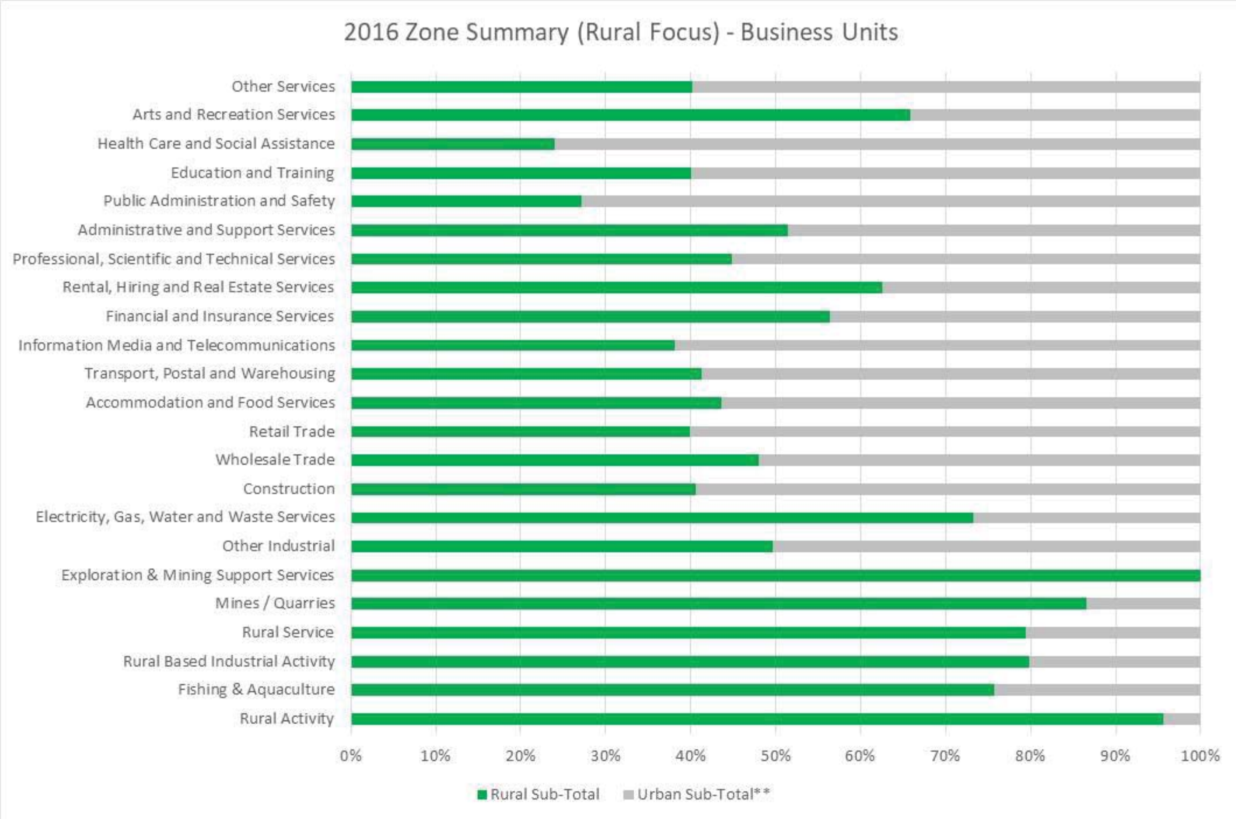
Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

The Rural Zone comprises some high shares of businesses across many sectors (Figures 2.1 and 2.2). As expected, the Rural Zone accounts for 96% of all Rural Activity businesses, 80% of all Rural Based Industrial Activity businesses and 87% of all Mines/Quarries businesses (albeit likely 100% of the actual mining/quarrying). Other sectors where half or more of District businesses are located in the Rural Zone include Fishing and Aquaculture (76%), Rural Service (79%), Utilities/Waste Services (73%), Financial and Insurance Services (56%), Rental, Hiring and Real Estate Services (63%)[7], Administrative and Support Services (51%) and Arts and Recreation Services (66%).

[7] The 'Rental, Hiring and Real Estate Services' sector in the Rural Zone is dominated by Non-residential Property Operators (72% in 2016, with activities including the renting or leasing of factories, warehouses, yards, shop premises, storage facilities and agricultural land). This is followed by Residential Property Operators (17% in 2016 and growing strongly in percentage terms since 2000, with activities including the renting of houses, flats and apartments, including caravan parks). Real Estate Agents Services made up 5% of total businesses in this category. Refer section 2.1.5 for associated employment implications.

Figure 2.2 – Rural Versus Urban Business Count Shares 2016



2.2.2 Employment

In 2016 the District's businesses employed an estimated 19,980 workers. A significant 50% (9,894 workers) are located in the Rural Zone, with the balance (50%) located in the Urban Zone area. The composition of the Rural Zone employment consists of 37% Rural Activity workers, 11% Rural Based Industrial Activity workers, 3% Other Industrial workers, 5% Rural Service workers, and 45% other sector workers. By contrast, the urban zone area is made up of just 2% of Rural Activity workers (again, likely to be very small-scale producers), 1% Rural Based Industrial Activity workers, 8% Other Industrial workers, 1% Rural Service businesses, and 88% other sector workers (Figure 2.3).

Figure 2.3 – Rural Versus Urban Employment Counts 2016

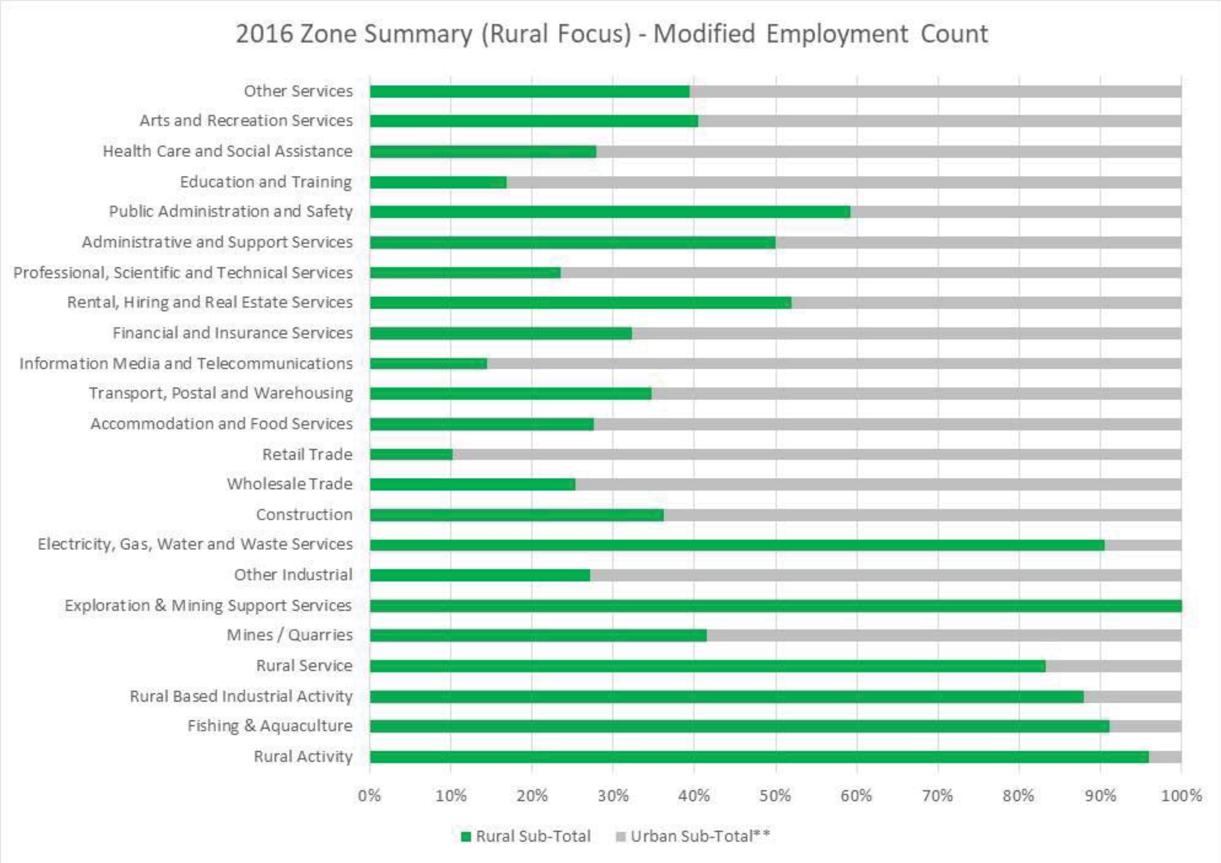
	Rural Sub-Total*	Urban Sub-Total**	Total Selwyn District	Rural Zone Share of Total District	Composition of Rural Zone	Composition of Urban Zone	Composition of Selwyn District
Rural Activity	**3,634**	**152**	**3,786**	**96%**	**37%**	**2%**	**19%**
Fishing & Aquaculture	23	2	25	91%	0%	0%	0%
Rural Based Industrial Activity	**1,064**	**146**	**1,210**	**88%**	**11%**	**1%**	**6%**
Rural Service	458	92	550	83%	5%	1%	3%
Mines / Quarries	21	30	51	41%	0%	0%	0%
Exploration & Mining Support Services	25	-	25	0%	0%	0%	0%
Other Industrial	**306**	**818**	**1,124**	**27%**	**3%**	**8%**	**6%**
Electricity, Gas, Water and Waste Services	39	4	43	91%	0%	0%	0%
Construction	743	1,311	2,054	36%	8%	13%	10%
Wholesale Trade	176	519	695	25%	2%	5%	3%
Retail Trade	123	1,083	1,206	10%	1%	11%	6%
Accommodation and Food Services	299	787	1,087	28%	3%	8%	5%
Transport, Postal and Warehousing	209	394	603	35%	2%	4%	3%
Information Media and Telecommunications	10	62	72	14%	0%	1%	0%
Financial and Insurance Services	29	61	89	32%	0%	1%	0%
Rental, Hiring and Real Estate Services	191	176	366	52%	2%	2%	2%
Professional, Scientific and Technical Services	285	928	1,214	24%	3%	9%	6%
Administrative and Support Services	191	191	382	50%	2%	2%	2%
Public Administration and Safety	1,349	926	2,275	59%	14%	9%	11%
Education and Training	329	1,619	1,948	17%	3%	16%	10%
Health Care and Social Assistance	184	474	658	28%	2%	5%	3%
Arts and Recreation Services	94	138	232	40%	1%	1%	1%
Other Services	112	172	283	39%	1%	2%	1%
Total	9,894	10,086	19,980	50%	100%	100%	100%

Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

The Rural Zone comprises some high shares of workers across many sectors (Figures 2.3 and 2.4). As expected, the Rural Zone accounts for 96% of Rural Activity workers and 88% of Rural Based Industrial Activity workers. 41% of Mines/Quarries workers are based in the Rural Zone and 27% of Other Industrial Activity workers. Other sectors where half or more of District workers are located in the Rural Zone include Fishing and Aquaculture (91%), Rural Service (83%), Utilities/Waste Services (91%), Rental, Hiring and Real Estate Services (52%), Administrative and Support Services (50%) and Public Administration and Safety (59%).

Figure 2.4 – Rural Versus Urban Employment Count Shares 2016



2.2.3 Average Business Size (Employment)

Using total employment counts divided by total business counts in the Rural Zone and urban zone areas, Figure 2.5 shows that there are variations in average business size by sector. Rural Activities are relatively larger in the Rural Zone but only small in real terms (2.0 workers per business). Rural Based Industrial Activity businesses in the Rural Zone are also larger on average than in the Urban Zone, and are large in scale (an average of 41-42 workers per business). Other Industrial businesses located in the Rural Zone tend to be small (3-4 workers) relative to similarly classified businesses in the Urban Zone (8-9 workers on average).

Figure 2.5 – Rural Versus Urban Average Workers per Business 2016

	Rural Sub-Total *	Urban Sub-Total**	Total District
Rural Activity	**2.0**	**1.8**	**1.9**
Fishing & Aquaculture	2.4	0.7	2.0
Rural Based Industrial Activity	**41.6**	**22.6**	**37.8**
Rural Service	3.1	2.4	2.9
Mines / Quarries	2.2	20.2	4.7
Exploration & Mining Support Services	10.0	-	10.0
Other Industrial	**3.1**	**8.2**	**5.7**
Electricity, Gas, Water and Waste Services	4.4	1.3	3.6
Construction	2.7	3.2	3.0
Wholesale Trade	2.4	6.5	4.5
Retail Trade	1.7	9.8	6.5
Accommodation and Food Services	5.3	10.8	8.4
Transport, Postal and Warehousing	3.9	5.2	4.7
Information Media and Telecommunications	1.0	3.6	2.6
Financial and Insurance Services	0.2	0.6	0.4
Rental, Hiring and Real Estate Services	0.3	0.4	0.3
Professional, Scientific and Technical Services	1.8	4.6	3.4
Administrative and Support Services	2.6	2.8	2.7
Public Administration and Safety	120.2	30.7	55.0
Education and Training	8.1	26.7	19.2
Health Care and Social Assistance	6.5	5.3	5.6
Arts and Recreation Services	1.1	3.2	1.8
Other Services	1.5	1.5	1.5
Total	2.5	4.7	3.2

Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

2.3 Current Patterns by Rural Zone

2.3.1 Businesses

In 2016 the High Country Zone (including the Porters Ski and Recreation Area Zone) had 67 business which makes up 2% of all businesses in the Rural Zone and 1% in the total District. Malvern Hills Zone had an estimated 141 businesses (4% of the Rural Zone total and 2% of the District). The Port Hills Zone records very few businesses (4) and therefore makes up less than 1% of the District businesses (Figure 2.6).

The Inner and Outer Plains Zones play an important economic role in the District. The Inner Plains Zone had an estimated 1,517 businesses in 2016 (38% of all Rural Zone businesses and 25% of all District businesses despite accounting for 4% of the District land area). The Outer Plains Zone had 2,297 businesses that year, making up 57% of all Rural Zone businesses and 37% of the District total (Figure 2.6).

Figure 2.6 – Business Counts by Rural Zone 2016[8]

	High Country *	Malvern Hills	Inner Plains	Outer Plains	Port Hills	Rural Sub-Total
Rural Activity	**19**	**70**	**591**	**1,181**	**1**	**1,863**
Fishing & Aquaculture	-	-	1	8	-	10
Rural Based Industrial Activity	**-**	**0**	**8**	**17**	**0**	**26**
Rural Service	0	8	43	97	-	148
Mines / Quarries	-	1	3	5	-	10
Exploration & Mining Support Services	-	-	3	-	-	3
Other Industrial	**1**	**3**	**58**	**36**	**0**	**99**
Electricity, Gas, Water and Waste Services	1	3	-	5	-	9
Construction	3	4	145	122	0	275
Wholesale Trade	-	0	40	33	0	73
Retail Trade	3	5	40	26	-	74
Accommodation and Food Services	9	3	18	26	0	56
Transport, Postal and Warehousing	1	-	27	25	-	53
Information Media and Telecommunications	-	-	4	7	-	11
Financial and Insurance Services	2	1	58	61	0	122
Rental, Hiring and Real Estate Services	15	29	248	430	1	722
Professional, Scientific and Technical Services	1	5	83	73	0	162
Administrative and Support Services	3	2	38	30	0	73
Public Administration and Safety	-	1	5	6	-	11
Education and Training	-	-	18	23	0	41
Health Care and Social Assistance	0	-	21	7	0	28
Arts and Recreation Services	8	3	36	35	0	83
Other Services	-	3	30	43	0	76
Total	67	141	1,517	2,297	4	4,026

Source: Statistics NZ Business Directory, M.E.

