

A SOCIAL-ECONOMIC STUDY
OF LAND DEVELOPMENT
FOR FARM SETTLEMENT AT BUTLER'S

C.N. Taylor
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Discussion Paper



Centre for Resource Management

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CONTENTS

	Page
Figures	
Tables	
Acknowledgements	
I INTRODUCTION	1
1.1 The research problem and objectives.	1
1.2 Review of land settlement policy.	6
1.3 Research methods and study areas.	10
1.4 An outline of the Butler's farm settlement.	15
1.5 Organisation of the Report	18
II COMMUNITY PROFILE : HOKITIKA AND ROSS	19
2.1 Introduction: boom, bust and "dependency"	19
2.2 Population and settlement.	25
2.3 Employment, industrial and occupational structure.	30
2.4 The business sector.	36
2.5 The farming sector.	42
2.6 Local body services.	44
2.7 Social services.	47
2.8 Lifestyles and social groups.	53
2.9 Conclusions and Summary.	62

	Page
III THE PROCESS AND IMPACTS OF FARM SETTLEMENT	66
3.1 Introduction.	66
3.2 The development phase.	67
3.3 The settlement phase.	73
3.4 The settled phase.	89
3.5 Secondary economic impacts.	98
3.6 Conclusions and Summary.	107
IV CONCLUSIONS AND RECOMMENDATIONS	111
4.1 The SIA process and integrated development.	111
4.2 Specific recommendations.	113
4.3 Recommendations for research on farm settlement in New Zealand.	117
REFERENCES	119

LIST OF FIGURES

	Page
Figure 1: West Coast region and local communities in Westland district.	13
Figure 2: Population of the West Coast region	20
Figure 3: Age-sex structure, Hokitika, 1981.	27
Figure 4: Phases of farm development and settlement.	68

LIST OF TABLES

	Page
Table 1: Total Population, Hokitika, Ross, Ruatapu, Whataroa, 1951-1981.	26
Table 2: Age groups for Hokitika, 1951-1981.	28
Table 3: Age groups for Ross, 1951-1981.	31
Table 4: Industrial structure, 1981.	32
Table 5: Occupational structure, 1981.	33
Table 6: Employment by sector, Hokitika Community Area, 1983 (Full-time and Part-time).	35
Table 7: Land Holdings and Settlement Programme, Westland District.	45
Table 8: School Rolls and Staffing, 1955-1984.	49
Table 9: Summary of data on Farm Settlers of the following settlements at Grey Valley, Lake Arthur, Mt Diedrichs, Waitaha and Whataroa.	76

	Page
Table 10: Age of Farmer at year of Settlement for the following settlements at Grey Valley, Lake Arthur, Mt Diedrichs, Waitaha and Whataroa, 1976-1983.	77
Table 11: Current schedule of development and Settlement for Butler's Block, 1985-1998.	100
Table 12: Sensitivity of the primary impacts of changes in the mix of farm settlement options.	101
Table 13: Estimates of primary and secondary impacts of Butler's farm settlement by phase and time frame.	103

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INTRODUCTION

1.1 THE RESEARCH PROBLEM AND OBJECTIVES

The primary aim of the study is to identify the likely impacts of publicly-funded programmes of land development for farm settlement on the social life and economy of small communities in the West Coast Region. As this is a preliminary, or scoping, type of analysis the investigation focuses on the identification of important issues regarding land development and settlement rather than a definitive assessment of particular impacts. Specifically, the study attempts to identify the key issues of major planning importance for the Butler's development block in Westland County. The proposed Butler's development, a 5427 hectare Lands and Survey Department block located between Ross and Hokitika, is representative of land development opportunities and related issues on the West Coast generally.

In defining the research problem, we consider that the following fundamental issues underline the study:

- There is both growing suspicion and evidence that the "accounting" framework for evaluating public projects does not give adequate attention to many social needs yet social considerations are often a basis for national policy for resource development and regional development.

- The fact that an understanding of the social aspects of development and social change are largely limited to "economic" assessment in practice, leads to narrow definitions of social well-being in the process of allocating funds.

- Small communities and "isolated" regions have a low visibility in the formulation of policies for regional development at a national level.

- Underdeveloped regions have trouble arguing for continued public subsidy of social services and infrastructure, while they in fact have experienced a series of booms and busts caused largely by the utilisation and export of valuable natural resources to and by the national economy.

- Land settlement offers good prospects for reclaiming, diversifying and increasing the

productivity of land, settlement of landless farmers, stimulus to a regional economy and the integration of social and "economic" development.

The following explicit objectives and tasks formed the working basis for the study.

1) The preparation of a community profile of Hokitika and Ross, including social and economic aspects. This objective required the following tasks:

i. identification and analysis of available secondary data on the social and economic character of the study area (literature review, etc.).

ii. identification of sectors within the local economy (business, social services, institutions, others) that are central to social and economic development;

iii. interviews of selected members of the community.

2) Identification of the Impacts of Farm Settlement.

This objective required the following tasks:

i. identification of the goals of farm settlement and settlement policy;

ii. identification of the features of farm settlement and the characteristics of settlers (interviewing & file-information);

iii. analysis of case-study examples of past farm settlements, their impacts upon the local communities and economy, and the costs and benefits to farm settlers and the community (interviewing and file information);

iv. analysis of the likely secondary economic impacts of several pastoral farming options for the Butler's development on the local and regional economy. (This analysis did not examine different landuse options such as pastoral farming, forestry or reserves).

v. projection of the impacts of farm settlement at Butler's and the implications for planning and management of that development.

3) The suggestion of ways by which the impacts of settlement on the community farm settlers and the local economy can either be enhanced or ameliorated as appropriate.

There is an implicit acceptance, in these problem statements objectives and tasks, of a Social Impact Assessment (S.I.A.) process that has three phases. These are:

- 1) the identification and projection of impacts prior to a development taking place;
- 2) the monitoring of change that occurs;
- 3) the management of change based on the information of a social analysis.

Furthermore, it is recognised that there are several phases of farm settlement (described in Section III): "development", "settlement", and "settled". Butler's is only in the development phase, therefore, the social analysis possible largely involves projections of impacts and the identification of key issues for planning and project management.

Ideally, S.I.A. for Butler's would continue throughout the three phases of development, using this present analysis as a starting point. In this way it would be possible to meet better the social objectives of the development, in addition to the physical and economic objectives. Suggestions for further S.I.A. work are presented in Section IV.

1.2 LAND SETTLEMENT POLICY

It is necessary to place the social analysis of Butler's into a context of the stated policies for the block itself, the current review of land settlement policy at a national level, and the requirements for social policies for land development.

The objectives of the Butler's development are set out in the management aims of the Management Plan. These objectives are defined by the Land Use Advisory Council's goals, and the principles of crown land management of the Land Settlement Board, which is responsible for the management of crown land. Objectives for land management are also guided by the respective regional and district planning schemes: the West Coast United Council's Regional Planning Scheme, approved Section One, and the Westland County Council's operative district scheme.

The "primary" aim of farm development as laid out in the draft management plan for Butler's "is the maximising of productivity and the creation of economic farms for settlement". The detailed aims include the need "To diversify and intensify agricultural production and develop economic farm units for

settlement", and "To benefit the regional economy and social structure by increasing agricultural output and processing, local employment and the utilisation of local services". Further aims include the practice of conservation principles enhancement of recreation opportunities and preservation of relevant scenic historic, scientific and ecological areas. It is clear that these aims represent the recognition of both regional and local needs of the West Coast, and the Hokitika area. Social objectives are also clearly stated regarding the need to maintain or increase levels of population and associated services.

In contrast, The Treasury in their recent statement on "Economic Management: Land Use Issues" (1984:74-6) have a much narrower definition of objectives for land settlement by the Crown.

~~They see two principal objectives in Lands and Survey's programme which involves expenditure of around \$42 million (1982-83) and settlement of around 70 farms annually. They are:~~

1. "the development of farm land as a contribution towards maximising economic welfare"; and
2. "the settlement of young farmers on their first farms".

The Treasury have been very critical of the past programme of the Department of Lands and Survey regarding land development and settlement. They provide several arguments as to why these two objectives are partly unattainable, and in conflict with each other. Their arguments follow a widely held economic viewpoint that the State should not involve itself in commercial activities such as land development unless it can perform better than the "private sector". There is little empirical evidence on which this can be judged. Also, this view reflects the basic belief that economic welfare equates with social welfare.

Treasury and the Department of Lands and Survey are currently carrying out a review of land development and settlement policy. In the meantime, settlement of farms has been suspended. In this report we recognise the importance of the needs of the agencies involved in this review, and their need for an understanding of the social, including regional and local economic, effects of land settlement.

Research on one block that is in the early stages of development cannot, provide the full basis for a national review of settlement policy. Nevertheless, this study does allow for the identification of key

issues for immediate consideration and for the identification of important avenues for further research.

It should be clear that if decisions regarding land settlement are to take account of social effects then it is necessary to provide a basis for the definition of the relevant social objectives. While broad objectives may be appropriate for debate at the national level, it is important to understand that effective social policy (of which economic policy is only a part) must address the real needs and aspirations of people who are at the receiving end of such national policy directives. But there is clearly an important communication gap between the people forming national economic and agricultural policies and people articulating local views. Perspectives from West Coast communities on both the social objectives for land development and settlement, and ideas about the means by which these objectives can best be met, must be taken account of in national planning. Social research can help to meet this goal.

1.3 RESEARCH METHODS AND STUDY AREAS

The study team sought to identify the key issues for land development at Butler's through the collection and analysis of both secondary and field data. As issues emerged, they guided the remaining work. This method allowed best use of the main research period of February to May 1985.

A preliminary assessment of issues was made through discussions with staff of Department of Lands and Survey, Ministry of Works and others involved in social planning for the West Coast. These people also identified other contacts for interview, and additional sources of secondary data. The secondary data were essential as time for primary data collection was strictly limited. The main sources included reports and documents made available by Ministry of Works and Development, Ministry of Agriculture, Department of Lands and Survey, Census data, Department of Statistics, the Hokitika Forum, and other local bodies and agencies (see Bibliography).

Field work was split into a series of trips whereby issues and information could be tested and extended through interviews with selected individuals

and discussions with key personnel. Interviews were generally structured loosely according to the issues being examined. The technique resulted in a "snow-balling" of contacts which were recorded and listed in sector groups representative of the community. In this way serious omissions could be noted. This technique ensured as many important issues could be identified and covered as possible. Furthermore, the initial data and a report outline were circulated for comment.

In the analysis of secondary local and regional economic impacts the scheduled development and settlement outlined in the draft management plan were taken as basic assumptions. Estimates of farm development expenditure, and expected levels of production and employment, are taken directly from the plan.

Primary economic effects are also accepted as given in the draft Management Plan. Alternatives to the proposed land uses of Butler's are not considered. It should be noted, however, that the primary impacts are fundamental to the determination and use of measures of secondary impacts.

In the analysis of secondary impacts, four types of regional economic effects of the development are examined. These are long term gross regional output or product (GRP), household income, employment and county government financing. These effects are measured on the basis of the primary impacts anticipated under Butler's development. Secondary impact multipliers, based on the recent work reported by Marsh (1982), are used to estimate the long term consequences to the West Coast regional economy as a whole. Input-output tables for localities such as Hokitika or Ross, which are likely to be most affected by the Butlers development, are not available.