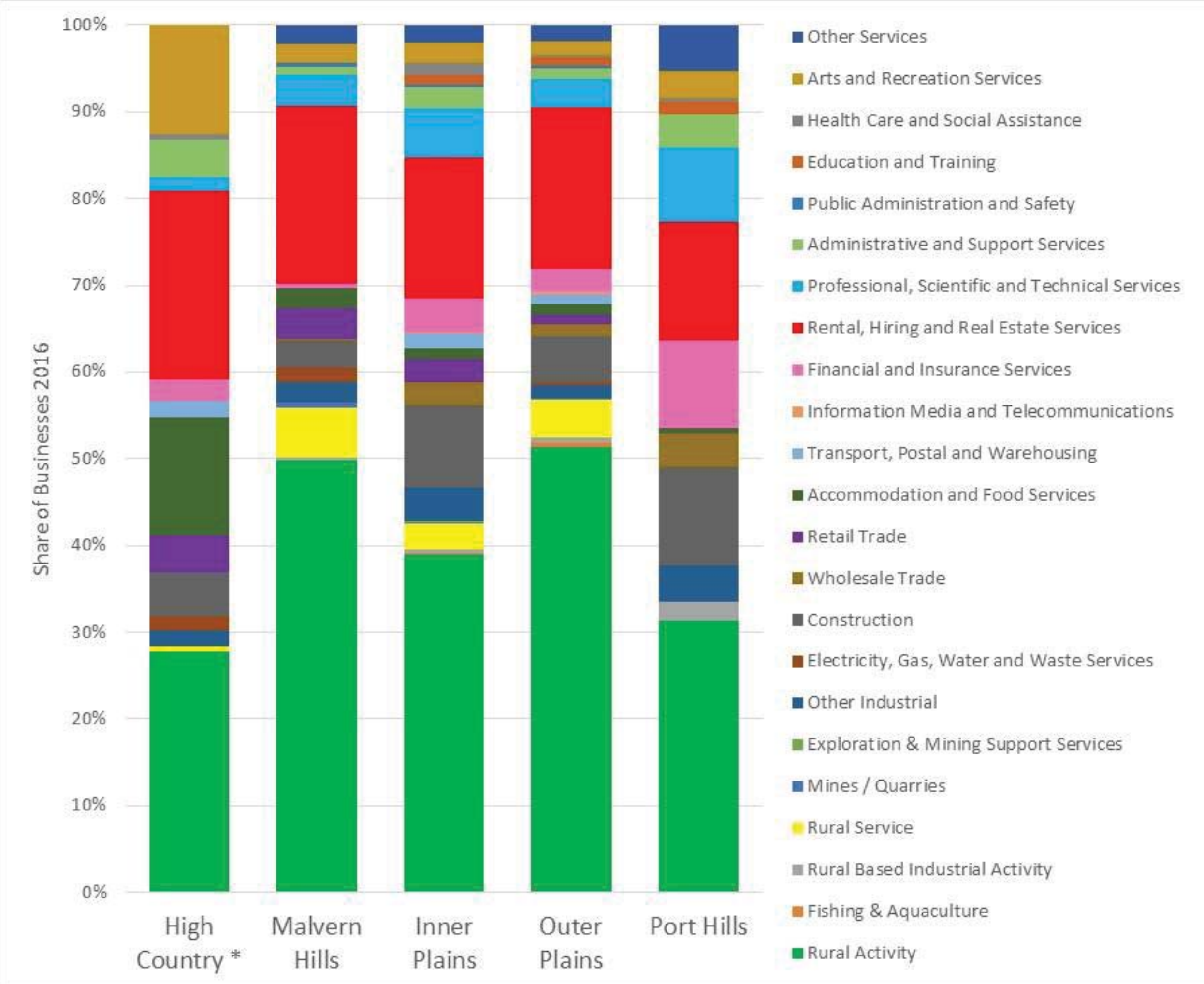
** Including Porters Ski and Recreation Area **Includes Rural Residential*

Figure 2.7 shows the mix of business activities in each Rural Zone. This is not a reflection of the land area attributed to each sector (and therefore its visual character). It shows that the High Country Zone comprises less than 30% Rural Activity Businesses (19 in total), no Rural Based Industrial Activity and 1 Other Industrial business (2%). Half (50%) of businesses in the Malvern Hills Zone are Rural Activity. There are no Rural Based Industrial Activities and 3 Other Industrial Activities (2%). Rural Service businesses make up 6% of the total (8 business units).

Rural Activity accounts for 39% of Inner Plains Zone business activity (591). There are 8 Rural Based Industrial Activities (1%) and 58 Other Industrial Activities (4%). Rural Service businesses reach a count of 43 (3%). Other notable sectors include 40 Wholesale businesses (3% of the zone total), 27 Transport, Postal and Warehousing businesses (2%) and 40 Retail businesses (3%).

[8] Sub-totals may differ due to rounding.

Figure 2.7 - Business Count Shares by Rural Zone 2016



Rural Activity accounts for 51% of Outer Plains Zone business activity (1,181). There are 17 Rural Based Industrial Activities (1%) and 36 Other Industrial Activities (2%). Rural Service businesses reach a count of 97 (4%). Again, the following are notable; 33 Wholesales businesses (1% of the zone total), 25 Transport, Postal and Warehousing businesses (1%) and 26 Retail businesses (1%).

Looking at the data from another perspective – to the extent that businesses have chosen a rural zone over an urban zone:

- 65% of total Rural Zone **Rural Based Industrial Activity** businesses are in the Outer Plains and 32% are in the Inner Plains.
- 59% of total Rural Zone **Other Industrial Activity** businesses are in the Inner Plains and 37% are in the Outer Plains.
- 54% of total Rural Zone **Wholesale Trade** businesses are in the Inner Plains and 45% are in the Outer Plains.
- 50% of total Rural Zone **Transport, Postal and Warehousing** businesses are in the Inner Plains and 48% are in the Outer Plains.

- 54% of total Rural Zone **Retail** businesses are in the Inner Plains and 35% are in the Outer Plains.

2.3.2 Employment

In 2016 the High Country Zone (including the Porters Ski and Recreation Area Zone) had an estimated 196 workers business which makes up 2% of all workers in the Rural Zone and 1% in the total District. Malvern Hills Zone had an estimated 268 workers (3% of the Rural Zone total and 1% of the District). The Port Hills Zone records very few workers (an estimated 5) and therefore makes up less than 1% of the District workers (Figure 2.8). The Inner and Outer Plains Zones are significant employment areas. The Inner Plains Zone had an estimated 3,019 workers in 2016 (31% of all Rural Zone workers and 15% of all District workers). The Outer Plains Zone had an estimated 6,406 workers that year, making up 65% of all Rural Zone workers and 32% of the District total (Figure 2.8).

Figure 2.8 – Employment Counts by Rural Zone 2016

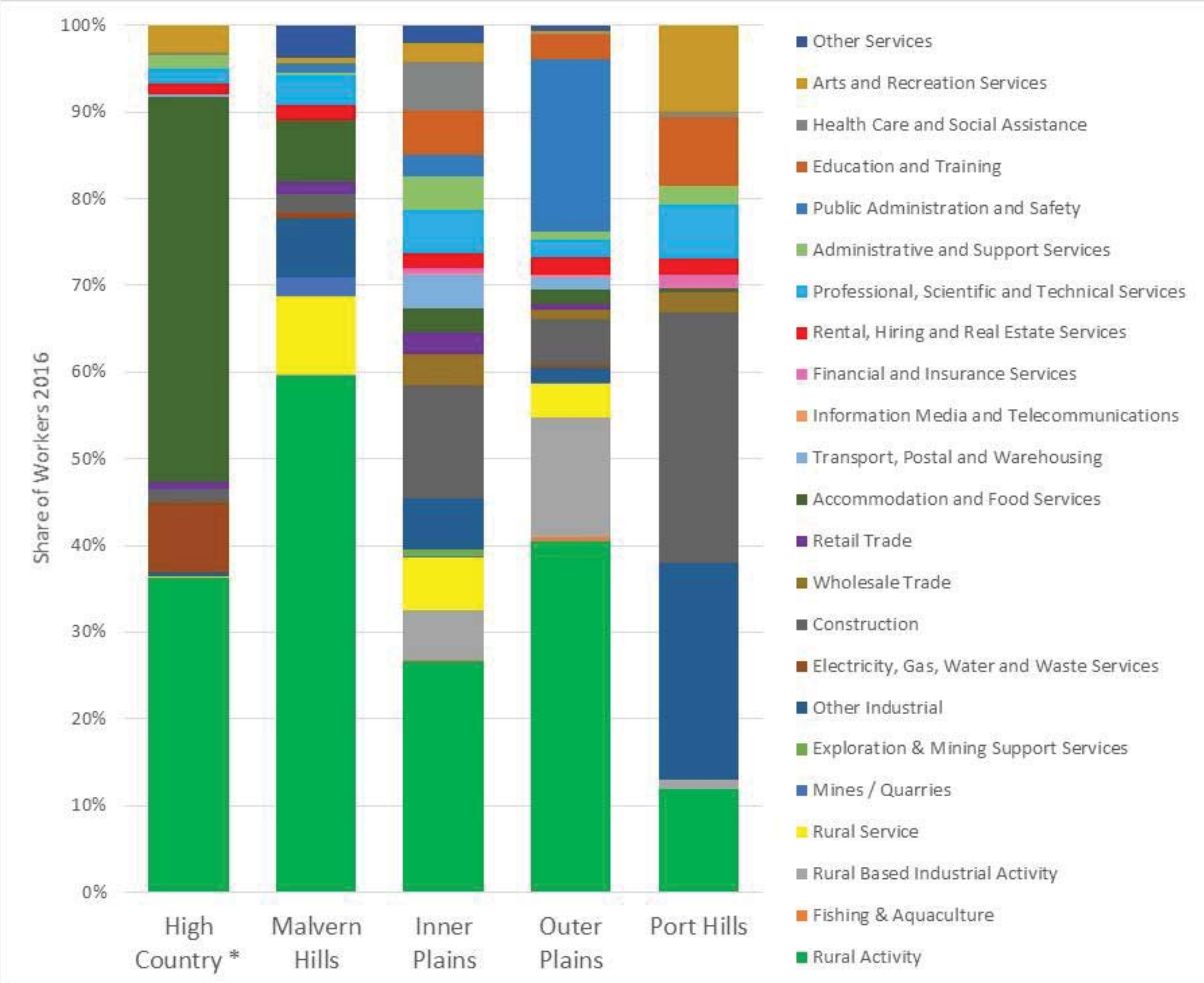
	High Country *	Malvern Hills	Inner Plains	Outer Plains	Port Hills	Rural Sub-Total
Rural Activity	**71**	**160**	**807**	**2,596**	**1**	**3,634**
Fishing & Aquaculture	-	-	1	22	-	23
Rural Based Industrial Activity	**-**	**0**	**175**	**889**	**0**	**1,064**
Rural Service	0	24	182	251	-	458
Mines / Quarries	-	6	4	11	-	21
Exploration & Mining Support Services	-	-	25	-	-	25
Other Industrial	**1**	**18**	**176**	**109**	**1**	**306**
Electricity, Gas, Water and Waste Services	16	2	-	22	-	39
Construction	3	6	397	336	1	743
Wholesale Trade	-	0	108	67	0	176
Retail Trade	2	3	75	44	-	123
Accommodation and Food Services	87	19	82	111	0	299
Transport, Postal and Warehousing	1	-	117	91	-	209
Information Media and Telecommunications	-	-	5	5	-	10
Financial and Insurance Services	0	0	17	12	0	29
Rental, Hiring and Real Estate Services	2	5	51	132	0	191
Professional, Scientific and Technical Services	3	9	151	122	0	285
Administrative and Support Services	3	1	120	66	0	191
Public Administration and Safety	-	3	72	1,274	-	1,349
Education and Training	-	-	156	173	0	329
Health Care and Social Assistance	0	-	171	13	0	184
Arts and Recreation Services	6	2	64	22	0	94
Other Services	-	10	63	39	-	112
Total	196	268	3,019	6,406	5	9,894

Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

Figure 2.9 shows the mix of employment by sector in each Rural Zone. It shows that the High Country Zone comprises 36% Rural Activity workers (71 in total), 1 Other Industrial workers (1%) and a significant 44% Accommodation and Food Services workers (87). An estimated 60% of workers in the Malvern Hills Zone are in the Rural Activity sector (160) and 7% are in Other Industrial Activities (18). Rural Service workers make up 9% of the employment (24 workers).

Figure 2.9 - Employment Count Shares by Rural Zone 2016



Rural Activity accounts for 27% of Inner Plains Zone employment (807, 1-2 per business on average). The 8 Rural Based Industrial Activity businesses employ 175 workers or an average of 20-21 each (6%) and the 58 Other Industrial businesses employ 176 staff or an average of 3 each (6%). Rural Service businesses employ 182 workers or 4-5 each on average (6%). The 40 Wholesales businesses employ 108 people or 2-3 on average per business (4% of the zone total), the 27 Transport, Postal and Warehousing businesses employ 117 people or an average of 4-5 each (4%) and the 40 Retail businesses employ 75 people or an average of 1-2 each (2%).

Rural Activity accounts for 41% of Outer Plains Zone employment (2,596 or 2-3 workers on average per business). The 17 Rural Based Industrial Activity businesses employ 889 workers or an average of 53-54 each (14%) and the 36 Other Industrial Activities employ 109 workers or an average of 3 staff each (2%).

Rural Service businesses support 251 workers or an average of 2-3 each (4%). The 33 Wholesales businesses employ 67 staff (2 each on average) and make up 1% of total zone employment). The 25 Transport, Postal and Warehousing businesses employ 91 workers or an average of 3-4 staff each (1%) and the 26 Retail businesses employ 44 workers or 1-2 each on average (1%).

Looking at the data from another perspective – to the extent that businesses have chosen a rural zone over an urban zone:

- 84% of total Rural Zone **Rural Based Industrial Activity** employment is in the Outer Plains and 16% is in the Inner Plains.
- 58% of total Rural Zone **Other Industrial Activity** employment is in the Inner Plains and 36% is in the Outer Plains.
- 62% of total Rural Zone **Wholesale Trade** employment is in the Inner Plains and 38% is in the Outer Plains.
- 56% of total Rural Zone **Transport, Postal and Warehousing** employment is in the Outer Plains and 44% are in the Inner Plains.
- 61% of total Rural Zone **Retail** employment is in the Inner Plains and 35% is in the Outer Plains.

2.4 Changes 2000-2016

This section looks at changes in the number of businesses and employment by sector in the Rural Zone (and each Rural Zone).

2.4.1 Total Rural Zone

Across the total Rural Zone, the overall count of businesses experienced a net increase of 989 between 2000 and 2016. This translates into a 33% gain and equates to an average increase of 58 businesses per year. Total employment increased by 2,720 (38% or an average of 160 additional workers per year). To put this in context, the total Urban Zone experienced a net increase of an estimated 1,154 businesses between 2000 and 2016 (118% or an average of 68 additional businesses per year) and total employment increased by an estimated 5,368 (114% or an estimated 316 per year). This means that in actual and percentage terms, the urban area is achieving more of the district's growth (and at a faster rate) – particularly in employment terms.

The count of Rural Activity businesses in the Rural Zone has declined by -9% between 2000 and 2016 although Rural Activity employment has increased by +1%, helped by a slight increase in average employment per business.

Rural Based Industrial Activity has increased by 5 businesses (+27%) but employment has grown significantly with the development of some major plants (+796 jobs or +298%). Other Industrial activity in the Rural Zone has grown by 47 businesses according to the analysis in the past 17 years (+90%) with commensurate employment growth in that sector (+144 or +89%) (Figure 2.10).

Other changes in the Rural Zone include strong real growth in Rental, Hiring and Real Estate Services (growth of 464 businesses (+180%) and 67 employees (54%)). This was driven primarily by growth in Non-Residential Property Operators which includes leasing of rural land[11] (this industry increased by 289 businesses or +125% and accounts for 62% of total growth in the sector) and secondly by growth in Residential Property Operators which includes renting or leasing of residential dwellings (this industry grew by 119 businesses or +2,137%).