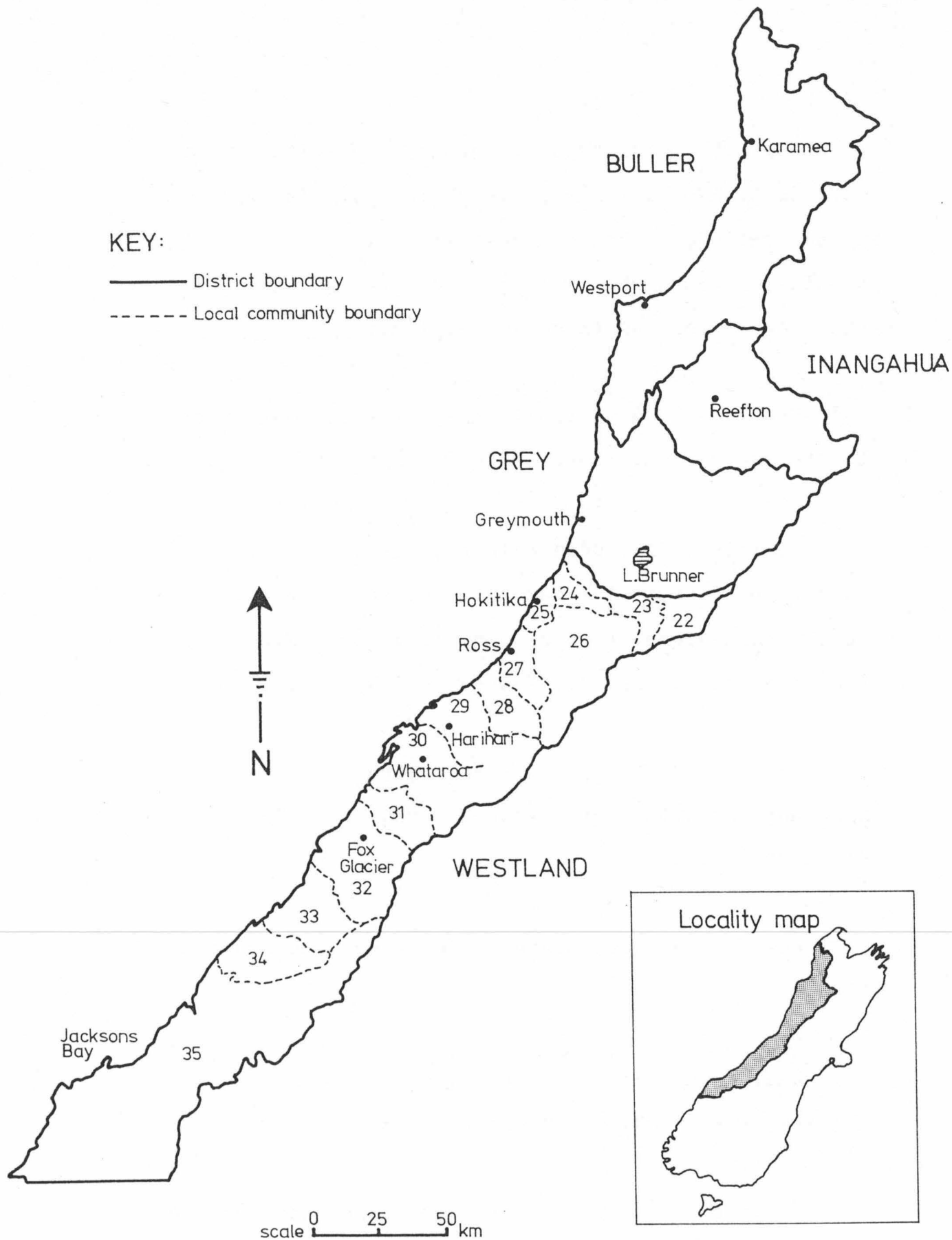
The study area for this study (see Figure 1) is defined according to conventions set in reports prepared by the Ministry of Works and Development in the late 1970's as background material for the West Coast United Council in the preparation of their draft regional scheme.

THE REGION refers to the West Coast Region, comprising four districts Buller, Inangahua, Grey and Westland.

THE DISTRICT refers to the Westland District which is comprised of Westland County and Hokitika Borough.

KEY:

- District boundary
- - - Local community boundary



Source: Bennet (1980)

Figure One: West Coast Region and Local Communities in Westland

LOCAL COMMUNITY refers to 14 areas in Westland District defined by MWD (see Bennett, 1980: 3-4). It should be noted that "Hokitika" includes localities that lie outside the Borough. Data prepared by MWD and used in this report follows these definitions.

The local communities in the District most relevant to the study (numbers refer to Figure 1) are:

Hokitika - includes Kaihinu, Hou Hou, Seaview Psychiatric Hospital, Seaview, Westland Hospital, Hokitika, Kaniere, Arthurstown, Woodstock, Rimu, Hokitika South, Takutai, Mananui and Ruatapu (25);

Hokitika Valley and Upper Arahura - includes Kokatahi, Kowhitirangi, Kaniere Forks, Lake Kaniere, Milltown (26);

Ross - includes Totara Valley, Ross and Donoghues (27);

Waitaha - includes Mikonui, Fergusons Bush, Waitaha, Kakapotahi, and Pukekura (28);

Harihari - includes Evans Creek, Harihari and Poerua Valley (29); and

Whataroa - includes Te Taho, Whataroa, Rotokino, Waitangi, The Forks and Okarito (30).

The principal communities selected for detailed study were Hokitika and Ross. Whataroa was also visited to explore some issues with people in an area that has 11 farms, recently settled by the Department of Lands and Survey.

1.4 OUTLINE OF THE BUTLER'S FARM SETTLEMENT

The Department of Lands and Survey's management plan for Butler's covers an area of approximately 5427 hectares, and it is situated between Ross and Hokitika.

The block has been largely cut over for indigenous timber production. While a portion of this area has been in extensive pastoral production in the past, it has been the intention of the Department since 1979 to develop the area for more intensive land use and settlement.

Earlier pastoral use was based on grazing largely cutover and cleared native forests and limited areas of open-bottom land and river terraces. Modern techniques in land clearing, drainage, fencing subdivision and improved and intensive pasture and stock management

offer new opportunities for increasing the productivity of many Westland pakahi soils. The potential for more intensive land use in the region generally good. The Butler's Block in many respects typifies the opportunities available for increased productivity of a significant proportion of the West Coast region.

The Department of Lands and Survey began development of Butler's in 1979. On the basis of land capability surveys and experience with stock management on the initial 'developed' land units, much consideration has been given to options for grazing enterprises. Only those areas of the block capable of sustaining 10 stock units per hectare (including some extra forage production) were considered suitable for dairy farming. An economically viable dairy farm unit of about 100 ha. is currently assumed for planning purposes. The balance of land that could be developed is to be subdivided for sheep and/or deer farming units. The current sizes of sheep and deer units are assumed to be around 200 and 50 ha. respectively. Up to half of Butler's Block is unsuitable for intensive pastoral agriculture and will be set aside in reserves for the protection of wildlife habitats and native bush following Land Settlement Board policy and guidelines for indigenous forests and wetlands. The number of new farms, the principal enterprises, and the time scale of the development and settlement process are reported in Table 1.

Approximately one quarter of the total area of 2557 ha to be grassed will be cleared and grassed by late 1985. The first farm families could be settled in 1988. A total of between 13 and 31 one-operation (single family) farms are presently envisaged for settlement. The total number of units will depend on the mix of enterprises, as the size of an economic unit varies substantially by main enterprise. The final mix of farm types and therefore the number of settled families is dependent on future development policy.

While the planning schedule under the current Management Plan can (and will likely) change in the future, it is nevertheless a good basis for judging what the consequences of such a programme might be. A shift in the enterprise mix, for example from sheep to deer farming, has an obvious impact on the number of farms settled, employment and income as explained in Section 3.5. The point of this study is to highlight the broad social issues of the development as planned to date, and identify the possible consequences of further development on local and regional community well-being.

1.5 ORGANISATION OF THE REPORT

The remainder of this report contains a social profile of the Hokitika and Ross area (Section II), a description of the process of farm settlement and expected social impacts (in three phases (Section III) and the main findings and a set of recommendations for planning and management of the Butler's block (Section IV).

COMMUNITY PROFILE: HOKITIKA AND ROSS

2.1 INTRODUCTION: BOOM, BUST AND DEPENDENCY

The West Coast region demonstrates severe problems of economic dependency characterised by:

- i) an emphasis on production of primary produce for export with low levels of processing or added value;
- ii) high costs (in many cases requiring state subsidies in national terms) of "social" services;
- iii) lack of training and employment opportunities for young people, and their subsequent emigration;
- iv) a vulnerability to external decisions.

The West Coast Region has experienced a history of boom and bust cycles (see Figure 2 and Bennett, 1980).

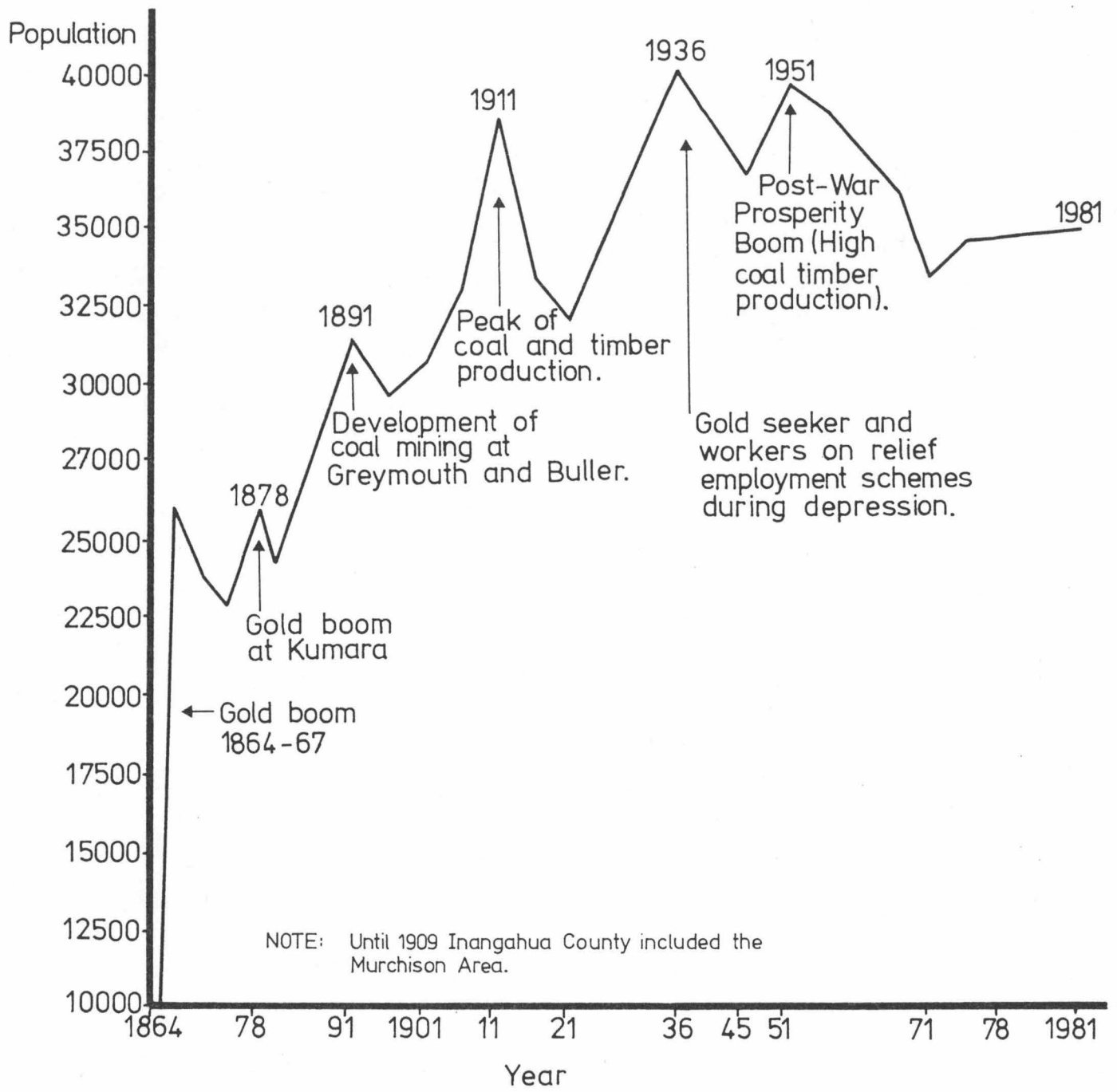


Figure Two: Population of the West Coast Region

Each cycle can be closely linked to the exploitation of the main "extractive" natural resources of gold, coal and indigenous timber, with minimal local processing. This use of resources has in turn been influenced by national and international economic cycles such as the 1930s depression, post-war prosperity and more recently the late 1960s and late 1970s recessions. Ross is typical of towns that started to service the gold rush of the 1860s and have since been prone to population fluctuations dependent on the production of "extractive" resources.

In contrast to the extractive resource industries, farming, and more recently tourism, have formed a relatively stable economic base for some West Coast communities. This stability has been most evident in the Westland District. The move in forestry to a supply of saw logs from sustained-yield indigenous forest, and exotic plantations, will also provide a potential for increased social stability.

As there has been little processing of primary production and resources, the region's economy is especially sensitive to trends in national and international markets for products such as gold, coal, timber, dairy produce, and beef. This sensitivity is a big feature of economic dependency. At the same time, minimal employment is generated on the West Coast and there is minimal value to product exported. Young and skilled people therefore tend to leave the region, especially when there is an economic down-turn. In turn, a low and fluctuating population base makes it difficult to build and develop regional markets as a base for secondary processing. Training for skilled employment is limited, and social services are difficult and costly to maintain. On the West Coast these problems are exacerbated by physical features that make transport and communication difficult and costly.

Furthermore, the West Coast region now faces the implications of national policies directed at economic efficiency, such as the move to population-based funding of health services, and the move towards user-pays principles for services such as railways, air transport and the post office, all crucial services in an "isolated" and far flung region such as the West

Coast. In a peripheral region where Government services have the highest secondary multipliers (Marsh, 1982), the impact of such policies will be very severe indeed.

In the Hokitika-Ross area, some of those factors of "dependency" have led to increasing concern and action in respect to the viability of the local communities. In this case, the main catalysts have been the planned reduction in employment and spending at the Westland and Seaview Hospitals in Hokitika, and the planned end of extractive logging of indigenous timber in 1989. The hospital case has been detailed in the Hokitika Viability study by Clarke (1984). Phased closure of sections of the hospital facilities has resulted in widespread public dismay, including a variety of protest actions by local people over the future of the Mandel geriatric ward. The forestry plan is currently being analysed for its social and economic impacts by New Zealand Forest Service and the West Coast United Council.

These concerns and studies have led to considerable local debate, both formal and informal, about the future of the area (see the papers of the Hokitika Forum, 1984). This debate is focussing on prospects for social and economic development based on

new industries, or the extension of more stable industries, such as tourism, fishing and fish processing, and dairying and deer production and processing. Investigations are being made of tourist accommodation and of the potential for adding considerable value to native timbers by further processing. Clearly, farm development by the State could play an important role as well.

Positive social development at the local level requires an effective regional planning framework. The West Coast Regional Planning Scheme (Approved Section One) demonstrates a regional concern for social objectives, and the rights of members of individual communities to participate in determining their future.

The scheme emphasises the inter-relations of individual communities, and the need to enhance the viability of each. "Community viability is defined as the ability of individual communities to achieve their own objectives, and the objectives of this Planning Scheme." Growth of population is described in the Scheme as a key to future viability and maintenance of social services. Employment and resource development is seen as essential to an increase in population. Sustainable resource uses are described as the best basis for avoiding cycles of boom and bust.

2.2 POPULATION AND SETTLEMENT

Hokitika is the main service centre for the Westland district. It originally grew with gold mining (popn. circa 5000 in 1867), servicing Westland as a river port and provincial "capital". The population dropped to 2000 in the early 1900s and since then has grown steadily with the development of farming and forestry. There was a minor decline in population in the period 1956-61 due to closing down of the Arahura gold dredge and some saw mills (See Table 1). The present population for Hokitika borough is 3414 (1981 Census).

The Westland County, however, has experienced a mixture of declines and increases in the population of different communities since the Second World War. The population of Ruatapu, for example, has halved as mill workers now commute from a wide area. Yet Kaniere has grown as a "dormitory" area, and the Kokatahi-Kowhitirangi area, with around 100 farms, mostly dairying, has a relatively stable population.

Ross, 32 kilometres from Hokitika, had a population of up to 4000 in the 1860s. Saw milling and the railhead subsequently served as major industries. But with the closure of the railway and several mills,

TABLE 1: TOTAL POPULATION, HOKITIKA, ROSS RUATAPU, WHATAROA, 1951-1981

	1951	1956	1961	YEAR 1966	1971	1976	1981
HOKITIKA	2986	3032	3007	3258	3332	3530	3414
(B)							
(Vic)	44	70	81	81	65	70	21
ROSS							
(B)	471	549	503	436	429	368	(T) 340
(Vic)	-	-	-	-	-	-	33
RUATAPU							
(T)	215	160	113	85	115	121	91
(Vic)	1	3	-	18	2	4	-
WHATAROA							
(T)	159	200	236	232	195	219	242
(Vic)	114	139	131	108	63	62	16

ABBREVIATIONS: (B) Borough
 (Vic) Vicinity
 (T) Township

SOURCE: NZ Census
 Department of Statistics, Christchurch

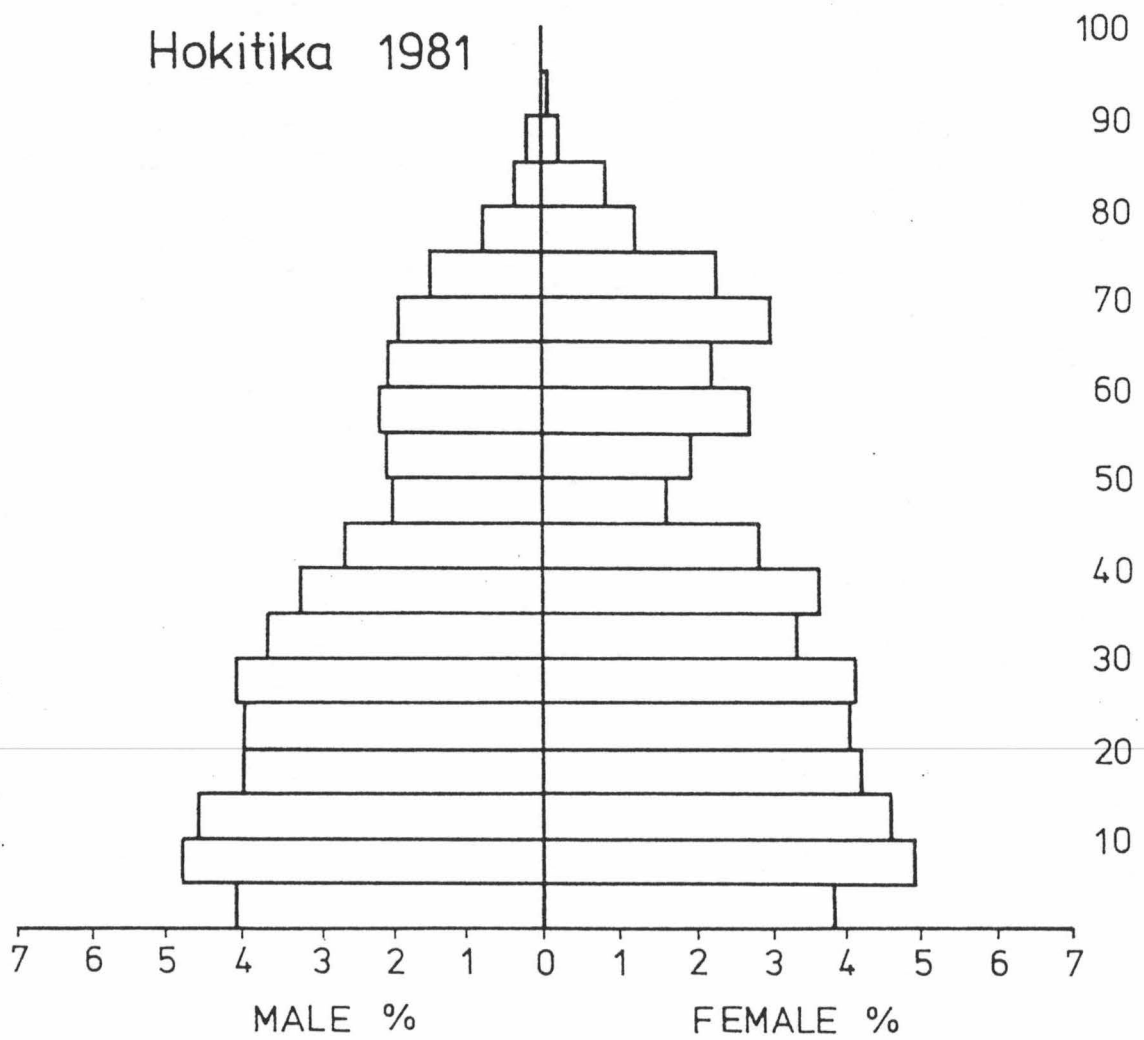


Figure Three: Age-Sex Structure, Hokitika, 1981

TABLE 2

AGE GROUPS FOR HOKITIKA 1951 - 1981

YEAR	0-14	15-60	60+	TOTAL
1951	896(30.0) *	1679	411(13.8)	2986
1956	944(31.1)	1669	419(13.8)	3032
1961	943(31.4)	1588	476(15.8)	3007
1966	979(30.0)	1825	454(13.9)	3258
1971	1035(31.1)	1799	498(14.9)	3322
1976	997(28.2)	1932	601(17.0)	3530
1981	906(26.5)	1944	564(16.5)	3414

*percentages in brackets

SOURCE: N.Z. Census of Population & Dwellings

so that only the Pukekura and Ruatapu mills remain, the population of the area has decreased. It fell from 549 in 1956 to 340 in 1981. Farming, in the Waitaha and Totara valleys, and on the flats around Ross, is now the major source of employment. Also important in Ross is the large percentage of people employed in the service sector (see Section 2.3). Many commute to work in Hokitika and Ruatapu. Levels of population are vital to community viability in this small township, and loss or gains of population are reflected in levels of social services:

"The services particularly susceptible are the garage, road freight business, builders, primary school, the three shops and the post office."
(Bennett 1980:144).

Hokitika Borough has a reasonably balanced age structure (see Fig.3 and Table 2) which has not changed dramatically since the 1950s. The most important feature is the decline in the 0-14 age group since 1971. Clark et al. (1984), who provide further details on population, point out that the 1981 figure is below the national average. Further decline can be expected with low birth rates and emigration in the 15-29 age group, which in turn affects the 29-44 age group. The 60 plus age group is relatively high, causing a high

dependency ratio (old and young population divided by working-age population) despite the decline in numbers of children.

Since 1951, Ross township has experienced a more dramatic decline than Hokitika in population aged 0-14, and increase in population aged 60 and over (See Table 3). In the face of national trends towards a falling birthrate and increasing older age group, Hokitika and Ross face particular problems in maintaining their viability by countering the loss of young people through emigration. Stable growth in employment is therefore an important social objective.

2.3 EMPLOYMENT, INDUSTRIAL AND OCCUPATIONAL STRUCTURE

As Clarke (1984) suggests, employment is a crucial ingredient in community viability. The economy of Westland District is based on agriculture and the processing of agricultural products - mainly dairy processing, forestry and timber milling, some tourism, fishing and gold mining, and the provision of social, community and personal services. The industrial and occupational structures of the Hokitika Borough and Westland County (see Tables 4 and 5) reflect this rural economy.

TABLE 3

AGE GROUPS FOR ROSS 1951-1981

YEAR	0-14	15-60	60+	TOTAL
1951	157(33.3)*	259	53(11.3)	471
1956	220(40.1)	273	56(10.2)	549
1961	194(38.6)	260	49(9.7)	503
1966	147(33.7)	245	44(10.1)	436
1971	139(32.4)	247	43(10.0)	429
1976	117(31.8)	204	51(13.9)	368
1981	87(25.6)	195	60(17.6)	340

*percentages in brackets

SOURCE: N.Z. Census of Population & Dwellings

TABLE 4: INDUSTRIAL STRUCTURE - 1981

		% AGRIC. HUNTING FORESTRY FISHING	% MINING AND QUARRYING	% MANUFAC -TURING	\$ ELEC TRICITY GAS AND WATER	% BUILD- ING AND CONSTR- UCTION	% RETAIL WHOLESALE RESTAURANT	% STORAGE TRANSPORT COMMUNI- CATION	% FINANCE INSURANCE PROPERTY	% SOCIAL COMMUNITY PERSONAL	NUMBERS IN WORKFOR
WESTLAND COUNTY	FEMALE	23.2	0.0	9.9	.5	1.5	29.1	4.4	3.9	27.1	633
	MALE	37.8	2.9	17.2	2.5	12.4	8.5	6.0	1.4	11.2	1596
	TOTAL	23.7	2.1	15.2	1.9	9.3	14.3	5.6	2.1	15.7	2229
HOKITIKA BOROUGH	FEMALE	1.2	0.0	7.5	.6	.6	25.5	8.1	6.2	50.9	489
	MALE	11.0	0.0	20.7	3.7	11.0	13.0	7.7	6.0	26.4	924
	TOTAL	7.6	0.0	16.1	2.6	7.4	17.4	7.8	6.1	35.0	1413

BASED ON USUALLY RESIDENT NZ POPULATION IN FULL-TIME LABOUR FORCE WITH SPECIFIED INDUSTRY

SOURCE: Regional profile, 1981 Census, Town and Country Planning Div. MWD

TABLE 5: OCCUPATIONAL STRUCTURE 1981

		% PROFESS- -IONAL TECHNICAL	% ADMINI- STRATIVE MANAGERIAL	%CLERICAL & RELATED	% SALES	% SERVICE	% AGRICULTURE FORESTRY FISHERMAN	% PROD- UCTION TRANSPORT LABOURERS
HOKITIKA BOROUGH	FEMALE	22.5	0.0	27.5	16.9	26.2	1.9	5.6
	MALE	15.5	4.7	7.7	7.1	6.7	11.1	47.1
	ALL PERSONS	17.9	3.1	14.7	10.5	13.6	7.9	32.6
WESTLAND COUNTY	FEMALE	11.9	.5	20.3	8.4	27.2	21.8	9.4
	MALE	6.0	1.4	3.5	2.7	6.0	37.2	43.0
	ALL PERSONS	7.7	1.1	8.2	4.3	12.0	32.9	33.6

BASED ON THE USUALLY RESIDENT NZ POPULATION IN FULL-TIME LABOUR FORCE, WITH A SPECIFIED OCCUPATION

SOURCE: Regional profile, 1981 census, Town and Country Planning Div. MWD

Details of employment by sector in the wider Hokitika Community Area in 1983 (as defined by Clarke and including Ross, Ruatapu and inland settlements) are presented in Table 6. The figures show both full and part-time employment and the importance of community and personal services is very clear. The health sector alone accounts for 19 per cent of the total workforce, 10 per cent of the male workforce and 35 per cent of the female workforce. In particular, the health sector provides 42 per cent of the total female part-time workforce. Central government, local authority and other agencies account for 26 per cent of the total male workforce and 22 per cent of the total female workforce (Clarke :27-29). A major impact on the employment structure of the Hokitika community area can be expected with changes to the hospital services. The worst scenario projects the loss of 140 full-time equivalent positions by 1989, or 6 per cent of total employment in the Hokitika Community area (ibid.:27).