The former *may* be associated with increased subdivision of rural land in Selwyn District – with smaller land owners leasing grazing back to larger farm operators. To a lesser degree, it may include the leasing of small areas of rural land or buildings to Other Industrial businesses. This trend would however require further investigation to confirm. It is also not possible to determine from the data if the increase in residential property landlords is associated with an increase of rental properties also located in the Rural Zone, or if it is an increase of rental properties located in the Urban Zone, but owned by rural households. This trend would also warrant further investigation (including the degree to which the rise in popularity of AirBnB may be having an effect relative to an increase in rental properties for usually resident households).

Figure 2.10 – Changes in Economic Activity 2000-2016 – Total Rural Zone

	Businesses			Employment			Average MECs/Business		
	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change
Rural Activity	**-186**	**-9%**	**-11**	**48**	**1%**	**3**	**0.2**	**11%**	**0.0**
Fishing & Aquaculture	3	36%	0	6	34%	0	-0.0	-1%	-0.0
Rural Based Industrial Activity	**5**	**27%**	**0**	**796**	**298%**	**47**	**28.3**	**213%**	**1.7**
Rural Service	59	67%	3	259	131%	15	0.9	38%	0.1
Mines / Quarries	7	217%	0	14	193%	1	-0.2	-8%	-0.0
Exploration & Mining Support Services	3	0%	0	25	0%	1	10.0	0%	0.6
Other Industrial	**47**	**90%**	**3**	**144**	**89%**	**8**	**-0.0**	**-1%**	**-0.0**
Electricity, Gas, Water and Waste Services	5	109%	0	26	193%	2	1.3	40%	0.1
Construction	156	131%	9	521	235%	31	0.8	45%	0.0
Wholesale Trade	17	31%	1	90	106%	5	0.9	57%	0.1
Retail Trade	33	80%	2	29	30%	2	-0.6	-28%	-0.0
Accommodation and Food Services	21	60%	1	171	133%	10	1.7	46%	0.1
Transport, Postal and Warehousing	22	68%	1	137	190%	8	1.6	72%	0.1
Information Media and Telecommunications	4	70%	0	-1	-7%	-0	-0.8	-46%	-0.0
Financial and Insurance Services	105	585%	6	22	325%	1	-0.1	-38%	-0.0
Rental, Hiring and Real Estate Services	464	180%	27	67	54%	4	-0.2	-45%	-0.0
Professional, Scientific and Technical Services	109	204%	6	154	117%	9	-0.7	-29%	-0.0
Administrative and Support Services	45	157%	3	-62	-24%	-4	-6.3	-71%	-0.4
Public Administration and Safety	3	39%	0	32	2%	2	-42.5	-26%	-2.5
Education and Training	14	53%	1	125	61%	7	0.4	5%	0.0
Health Care and Social Assistance	9	49%	1	110	148%	6	2.6	66%	0.2
Arts and Recreation Services	7	9%	0	-37	-29%	-2	-0.6	-34%	-0.0
Other Services	40	109%	2	45	67%	3	-0.4	-20%	-0.0
Total	989	33%	58	2,720	38%	160	0.1	4%	0.0

Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

There has been moderately strong growth in Construction businesses in the Rural Zone (+156 businesses (+131%) and +521 employees (+235%)) and Financial and Insurance Services (+105 businesses (+585%) and

[11] It also includes leasing/renting of commercial premises like warehouses, offices, factories and yards.

+22 employees (+325%)). Many of these businesses *may* be home based operations. Rural Services has also grown by 59 businesses and 259 employees.

Other than the Rural Activity sector, no other sector in the Rural Zone has had a decline in business counts between 2000 and 2016 although employment has decreased in the Administrative and Support Services sector (-62 workers or -24%) and the Arts and Recreation Services sector (-37 workers or -29%). The average size of Rural Based Industrial Activities has increased by 28-29 workers in the past 17 years. Exploration and Mining Support Services have also increased in terms of average size (by +10 workers each).

2.4.2 Inner Plains Zone

In the Inner Plains Zone, the overall count of businesses experienced a net increase of 466. This translates into a +44% gain. Total employment increased by 1,164 (+63%). The count of Rural Activity businesses has declined by -8% (-55) between 2000 and 2016 with an associated decline in Rural Activity employment (-14%, -127).

Rural Based Industrial Activity has increased by just 1 business (+17%) but employment has grown by 101 employees (+137%). Other Industrial activity in the Inner Plains Zone has grown by 31 businesses according to the analysis in the past 17 years (+118%) with an associated increase in employment of 111 workers (+169%) (Figure 2.11).

Other changes in the Inner Plains Zone include strong real growth in Rental, Hiring and Real Estate Services[12] (growth of 164 businesses (+196%) and 22 employees (74%)) and moderately strong growth in Construction businesses (+84 businesses (+136%) and +288 employees (+264%)) and Financial and Insurance Services (+48 businesses (+459%) and +14 employees (507%)). Many of these businesses *may* be home based operations. Rural Services has also grown by 17 businesses and 134 employees.

Appendix 1 includes graphs of business and employment change by sector in the Inner Plains Zone between 2000 and 2016.

[12] See discussion above for the total Rural Zone.

Figure 2.11 – Changes in Economic Activity 2000-2016 – Inner Plains Zone

	Businesses			Employment			Average MECs/Business		
	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change
Rural Activity	**- 55**	**-8%**	**- 3**	**- 127**	**-14%**	**- 7**	**- 0.1**	**-6%**	**- 0.0**
Fishing & Aquaculture	1	0%	0	1	0%	0	0.7	0%	0.0
Rural Based Industrial Activity	**1**	**17%**	**0**	**101**	**137%**	**6**	**10.4**	**103%**	**0.6**
Rural Service	17	66%	1	134	281%	8	2.4	129%	0.1
Mines / Quarries	3	0%	0	4	0%	0	1.3	0%	0.1
Exploration & Mining Support Services	3	0%	0	25	0%	1	10.0	0%	0.6
Other Industrial	**31**	**118%**	**2**	**111**	**169%**	**7**	**0.6**	**24%**	**0.0**
Electricity, Gas, Water and Waste Services	- 0	-100%	- 0	- 1	-100%	- 0	- 3.9	-100%	- 0.2
Construction	84	136%	5	288	264%	17	1.0	54%	0.1
Wholesale Trade	12	43%	1	69	177%	4	1.3	94%	0.1
Retail Trade	20	105%	1	39	109%	2	0.0	2%	0.0
Accommodation and Food Services	14	332%	1	62	314%	4	- 0.2	-4%	- 0.0
Transport, Postal and Warehousing	7	39%	0	59	102%	3	1.4	46%	0.1
Information Media and Telecommunications	1	23%	0	2	49%	0	0.3	21%	0.0
Financial and Insurance Services	48	459%	3	14	507%	1	0.0	9%	0.0
Rental, Hiring and Real Estate Services	164	196%	10	22	74%	1	- 0.1	-41%	- 0.0
Professional, Scientific and Technical Services	50	148%	3	42	38%	2	- 1.4	-44%	- 0.1
Administrative and Support Services	26	206%	2	54	82%	3	- 2.1	-40%	- 0.1
Public Administration and Safety	4	525%	0	1	1%	0	- 80.0	-84%	- 4.7
Education and Training	11	158%	1	95	157%	6	- 0.0	0%	- 0.0
Health Care and Social Assistance	11	115%	1	136	399%	8	4.7	132%	0.3
Arts and Recreation Services	- 5	-12%	- 0	- 7	-9%	- 0	0.0	3%	0.0
Other Services	18	161%	1	37	149%	2	- 0.1	-5%	- 0.0
Total	466	44%	27	1,164	63%	68	0.2	13%	0.0

Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

2.4.3 Outer Plains Zone

In the Outer Plains Zone, the overall count of businesses experienced a net increase of 487. This translates into a +27% gain. Total employment increased by 1,560 (+32%). The count of Rural Activity businesses has declined by -9% (-114) between 2000 and 2016 although Rural Activity employment has grown (+11%, +249) and average employment per business has increased slightly.

Rural Based Industrial Activity has increased by 4 businesses (+30%) but employment has grown very strongly by 695 employees (+359%). Other Industrial activity in the Outer Plains Zone has increased by 15 businesses according to the analysis in the past 17 years (+75%) but employment has grown by just 39 workers (+56%) (Figure 2.12).

Other changes in the Outer Plains Zone include strong real growth in Rental, Hiring and Real Estate Services (growth of 272 businesses (+172%) and 43 employees (+49%)) and moderate growth in Construction businesses (66 and an associated increase of 226 workers (+206%), Professional, Scientific and Technical Service businesses (57 businesses (+361%) and 103 employees (537%)) and Financial and Insurance Services (55 businesses (+840%) and 8 employees (+201%)). Many of these businesses *may* be home based operations. Rural Services has grown by 38 businesses and 104 employees.

Appendix 2 includes graphs of business and employment change by sector in the Outer Plains Zone between 2000 and 2016.

Figure 2.12 – Changes in Economic Activity 2000-2016 – Outer Plains Zone

	Businesses			Employment			Average MECs/Business		
	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change	Growth 2000-16	Growth 2000-16 %	Annual Avg. Change
Rural Activity	**- 114**	**-9%**	**- 7**	**249**	**11%**	**15**	**0.4**	**21%**	**0.0**
Fishing & Aquaculture	1	19%	0	5	29%	0	0.2	8%	0.0
Rural Based Industrial Activity	**4**	**30%**	**0**	**695**	**359%**	**41**	**38.3**	**254%**	**2.3**
Rural Service	38	64%	2	104	71%	6	0.1	4%	0.0
Mines / Quarries	2	77%	0	4	50%	0	- 0.4	-16%	- 0.0
Exploration & Mining Support Services	-	0%	-	-	0%	-	-	0%	-
Other Industrial	**15**	**75%**	**1**	**39**	**56%**	**2**	**- 0.4**	**-10%**	**- 0.0**
Electricity, Gas, Water and Waste Services	2	74%	0	15	229%	1	2.0	90%	0.1
Construction	66	121%	4	226	206%	13	0.8	39%	0.0
Wholesale Trade	5	19%	0	21	46%	1	0.4	23%	0.0
Retail Trade	7	35%	0	- 12	-21%	- 1	- 1.2	-42%	- 0.1
Accommodation and Food Services	9	55%	1	73	193%	4	2.0	89%	0.1
Transport, Postal and Warehousing	14	124%	1	79	630%	5	2.5	226%	0.1
Information Media and Telecommunications	5	212%	0	2	46%	0	- 0.8	-53%	- 0.0
Financial and Insurance Services	55	840%	3	8	201%	0	- 0.4	-68%	- 0.0
Rental, Hiring and Real Estate Services	272	172%	16	43	49%	3	- 0.3	-45%	- 0.0
Professional, Scientific and Technical Services	57	361%	3	103	537%	6	0.5	38%	0.0
Administrative and Support Services	15	102%	1	- 119	-64%	- 7	- 10.1	-82%	- 0.6
Public Administration and Safety	- 0	-5%	- 0	28	2%	2	14.9	8%	0.9
Education and Training	5	29%	0	33	24%	2	- 0.3	-4%	- 0.0
Health Care and Social Assistance	- 2	-23%	- 0	- 27	-68%	- 2	- 2.5	-58%	- 0.1
Arts and Recreation Services	11	46%	1	- 8	-26%	- 0	- 0.6	-49%	- 0.0
Other Services	19	82%	1	- 2	-4%	- 0	- 0.8	-47%	- 0.0
Total	487	27%	29	1,560	32%	92	0.1	4%	0.0

Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

2.4.4 Other Rural Zones[13]

In the Port Hills Zone, the total count of businesses and employment (albeit very small) has fluctuated over the past 17 years (driven primarily by changes in Rural Activity) but the business count is slightly higher in net terms in 2016 compared to 2000.

In the High Country Zone, the total count of businesses has varied only slightly over time. The net increase is 6 businesses (+10%). Employment jumped between 2004 and 2005 and continued to grow in 2007 and 2008 (where it peaked) but dropped again in 2009 with little change since then. Overall there has been a net decrease of just 4 workers (-2%).

In the Malvern Hills Zone, the total count of businesses remained low between 2000 and 2004 but was followed by a growth period to 2008. Since 2008, the business count has fluctuated only slightly. The net change in businesses has been just 29 (+26%). The Malvern Hills Zone has not experienced a net change in total employment since 2000. A key feature of the business patterns for Malvern Hills is a much more diverse range of non-Rural Activity businesses and services (especially) in recent years compared to 2000.

[13] Further detail is available in the Analysis spreadsheet supplied to Council.

2.5 Key Findings

- A significant 65% of businesses and 50% of workers in the District are located in the Rural Zone (2016).
- A large number of non-Rural Activity businesses in the Rural Zone are run from residential properties and do not occupy business-only properties which are the relevant concern in terms of managing adverse effects. This includes small scale Rural Based Industrial and Other Industrial businesses identified in the Rural Zone.
- The Rural Zone contains an estimated 1,863 Rural Activity businesses, 26 Rural Based Industrial Activities employing an estimated 1,064 people, 99 Other Industrial Activities employing an estimated 306 people, and 2,039 other businesses across a range of sectors, including 148 Rural Service businesses employing an estimated 458 people. The share of these businesses that occupy business-only properties has not been quantified within the scope of this analysis.
- Other Industrial Activity makes up 2% of all businesses in the Rural Zone and 3% of all employment. The Rural Zone accounts for 50% of total Other Industrial businesses in the District and 27% of total Other Industrial employment.
- Rural Based Industrial Activity in the Rural Zone employs an average of 41-42 people per business. By comparison, Other Industrial Activity in the Rural Zone employs an average of 3-4 people per business (which is smaller than equivalent businesses in the urban area).
- The small count of Rural Based Industrial Activity businesses is limited to the Plains. There are twice as many in the Outer Plains Zone than in the Inner Plains Zone.
- The High Country, Port Hills and Malvern Hills zones have very little business activity relative to the two Plains zones. In terms of managing non-rural activity that would otherwise be located in the Business 2 zone, they warrant considerably less focus.
- The High Country and Malvern Hills Zones have 1 and 3 Other Industrial businesses respectively. Most (58) are located in the Inner Plains Zone and an estimated 36 are located in the Outer Plains Zone.
- The total business count in the Rural Zone has increased by +33% since 2000 and employment has increased by +38%.
- The greatest rate of change has been in the Inner Plains Zone in the past 17 years (a +44% increase in businesses and +63% increase in employment compared to a 27% increase in businesses and +32% increase in employment in the Outer Plains Zone).
- Rural Based Industrial Activity has increased by +27% (+5 businesses) in that period but employment has increased significantly by +298% (+796 workers) due to the development of several large manufacturing operations.

- Other Industrial Activity has increased in the Rural Zone by +90% (+47 businesses) since 2000 and employment has increased similarly by +89% (+144 workers). This growth has been concentrated in the Inner Plains Zone (+31 businesses) with the balance of growth in the Outer Plains Zone.
- In terms of managing non-rural activity that would otherwise be located in the Business 2 zone, the Inner and Outer Plains warrant considerably more focus than other rural zones. That focus should be primarily on Other Industrial Activity, which although relatively small in terms of the total count of relatively small-scale businesses, has been growing slowly but steadily (an average of 3 additional businesses per annum), primarily in the Inner Plains Zone. The Transport, Postal and Warehousing sector (which includes industries such as Road Freight Transport, urban bus services, taxis, courier services and storage services) may also warrant further investigation. Although in 2016 there were just 53 businesses in the Rural Zone (up from 32 in the year 2000), the average employment per business is creeping up and at nearly 4 staff per business is larger than just a household operation.
- Rural Services are a growing industry in Selwyn District, particularly in the Outer Plains zone (employment has more than doubled since 2000). They fall outside the definition of Rural Activity and Rural Based Industrial Activity. While Mines/Quarries has been an established industry in Selwyn District for some time, Exploration and Mining Support Services has only emerged in the last two years (there are now 3 businesses employing a total of 25 workers – estimated to be located in the Inner Plains Zone[14]) in the Rural Zone. Both industries may warrant further consideration to manage their growth (given their role in supporting economic activity in the Rural Zone).

[14] All three businesses are located in meshblock 2486600 which is split by the Inner, Outer, Port Hills and Rockland EDA zones.

3 Drivers of Locational Choice

This section considers what might be driving decisions to locate non-rural businesses, particularly Other Industrial Activity, in Rural Zones as opposed to Urban Zones such as the Business 2 Zone. The assessment is limited to a desktop study of available data – no direct surveying of businesses has been carried out. Rural Based Industrial Activity and Other Industrial Activity is examined in detail.

3.1 Rural Based Industrial Activity in Detail

Appendix 3 provides a detailed breakdown of current (2016) Rural Based Industrial Activity estimated to be located in the Rural Zone according to the BD and M.E's allocation analysis. Based on M.E's definition of Rural Based Industrial Activities, there are just 26 businesses fitting this definition in Selwyn District, employing 1,064 workers. The Rural Zone accounts for 84% of these (20 businesses), including 86% of employment (721 workers). The Urban Zone accommodates 6 Rural Based Industrial Activity businesses, employing 146 workers.

In total across the District, Rural Based Industrial Activity is broken down as follows: there are 7 Meat Processing businesses with an average count of 33-34 workers each and all are located in the Rural Zone. There are 4 sawmills operating in the Rural Zone employing on average 11-12 workers. The one sawmill operating in the Urban Zone is much smaller in scale with an estimated 3-4 workers. There are two logging businesses with an average of one worker each in the Rural zone and one in the Urban Zone with 8-9 workers. There are 2 small Grain Mill Product Manufacturers in the Rural Zone (an average of 3-4 workers each). The Fonterra (Darfield) and Synlait factories fall into the Cheese and Other Dairy Product Manufacturing industry - both large employers in the Rural Zone. The Brinks factory is the only Poultry Processing factory in the District – another large employer. The remaining Rural Based Industrial Activities comprise of 6 Wine/Alcoholic Beverage Producers (all Rural), 2 Oil and Fat Manufacturers (potentially olive oil producers and located in the Rural Zone), 2 Timber Resawing and Dressing businesses – both operating in the Urban Zone and large employers (based on the average), and 1 medium size clay brick manufacturing business – also in the urban zone.

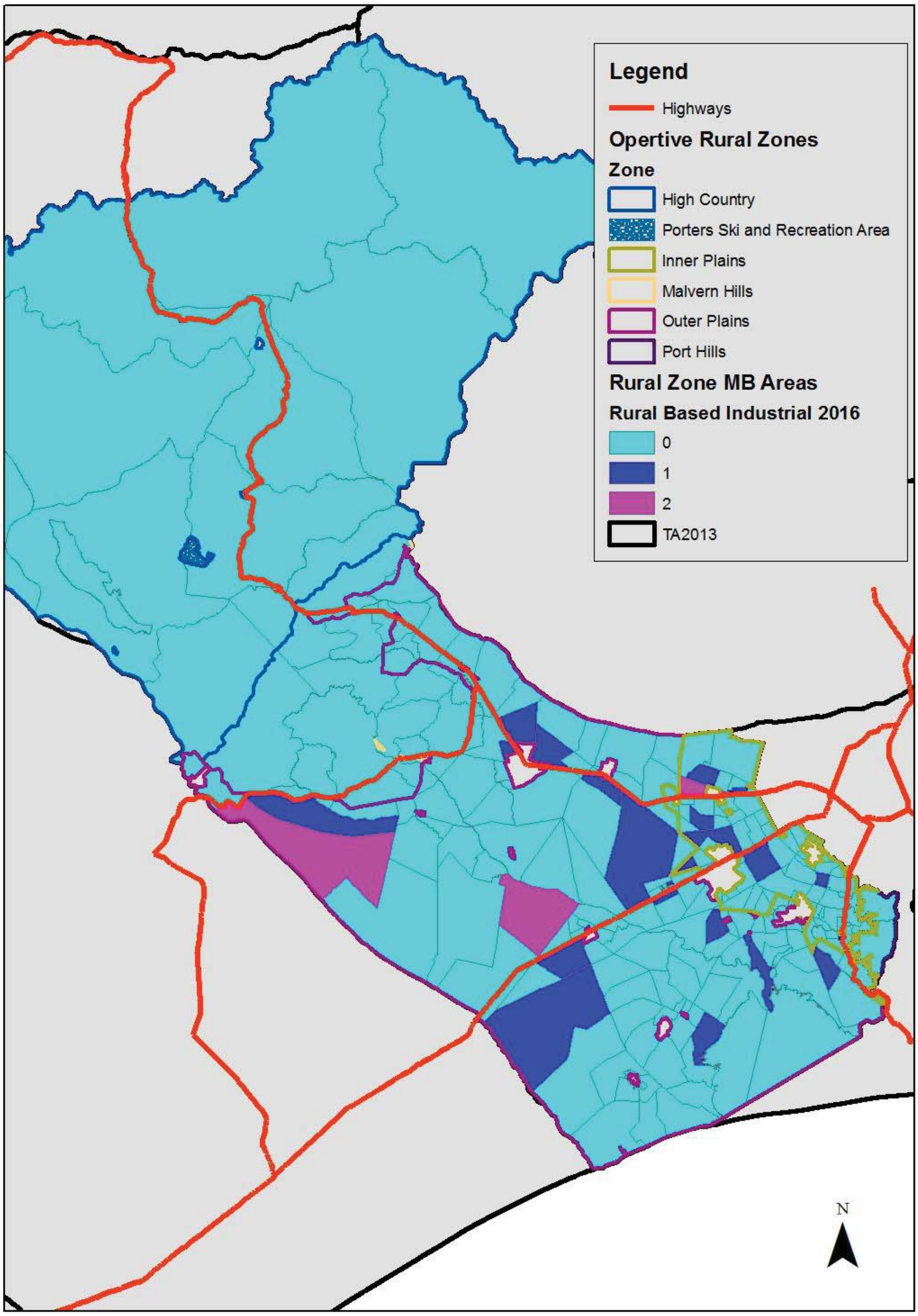
3.1.1 Locational Drivers

Figure 3.1 maps the location of all Rural Based Industrial Activity businesses within the Rural Zone. The spatial units are meshblocks (or rural zone portions of meshblocks) and provide only a course resolution from which to assess location patterns (M.E has not searched for the exact location of the businesses within these meshblock areas). Nonetheless, observations are as follows:

- Rural Based Industrial Activities are generally seeking a rural location.
- No Rural Based Industrial Activities have sought to locate in the Port Hills, High Country or Malvern Hills zones (where they would be non-complying). Rather they have concentrated in the Inner and Outer Plains Zones where they are permitted subject to scale thresholds.

Any activities above the scale threshold would be expected in the Outer Plains Zone (as they would be non-complying in the Inner Plains Zone).

Figure 3.1 – Count of Rural Based Industrial Activity Businesses by Meshblock-Zone Location 2016



- There does not appear to be any significant clustering of activity as it is spread over a number of locations across both the Inner and Outer Plains Zones and the incidence in any meshblock is limited to one or two. That is, there are no strong patterns.
- There appears to be slightly more activity to the side of the District that adjoins Waimakariri District and Christchurch City (across the Inner and Outer Plains Zones) than adjoins Ashburton District.
- Some activity appears to have sought a location close to the urban areas of Rolleston, Darfield, Kirwee and West Melton (i.e. in an adjoining meshblock[15]). The same does not apply to Lincoln or Leeston for example, where proximity to the urban area seems less of a factor.
- It could be argued that most activity appears to be close to a highway, but there are some exceptions.
- It is beyond the scope of this high-level study to determine if particular Rural Based Industrial Activities are co-locating with specific primary sector producers. However, given the potential dispersal of many activities, this is unlikely to be a location driver for most.

3.2 Other Industrial Activity in Detail

Appendix 4 provides a more detailed breakdown of current (2016) Other Industrial Activity estimated to be located in the Rural Zone according to the BD and M.E's allocation analysis. The operative planning provisions state that any Other Industrial Activity that is not a home occupation business, is a non-complying activity in all rural zones.

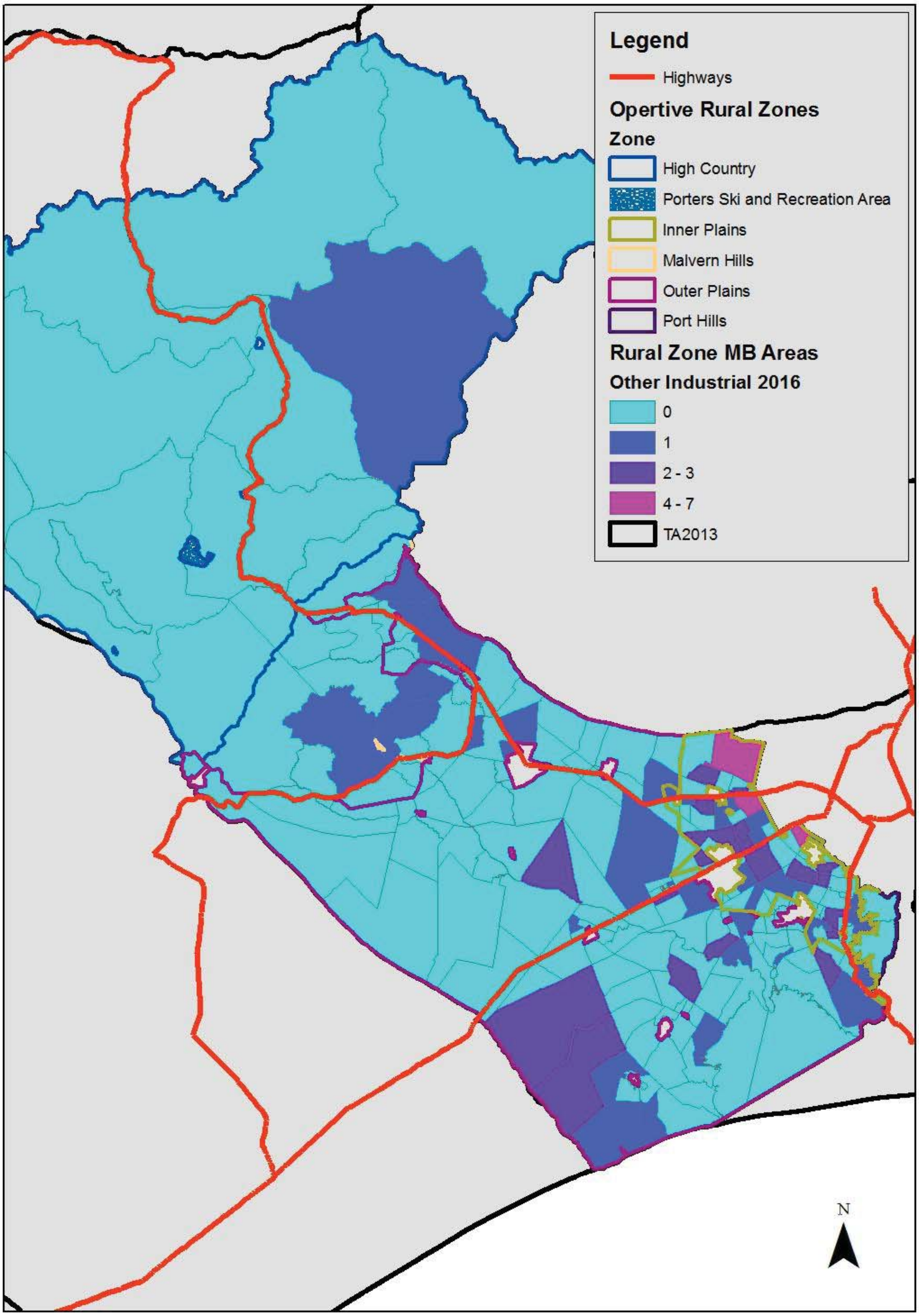
Based on M.E's definition of Other Industrial Activities, there are 199 businesses fitting this definition in Selwyn District, employing 1,124 workers (2016). The Rural Zone accounts for 50% of these (99 businesses), including 27% of employment (306 workers). This means that generally, Other Industrial Activity businesses in the Rural Zone are smaller (3-4 workers each on average) and they are larger in the Urban Zone (8-9 workers each on average).

Figure 3.2 maps the location of Other Industrial Activity businesses by meshblock-zone location. Within the limits of the resolution this provides, key observations are as follows:

- No Other Industrial Activities have sought to locate in the Port Hills, but a very small number (1-3) have located in each of the High Country and Malvern Hills zones. Rather they have concentrated in the Inner and Outer Plains Zones.
- There is slightly more evidence of clustering but this applies mainly to those few meshblocks containing two or more businesses. Even when 4-7 businesses appear in the same meshblock, the area of the meshblocks is large and the businesses themselves may or may not be in close proximity to each other.

[15] Note, in none of these examples was the meshblock split with a business zone (only a residential zone), so the results are likely to be accurate and not an error in the allocation of split zones.

Figure 3.2 – Count of Other Industrial Activity Businesses by Meshblock-Zone Location 2016



- The greater count of businesses in the Inner Plains Zone is evident (relative to the Outer Plains).
- Within the Inner Plains Zone, a greater number of Other Industrial Activity businesses are located on the side that adjoins Christchurch City compared to the side adjoining the Outer Plains Zone – that is, they appear to be choosing rural locations that are close to the Christchurch City boundary.
- Within this area of more concentrated activity, some activity appears to have sought a location close to the urban areas of Prebbleton, West Melton and Rolleston (i.e. in an adjoining meshblock[16]). The same does not apply (to the same extent) to Lincoln.
- It could be argued that most activity appears to be close to a highway, but there are some exceptions.
- Within the Outer Plains Zone, Other Industrial Activity is likely to be close to the Inner Plains boundary (spread around the outskirts of Rolleston), in the south corner of the District (between the State Highway and the Rakaia River), or adjacent to the Highway between Waddington and Springfield. There is limited activity in the middle of this zone.

Appendix 4 also contains a Venn diagram showing those Other Industrial Activities located only in the Rural Zone, only in the Urban Zone and in both the Rural and Urban Zone. This is helpful to try and identify any commonalities, particularly for those that have shown a clear preference for the Rural Zone.

3.2.1 Other Industrial Activities Found Only in the Rural Zone

Observations include:

- There is a diverse mix of Other Industrial Activities in the Rural Zone and there is no more than 5 businesses in any one ANZSIC. Seven rurally located businesses are unique in Selwyn District (i.e. have an incidence of 1).
- A number of ANZSICs *may* involve the use or production of hazardous substances. These include Other Polymer Product Manufacturing, Other Petroleum and Coal Product Manufacturing and Explosives Manufacturing. There may be good effects-reasons why these are not locating in an urban business zone. None however have material employment counts.
- Aircraft Manufacturing and Repair Services (2) may require a location near an airfield but otherwise just have an average of one worker.
- Fertiliser Manufacturing (3) may have dust related effects. These are medium sized businesses with an average of 10-11 staff each.

[16] Note, in this instance, only one meshblock is split between a rural and buisness zone (and may be subject to allocatoin error). In all other meshblocks adjacent to these urban areas, the meshblocks are not split or are split with a residential zone, so the results are more likely to be accurate and not an error in the allocation of split zones.

- Many businesses have an average of one staff member and so are highly likely to be home based businesses and not of concern from a planning perspective.
- The ANZICS with an average staff count of greater than 2 and not already listed above include Soft Drink etc Manufacturing (2 businesses with an average of 6 staff each), one Knitted Product Manufacturer with 12 staff, 2 Other Electronic Equip. Manufacturer with an average of 12 staff, one Natural Fibre Textile Manufacturer with 6 staff. At face value, these businesses would appear to have not clear reasons for *needing* or justifying a rural location.

3.2.2 Other Industrial Activities Found in Rural and Urban Zones

The ANZSIC with the largest count of businesses in the Rural Zone (and District overall) is '**Other Machinery and Equipment Manufacturing not elsewhere classified'**. There are 17 in the Rural Zone in 2016, but equally 17 in the urban area. On average these businesses in the Rural Zone employ just 1-2 workers compared to 15-16 in urban located businesses. Primary activities for this ANZSIC are listed in Appendix 5.