A primary issue in economic stability is the future trend for forestry employment. The NZFS survey (1977:21) shows that 14.3 per cent of the total

TABLE 6: Employment by sector, Hokitika Community Area, 1983
(Full-time and Part-time)

	All Persons	Male	Female
Agriculture and Fisheries	399	333	66
Forestry and Logging	160	142	19
Manufacturing	262	202	60
Electricity, Gas and Water	58	52	6
Trade, Restaurant, Motels	299	126	173
Transport and Communication	131	77	54
Finance	120	65	55
Community and Personal (Health)	797 <u>(451)</u>	367 <u>(144)</u>	430 <u>(307)</u>
TOTAL	2,371	1,504	867

Source: Clarke et al., (1984 : 27) based on Department of Labour
"Location of Industry Data, February, 1983".

population of the South Westland "sub region" is comprised of forestry employees and their dependents. Hokitika had 220 forest workers (with 396 dependents) in 1977 (616 forest related people out of a population of 4923). Of 128 forest industry workers in the Ruatapu Mill 94 (with 134 dependents) lived in the Hokitika area and 26 (128 dependents) in Ross. Ross also had 17 other forest industry workers, and their dependents. Whataroa had 27 employees (with 106 dependents for a total of 143) (1977:30). Future trends for the forestry sector are discussed in Section 2.4.

A more detailed analysis of employment in the study area will be possible when the 1985 survey of employment being conducted by the Westland Conservancy of the New Zealand Forest Service is complete. It should allow some comparisons to be made with 1975 Department of Labour data.

2.4 THE BUSINESS SECTOR

The business sector in the study area appears to be in a state of flux as a result of changes in the primary industries e.g. forestry, farming services, tourism, mining. Overall, there is an interwoven pattern of investment and disinvestment. So, while

some industries and services are loosing investment and employment, there are new industries that have started and others that are expanding.

Interviews conducted in this study showed that there are a number of innovative new enterprises, and proprietors with good entrepreneurial skills. Positive changes include a number of new or expanding businesses including two supermarkets, an arcade, car sales, the greenstone factory and a crafts shop.

However, it is evident that some businesses are "run-down" and require capital to upgrade them to take full advantage of new opportunities, and business skills are not always high. Therefore, without a concerted effort in training for management marketing, and a satisfactory supply of small-business capital, the potential of investment can become outweighed by the pessimism that follows from disinvestment. This pattern has evolved in other small rural communities such as Geraldine (Taylor et al., 1984). A full survey of businesses would provide useful information on attitudes to, and resources for, change.

A major source of negative attitudes is the expected loss of employment in the hospital sector, as described in the previous section. The West Coast

Hospital Board spends \$6.322 million on salaries and wages at Hokitika (approximately 26 percent of "real incomes in salary and wages in Hokitika"). A survey described in Clarke (loc.cit.) found that 80 percent of business in Hokitika believed this change would affect them, but most (70 %) expected to remain profitable. People tend to perceive those changes as originating from decisions over which the community has little control. This position reflects the dependency of the area on outside decision making.

Similarly, the forest industry faces major changes as national policies to curtail the cutting of indigenous timber are implemented. By 1989, South Westland will have moved onto a sustained yield cut of 8150 tonnes per annum from state forests compared with the present cut of 53,000 tonnes per annum. This yield, plus some future Tasmanian Blackwood (*Acacia Melanoxolyn*) production (currently being planted at the rate of 200 ha per annum). will be insufficient to maintain existing mills from Hari Hari south. Their only apparent prospect for retaining present levels of employment will be to move towards greater added-value processing of the reduced supply of indigenous timber. Investigations are proceeding in this respect, and prospects are good. For instance, the veneer plant at Greymouth employs 35 people on an annual throughput of 5000 tonnes, the same throughput as the Pukekura mill which employs only nine people.

Hokitika and Ross are also dependent on the forest industry. NZFS, at the Hokitika Forum in 1984, "estimated the wages, stumpage, (support of Forest Service staff locally domiciled), cartage, local purchases, electric power, rates, etc." (sic) as \$14.5 in Hokitika with wages content \$2.2m and stumpage \$1.3m. In this area, however, prospects are good for maintaining the present Hokitika and Ruatapu mills, although the small Pukekuru mill is most likely to close in 1986. The Ruatapu mill was rebuilt in the early 1980s after a fire. It has the advantages of a rail line and established workforce in nearby Ross and Hokitika as well as the local settlement. While there will be a shortfall in timber supplies in the early 1990s, as exotic plantings to the north come on stream, this mill is likely to be competitive subject to sufficient throughput of timber. Overall, therefore, although the forest industry in South Westland faces change and disinvestment, there is potential for positive change as well, given good planning and support for new processing industries.

Tourism is an industry which offers prospects for economic development. The opportunities and drawbacks of a major tourist industry for Hokitika are discussed by Tull (Hokitika Forum, 1984). At present Hokitika is

responding to the increased tourist patronage by expansion to a central hotel, and there are plans to construct a 105-bedroom hotel with conference facilities near to the airport. The developers envisage that: "towns people will grasp the opportunity to develop gold towns, paddle steamers, ski rides ..."

(Hokitika Guardian, 30 April 1985)

Other ideas for tourism include visits to farm development blocks established by the Department of Lands and Survey (Ellis, at Hokitika Forum, 1984).

There are some potentially negative aspects to tourism development. Some businesses are not interested in the prospects offered;

"We're here to serve the locals not the tourists".

Also, it is not always possible for local businesses to tap business offered by tourists if they have insufficient capital or incentive to expand or diversify.

Two business areas that will benefit from increased tourism are craft and greenstone working. The future of the greenstone industry depends on the supply of local stone and competition from imports.

There are a number of professional craftspersons in the region and recently a group of them formed a crafts co-operative. A centrally-located building in Hokitika will assist with marketing.

Fisheries is another important industry. There is at present a fish-processing plant - Westland Processes Limited - which employs 27 full-time and eight casual persons. The ability of the company to continue operations at current levels depends on future fish supply - especially with new quota systems - and added value-production. There is also a salmon farm being established by New Zealand Marine Farms Limited.

There were 14 goldmining units within 25km of Hokitika in 1984 (Hokitika Forum). They employ up to 40 workers, spend around \$165,000 per month locally on goods and services, and turnover up to \$750,000 per month. There are also many part-time goldminers who contribute to the local economy.

A small sphagnum moss industry has been established in the study area. There are two plants in Hokitika which employ 14 people. A plant in Ross employs one full-time and one part-time person, and a plant at Waitaha five full-time and four part-time. The main problems for the industry are the limited supply of moss, the quality of the product and marketing.

Our interviews confirm the activity of the Hokitika Forum in indicating that parts of the business sector are receptive to change and looking to new opportunities. The comment was made about one firm that closed after 120 years business that it "passed into history without a ripple". But disinvestment can, however, lead to a significant negative outlook which could influence the ability of businesses to take advantage of new investment. There needs to be a forward programme to improve management skills and the ability of businesses to gain maximum advantage from economic change. Long-term and sustainable resource developments should be an integral part of such a programme.

2.5 THE FARMING SECTOR.

The West Coast has experienced significant growth in pastoral production during the past two decades. Most of this increase in production has resulted from expansion of pastoral land, particularly in the 1970s, rather than from intensification of existing pastures or per-head stock performance. In a recent study McDermott and Associates (1981) suggested that while the region's agricultural base for future development is small (about 175,000 hectares would be a

conservative estimate of land available for development), the existing pasture land (approximately 140,000 hectares) was operated at only half its potential productivity.

The main means for increasing regional output would come primarily from expansion of established beef, sheep and dairy activities. On the basis of a series of growth scenarios examined to the year 2010, McDermott and Associates (1981) estimated that a doubling of regional pastoral output and a 50 percent increase in direct farm employment could be achievable under a concerted development programme.

At present, the farm sector experiencing the most rapid expansion is dairying, with Hokitika as an important growth point in the region. Deer farming is also creating interest but is constrained to some extent by the limited supply of capital breeding stock and limited investment capital. The servicing infrastructure for these two industries is well developed and does not pose any significant limitations at present levels of output. Perhaps the most important question is how competitive the region's products will remain in the longer term compared to other South Island areas. The prospect of a real increase in

transportation costs in the future, coupled with stable or falling product prices, will tend to put 'distant' agricultural producers at a comparative economic disadvantage.

Land holdings and farm settlement in Westland District through to the year 2000 are summarised in Table 7. While the Kapitea Creek and Butler's farm settlements account for the majority of future farm settlement units, the ten blocks in total are scheduled for settling approximately 60 new families in the District. The Lands and Survey settlement programme is therefore making a substantial contribution to the development of the farming sector.

2.6 LOCAL BODY SERVICES

Local government provides facilities and essential services such as roading, water supplies, sewerage, recreation and many other social services to a population. The main authorities are county, and borough councils. These authorities raise money largely through rates on property, loans and charges on services. Central government financing also assists local governments especially in education, health and transport. However, local authorities are largely dependent on revenue from rates. In Westland County,

TABLE 7: LAND HOLDINGS AND SETTLEMENT PROGRAMME, WESTLAND DISTRICT

BLOCK NAME	Kapitea Creek	Kaniere	Raft Creek	Lake Arthur	Mount Diedrichs	Butlers	Waitaha	La Fontaine	Duart	Rotokino*	Franz	TOTALS
Total Area(HA)	1132	1801	501	657	258	4878	318	480	651	865	318	11859
Total Area to be grassed	900	590	475	402	258	2800	318	410	360	807	318	7638
Est. Annual Grassing	200	50	-	-	-	250	-	30	20	-	-	550
Completion date for grassing	1988	1985	chte.	chte.	chte.	1995	chte.	1988	1985	chte.	chte.	
Units for Settlement												
Dairy	-	-	-	2	3	5	3	-	3	7	-	23
Deer	20	1	-	-	-	2	-	-	-	-	-	23
Sheep	-	-	-	-	-	-	-	1	-	-	-	1
Deer & sheep	-	1	2	-	-	6	-	1	-	-	-	11
Beef & sheep	-	-	-	-	-	-	-	-	-	-	1	1
Total units for settlement	20	2	2	2	3	13	3	2	3	7	1	59
Settlement to commence	1987	1986	1997	1981	1979	1988	1981	1987	1985	1985	?	
Settlement to be complete	1992	1987	1998	1982		1998	1981	1991	1987	1986		

SOURCE: Dept of Lands and Survey, Hokitika

* 10 Dairy units settled previously, 1977-80.

roading and bridge work accounts for a significant part of the County's annual expenditure, even though the Central government contributes 70 percent of total roading costs on a 30:70 share basis.

Land use changes through development and rezoning is a matter of some interest to the Westland County Council. While the area of the county is fairly large (11,400 square kilometres) only a small part of this area is rateable property. The rateable area has declined from 15 percent to less than 13 percent in recent years. This reduction in the potential tax base is believed by some local officials to be a problem which land development and management agencies do not recognise or appreciate in the planning process. The establishment of reserves and park lands is viewed as a source of future potential burden to the rate payer as these areas are removed from the rateable land lease. For example, cutover native forests account for about three percent of the County's rateable area. The reclassification of cutover land to "native bush", a non rateable land use, has removed this source of the County's tax revenue. The extensive area of the Butler's farm settlement block set aside in reserves is cited as an example of potential future revenue foregone. While it is accepted that such land types currently generate little annual revenue (probably less

than \$1 per ha), the developed portion of Butler's will be raised to an average productivity of Class V which would generate up to \$10 per ha in annual tax revenue. While this increase in revenue is obviously of benefit, it could be argued that any reserved land that 'could be' developed represents an added burden to county rate payers in the future. It is important to note, however, that any future economic benefits attributable to reserves (e.g. increased tourism) may well compensate for such perceived costs to the community.

2.7 SOCIAL SERVICES

Small isolated communities face several problems in the provision and use of social services. Many services are based on population, and are therefore only located in larger centres. Access to these centres is often difficult. Long distances are involved. In turn, central and local government officers have to travel long distances to attend meetings or carry out advisory work in far-flung communities.

Health and education services are probably the most important in respect to quality of life in small rural localities. Levels of services are directly related to population. Each service is heavily subsidised, and also largely centralised for purposes of administration.

Health services in the study area are the focus for considerable change. While general medical practice seems reasonably well served, there are problems in maintaining stable periods of employment for doctors, and sufficient support to ensure a full 24 hour service. Plunket and public health nurses are available and important for their wider perspective of community health. Most difficulty arises with hospital services (see Clarke 1984). The general and maternity hospitals have closed and mothers now go to Greymouth. Geriatric services are also being closed. A local lobby is working to have the extensive existing facilities at the Westland hospital developed for maternity and/or other work, such as geriatric, long-term care, and convalescence.

Rural schools are important foci for community life, but of course totally dependent on demographic trends. Teachers are often active in community life. Major problems for the primary schools are a high turnover of staff and principals. Stable school rolls would help to alleviate this problem.