Location Drivers: Given the small size of these businesses (on average) in the Rural Zone, and the fact that urban businesses are on average much larger, this suggests that these businesses *could* be operated from workshops associated with residential dwellings in the Rural Zone (permitted activities). If this was not the case, and they are being operated as non-complying activities in properties where the land use is solely business oriented (i.e. does not also include a dwelling[17]), then there are no 'effects' reasons that M.E can identify that would preclude these businesses from locating in an urban zone, as much larger businesses in the same or similar industry are operating there. Suitability sized and priced premises in the Business 2 zone for small industrial operators may be a relevant issue to consider further.

The second largest Other Industrial Activity in the Rural Zone is '**Other Fabricated Metal Product Manufacturing not elsewhere classified'**. There are 6 in the Rural Zone, but slightly more (8) in the urban area. On average these businesses in the Rural Zone employ 1-2 workers compared to 2-3 in urban located businesses. Primary activities for this ANZSIC are listed in Appendix 5.

Location Drivers: M.E reaches the same conclusions as above with regards to location preferences.

The next largest Other Industry activity in the Rural Zone is '**Other Wood Product Manufacturing not elsewhere classified**'. There are 5 in the Rural Zone and 3 in the urban area. On average these businesses in the Rural Zone employ 1-2 workers compared to 1 worker in urban located businesses. Primary activities for this ANZSIC are listed in Appendix 5. Given the small size of these businesses in either Rural or Urban locations and the nature of activities, M.E anticipates that these are more likely to be home based businesses/workshops than otherwise.

The next (and equal) largest Other Industry activity in the Rural Zone is '**Architectural Aluminium Product Manufacturing'.** There are 4 in the Rural Zone and 2 in the urban area. On average these businesses in the Rural Zone employ 3-4 workers compared to 1 worker in urban located businesses. Primary activities for this ANZSIC are again listed in Appendix 5. Given the nature of potential primary activities there does not appear to be any effects-based reason why these businesses could not locate in the Business 2 zones,

[17] This cannot be determined from this analysis.

especially given that they have a number of staff arriving to the premises to work. In the absence of any obvious location drivers, M.E again concludes that suitability sized and priced premises in the Business 2 zone for small industrial operators may be a relevant issue to consider further.

There are 14 other ANZSICs (spread over 25 businesses) in the Rural Zone that also exist in the Urban Zone. There are no apparent reasons why these businesses *need* to be located in the Rural Zone.

4 Future Business Activity

This section examines future economic growth projections for the District and estimates the portion of growth likely to seek a Rural Zone location. This provides an indication of the potential increase in Rural Based Industrial Activities and Other Industrial Activities in the rural environment under a business as usual planning regime.

4.1 Approach

M.E has relied upon the Council's economic projections (employment measured in MECs) contained within the Selwyn District Economic Futures Model (EFM). Specifically, M.E has relied upon the total District MEC projections for the Medium, Medium-High and High growth scenarios as outlined in that Model[18]. These projections are reported according to 48 economic sectors, which are themselves aggregations of 6 digit ANZSICs.

M.E has aggregated its estimates of 2016 Rural Zone MECs and total District MECs to those 48 sectors to form a compatible data set. From this, Rural Zone shares of total District 2016 MECs have been calculated for each sector. These have been applied to the sector growth in MECs in the EFM scenarios, assuming these 2016 shares hold constant over time. The result is estimated Rural Zone employment projections for 2026 and 2046.

M.E has then applied the 2016 Rural Zone MEC/business ratios for each of the sectors to convert employment projections into business count projections by 48 sectors. Note, Rural Activity is excluded at this point as employment growth has been occurring despite a decrease in business numbers. Both Rural Zone employment and business projections are then further aggregated to the customised sectors used throughout this report for consistency.

4.2 Limitations

This approach has a number of limitations that should be acknowledged:

1. It assumes that the sorts of activities that may have received a consent in the past, continue to receive consents in the future. It does not account for what different weight might be given to cumulative effects in future resource consent application decisions or any changes that may transpire in planning rules.

2. It implies growth in residential dwellings in the Rural Zone associated with businesses run from a residential address. Such subdivision may not be realised.

3. It assumes no constraints on suitable sites/land for business activities.

4. It relies on the current (2016) split of rural-urban locations in employment (for each of the 48 sectors) and does not explicitly account for the gradual reduction in the Rural Zones share of

[18] The EFM technical document provides further detail on underlying growth projection assumptions.

total district employment since 2000 (i.e. 60% in 2000 down to 50% in 2016). In saying that, the share of future district employment in the Rural Zone does decrease in the resulting Rural Zone projections (to approximately 47-48% by 2026 and 45-46% by 2046) due to the changing structure of future economic activity in each scenario. It is not possible to say (within the scope of this report) if changing economic structure or increases in urban zone capacity (or both) has influenced the historic trends.

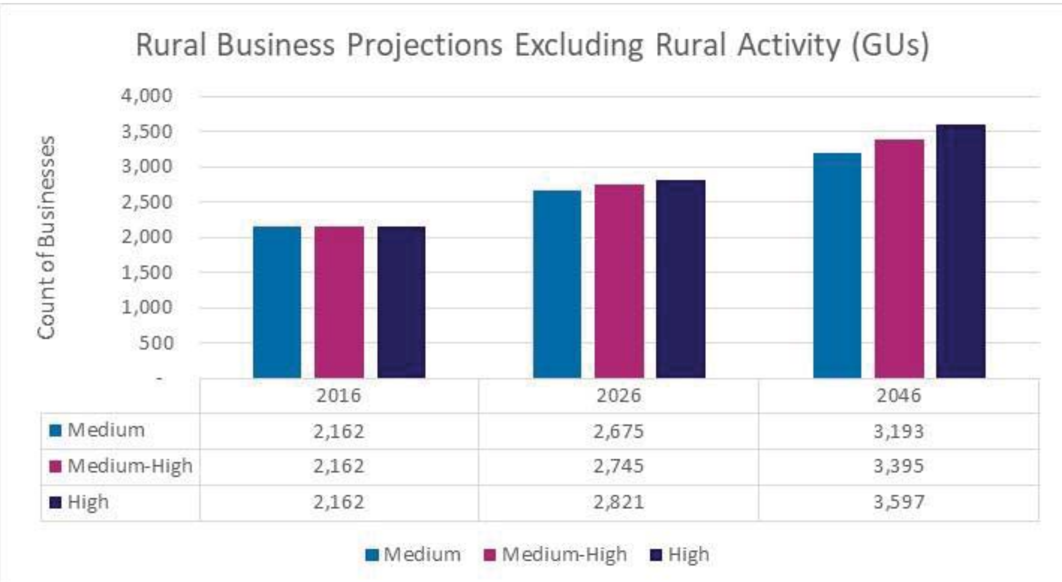
5. It relies on the current (2016) average MECs per business ratios at the 48 sector level to translate projected employment growth into business growth. This does not explicitly account for gradual changes (up and down) in average business size in some sectors in recent years. Importantly, not all employment growth translates into new businesses (i.e. businesses just employ more people), yet the approach assumes a constant business size. Care should be taken with the implied increase in businesses, as these may be over-stated and are considered an upper limit of potential business growth.

6. There is slight variation in the categorisation of ANZSICs to customised sectors due to the limitations of aggregating to the EFM's 48 sectors. This primarily affects the accuracy of Rural Based Industrial Activity – which is slightly underrepresented and Other Industrial Activity which is slightly over-represented. To compensate for this, M.E has reallocated growth in those sectors pro-rata the current split of activity.

4.3 Growth Projections by Sector

Under the Medium growth scenario and excluding Rural Activity businesses, M.E estimates that the total count of businesses in the Rural Zone could increase from approximately 2,160 in 2016 to an estimated 2,675 by 2026 and an estimated 3,190 by 2046. This is a net increase of approximately 510 in the next ten years and 1,030 businesses in the next 30 years and is assumed to be an upper limit of growth under this scenario (Figure 4.1).

Figure 4.1 – Total Business Growth in the Rural Zone 2016-2046 (Excl. Rural Activity)



	2016	2026	2046
Medium	2,162	2,675	3,193
Medium-High	2,162	2,745	3,395
High	2,162	2,821	3,597

Under the Medium-high growth scenario and excluding Rural Activity businesses, M.E estimates that the total count of businesses in the Rural Zone could increase from approximately 2,160 in 2016 to an estimated 2,745 by 2026 and an estimated 3,395 by 2046. This is a net increase of approximately 580 in the next ten years and 1,230 businesses in the next 30 years and is assumed to be an upper limit of growth under this scenario (Figure 4.1).

Under the High growth scenario and excluding Rural Activity businesses, M.E estimates that the total count of businesses in the Rural Zone could increase from approximately 2,160 in 2016 to an estimated 2,820 by 2026 and an estimated 3,600 by 2046. This is a net increase of approximately 660 in the next ten years and 1,435 businesses in the next 30 years and is assumed to be an upper limit of growth under this scenario (Figure 4.1).

Figure 4.2 provides a breakdown of growth to 2026 and 2046 by sector. Of key relevance, the projections suggest that there could be 3-4 additional moderate-large Rural Based Industrial Activities in the Rural Zone by 2026 and 6-8 by 2046. The same projections suggest that there could be 11-15 additional small (3-4 employee) Other Industrial Activities in the Rural Zone by 2026 and an additional 22-31 by 2046.

Figure 4.2 – Estimated Rural Zone Business Growth by Sector and Scenario (Excl. Rural Activity)

	2016	Growth 2016-2026 (Businesses)			Growth 2016-2046 (Businesses)		
		Medium	Medium-High	High	Medium	Medium-High	High
Fishing & Aquaculture	10	1	2	2	2	2	3
Rural Based Industrial Activity	**26**	**3**	**3**	**4**	**6**	**7**	**8**
Rural Service	148	26	29	33	42	50	58
Mines / Quarries + Exploration & Mining Services	12	1	2	2	1	2	2
Other Industrial	**99**	**11**	**12**	**15**	**22**	**27**	**31**
Electricity, Gas, Water and Waste Services	9	3	3	4	6	7	9
Construction	275	41	47	53	57	68	79
Wholesale Trade	73	15	17	19	30	36	42
Retail Trade	74	28	32	36	63	74	86
Accommodation and Food Services	56	16	18	20	37	44	51
Transport, Postal and Warehousing	53	10	12	13	21	26	30
Information Media and Telecommunications	11	3	4	4	7	8	10
Financial and Insurance Services	122	28	32	38	61	76	88
Rental, Hiring and Real Estate Services	722	192	218	247	399	476	555
Professional, Scientific and Technical Services	162	30	35	39	56	68	79
Administrative and Support Services + Public Admin. & Safety	84	16	18	20	29	35	41
Education and Training	41	17	19	21	38	45	52
Health Care and Social Assistance	28	16	18	20	36	42	49
Arts and Recreation Services	83	28	32	36	62	74	86
Other Services	76	27	30	33	56	66	77
Total	2,164	513	583	660	1,031	1,233	1,435

Source: Statistics NZ Business Directory, M.E, UDS Partners Economic Futures Model 2017 (Total Selwyn District)

Some sectors have been aggregated to alighn with the EFM's 48 sectors. Excludes Rural Activity sector. Growth is upper estimate and assumes no future increase in average business size.

4.4 Estimated Future Demand by Zone

If current business location preferences are a guide to future location preferences, a third of the projected growth in Rural Based Industrial Activities will seek to locate in the Inner Plains Zone (i.e. approximately 1 additional business by 2026 and 2-3 additional businesses by 2046). The balance will seek to locate in the Outer Plains Zone (2-3 additional businesses by 2026 and 4-5 additional businesses by 2046).

Similarly, if current business location preferences are a guide to future location preferences, just over half (59%) of the projected growth in Other Industrial Activities will seek to locate in the Inner Plains Zone (i.e. approximately 6-9 additional business by 2026 and 13-18 additional businesses by 2046). Approximately 37% will seek to locate in the Outer Plains Zone (4-5 additional businesses by 2026 and 8-11 additional businesses by 2046). The balance will be located in either the Malvern Hills or High Country Zones but essentially only equates to up to 1 additional business in the medium term or long term.

5 Costs, Benefits and Implications

This section assesses, at a high level, the implications of non-rural activity in the Rural Zones in terms of high level costs and benefits and potential impacts on the implementation of the Township and Activity Centre Network (Selwyn 2031).

5.1 Costs and Benefits of Non-Rural Activity in Rural Zones

This section identifies, at a high level, the anticipated costs and benefits associated with Rural Based Industrial Activity and Other Industrial Activity in the Rural Zone. Effects are limited to generic effects, and not the effects of specific businesses in specific locations. Effects associated with Rural Based Industrial Activity only are coloured green. Effects associated with Other Industrial Activity only are coloured pink. Effects relevant to both are coloured blue. The component of the community that bears the cost or benefit is included as are comments on the likely scale of effects (if known) giving consideration to the number of relevant businesses at present, their nature and projected increases.

5.1.1 Costs

- Increased pressure on infrastructure in rural environments. Depending on funding arrangements, this either affects a large number of rural rate payers or all District rate payers to help fund new infrastructure in rural areas. Very large operators are assumed to help contribute towards new infrastructure through their consent but smaller operators (including those that do not require a consent) may not be contributing and cumulative effects are relevant. Scale uncertain.

- Traffic on rural roads and state highways associated with staff and transport of production inputs and outputs, many of which are sourced from or destined for urban locations. This potentially affects all rural/state highway users but only to the degree that the additional traffic impacts on safety and travel time. These effects are anticipated to be very small in scale.

- Noise associated with manufacturing processes and other on-site machinery (potential net increase relative to rural activity). These are likely to affect neighbouring land owners, which at rural densities, is not anticipated to be a large number. Depending on the type of activity and the proximity or rural dwellings relative to the industrial activity, this scale of the effect may be minor or more significant (and worse if residents are home during work hours).

- Potential dust and odour effects (net increase relative to rural activity, or different types of particles/odours). These are likely to affect neighbouring land owners, which at rural densities, is not anticipated to be a large number – but a greater number than potentially those just affected by noise due to wind dispersal fields. Depending on the type of activity and the proximity or rural dwellings or land uses relative to the industrial activity, this scale of the effect may be minor or more significant particularly if it leads to health effects or adversely affects stock or horticultural products.

- Potential for illumination at night time – visual effects. These are likely to affect neighbouring land owners the most but could affect a large number of households that can see the industrial site/structure from a distance. Depending on the type and strength of illumination and the proximity of rural dwellings, this could be a moderate to significant effect for neighbouring land owners and only a minor impact on more distant households.

- Creates industrial buildings, structures and yards in a rural landscape - visual effects. The loss of rural landscape potentially affects all District households and visitors to the district. To the extent that Selwyn District is intrinsically valued for its rural environment, this may affect a much wider population. The scale of the impact depends on the nature and location of industrial premises. Scale uncertain.

- Potential for site contamination from industrial activities if not properly managed. The scale of this effect (number of properties) is limited to the number of Rural Based Industrial Activity and Other Industrial businesses with the potential to cause contamination. This is assumed to be a relatively small share of the total. While these environmental effects could be long term, or incur remediation costs to land owners, they are likely to be limited to just those affected properties (which are very small in number relative to the district total).

- Reduced employment opportunities in urban areas. This relates to a maximum of roughly 300 Other Industrial jobs located in the Rural Zone (2016) but is more realistically no more than 200 jobs once home-based businesses not employing other staff are taken into account and those businesses justifiably located in the Rural Zone are excluded. At 200 jobs, this equates to 20% less urban jobs in the Other Industrial Sector or 2% less urban jobs in all sectors. These jobs could be spread over a number of Business 2 zones and the impact on those townships may be more or less depending on their size.

- Increased travel distance for workers travelling from urban locations (although not all urban townships have business 2 zones). As above, this could affect up to 200 workers if all Other Industrial activity businesses not otherwise justified in a Rural Zone employed staff from urban areas that contained suitable Business 2 Zone capacity. This is an upper limit as a portion of employees are expected to be rural based. The scale of the impact on those individuals/households could be significant in terms of travel time and cost, particularly if an equivalent job could not be found in the urban area.

- Loss of productive land and associated rural activity output with flow-on effects to businesses supplying the rural activity sector or utilising rural activity outputs. This only applies to Other Industrial Activities on the basis that Rural Based Industrial Activities are anticipated in the Rural Zone and so a degree of non-rural land use is anticipated. Further, Rural Based Industrial Activities create demand for Rural Activity businesses so help sustain the rural economy. The loss arising from Other Industrial Activities in the Rural Zone affects the total district economy with indirect and induced effects likely to affect a large share of district households. However, given the small number of Other Industrial Activities that may not be justified in the Rural Zone relative to the number of Rural Activity businesses, this cost is assumed to be very small.

- Opportunity costs of agglomeration benefits for businesses currently located in Business 2 zones. This potentially effects a number of businesses located in the Business 2 zones (not quantified in the scope of this project) who may have benefited from having the Other Industrial businesses located in the Rural Zone nearby. Given the small number of Other Industrial Activities that may not be justified in the Rural Zone relative to the number of businesses that are co-located in the Business 2 zone, this cost is assumed to be very small.

- Reduced efficiency and return on investment for urban infrastructure and subdivision, particularly if growth in urban zones is slowed. This cost is borne by the Council directly (and all rate payers indirectly) and business land developers, with some potential flow on effects to residential land developers. The number of affected land owners/developers is unknown but expected to be a relatively small group. These direct effects could be significant for some of those business land developers, particularly if development was funded through borrowing.

- Reduced income for land or premises owners in business zones (lost sales or rental). Similar to the cost above, these direct effects could be significant for some business land or premises owners, particularly if investment was funded through borrowing. The retention of even a few Other Industrial activities would increase occupancy in business zones (and associated revenue). The number of affected land/premises owners is unknown but expected to be a relatively small group.

5.1.2 Benefits

- Potential for Rural Based Industrial Activities to locate close to rural activity suppliers – reduced travel cost and time – including opportunities to have production and processing on the same site. This benefit falls to the Rural Based Industrial businesses only, which are small in number. These savings may indirectly be passed on to employees (estimated at approximately 1,064 in 2016).

- Employment opportunities close to rural communities. This is potentially 200 Other Industrial jobs and the majority of Rural Based Industrial Activity jobs (approximately 1,064) as at 2016 – an estimated 1,264 job opportunities combined. Given the dispersed location of industrial businesses throughout the Rural Zone, this potentially benefits the vast majority of rural households. The scale of the benefit is determined by the extent to which other employment opportunities exist in the Rural Zone. In the High Country this benefit may be relatively more significant while in other zones Rural Based Industrial and Other Industrial Activity employment represents a smaller share of total employment.

- Potential to be closer to customers if they are rural based – reduced travel cost and time. This benefit is limited to just those Rural Based Industrial and Other Industrial activities in the Rural Zone that sell directly to rural based households or businesses. Of the total, this is expected to be small number, or a small share of total sales.

- Utilises land that is not being used for rural activity (surplus to requirements). This benefit affects rural land owners that have sold or leased land to Rural Based Industrial Activity or Other Industrial businesses. The scale of the impact depends on the area being utilised for non-Rural Activity (not quantified by M.E) and the income/revenue the sale or lease generated and the importance of that to those land owners.

- Greater potential output per sqm of land relative to rural activity with flow-on effects for the wider economy. This potentially affects all households and businesses in the District indirectly. The scale of the benefit depends on the land area being occupied (not quantified) and the output of the business relative to the most likely rural land use. This benefit is anticipated to be large as a result of the economic impact of businesses like Brinks, Synlait, Fonterra and other large employers in particular who many not have located in Selwyn District if limited to an urban zone location.

- Reduces demand for Business 2 zone land, meaning a greater capacity for growth for other business activity seeking urban locations. Ensuring sufficient capacity for future growth benefits the Council (who is required to meet the obligations of the National Policy Statement – Urban Development Capacity (in the wider context, this benefit is however only small in terms of delaying potential plan change costs). Primarily this benefit flows to future businesses seeking to locate in Selwyn District Business 2 zones (unquantified but potentially commensurate to the number of businesses not justified in the Rural Zone).

- Reduced traffic (including heavy vehicle movements) in urban areas. This potentially benefits a large number of households and businesses located near the Business 2 zones or key arterial roads. The benefit includes reduced traffic but also increased safety and reduced noise and vehicle pollution. This impact is likely to be small and dispersed over a number of townships containing Business 2 zone area.

- Greater ability for the environment to disperse effects (compared to cumulative/concentrated effects of grouped activities in an urban zone). This benefits urban households and businesses, particularly those that would otherwise be affected by cumulative noise, vibration, dust and odour effects arising from Other Industrial activities in the Business 2 zone. The scale of the effect is limited to those Other Industrial activities that are not justified in the Rural Zone and the extent to which urban households already suffer these effects from existing businesses.

- Potentially greater access to suitably sized sites - less constrained by existing subdivisions or existing premises in urban zones. Without understanding the nature of capacity offered in the Business 2 Zone, the scale or significance of this benefit cannot be quantified. Physical site characteristics can be a key location driver for some businesses, but not all. For those Other Industrial business types that are found in both the Rural and Urban Zones, there is a lower probability that this benefit applies as the Business 2 zones are already catering to these types of firms.

- Potential to develop sites more easily to meet business needs without urban planning constraints, including reverse sensitivity effects. This is likely limited to those Other Industrial businesses that have effects more easily managed or mitigated in the Rural Zone compared to Urban Zones (not quantified but assumed to benefit only a small number of businesses out of the total).

- Potential to be closer to the Christchurch market – reduced travel time and cost relative to nearest Business 2 zone. This benefits just those Other Industrial activities located between existing Business 2 zones and the Christchurch City boundary – only a moderate share of total businesses. The savings are anticipated to be very minor.
- Potentially lower land costs meaning greater profitability. The exact cost differential has not been quantified but generally urban land has a higher per sqm value. This benefit is attributed to Other Industrial company owners, shareholders and also potentially staff and customers (indirectly) if savings can be passed on. This could be significant depending on the cost structures of individual businesses.
- Better access to water (potentially if consented) for users requiring greater quantities than town supply. M.E has not examined how realistic this benefit is (i.e. what restrictions may apply in the Business 2 zone). If applicable, it may only relate to a few businesses, but could be significant for business viability.
- Less risk to populated areas from the manufacturing and use of hazardous substances. This benefits a large number of households and businesses located near to Business 2 zones. The benefit is anticipated to have a low probability but high significance.
- Increased exposure of product/brand if located near state highway. This benefit applies only to those Other Industrial activities that have greater exposure to passing traffic in their current rural location than they would otherwise have achieved if located in a Business 2 zone. Any such benefit is expected to be very small on that basis that signage generally accounts for only one component of branding/advertising.

5.1.3 Overall Evaluation

The majority of **benefits** that arise from Rural Based Industrial Activity and Other Industrial Activity generally being located in the Rural Zone (10 of those benefits identified above) attribute to relatively few businesses or a small share of households. Benefits that are more widespread in their effect (5 of those identified above) are linked to employment opportunities in the rural area, assumed increased economic output per unit area over and above Rural Activity land use, reduced traffic in urban areas, greater dispersal of environmental discharges (i.e. reduced cumulative effects in urban areas), and reduced risk from hazardous materials.

The majority of **costs** that arise from Rural Based Industrial Activity and Other Industrial Activity generally being located in the Rural Zone (7 of those costs identified above) attribute to relatively few businesses or a small share of households. Many of these costs can be avoided or mitigated through planning rules/standards (and may well have been as a result of consent requirements). Costs that are more widespread in their effect (6 of those identified above) are linked to increased rural infrastructure costs, increased rural traffic, rural landscape effects, reduced urban employment opportunities, increased staff travel distances and loss of rural production.

Rural Based Industrial Activities in the Rural Zone: Without quantifying all costs and benefits (i.e. taking account of the potential scale of the effects and the numbers affected[19]) it is not possible to determine if the benefits outweigh the costs or vice versa when considered across the total Rural Zone. In most cases the costs are likely to be relatively small when compared to the benefits. This outcome is heavily weighted towards the large processing/manufacturing businesses which are few in number but large on economic benefits. The costs and benefits of the few remaining small-scale businesses in this sector are correspondingly small and projected growth is limited. It is not possible to determine at this stage if the presence of these businesses has a net positive outcome.

Other Industrial Activities in the Rural Zone: Without quantifying all costs and benefits (i.e. taking account of the potential scale of the effects and the numbers affected) it is not possible to determine if the benefits outweigh the costs or vice versa when considered across the total Rural Zone. In most cases the benefits are likely to be relatively small when compared to the costs. Some Other Industrial businesses appear to be justified in the Rural Zone but most are not. Most of the benefits of a rural location fall to the businesses themselves, but most of the costs fall to others. This is particularly relevant given that slow growth is anticipated in Other Industrial Activities in the Rural Zone (an average of 1 per annum in the medium and long term). This means that there could be a larger increase in future costs relative to a small increase in future benefits.

It is important to consider what costs can be avoided or mitigated through planning measures as this could influence the scale of costs relative to benefits on a case by case basis. Overall, given the relatively small number of Other Industrial Activities locating in the Rural Zone, it seems appropriate that applications continue to be assessed based on their effects, but perhaps with greater emphasis given to cumulative effects.

5.2 Selwyn 2031

Selwyn 2031 sets out a strategic framework for achieving sustainable growth across the district. It integrates the specific Land Use Recovery Plan actions into the broader outcome sought for Selwyn District. It is based around 5 high-level directions to guide Council's decision making. To give effect to the assumption that 80% of growth will occur in urban areas and 80% of that urban growth will occur inside the metropolitan greater Christchurch area, it establishes a township network (for managing urban growth across the District) and an activity centre network (for managing business growth across the townships).

Township Network. In brief, this assigns a hierarchy to existing urban settlements and clarifies their size and functional role in the economy. Rolleston is the District Centre, Lincoln is a Sub-District Centre, West Melton, Prebbleton, Darfield and Leeston are Service Townships and remaining settlements are Rural Townships.

Activity Centre Network. In brief, this assigns a hierarchy to existing Business 1 areas – being the focal point of employment, community activities, retail, service or convenience. These are the centres within the townships. Rolleston, Lincoln, Darfield and Leeston are all Key Activity Centres, West Melton and

[19] This includes landscape effects which is a potential wide spread cost.

Prebbleton are Service Activity Centres and remaining townships with Business 1 zones are Rural Activity Centres.

5.2.1 Implications for Implementation of Townships and Activity Centre Network

In terms of how this report scope informs the implementation (action points) of Selwyn 2031, M.E considers the following are relevant:

SD 1 – A more sustainable urban growth pattern

Objective 1.1 – Strategic Approach to Managing Growth

This report contributes to the DP Review action points of (1) reviewing the residential and business development objectives and policies of the District Plan to apply a strategic framework for the whole district and (2) ensuring the District Plan manages reverse sensitivity effects.

Objective 1.4 – Compact urban Form

This report contributes to the ongoing action point of ensuring that residential and business growth within the metropolitan greater Christchurch area only occurs within identified 'priority' areas.

SD 2 – A Prosperous Community

Objective 2.2 – Economic Growth

This report contributes to the ongoing action points to (1) monitor business land uptake (in the Rural Zone in particular) and the types of activities being established and (2) the review of provisions for activities in the rural area to ensure they adequately provide for appropriate activities.

SD 5 – Sustainably Managing our Rural and Natural Resources

Objective 5.2 – Rural Context

This report contributes to the ongoing action point to monitor subdivision and development in the rural area to provide a clear picture of the rate of growth and the degree of impact this is having on the rural environment.

In terms of the adequacy of provisions to provide for appropriate activities in the rural area, this report helps show that Rural Based Industrial Activity (insofar as M.E has defined it) has shown a strong preference for the Rural Zone, which is appropriate. Overall, the number of businesses that fall into this group is small and future growth in businesses is projected to be limited (although they may be moderate to large sized businesses). The majority are within the Outer Plains zone, but a small number of larger scale businesses (in employment terms) have established in the Inner Plains Zone despite non-complying status. The rules have been effective in avoiding Rural Based Industrial Activity in the High Country, Port Hills and Malvern Hills zones (as far as can be determined from the BD analysis).

Based on the nature (ANZSIC) of Other Industrial activities that have established in the Rural Zone, some of the estimated 99 businesses may be considered appropriate or justified in the rural area based on their potential effects (including small businesses run from residential addresses) and provisions could be amended to better provide for them as an alternative to non-complying consent status. However, many Other Industrial activities employing staff in the Rural Zone do not appear to be appropriate in a rural location and could be adversely impacting on social and economic wellbeing and should be assessed on a case by case basis. Many of the potential costs arising from industrial activity in the Rural Zone could apply irrespective of the scale thresholds in place. At an individual business level, it is likely that Other Industrial Activities can demonstrate minor adverse effects. However, greater recognition may need to be given to cumulative effects in decision making including the opportunity costs associated with a rural rather than a Business 2 zone location.

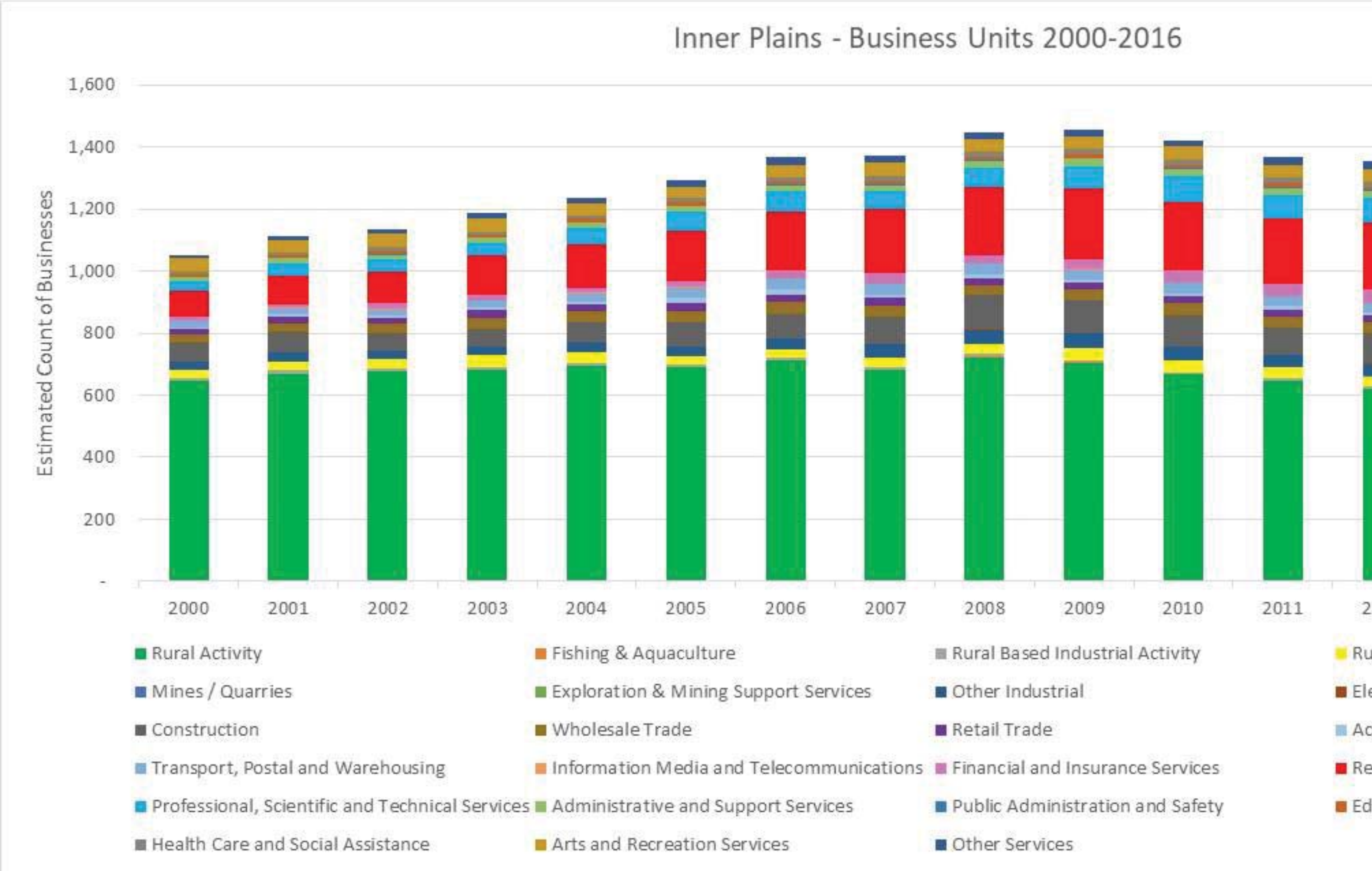
This report also indicates that an estimated 58 Other Industrial businesses (of varying scales) are dispersed throughout the Inner Plains zone. This suggests that the business zones in the metropolitan greater Christchurch priority areas are attracting some but not all Other Industrial activity. This does not apply to small businesses run from residential addresses which are of little concern. The count of Other Industrial businesses in the Inner Plains zone may increase slowly over time if current provisions, residential development and consenting trends prevail.