Data on primary schools in the study area are presented in Table 8. It is at present unclear which primary school will service the Butler's area. Ross is

TABLE 8: SCHOOL ROLLS AND STAFFING, 1955-1984

	1955	1965	1975	1980	1984
Kaniere	46	49	61	80	67
Staffing:	2	2	3	3	3
Hokitika	443	414	580	547	295*
Staffing:	10	12	16	17.6	11.2
Ross	86	73	82	53	55*
Staffing:	3	3	3	3	3
Kokatahi	39	48	53	44	36*
Staffing:	2	2	2	2	2
Kowhitirangi	38	69	62	53	37*
Staffing:	2	2	3	3	2
Whataroa	65	115	88	73	79
Staffing:	2	4	3	3	4

Notes: *All roll figures are as at 30 September each year. These schools were decapitated at the commencement of 1981, with the Form 1 and 2 pupils contributing to Westland High School, which was translated to a Form 1 - 7 school at that time.

closest, but there is no bus service at present. There is, however, a bus that goes daily from Ross to Hokitika to service the secondary school. Logically, new families at Butler's might use this service to send primary children to Kaniere, or Hokitika, if other alternatives were not promoted.

Pre-school education services are important to community well being. Smaller communities have difficulty maintaining child numbers and sufficient parent support. Trained personnel and leadership are not always available either. In Ross, there has been difficulty maintaining a viable playcentre of ten or more children. There is an active playcentre at Kaniere, which also serves Hokitika, and a Kindergarten in Hokitika. It is possible that, as with the primary schools, the pre-school services at these latter two locations will attract settlers. Yet the Ross service would benefit most from additional children.

The number of adults with tertiary education is very low. Of the total population 15 years and over in the Hokitika Borough, 70.2 percent (1981 census) had not attended a tertiary institution. There are no

tertiary training institutes and no regional learning service. There is an active Rural Education Activities Programme Officer based in Hokitika and some Workers Educational Association Youth learning centres, including job-skills programmes.

There is room for improvement in the services offered by Department of Social Welfare (DSW) and Department of Labour (Allen, 1984). Social services for youth and unemployed people are particularly important. The Department of Social Welfare have recently established a District Council for Social Services In many cases, however, improved levels of social services will require local initiative as much as action based in central government agencies. Both, local groups and these agencies could operate more effectively at the local level if a community worker were available to assist

A shortage of some types of housing is an issue in Hokitika, and one in which the Citizen's Advice Bureau have been involved. The majority (71.3%) of dwellings in Hokitika Borough are one-family households. The remainder are largely one-person households (21.1%). The majority of dwellings are houses (90.1%) and there are few flats (8.9%) (1981 Census). Up to 25.6 percent of dwellings are rented and these are mostly

unfurnished (82.5%). There is a shortage of housing to buy and little cheaper rental accommodation. Emergency housing, including a womens' refuge, are further needs. The local authorities and churches have been effective in providing pensioner housing.

Ross has a post office which operates on part-time hours. There is a rural delivery service from Ross operating well below capacity, yet there are indications that the box-holders use this service increasingly for delivery of goods from local businesses. The post office will extend this service if there is an average of one box every 0.8 km.

In conclusion, both physical and social isolation requires satisfactory systems of social support to be established. Despite the difficulties of establishing and maintaining formal services, however, there is no strong system to provide "informal" social support (e.g. special local support groups) for vulnerable people such as newcomers. At the same time established residents have strong informal support networks. At present, government agencies, the Churches, Citizens' Advice Bureau and other groups provide important social services and social "support", but the most effective means to coordinate this work, a community worker, has not been available on a long-term basis.

2.8 LIFESTYLES AND SOCIAL GROUPS

There is no detailed community study, or ethnography, of a West Coast community. The most useful material is available in Houghton (1979), an analysis of regional lifestyles, with some further material in Maturin (1981) that is relevant in respect to South Westland.

It is possible to trace a number of distinctions which are the basis on which people establish and maintain social groups in the study area. These groups are the common ground in which people form intense, personal relationships. The nature and number of the groups that an individual belongs to influences their particular lifestyles.

Technology and economic activity are described by Houghton as primary dimensions in the "Coast" lifestyle. Activities reflected in the work environment, such as logging, milling, farming, mining, and fishing, are easily recognisable as the basis for social relationships. These differences are evident between men, and also between sexes, as they are often the basis for a distinction based on gender between work in the home and paid employment. Male work

relationships extend into communitiy life as in sport and the "pub". Female relationships are reflected in activities in a variety of communitiy organisations.

Houghton points to the importance of the external economy and decision-making in influencing the directions for technological and economic change. She also points to a local perception that there is no social class, "because nobody is very well off". This is a narrow definition of social class, which can be reflected in both power and social status.

Relationships based on social class are very evident in the powerlessness many people clearly feel in relation to decisions about their future. Mill workers and hospital workers are two groups currently feeling this distinction. Also, it is important to note that there are people in the Coast communities who can reasonably be seen as part of an external decision-making group e.g. managerial staff and staff members of government departments.

In the farming community, it is possible to draw distinctions between those who own land and those who don't. But, within the group of those who own land, there are also distinctions based on length and type of ownership, such as a largely debt-free long-held family sheep and beef farmer and a heavily indebted new dairy farmer.

Social class distinctions following from technology and economic activity are also evident in the work environment of the service and business sectors. Ownership of a business, occupational status and levels of income all influence lifestyles.

Proximity is a further important influence on lifestyle, especially in the smaller and more isolated localities. Houghton (p.35) discusses the importance of "local communities", parochialism and "strong rivalries, especially in sport". Later, she refers (p.37) to "historical and geographical ties" being influenced by transport patterns. In our study area, proximity is most important in distinguishing the localities of Ross-Totara, Ruatapu and the Waitaha Valley. Ross was often referred to in interviews as 'the village' and indeed has a certain external charm and quaintness. The community was described as being 'insular', the people perhaps even having a narrow view of life outside the valley.

Lifestyle based on proximity is clearly affected by the level of population, and also by the degree of physical isolation that exists. Changes in both these factors have influenced lifestyles based in a locality, including organised activities such as community

picnics, calf days or woodchopping events, or simply the number and variety of people who meet at the local pub.

Houghton also refers to "kinship or family ties" as a "feature of social organisation" (p.37). These are to some extent related to proximity, but also form threads throughout the Coast. Kinship is also linked, as a feature of lifestyle, to length of residence. Long standing residents, with established kin relationships, are distinctly "Coasters". Others may be regarded as local, especially if they have formed distinct links with the land or an established industry, or married into a locality, but many are regarded as non-local, including new farmers. Some newcomers are at risk from insufficient support networks (see Allen, 1984).

Finally, two further bases for close social relations and influences on lifestyle are ethnicity and religion.

The main distinct non-european ethnic group are Maori people, who represent 7.7 percent of the Westland County and 7.5 percent of the Westland Borough population in 1981. (The South Island average was 4.7 percent in 1981). The Maori people are mainly a sub

group of the South Island, Te Wai Pounamu, Maori (Ngai Tahu). They do not have a marae in Westland to form a primary cultural centre, and this places a restriction on cultural activity. There is apparently some strong identity with important and abundant cultural resources in the area, including greenstone, flax, timber and coastal fisheries. Kinship, proximity and length of residence influence sub-grouping amongst the Maori population.

Some references were made to Irish and Roman Catholic backgrounds in respect to several rural localities in Westland. There appear to have been some strong links in the past between these ethnic and religious backgrounds, proximity, kinship and land ownership. But as Houghton found (p.36) this distinct lifestyle group is no longer very evident.

People in Ross thought of the town as being a friendly place, but there is also a reservedness - a "wait and see" approach to newcomers. People appeared concerned about the contribution newcomers would make to their community and local economy. It was suggested that "respectable" newcomers to Ross would probably be approached to join in the various committees running community affairs. One newcomer made the comment that:

"People want you to join even if you're not interested".

Often the people who were involved in community activities were newcomers and the opinion was expressed that it was usually the same ones doing all the work, with no expression of gratitude or appreciation from locals:

"They expect you to hand it to them on a plate".

Other newcomers expressed the opinion that:

"it takes time for people to be absorbed into the community if you're going to live here permanently".

It was evident that social life in Ross revolves around the local hotel. While the hotel is a meeting place and a base for socialising without necessarily involving heavy drinking, some people feel excluded if they are non drinkers.

The local primary school is also a focal point. A number of clubs and organisations cater for those interested in gardening, rugby, and other sports. Ross also has some interaction with neighbouring communities especially through sporting fixtures. The comment was made that:

"Ross is used to outside farming communities making use of facilities".

The degree of mixing was not thought to be great, however.

The Hokitika community, although larger and more diverse than Ross, still shares common features in social life. Again the local hotels are a focal point for social mixing. The community was described as being "lop-sided" in its structure in terms of the educational background, employment and ambitions of people.

There was a degree of negative thinking and despondency about the Hokitika-Ross region. "A general greyness" was expressed. A number of areas of concern were to do with mental health and welfare related to stress, depression, family relations, and loneliness. Such problems lie as an undercurrent beneath seemingly peaceful relaxed communities and remain largely unrecognised and untreated. It is believed that certain groups of people, e.g. the elderly and the unemployed, are most at risk, but any individual can be in need of help. A community does not always recognise nor cater for the problems of an individual who may be feeling "isolated" or whose social needs (i.e. mixing

with peers) are not met. While the community may appear to rally round and offer support or concordance, it is often not sustained. There is therefore a definite need to foster interaction amongst people and to help curb potential problem areas.

Ross and Hokitika communities were each divided into categories of persons - locals, migrants and transients. Locals included those born on the coast, migrants were those who had moved into the area to settle, and transients were those intinerant, short-term people passing through (e.g. government employees and tourists). A newcomer may feel especially vulnerable and threatened as they may have no support network - that is family or friends. An example is the frustration felt by newcomers who believed they were treated as tourists - with contempt - even though they had lived a month in the town.

Opinion about settlers coming into Butler's ranged from favourable to unfavourable, including indifferent. The community attitudes expressed towards farm settlers help to indicate:

- how the local communities may respond to farm settlers;
- the impacts farm settlers may have; and

- the difficulties or problems that may arise in their social integration.

Farming was viewed as a "permanent activity" as compared to gold-dredging, for example. The settlers are, therefore, also seen as being permanent additions to the region. People are acutely aware of the issues concerning depopulation on the West Coast, so settlers were viewed as being a favourable addition which will boost the population. It is anticipated that community viability will also be enhanced as people coming in could have a positive psychological affect on residents.

Most people seemed positive about people from "outside" coming in. Although farming was not seen to offer further direct job opportunities, locals believe that farm settlers introduce more modern or different farming techniques. Farming settlers are perceived as being "a go-ahead sort of people" who have initiative, "inject diversity into the community", and "contribute more to the community". They may "add a distinct new social flavour and may build upon the existing community structure". Settlers overall appear to have a good public image even with those people who may not have had much to do directly with farm settlers in the past.

Only once was the opinion expressed that farm settlers were not the "type" of people wanted for the region because they were thought of as being transient. An issue that was raised was concern over the length of residence of farm settlers and whether they would use the ballot farm as a "stepping stone". This attitude reflects concern about transients reaping the benefits of West Coast resources and not putting anything into the economy or community growth. It is possible that there may be a degree of initial local resentment of farms being ballotted to people from other regions, while locals need jobs. Resentment could also arise because of the introduction of new ideas about farming. Generally, however, these negative views were far outweighed by the positive attitudes.

2.9 SUMMARY

The following key issues can be summarised from the preceding community profile:

1. As a region, the West Coast has experienced cycles of boom and bust. As with other towns, Hokitika and Ross have a strong dependency on outside markets, finance, institutions and decision-making. Outside sources are also needed to "subsidise" and

maintain the existing infrastructure and social services. Young people tend to emigrate for tertiary training and employment.

2. Population levels have fluctuated with the cycles in resource use, especially mining and forestry. The stable farming areas of Westland District have the most stable population base. Small or declining populations, as at Ross, lead to difficulties in sustaining many social services. Butler's could well have a "holding" effect on those marginal sources which may otherwise be cut given population decreases.

3. Employment in the Hokitika-Ross area is greatly dependent on agriculture, agricultural servicing and processing, the timber industry and the provision of social services. Two areas, health and the timber industry, face numerous problems - and some serious decline. Employment for women and youth is a critical issue. Butler's presently has created a number of job opportunities. The potential for further job creation depends upon what combination of land use regimes finally prevail.

4. There is a pattern emerging of investment and disinvestment that is bringing rapid economic change. But established and small business are not always in a

good position to gain benefit from change. They need to be helped to adapt. Also negative attitudes from disinvestment may affect attitudes towards new opportunities. Investment at Butler's could contribute to a more optimistic view of the future.

5. The farming industry is crucial to maintaining and developing further the social fabric of the study area. Greatest prospects for increased production are in dairying and deer. Land settlement is making a major contribution in respect to the establishment of new units.

6. Levels of population, and the value of land, affect the rating base of the local bodies. New reserves have reduced the area of rateable land in Westland County. Development of farm land, commercial development and a vigorous housing market could each increase the rating base of the County and Borough. Crown land may be rateable in the future, under proposed legislation.

7. Social services are dependent on population, and are often expensive to maintain given isolation and costs of communication. Health and education are the most important services. Hospital and maternity care, pre-schooling and tertiary education are the main

issues. There are some housing and accommodation shortages. Central government services are not easily accessible. A full-time community worker would be a major asset in the Hokitika-Ross area, especially working with youth and people with inadequate support networks.

8. There are clearly identifiable lifestyles which are distinguished primarily by the variables of proximity, kinship, gender, land and resource ownership or control, and work environment. Established people have strong support networks. There is a need for active programmes to assist the less established groups, especially newcomers, to become part of the social development of the area.