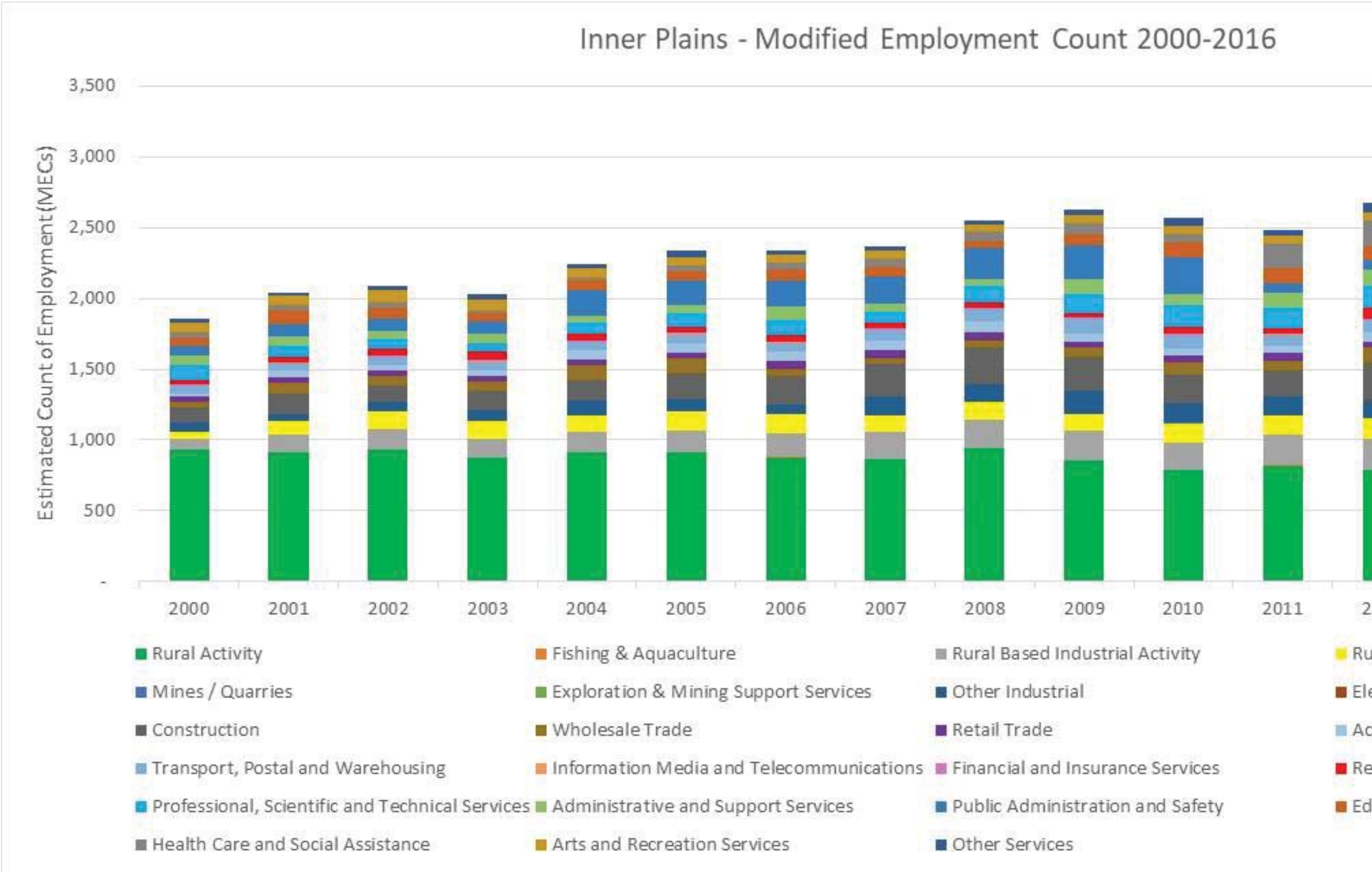
With regard to potential effects on the purpose and effectiveness of the **Activity Centre Network**, the detail provided in Selwyn 2031 suggests that the focus is on activities that should be located in Business 1 Zone in the relevant townships[21]. While this report has quantified business activity across all sectors in the Rural Zone (including commercial retail and service sectors and their recent and projected trends), the evaluation has concentrated on Rural Based Industrial Activity and Other Industrial Activity – the latter being a dispersal of activities out of the Business 2 and Industrial zones with no direct adverse effects on Business 1 zones. It is outside the scope of this report to comment further on the appropriateness or otherwise of the many retail, service and other commercial businesses identified in the Rural Zone. It would be important to examine these in detail rather than an aggregate level. Overall however, the Urban Zone dominates employment in what might be considered centre-based activity. For example, the Rural Zone accounts for an estimated 40% of retail businesses, but just 10% of retail employment in Selwyn District.

With regard to potential effects on the purpose and effectiveness of the **Township Network**, the detail provided in Selwyn 2031 suggests that the focus is on a township hierarchy that caters for all urban growth, including industrial activity. To this extent, it is clear that a small number of Other Industrial Activities may not be justified in the Rural Zone and could be more appropriate in the Business 2/industrial zones provided in the District Plan. It is not possible to say which townships these Other Industrial businesses would otherwise have established in (if any). Proximity may not necessarily be a relevant guide. Wherever they may have established it is likely that those townships are experiencing relatively minor costs and benefits – more specifically, opportunity costs and avoided adverse effects. These have been described in more detail above. M.E does not consider that the scale of the issue in any way detracts from the current and future effectiveness of the Township Network. Rather, the uptake of Business 2 zone capacity has been (and will continue to be) slightly slower than what might otherwise have been achieved had those inappropriately located industrial businesses been prevented from locating in the Rural Zone. Overall, the Urban Area has been growing at a faster rate than the Rural Zone in terms of businesses and employment in the past 17 years and this is set to continue.

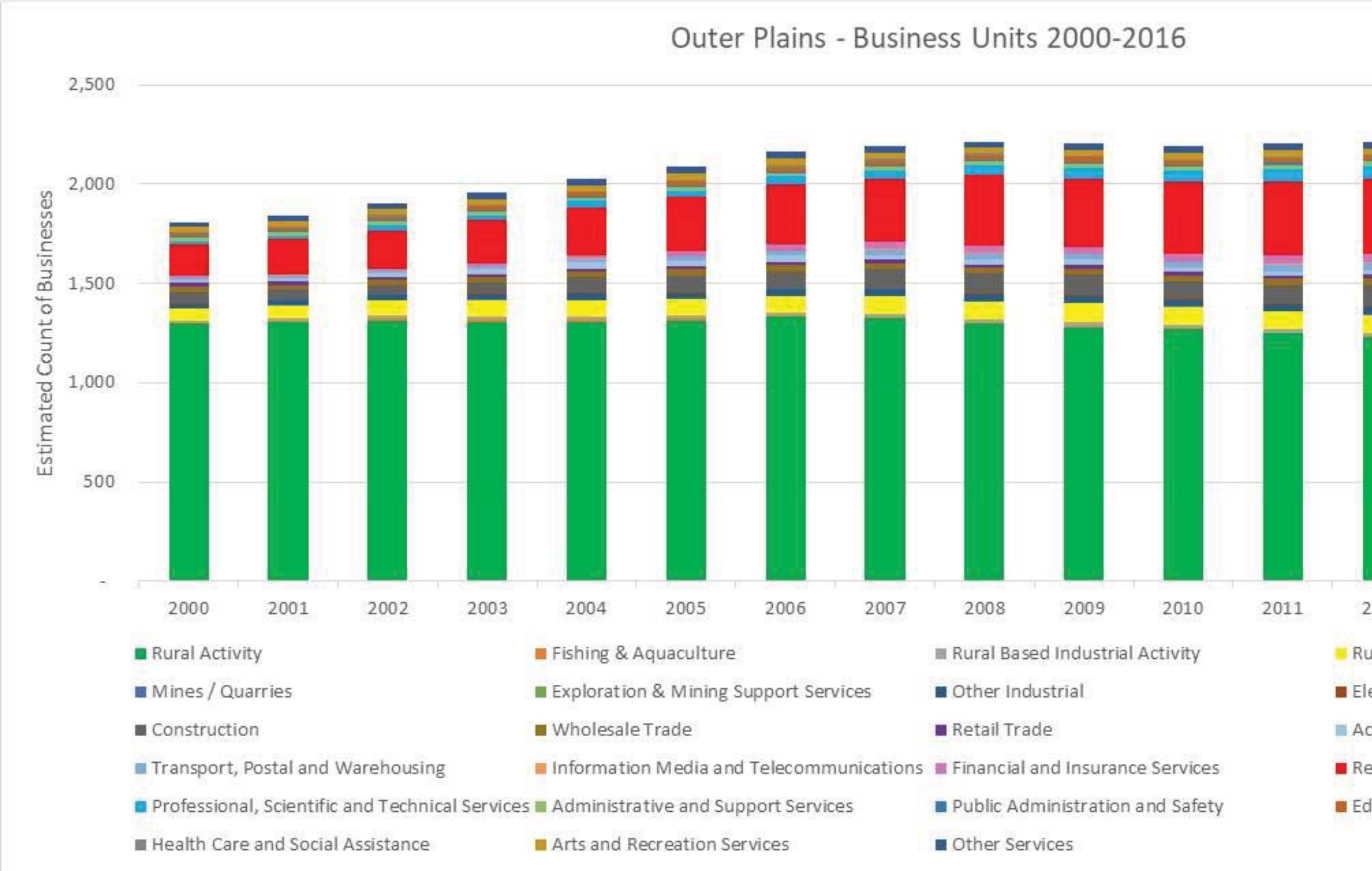
[21] M.E's interpretation of Selwyn 2031 is that the Activity Centre Network does not also apply to other business or industrial zones.

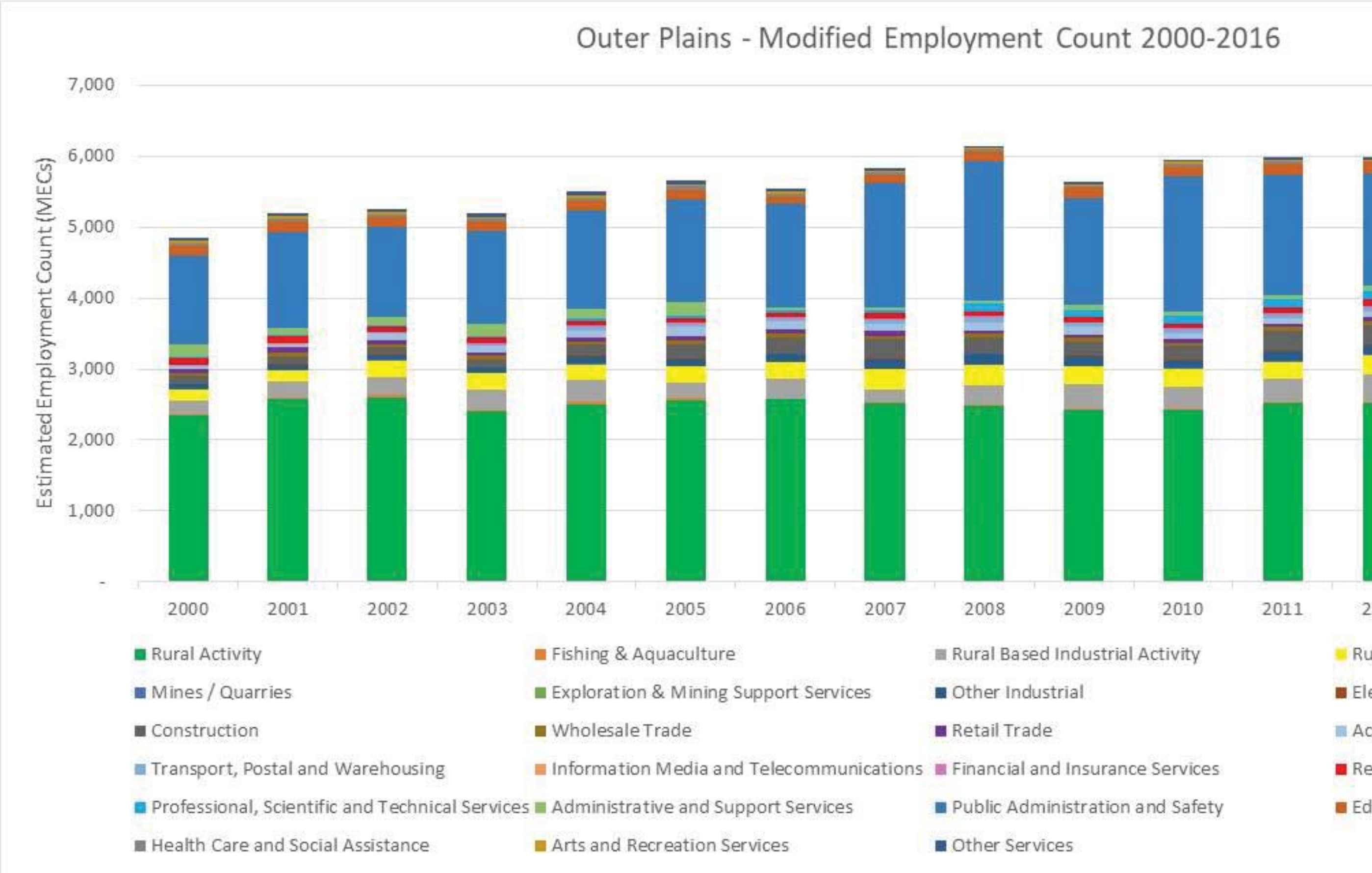
Appendix 1 – Inner Plains Zones Growth Trends




Inner Plains - Modified Employment Count 2000-2016
Estimated Count of Employment (MECs)
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
Rural Activity
Fishing & Aquaculture
Rural Based Industrial Activity
Mines / Quarries
Exploration & Mining Support Services
Other Industrial
Construction
Wholesale Trade
Retail Trade
Transport, Postal and Warehousing
Information Media and Telecommunications
Financial and Insurance Services
Professional, Scientific and Technical Services
Administrative and Support Services
Public Administration and Safety
Health Care and Social Assistance
Arts and Recreation Services
Other Services

Appendix 2 – Outer Plains Zones Growth Trends





Outer Plains - Modified Employment Count 2000-2016
Estimated Employment Count (MECs)
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
Rural Activity
Fishing & Aquaculture
Rural Based Industrial Activity
Mines / Quarries
Exploration & Mining Support Services
Other Industrial
Construction
Wholesale Trade
Retail Trade
Transport, Postal and Warehousing
Information Media and Telecommunications
Financial and Insurance Services
Professional, Scientific and Technical Services
Administrative and Support Services
Public Administration and Safety
Health Care and Social Assistance
Arts and Recreation Services
Other Services

Appendix 3 – Rural Based Industrial Activity 201

6D Code	6D ANZSIC Description	Businesses					MECs		
		Rural Sub-Total *	Urban Sub-Total**	Total District	Rural Zone Share of Total District	Composition of Rural Zone	Rural Sub-Total *	Urban Sub-Total**	Total District
C111100	Meat Processing	7	-	7	100%	29%	250	-	250
C121400	Wine and Other Alcoholic Beverage Manufacturing	6	-	6	100%	22%	1	-	1
C141100	Log Sawmilling	4	1	5	75%	15%	46	4	51
C113300	Cheese and Other Dairy Product Manufacturing	2	1	3	65%	8%	592	1	593
A030200	Logging	2	1	3	61%	7%	1	10	11
C141300	Timber Resawing and Dressing	0	2	2	1%	0%	1	107	108
C115000	Oil and Fat Manufacturing	2	0	2	99%	7%	10	0	10
C116100	Grain Mill Product Manufacturing	2	-	2	100%	6%	6	-	6
C111200	Poultry Processing	1	-	1	100%	5%	157	-	157
C202100	Clay Brick Manufacturing	-	1	1	0%	0%	-	24	24
Total Rural Based Industrial Activity		26	6	32	80%	100%	1,064	146	1,210

Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

Appendix 4 – Other Industrial Activity 2016

		Businesses					MECs			
6D Code	6D ANZSIC Description	Rural Sub-Total *	Urban Sub-Total**	Total District	Rural Zone Share of Total District	Composition of Rural Zone	Rural Sub-Total *	Urban Sub-Total**	Total District	Rural Zone Share of Total District
C249900	Other Machinery and Equipment Manufacturing n.e.c.	17	17	35	50%	18%	24	267	291	8%
C229900	Other Fabricated Metal Product Manufacturing n.e.c.	6	8	13	42%	6%	9	21	29	29%
C251100	Wooden Furniture and Upholstered Seat Manufacturing	4	5	8	47%	4%	6	13	19	32%
C149900	Other Wood Product Manufacturing n.e.c.	5	3	8	67%	5%	7	2	10	75%
C246100	Agricultural Machinery and Equipment Manufacturing	2	5	7	24%	2%	10	79	90	11%
C135100	Clothing Manufacturing	-	6	6	0%	0%	-	13	13	0%
C133300	Cut and Sewn Textile Product Manufacturing	3	2	6	58%	3%	10	4	14	69%
C161100	Printing	3	3	6	53%	3%	5	1	6	76%
C222300	Architectural Aluminium Product Manufacturing	4	2	6	69%	4%	14	1	15	93%
C231200	Motor Vehicle Body and Trailer Manufacturing	5	-	5	100%	5%	3	-	3	100%
C117400	Bakery Product Manufacturing (Non-factory-based)	-	5	5	0%	0%	-	85	85	0%
C231900	Other Motor Vehicle Parts Manufacturing	1	3	4	35%	2%	7	2	9	78%
C149200	Wooden Structural Fittings and Components Manufacturing	1	2	3	39%	1%	3	13	16	20%
C152100	Corrugated Paperboard and Paperboard Container Manufactu	3	-	3	100%	3%	7	-	7	100%
C229300	Metal Coating and Finishing	1	2	3	28%	1%	0	4	4	9%
C161200	Printing Support Services	3	-	3	100%	3%	2	-	2	100%
C119200	Prepared Animal and Bird Feed Manufacturing	2	1	3	74%	2%	18	38	56	32%
C183100	Fertiliser Manufacturing	3	-	3	100%	3%	31	-	31	100%
C239200	Boatbuilding and Repair Services	-	3	3	0%	0%	-	2	2	0%
C203400	Concrete Product Manufacturing	2	1	3	60%	2%	6	22	28	21%
C119900	Other Food Products Manufacturing n.e.c.	2	1	3	67%	2%	17	13	29	57%
C222900	Other Structural Metal Product Manufacturing	-	3	3	0%	0%	-	2	2	0%
C224000	Other Sheet Metal Product Manufacturing	1	2	2	33%	1%	1	36	37	3%
C149100	Prefabricated Wooden Building Manufacturing	1	1	2	36%	1%	7	5	11	59%
C241200	Medical and Surgical Equipment Manufacturing	0	2	2	1%	0%	1	61	62	1%
C185200	Cosmetic and Toiletry Preparation Manufacturing	-	2	2	0%	0%	-	16	16	0%
C152300	Paper Stationery Manufacturing	2	-	2	100%	2%	2	-	2	100%
C244900	Other Domestic Appliance Manufacturing	2	0	2	98%	2%	1	0	1	98%
C209000	Other Non-Metallic Mineral Product Manufacturing	2	-	2	100%	2%	1	-	1	100%
C259900	Other Manufacturing n.e.c.	2	-	2	100%	2%	6	-	6	100%
C112000	Seafood Processing	1	1	2	63%	1%	41	13	54	76%
C203300	Ready-Mixed Concrete Manufacturing	0	2	2	1%	0%	0	15	15	1%
C239400	Aircraft Manufacturing and Repair Services	2	-	2	100%	2%	1	-	1	100%
C259200	Toy, Sporting and Recreational Product Manufacturing	-	2	2	0%	0%	-	1	1	0%
C222100	Structural Steel Fabricating	0	2	2	8%	0%	0	13	13	2%

Continued…

6D Code	6D ANZSIC Description	Businesses					MECs			
		Rural Sub-Total *	Urban Sub-Total**	Total District	Rural Zone Share of Total District	Composition of Rural Zone	Rural Sub-Total *	Urban Sub-Total**	Total District	Rural Z Share Tota Distr
C242900	Other Electronic Equipment Manufacturing	2	-	2	100%	2%	20	-	20	1
C133200	Rope, Cordage and Twine Manufacturing	2	-	2	100%	2%	3	-	3	1
C242100	Computer and Electronic Office Equipment Manufacturing	2	-	2	100%	2%	1	-	1	1
C191900	Other Polymer Product Manufacturing	2	-	2	100%	2%	1	-	1	1
C121100	Soft Drink, Cordial and Syrup Manufacturing	2	-	2	100%	2%	10	-	10	1
C117200	Cake and Pastry Manufacturing (Factory-based)	0	1	2	20%	0%	0	39	39	
C222200	Prefabricated Metal Building Manufacturing	-	2	2	0%	0%	-	4	4	
C191200	Rigid and Semi Rigid Polymer Product Manufacturing	-	2	2	0%	0%	-	1	1	
C239900	Other Transport Equipment Manufacturing n.e.c.	-	1	1	0%	0%	-	7	7	
C203200	Plaster and Gypsum Product Manufacturing	1	-	1	100%	1%	3	-	3	1
C243200	Electric Lighting Equipment Manufacturing	0	1	1	20%	0%	1	3	3	
C185100	Cleaning Compound Manufacturing	0	1	1	15%	0%	0	1	1	
C246900	Other Specialised Machinery and Equipment Manufacturing	1	1	1	54%	1%	1	0	1	
C134000	Knitted Product Manufacturing	1	-	1	100%	1%	16	-	16	1
C181100	Industrial Gases Manufacturing	0	1	1	1%	0%	0	9	9	
C249100	Lifting and Material Handling Equipment Manufacturing	-	1	1	0%	0%	-	7	7	
C183200	Pesticide Manufacturing	0	1	1	6%	0%	0	3	3	
C184200	Veterinary Pharmaceutical and Medicinal Product Manufactu	0	1	1	26%	0%	0	1	1	
C170900	Other Petroleum and Coal Product Manufacturing	1	0	1	66%	1%	0	0	0	
C189200	Explosives Manufacturing	1	-	1	100%	1%	-	-	-	
C118200	Confectionery Manufacturing	0	1	1	15%	0%	0	0	1	
C117100	Bread Manufacturing (Factory-based)	1	-	1	100%	1%	1	-	1	1
C131200	Natural Fibre Textile Manufacturing	1	-	1	100%	1%	7	-	7	1
C246300	Machine Tool and Parts Manufacturing	-	1	1	0%	0%	-	1	1	
C133400	Textile Finishing and Other Textile Product Manufacturing	1	-	1	100%	1%	1	-	1	1
Total Other Industrial Activity		99	100	199	50%	100%	306	818	1,124	

Source: Statistics NZ Business Directory, M.E.

** Including Porters Ski and Recreation Area **Includes Rural Residential*

Venn diagram of Other Industrial Activity Location 2016

Rural Zone Location Only

Motor Vehicle Body and Trailer Manufacturing (5)
Corrugated Paperboard and Paperboard Container Manufacturing (3)
Printing Support Services (3)
Fertiliser Manufacturing (3)
Paper Stationery Manufacturing (2)
Other Non-Metallic Mineral Product Manufacturing (2)
Other Domestic Appliance Manufacturing (2)
Other Manufacturing n.e.c. (2)
Aircraft Manufacturing and Repair Services (2)
Other Electronic Equipment Manufacturing (2)
Rope, Cordage and Twine Manufacturing (2)
Computer and Electronic Office Equipment Manufacturing (2)
Other Polymer Product Manufacturing (2)
Soft Drink, Cordial and Syrup Manufacturing (2)
Plaster and Gypsum Product Manufacturing (1)
Knitted Product Manufacturing (1)
Explosives Manufacturing (1)
Bread Manufacturing (Factory-based) (1)
Natural Fibre Textile Manufacturing (1)
Textile Finishing and Other Textile Product Manufacturing (1)
Other Petroleum and Coal Product Manufacturing (1)

Rural and Urban Zone Locations *

Other Machinery and Equipment Manufacturing n.e.c. (17, 0.5)
Other Fabricated Metal Product Manufacturing n.e.c. (6, 0.42)
Other Wood Product Manufacturing n.e.c. (5, 0.67)
Wooden Furniture and Upholstered Seat Manufacturing (4, 0.47)
Architectural Aluminium Product Manufacturing (4, 0.69)
Cut and Sewn Textile Product Manufacturing (3, 0.58)
Printing (3, 0.53)
Prepared Animal and Bird Feed Manufacturing (2, 0.74)
Other Food Products Manufacturing n.e.c. (2, 0.67)
Concrete Product Manufacturing (2, 0.6)
Agricultural Machinery and Equipment Manufacturing (2, 0.24)
Other Motor Vehicle Parts Manufacturing (1, 0.35)
Wooden Structural Fittings and Components Manufacturing (1, 0.39)
Seafood Processing (1, 0.63)
Metal Coating and Finishing (1, 0.28)
Prefabricated Wooden Building Manufacturing (1, 0.36)
Other Sheet Metal Product Manufacturing (1, 0.33)
Other Specialised Machinery and Equipment Manufacturing (1, 0.54)

** first figure is count of businesses in Rural Zone*
second figure is percentage share of total located in Rural Zone

Clothing Ma
Bakery Prod
Boatbuildin
Other Struct
Medical and
Cosmetic an
Ready-Mixe
Toy, Sportin
Structural S
Prefabricate
Rigid and Se
Other Trans
Industrial G
Lifting and M
Cake and Pa
Pesticide M
Cleaning Co
Electric Ligh
Confectione
Machine Too
Veterinary P

Rural location based on mix of actual SNZ reported locations and M.E estimated locations in the case of rural fringe meshblocks. Based on Gus rounded to whole numbers only.

The above diagram is a simple representation of a Venn diagram (shown below right in a more traditional sense) for eas

Appendix 5 – Primary Activities

Other Machinery and Equipment Manufacturing n.e.c.

- Bearing manufacturing
- Diesel engine manufacturing n.e.c.
- Engine, internal combustion, manufacturing n.e.c.
- Fan, industrial, manufacturing
- Filter, internal combustion engine, manufacturing
- Furnace, industrial, manufacturing (except electric furnaces or space heaters)
- Gas burner, industrial, manufacturing
- Generator, gas, manufacturing
- Hydraulic cylinder manufacturing
- Machinery or equipment manufacturing n.e.c.
- Marine engine manufacturing (except diesel inboard engines 37kW brake power and over)
- Marine jet unit manufacturing
- Oil burner, industrial, manufacturing
- Outboard motor manufacturing
- Oven, industrial, manufacturing (except electric)
- Pressure gauge manufacturing
- Press, mechanical, manual or hydraulic, manufacturing n.e.c.
- Sporting machinery manufacturing n.e.c.
- Vending machine manufacturing (except refrigerated)
- Water treatment equipment, commercial, manufacturing
- Weighing machinery manufacturing (except electronic)
- Wire working machinery manufacturing

Other Fabricated Metal Product Manufacturing n.e.c.

- Ammunition manufacturing
- Awning or blind, metal, manufacturing (including aluminium)

- Bathroom or toilet fittings, metal, manufacturing
- Blow torch manufacturing
- Bottle or can opener manufacturing (except power operated)
- Button, metal, manufacturing
- Clothes hoist manufacturing
- Coupling, metal, manufacturing
- Cutlery manufacturing (except of solid silver or gold)
- Door handle, metal, manufacturing
- Drilling bit manufacturing (except twist drills)
- Fabricated metal product manufacturing n.e.c.
- Fire sprinkler manufacturing
- Firearm manufacturing
- Fittings, steam, gas or water, manufacturing (non-ferrous metal)
- Garden tool manufacturing (except power operated)
- Grease gun manufacturing (except pneumatic or power operated)
- Hand tool manufacturing (except pneumatic or power operated)
- Handbag frame, metal, manufacturing
- Key manufacturing
- Knife blank manufacturing
- Knife, hand held, manufacturing (except power operated)
- Livestock yarding equipment, metal, manufacturing
- Lock manufacturing
- Machine knife or blades manufacturing
- Mast, aluminium, manufacturing
- Mattress support, woven wire, link mesh or wire spring, manufacturing (except upholstered)
- Pipe coil manufacturing
- Pipe fittings, non-ferrous metal, manufacturing

- Platework n.e.c.
- Razor or razor blade manufacturing (except power operated)
- Scissor manufacturing (except electric)
- Screwdriver manufacturing (including bits or blades; except pneumatic or power operated)
- Soldering iron manufacturing (except power operated)
- Sprocket chain manufacturing
- Steel wool manufacturing
- Tackle block, metal, manufacturing
- Tube fittings, non-ferrous metal, manufacturing
- Tubing, flexible metal, manufacturing
- Turnstile, metal, manufacturing
- Valve or valve parts, steam, gas or water, manufacturing (non-ferrous metal)
- Vice, bench, manufacturing

Other Wood Product Manufacturing n.e.c.

- Container, wooden, manufacturing
- Ornamental woodwork manufacturing
- Pallet (wooden) manufacturing
- Picture or mirror frame, wooden, manufacturing
- Tool handle, wooden, manufacturing
- Trellis, wooden, manufacturing
- Wood product manufacturing n.e.c.
- Wood turning

Architectural Aluminium Product Manufacturing

- Aluminium framed door, glazed, manufacturing
- Aluminium roofing manufacturing
- Architectural aluminium product manufacturing
- Ceiling section, fabricated aluminium, manufacturing
- Curtain wall, aluminium, manufacturing

- Door or door frame, aluminium, manufacturing
- Downpipe, aluminium, manufacturing
- Fascia, aluminium, manufacturing
- Fly screen door, aluminium, manufacturing
- Garage door, aluminium, manufacturing
- Gate, aluminium, manufacturing
- Guttering, aluminium, manufacturing
- Ornamental architectural aluminium work manufacturing
- Partition, prefabricated aluminium, manufacturing
- Railing, aluminium, manufacturing
- Roller shutter, aluminium, manufacturing
- Shop front, aluminium, manufacturing
- Shower screen, aluminium framed, manufacturing
- Skylight, aluminium, manufacturing
- Window frame or sash, aluminium, manufacturing
- Window screen, aluminium, manufacturing
- Window, aluminium framed, manufacturing (complete with glass)