THE PROCESS AND IMPACTS OF FARM SETTLEMENT

3.1 INTRODUCTION

Three phases are identified in the establishment of Butler's farm block. The phases are related to the period of time over which land development is completed through to when ballot farmers are fully established, and each farm on the block will go through these three phases.

The phases are:

development - The development phase is the period from when development begins through to settlement.

settlement - The settlement phase is the period from when a farm is balloted to settlers and further land development occurs over a period of two to five years.

settled - The settled phase is the period to when a farm is fully established, and productive goals are being achieved.

For Butler's, the development of farm land and placement of settlers will be spread out so that for all the farms combined the three phases overlap considerably, as shown in Figure 4.

3.2 THE DEVELOPMENT PHASE

The development phase for Butler's is outlined in the draft management plan. Much of the land development for farm settlement is of previously undeveloped, secondary vegetation. This compares with other farm settlements, where development of previously farmed land has occurred, as at Whataroa and Waitaha.

The development phase occurs over a 10-year period. Areas are grassed and consolidated with a substantial increase in carrying capacities. As well as the establishment of these economic units, the selection and balloting of farm settlers occurs.

The Department of Lands and Survey employs the goods and services of a range of contractors during this phase. These include fencing, earthmoving, and top-dressing contracts. Where practicable, expenditure has been made locally. As a consequence, short-term, direct benefits accrue through this expenditure. The

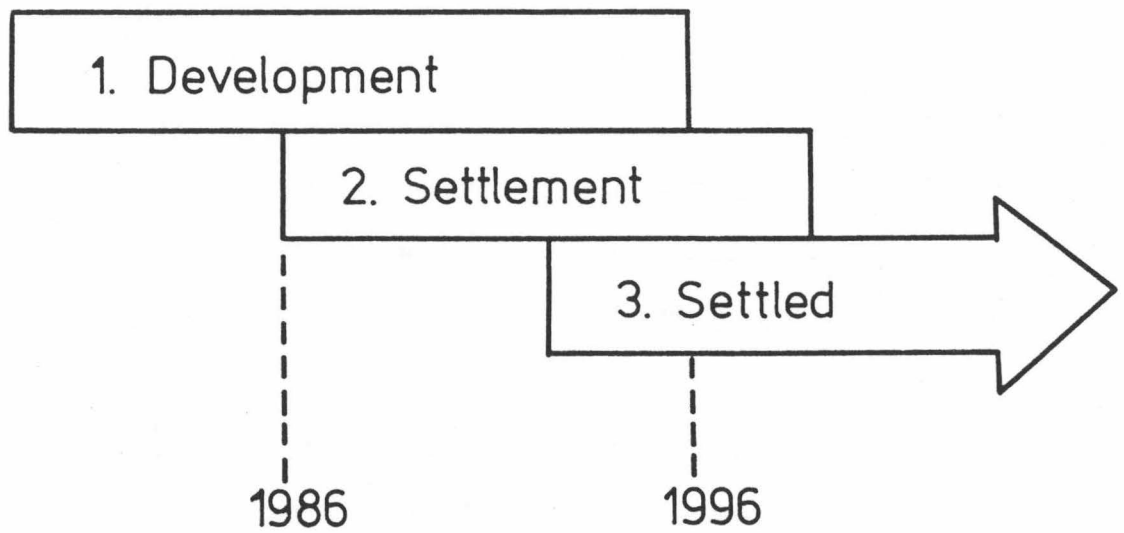


Figure Four: Phases of Farm Development and Settlement

multiplier effect that the Department has on various sectors of the regional economy is discussed further in Section 3.5.

3.2.1 Community attitudes to Butler's farm settlement

Despite the general activity of Lands and Survey at Butler's, this Department has a low-key profile amongst members of the Hokitika and Ross communities. It is necessary, therefore, to gain an idea of what the people of the Hokitika-Ross area understand about Butler's farm settlement and the impacts it will have.

The following attitudes to Butler's were expressed. They give an indication of how well received farm settlers are and how people might respond to potential opportunities for stimulation of the local economy.

Opinion ranged from positive, through indifferent, to negative perceptions of the Butler's development. Among the important (most commonly expressed) attitudes were the following:

* Indifference -

Butler's was viewed as a "non-issue" to some members of the community. On a national level, the

development was thought to be minor, but at least Government was seen to be doing something!

A reason proposed for explaining local indifference was that people pretend that no emerging opportunities for resource development exist rather than "admitting that past opportunities have been and gone". This would perhaps explain too the negative comments about the planning process and government servants.

Another reason stated for indifference or lack of interest was that "Hokitika people think they can get by without being concerned" and that the community does not realise the contribution (direct or indirect) of farm development and settlement, or any investments, to the local economy.

Generally, those people who were not directly involved in the development phase had little knowledge of Butler's.

* Negative

Negative comment about development was related to the prediction that it would not contribute that much to Hokitika in the long term, i.e. settlers' spending on goods and services would not be sustained after initial household requirements are met.

There were perceived inefficiencies and unrealistic expectations of bureaucrats in the management of settlements and ballot farmers. Some public servants are viewed as 'transients', many of whom come to Hokitika in a placement as a career 'stepping-stone'. Some may lack the experience of family responsibility when giving budgetary advice. The opinion was voiced that the Department of Lands and Survey "keep changing their minds" and "have the appearance of not really knowing what they're doing".

This scepticism about "the planning process" is also reflected in the views concerning the centralisation of services in the region. In this respect Butler's is seen as a "window-dressing exercise" to appease local disquiet after the threat by central government to cease all land developments.

* Positive

Butler's was seen as a positive development by some residents of Hokitika and Ross. In this respect the development is good for the morale of the business community. It gave confidence to those thinking about developing a business, investing in new ventures, diversifying land uses, etc. Those people making such

comments were not necessarily involved in the business sector themselves. Butler's was also seen as offering alternative opportunities for tourism e.g. an agrodome or tourist farm. Others commented that these opportunities would not be taken up because of apathy and the lack of local entrepreneurship.

Overall, the attitudes to Butler's varied considerably. A number of factors influencing attitudes include:

- the amount of knowledge or information a person held about Butler's;
- the present or potential impacts that the person envisages Butler's has on them;
- the general outlook of the person.

Generally the information held by individuals on Butler's was limited or incorrect. Butler's was often envisaged to be solely a dairying venture with few farms. If the person was involved in some way in development, through employment or supply of their goods and services, their comments were more relevant. While people may see that there are benefits from development and settlement, they are unclear as to what actually are the benefits of settlement and how they can respond to maximise local benefit.

3.3 THE SETTLEMENT PHASE

This phase involves the establishment of the farmer (and family) on a ballot farm, further farm development, and servicing of the current account debt. The discussion focuses on the arrival of settlers and the initial response by the community.

There are two options for tenure, freehold or a renewable lease. A deferred payment licence is issued as a step towards a freehold title. Under the licence the purchase price is payable over a finite period, usually around 30-years. The renewable lease has a 33 year term with perpetual rights of renewal and freehold at any time, and requires the payment of rent on the value of the land exclusive of improvements.

The basic qualifications for applications include New Zealand citizenship, age over 25 years, education and experience in farming (Department of Lands and Survey, 1984).

At Butler's the settlement phase for settlers is to occur over a period of ten years with a planned placement of between one to three farms each year from about 1988 onwards. Variations in the pattern and features of settlement will have implications for settlers and their integration with the community.

To assess what the impacts of settlement are requires

- the identification of the features of the farm settlers, their characteristics, social needs, etc;
- the identification of what interaction will occur between settlers, and between settlers and the community;

3.3.1 Characteristics of farm settlers

Information on farm settlers was drawn from the Department of Lands and Survey files and detailed interviews with farm settlers, and those people having involvement in some way with settlers' establishment such as field staff, and community members.

A thorough understanding of what may be potential problems for settlers requires a survey outside the budget of this study. To identify the key issues, therefore, information was drawn from the experience of settlers on past development blocks. The block chosen was at Whataroa where settlement occurred over the period 1976-1982. Information from this settlement is used to highlight features of farm settlers and suggest

possible issues related to the social integration of settlers into the Ross and Hokitika communities. In addition, available information about farm settlers from files on various Lands and Survey ballot farms is presented and discussed.

Information is presented on farm settlers on West Coast settlement blocks (Table 9 and Table 10). The settlement blocks include those at Waitaha, Whataroa, Lake Arthur, Mt Diedrich's and the Grey Valley. The overall period of settlement was 1976-1983 inclusive and involved 29 farms. Of the farmers who were balloted farms, 28 were male and one was female. The majority were married (89.7 percent) and the average age at settlement was 33.7 years. Ages of farmers ranged from 25 to 50 years and the majority (82.8 percent) were over 30 years of age. Of these, half were in the 30 to 34 years age-group and half in the 35 to 50 years age group. It has been suggested by some long-term observers that the age of farmers at settlement has increased with the increase in deposit required for purchase. Between the period 1976-1979 and 1980-1983 the average age of farmers at settlement has increased from 31.8 to 36.8 years of age. The sample size is insufficient to establish a valid statistical comparison. Certainly, the farmers are not 'young' compared to Treasury's (1984) interpretation of

TABLE 10: Age of Farmer at Year of Settlement for the following settlements at - Grey Valley, Lake Arthur, Mt Diedrichs, Waitaha and Whataroa. 1976-1983

Year of Settlement	Age of farmer at settlement	
1976	31, 32	
1977	29, 31	
1978	29, 31, 40	
1979	27, 30, 31, 33, 37	$N=12 \bar{x} = 31.75$
1980	34, 39, 41, 42, 42	
1981	25, 29, 31, 31, 36, 38, 38, 43	$N = 17 \bar{x} = 36.82$
1982	31, 32, 44	
1983	50	
		$N = 29 \bar{x} = 33.69$

settlement aims (see 1.2), or the early working and child rearing phases of a farmer's life cycle, as described by Kaplen (1980).

Where the farmer had a family, there were up to five children, the average being two to three children per family. The ages of children ranged from 0 to 21 years, however, the majority (84.9 percent) were under 15 years of age. The percentage of the total number of children in the 0-4, 5-9 and 10-14 years age group, were evenly distributed and the average age was 8.7 years. This distribution reflects the range in age of settlers and stage of their life cycles at settlement.

Farm settlers originated mainly from outside the Westland region (83 percent) and of these over half (62 percent) were from the North Island. This trend is due to the concentration of the New Zealand dairy herd in the North Island. Numbers of potential dairy farmers on the West Coast are low.

3.3.2 Features of Settlement

The Whataroa case. Whataroa has been described as "an old time community". It was one of the earliest settlements on the West Coast. There has in the past been close community relationships based on kinship and

proximity. This made it difficult for outsiders to "break-in" and be accepted by the community and it was suggested by newcomers that locals felt threatened by the changes taking place. However, considerable change has been observed over the past twenty years, and the close-knit nature of this community has altered with the loss of its young folk and the influx of outsiders. Changes occurring both within and outside the area have included:-

- the road link between Haast and Otago;
- population losses;
- settlers and land developments.

In Whataroa there are now at least three main social groupings:

-
- "old timers"
 - settlers
 - villagers (mill-workers, public servants, etc...).
-

The "old timers" are characterised by the dominant existing group of land holders. Whataroa was traditionally a non-dairying area and dairying was viewed as "bottom-line" in agriculture by some:

"The old timers threatened to shoot the first dairy cow they saw".

Although they did not mean it literally, such comments did indicate the opinions toward different land uses and farming practices coming to the region.

Settlement of 11 ballot farms has occurred over a six year period (1976-1982). Farmers were all males aged between 29-40 years of age. Most were in the 30-45 age group and married. Of those married, all had children ranging in age from 0-19 years. Most children were in the 5-9 years and 10-17 years age groups at the time of settlement. The remainder were either pre-schoolers or in their late teens.

Settlers have generally had previous work experience as sharemilkers and farm managers. Of those from outside the West Coast region, half had come to Whataroa from the North Island, and the remainder from Southland, and Canterbury.

In examining the social aspects of the settlement phase the following general areas are identified:

- on-farm responsibilities: the role of Lands and Survey in helping the settler, the advice of field officers, the personal commitments to the farm required;
- the environment: climate, land capability;
- the community: attitude towards outsiders, kinship affiliations, social activities, etc;
- services: rural deliveries, visits by doctor/plunket, etc.

On-Farm Responsibilities

A feature of this settlement programme was that there were initially three consecutive bad seasons in Whataroa. This made it exceptionally difficult for farm settlers, many of whom had come to Whataroa with inadequate information about what in fact lay ahead of them. Instead, some admitted to having had

"a rose-tinted view"

of how settlement would proceed. The comment was made that

"They aren't forewarned of the problems associated with stress".

Farm settlers responded to their new lifestyle by either accepting that they were entering a new phase in their ambition to get a farm, or tried to continue as they had prior to settlement.

Some settlers felt dissatisfied with the involvement of the Department of Lands and Survey, although they were never sure at the start just what was expected of them as settlers. The Department now provides basic information for new settlers. The view was expressed that potential production estimates and their timing were unrealistic given the circumstances prevailing (i.e. size of farm and poor climatic conditions).

The financial side of settlement appeared to be a factor contributing to stress. Even though farm settlers realised it was going to be tight financially it was still a difficult period. They regarded themselves as not being well-off financially:

"we were all poor".

They seemed to hold themselves in low self-esteem within the community. Some remarked on their children being made conscious of their family's financial position at school. Even locals remarked that new farm settlers couldn't afford to drink because

"They had to watch their pennies".

Others in the community thought settlers expected too much and they should accept their good fortune!

The physical environment

The West Coast climate has a nationwide reputation. Some believe that myths about the high precipitation rate are perpetuated by non-locals and Coasters alike (Houghton, 1979; Hanson, 1984). Nevertheless, people from outside the region were surprised at just how influential the weather is on the newcomer's general "state-of-mind". Unfavourable weather conditions have an ill effect on farm production levels and also on the morale of individuals. As mentioned above, the settlers at Whataroa had the misfortune of several bad seasons, and the impact of this weather, combined with financial commitments and the problems of acceptance contributed to low morale.

Settlers stressed the importance of having adequate drying facilities in the home, as inadequate facilities add to the frustration of having their children house-bound during continuous wet weather.

Another feature of the physical environment is the location of farms and the relationship settlers have to their immediate proximity and to the region. The comment was often made about how Mount Hercules and the Southern Alps create a physical and "mental" barrier for residents and non-residents alike. This barrier influences the effort settlers might make to pursue various interests; for example, to attend night classes in Hari Hari or Hokitika is

"a bind because of that hill".

While there is a feeling of physical isolation in Whataroa, the proximity of the township and farms in the picturesque river-basin does give sense of social cohesion. Settlers emphasised the importance of privacy, but not total isolation from neighbours.

Overall, the physical environment influences both how well on-farm production develops, and how well settlers adjust to their new home.

Services

The difficulties faced in providing services to the Westland region were discussed in Section II. Services such as accessible health facilities are important to a person's 'quality of life'. Other services such as a rural delivery were also considered important, not only for the service provided, but also because it was "a pick-me up". Women, in particular, commented on how a delivery "would brighten your day". Mention was also made of how frustrating it was not knowing what services were available: eg. doctor visits, bread deliveries, etc. As with newcomers to Ross and Hokitika, those in Whataroa found that locals were not forthcoming with information and were vague when queried:

"Having to find out for oneself was another hassle",

The Community

Farm settlers and other newcomers often have some difficulties in coping with the local community. Farm settlers undergo a period of transition when moving into a new area, as would any individual. Settlers at Whataroa had been used to a rural lifestyle, however, the uniqueness of the West Coast - its people,

attitudes and lifestyles - was something quite new and unfamiliar to many, and non-settlers expressed similar views. Some decribed the transition as a "culture-shock".

Some settlers to Whataroa felt alienated at first and did not immediately identify with the Whataroa community. They were viewed as being "separate and self-contained" and felt initial resentment from the locals. The on-farm responsibilities of the new settlers gave them a common bond, and singled them out as a distinct group in the community.

The response by locals to newcomers appears to vary between that experienced at Whataroa and Hokitika-Ross. Whataroa farm settlers were approached by locals to join up on clubs, committees, etc. Where invitations were initially declined, settlers were not asked a second time. Some had visitors to their homes - people "popping in to introduce themselves" and have a "nose-around". The level of hospitality does not usually extend, however, to being invited back into the home of locals. This 'reservedness' was suprising to many settlers - who themselves had lived in small North Island communities and who maintained that people there were more welcoming. Local organisations and sport clubs did not seem to make an effort to recruit newcomers as members. The comment was made that locals

did not realise that newcomers may feel unwelcome and isolated in the community. In the Hokitika-Ross region, newcomers have not been met with the same 'display of curiosity'. People did not seem to be 'welcoming' and were reserved in their responses to casual exchanges or greetings.

Settlement at Butler's

A number of features of Whataroa should be borne in mind using the above information to make projections about the settlement phase at Butler's:

- There is a township at Whataroa while at Butler's there is none.

- Initially, Butler's will have
no focal point or community centre,
a split between Ross and Hokitika townships,
no affinity to Ross township (no visual link)
no school bus service or other affiliations,
no rural delivery,
limited social services

- The Whataroa community has had in the past very strong kinship relationships which made it difficult for outsiders to "break-in" and be

accepted by this community. It is believed that today such kinship ties are not as strong in the region, nor in Ross;

- Farm settlement and dairying were new land uses at Whataroa. Butler's has been preceded by settlement in neighbouring areas of Waitaha and at Kokatahi - Kowhitirangi.
- Settlers at Butler's will not necessarily have similar characteristics to those of other farm settlers, depending on the number of deer units settled. Deer units may involve settlers of a different age and socio-economic status.
- Settlement of Butler's will proceed over years than at Whataroa.

A number of issues emerge from analyses of the characteristics of settlers and features of the settlement phase.

Generally settlers are in their mid-30's, married, with a family. The later implications their settlement at this stage in their life cycle are discussed in Section 3.4.

Settlers did not have a clear understanding of what was required of them by the Department of Lands and Survey. They had a poor idea of the region - its climate and people, and (non-) availability of services such as health and education.

Settlers were perceived as being a separate category of people in the community. Residents are not forthcoming in making themselves known to newcomers, with implications for the social integration of settlers into an area such as Butler's. The following section deals more specifically with the long-term settlement of settlers.

3.4 THE SETTLED PHASE

This phase involves the long-term settlement of settlers. Features of being 'settled' are the outcomes of settlers having coped with the transition onto their farms, their social integration into the community, and their economic position and prospects. Information about this phase came from the interviews with settlers at Whataroa. Comment also came from locals and other newcomers who had observed settlement of ballot farms, or had moved into the community.

Economically, the settlers are at this stage on an installment mortgage and repaying principal. They have two options with their farm - either to continue with the payments, or sell out. If the farmer wants to sell during the first fourteen years, the farm must first be offered to the Crown (Department of Lands and Survey, 1984). Most ballot farms have opted to stay on their farms to date. The reasons for settlers selling out were not investigated in this study and probably are mainly personal ones.

In Whataroa, three of the eleven ballot settlers have sold up after five to six years of residence. One ballot farm in the Waitaha was sold after two years of settlement.

During the settled phase, farmers are in the latter stages of their life cycles, especially if they were in their late 30's to early 40's at settlement. Settlers' children are in their teens by this time - some remaining at the local area high school at Hari Hari and others at boarding school, with some gone from the district.

After about four to five years of settlement, the farm has consolidated and is running smoothly. Priorities for future development of the farm then seem

to change, and the motivation for further intensification and improvements may be reduced.

Settlers found that their lifestyles had changed over the years. Their children had grown up and were leaving home. It had been a challenge and a difficult time getting the deposit for the farm, and moving to a new area. Some settlers expressed that they felt "burnt out". There was also "an emptiness around the place". Other things now needed attention such as renovations to the house, replacement of furnishings and household goods.

Settlers were concerned for their childrens' future development. There are no centres for tertiary education on the West Coast. Furthermore, the range of employment opportunities for young people were limited and it is very difficult to get apprenticeships in the region -

"...it is a sacrifice to let them leave, and most do."

These findings are reinforced by the work of Kaplan et al. (1980) in their study of hill country sheep-beef farms near Wanganui. While their research focused on established family farms it does emphasise the importance of the life-cycle as a factor in a

farmer's attitude to development. They describe two important periods in the life-cycle: coming to financial management, or

"getting the cheque book",

and a relaxation in the early 40's called

"entry into the holding pattern"

They contend that for best effect in development a young farmer should have control of the farm as early as possible. Although settlers of any age will have much enthusiasm to start with, this might wane more quickly and become affected by other concerns for older settlers. This trend will have implications for Butler's if the present pattern of older age at settlement is continued.

Social Integration of Settlers

A question concerning Butler's is whether settlers will identify with the existing community and, if so, will it be Ross or Hokitika. It is important to identify what links may form a basis for social integration of settlers into the community. There are a number of factors which affect the way people group

together socially as described in section 2.8, and people can be affected by several group "interests" when taking part in the social life of a community. The following factors are influential to social integration. Examples are given of the Whataroa experience where possible.

People who live or work in proximity to each other tend to form "neighbourhoods". A newcomer made the comment that

"you mix because of proximity not because
you share things in common".

The people of Ross already perceive that settlers at Butler's would be

"up the road",

and not part of their township. Similarly Hokitika does not hold affiliations with Butler's in terms of proximity.

Gender is also an important factor. In the West Coast communities strong distinction remain between male and female roles with social life segregated. There are distinct social activities at work, in the

local hotels, schools or community organisations which tend not to involve both men and women. Comments from newcomers indicated their frustration with the conservative social mixing in these communities.

Ownership of assets or common employment interests cause affiliations between people. In Whataroa, mill workers and the farming fraternity are two such groups.

Similarly in Ross and Hokitika, work is an important basis for social mixing. It was suggested that farmers may have some social needs met through work-related activities. But there still remains a degree of social isolation for farmers, and this could be even more so for women working in the home, particularly those with pre-school children. Organisations such as Federated Farmers, Young Farmers' Club and Country Women's Institute therefore can play an important role by instigating the integration of settlers into the region through club and casual meetings. The potential role such groups can play is not fully realised at present.

Another area which has been used as a means of entry by newcomers into the community is religious worship. Local church goers do not necessarily take the initiative to identify parishoners and welcome them into the congregation. A local church leader therefore has an important role to play in welcoming new parishoners.

Settlers have either been willing to become involved in community groups or have kept to themselves and to farming commitments. Many settlers to Whataroa were unable to give a lot of time to committees and clubs. This non-involvement appears to have been tolerated by locals to a degree if settlers were seen to be busy with other duties, for example a broken car or pregnancy. In fact there has been a positive response to accommodate the needs of settlers, as illustrated by playcentre activity and the organisation of meetings which are geared around milking times.

Settlers did not see themselves as being leaders in the community: nevertheless they do have a high profile as a group. Some are active in various issues concerning education, health and welfare. It is believed by some that there has been an element of separate development between settlers and locals in Whataroa. Whether this will occur at Butler's is unknown; however, the process of integration at Butler's, with either the Ross or Hokitika communities, is at present uncertain. Concern was expressed of a "them and us" attitude developing. In Whataroa some farm settlers appear to have formed cliques; and to locals this appears to be negative. It is understandable, however, that farmers sharing similar problems may band together.

A positive feature of this support network is that it encourages co-operative arrangements such as sharing machinery or casual labour. Some settlers thought that this activity could be fostered earlier in the settlement stage.

The local primary school emerged as being very important in social integration. Settlers and other newcomers commented how they used their children as a basis for casual interaction with locals. In Whataroa, their children had difficulty settling into a school which supported a close-knit group. This is not believed to be as prevalent in Hokitika-Ross where there is a more transient population.

The local hotel is also an important area for mixing. Locals commented that settlers were not often at the hotel because they had little time and money. A local hotel or school does not, however, cater for the social needs of the individual. Whataroa settlers expressed how there were few alternatives for mental stimulation. Many thought that Butler's settlers would have their social and recreational needs met by the Hokitika-Ross communities. Some newcomers to these areas did not agree with this. They believed that these communities would not recognise the social or service needs of a farming community and would be slow in accommodating changes to suit.

In summary, the following points can be made about the settled phase. Settlers are in the latter stages of their life cycles. Their home environment and lifestyle has altered since settlement, with children leaving home. Some found this period deflating after all the energy spent getting onto the farm. Associated with this is a wane in motivation for on-going farm development, as is probably common for most farmers.

At present it is not clear if settlers at Butler's will identify with the Ross or Hokitika communities and hence contribute to their vitality. It is suggested that integration with Ross would bring the maximum social benefit, as this small community is experiencing problems with its viability. Social integration of settlers may be enhanced through primary schools, clubs and churches. The involvement of settlers in such groups is not guaranteed, however, if there is no interest in either party to become involved. Some may prefer just to get on with farm responsibilities and locals may remain indifferent.

Settlers, like other newcomers, become a distinct social group. There is the possibility that cliques may form and this has both positive and negative effects. From the farmers' stand point, co-operation is enhanced; however, from the locals' view settlers are not fitting in to their lifestyle.

The well-being and mental health of the settlers are important. They will need help in coping with problems of depression, stress and isolation.

3.5 AN ASSESSMENT OF SECONDARY REGIONAL ECONOMIC IMPACTS.

Primary effects, or the direct impacts of a public programme, are the appropriate measure of outcomes or effects from the national viewpoint. Provided that the direct benefits exceed direct costs in a present-value context, the proposed development is generally justified. Here "present value" refers to the discounting of future revenue and cost streams for comparability in the present. Where public tax revenues are limited and the investment proposals many, cost-benefit ratios or internal rates of return are appropriate means of selecting the most efficient proposals for public financing (See, for example, Forbes (1985)). In contrast to the national accounting stance, the regional or local viewpoint concerns quite different measures of economic impact.

The regional viewpoint explicitly requires the measurement of capital transfers from "outside", and treats additional labour as a "benefit" rather than a cost of development. Furthermore, the flow-on effects of initial injections of capital and labour are

captured in part within the region, leading to further expansion of production and consumption in the future. These so-called secondary or indirect effects, while not counted in the national viewpoint, can be significant and important to the long term growth and/or stability of a region or local community.

The current schedule of development and settlement under the draft Management Plan is reported in Table 11. While the estimates of primary and secondary impacts are based on the preliminary plan, it is illustrative to show what might happen if land use of Butler's is to change significantly in the future. The information reported in Table 12 compares some performance indicators for the present plan (Part B) with a hypothetical change in the mix of farm types to be settled (Part C). It is clear from Table 12 that the magnitude of primary impacts is highly sensitive to development policy. Greater emphasis on dairying rather than sheep farming would result in more units being settled and therefore would enhance the attainment of a regional employment objective. Deer farming has the potential for major increases in employment, production and income, but has an extremely high capital requirement that could limit its attractiveness to many young farmers. It would appear that substantial scope remains for evaluating

TABLE 11: CURRENT SCHEDULE OF DEVELOPMENT AND SETTLEMENT FOR BUTLER'S BLOCK, 1985-1998

Year	Grassed Area Development Phase	Grassed Area Settlement Phase	Farms Settled			Employment Development Phase	Employment Settlement Phase
	-----ha-----		Deer	Dairy	Sheep/Deer	-----man years----	
1985	700	-	-	-	-	1.5	-
1986	860	-	-	-	-	2	-
1987	1060	-	-	-	-	2-5	-
1988	1210	50	1	-	-	3	1
1989	1140	320	1	3	-	3	4
1990	1250	410	1	4	-	3	5
1991	1360	500	1	5	-	3.5	6
1992	1560	820	1	5	-	4	6
1993	1440	1140	1	5	1	4	7
1994	1320	1460	1	5	2	4	8
1995	1000	1780	1	5	3	4	9
1996	680	2100	1	5	4	3	10
1997	360	2420	1	5	5	2	11
1998	-	2480	2	5	6	-	13

000

Source: Butler's Management Plan (In preparation), Lands and Survey Department, Hokitika

TABLE 12: SENSITIVITY OF THE PRIMARY IMPACTS OF CHANGES IN THE MIX OF FARM SETTLEMENT OPTIONS

Primary Impact Characteristics	Principal Enterprise or Farm Type			
	Dairy	Deer	Sheep	
A. Economic farm unit, Settled Phase:				
Farm Size in hectares	100	50	200	
Development Cost (\$10 ³)	164	603	225	
Annual Gross Revenue (\$10 ³)	75	122	90	
Operator's Surplus (\$10 ³)	5	33	5	
Op. Surplus/Devl. Cost (\$)	.03	.05	.02	
Full-time Employment (man years)	1	1	1	
B. Performance Indicators at Completion of Settlement, Present Magt. Plan: 1]				
				<u>TOTALS</u>
No. Units Settled	5	2	6	13
Proportion of Developed Land	28%	5%	67%	
Development Cost (\$10 ⁶)	.820	1.206	1.35	3.4
Annual Gross Revenue (\$10 ⁶)	.375	.244	.540	1.2
Operator's Surplus (\$10 ⁶)	.025	.066	.03	.12
Full-time Employment (man years)	5	2	6	13
C. Performance Indicators Under a Different Enterprise Mix at Settlement: 2]				
				<u>TOTALS</u>
No. Units Settled	10	20	2	32
Proportion of Developed Land	40%	40%	20%	
Development Cost (\$10 ⁶)	1.64	12.06	.45	14.2
Annual Gross Revenue (\$10 ⁶)	.75	2.44	.18	3.4
Operator's Surplus (\$10 ⁶)	.05	.66	.01	.72
Full-time Employment (man years)	10	20	2	32

Source: Draft Management Plan for Butlers, Commissioner of Lands, Hokitika

1] Refer to Table 11.

2] Approximately the same area of land (2,500 ha) is used in both cases B and C.

alternative land development options, especially where the relevant objectives may be both competing and complementary. This point is highlighted in our conclusions section as a useful topic for further study. It is not helpful to consider the primary effects in any more detail here.

The estimates of secondary regional impacts for the Butler's farm settlement are reported in Table 13. In keeping with the previous discussion, these impacts are summarised by phase and timeframe. The secondary impact multipliers which are applied to the primary (or direct) impacts were obtained from Marsh's Westland regional input-output Table 7 (1982, p.37). The procedural approach used by Marsh, namely distinguishing the Department of Lands and Survey's farm development activity from the rest of the agricultural sector, is also followed in this study.

Rather than review her methodology and procedures in this report we recommend that the interested reader consult the Marsh study. She has carefully reviewed the procedural questions in estimating regional multipliers from national input-output tables, and has offered some useful suggestions in how to apply such data in the examination of regional policy issues. Another valuable background reference is Hubbard and Brown (1979).

TABLE 13: ESTIMATES OF PRIMARY AND SECONDARY IMPACTS OF BUTLER'S FARM SETTLEMENT BY PHASE AND TIMEFRAME

Phase and year(s) of estimate	Primary or direct impacts*	Total Regional Secondary Impacts		
		Gross output	Household Income	Employment
Development Phase Estimates in current dollars x 10 ⁶			
Accumulated L & S Dept. Expenditure to 1990	\$1.813 m	\$5.24 m ^a	\$1.577 m ^b	
Employment created in Man years in 1990	3			10 ^c
Settlement Phase				
Annual gross output in 1990 (4 dairy, 1 deer farm)	\$.179 m	\$.272 m ^d	\$.032 m ^e	
Employment created through settlement in 1990	5			7 ^f
Settled Phase				
Annual gross output in 1998 (5 dairy, 2 deer and 6 sheep farms)	\$1.157 m	\$1.759 m ^d	\$.208 m ^e	
Employment created in 1998	13			19 ^f

Source: Estimates of secondary output, income and employment impacts are based on Marsh (1982). The specific multipliers used (Table 7, p.37) are:

- a. Total output multiplier 2.89, Lands and Survey Department sector 1(a).
- b. Direct, indirect and induced income multiplier .87, sector 1(a).
- c. Type two employment multiplier 3.23, sector 1(a).
- d. Total output multiplier 1.52, 'other' agriculture sector 1(b).
- e. Direct, indirect and induced income multiplier .18, sector 1(b).
- f. Type-two employment multiplier 1.46, sector 1(b).

*This information was obtained from the Draft Management Plan for Butler's Settlement, Department of Lands and Survey, Hokitika.

What do these output, income and employment multipliers show? First, they measure the direct, indirect and induced change in output, income and employment per dollar or per unit change in the variable. The direct impact would measure the expenditure of developing one hectare of grass, the indirect impact would be the purchases (or demands) on local suppliers of lime, fertiliser, labour, finance, transportation and other services, and the induced impact would represent the chain reaction of further inter-industry relations in income, output and once more on expenditure. A large multiplier effect would be expected for large regions on the economy as a whole, since it is the degree of interdependence between the regional economic sectors which accounts for the magnitude of the total sectoral multipliers. Finally, while it may be possible to trace through some of the effects of Butlers on local industries such as fertiliser, contracting etc., the input-output approach explicitly accounts for all of these backward and forward linkages in the single multiplier (again refer to Marsh, 1982).

Considerable caution must be used in interpreting the results shown in Table 13. First, and perhaps most important, while the secondary impacts are reported sequentially -- development, settlement and settled phases -- they are not additive. Rather, they should be seen as "snapshots" of the same process at different points in time. Adding the three sets of data would result in double counting. Second, the development phase results have a different interpretation than either the settlement or settled phases. The primary impact in the development phase represents the accumulated "injection" of capital investment into the local economy from the early 1980's to the year 1990. In contrast, the estimated impacts for the settlement and settled phases are reported on an annual basis for the years 1990 and 1998, respectively. Third, no allowance has been taken for the effects of inflation nor have expenditures in the future been discounted to obtain comparable present values. Finally, the settlement phase understates the primary (and therefore the secondary) impacts since expenditures on the continuing development of the block by the Lands and Survey Department are not included. The secondary impacts are therefore based on the annual production of the "settled" farms at that time.

In general, the results reveal that the secondary impacts of the Butler's settlement programme are expected to be important for the region. The multiplier effects of expenditures during the development phase have significant impacts on regional output and household income. The secondary impact of development expenditure on regional output is more than double the primary impact. As the purchase of local goods and services has a relatively large effect on business income, the flow-on effects of subsequent rounds of spending has a significant impact on regional households. This is indicated by a proportionally large household income effect (\$1.577 million) as compared with the initial expenditure (\$1.813 million).

In the settled phase, the secondary impacts are expected to be of lesser relative importance (Marsh, 1982). This is due to fewer interactions between the agricultural sector and the rest of the economy once the development phase is completed. For established farms the output, income and employment multipliers are substantially smaller. However, it could be expected that with greater emphasis on local processing of agricultural products in the future (e.g. dairy and deer processing in particular) the structure of the economy will become more integrated and the secondary impacts on employment and household income more important. This would be reflected in the magnitude of

the multipliers gradually becoming larger with time, hence the secondary impacts would also change proportionally.

A final note on the sensitivity of secondary impacts to assumptions about Butler's development is important. We have reported some preliminary estimates in Table 13. These should not be used in an absolute sense but rather should be seen as "relative to" what might happen in changing circumstances. This was clearly demonstrated in Table 12 and it should be stressed again. The secondary impacts are based on the primary impacts, and ultimately it is the pattern of development which is the key variable it seems to us. Already it appears that the draft management plan may be changing in this regard. The use of Table 13 lies in its flexibility to consider any changes that might be contemplated. The left-hand column can be changed as appropriate (i.e., the assumed primary impacts) and the corresponding secondary impacts recalculated.

3.6 SUMMARY

In summary, there are three phases identified in the process of farm settlement. These are referred to as the 'development', 'settlement' and 'settled' phases. The development phase is at present having an

immediate impact on some sectors of the Hokitika-Ross communities. But the overall profile of the Department of Lands and Survey remains low-key and the various attitudes expressed indicate a low-key community response to the potential benefits of settlement.

Discussion of the settlement phase has focussed on the features of ballot farm settlers and the initial community response to them. Whataroa was examined as a case-study of a settlement block. Issues concerning settlement were categorised under the general headings of on-farm responsibilities, the physical environment, the community and services. Issues identified for this phase included the problems of transition onto a farm and the lack of understanding settlers had about the settlement scheme and the community. The initial response by the community was one of curiosity, which confirms the general ambivalent attitudes held at present towards future settlers at Butler's by locals of Hokitika-Ross.

The discussion of the 'settled' phase focussed on the long-term pattern of settlement. Farmers at existing settlements are often in the latter stage of their life-cycles and possibly less motivated towards continuing on-farm developments. Factors affecting the long-term social integration of settlers onto the

community included proximity, kinship, religion and employment, and a similar pattern can be expected at Butler's. Settlers form a distinct social group and it would be easy for them to remain isolated. Areas which would assist integration are co-operative arrangements between settlers and an active introduction into community activities. The needs of the individual; mental health remains an important area for further assistance.

Regional and local economic impacts are important, and will vary with the final mix of enterprises. Significant secondary impacts occur initially with the development phase. Secondary impacts appear to have lesser local and regional importance once the farms have been settled. This could change in the future however, especially with dairy and deer farming where there is a growing processing and service sector in the region.

In conclusion it would appear that the the potential benefits of settlement for both settlers and the community may not be realised nor maximised due to the characteristics of the farm settlers, the process of farm settlement, the characteristics of the host community, and the tendency to downplay social benefits in decision making. At present there appears to be a

need for more assistance to settlers in their transition onto the farm and in their social integration into the community. It is therefore necessary at this stage of the planning process to instigate mechanisms for enhancing community and economic viability of the Hokitika and Ross areas. A process for achieving this aim, with specific recommendations, is presented in the next section (IV).

CONCLUSIONS AND RECOMMENDATIONS

4.1 THE SIA PROCESS AND INTEGRATED DEVELOPMENT

An integrated approach to development requires a good understanding of both social and economic objectives. Yet national policies for resource use and economic development do not usually have clearly defined social objectives. In this study an attempt has been made at the level of the West Coast Region, and the community areas of Hokitika and Ross, to identify some important social objectives of development. These objectives broadly concern population growth, employment maintenance and creation, provision of social services and community viability.

It is clear that land development and settlement can make an important contribution to social and economic development and community viability in the Hokitika-Ross area. The level of this contribution will vary, however, depending on the mix of land-use options, settlement pattern and management strategies for the development.

The implementation of a continuing SIA process will assist in further definition and achievement of social objectives for development of the Butler's block.

The following steps are therefore required:

- 1) Lands and Survey should continue to work with the existing "Hokitika Forum" in the setting of objectives for integrated rural development for the Butler's block and other farm settlements within the overall objectives for development of the Hokitika-Ross area. In turn, these objectives would normally be framed by the regional objectives for development of the West Coast United Council.
- 2) An effective and ongoing Ross Community Council needs to be encouraged, as an established means for community participation at this level will play an important part in the definition and achievement of social objectives for the locality.
- 3) A community worker should be appointed to work in the Hokitika-Ross area. Funding will be necessary from both central and local government. The community worker would play a large part in effecting social development.

4) A social monitoring committee should be established for the Butler's development, and other land development projects in the Hokitika-Ross area. Participants would include the Department of Lands and Survey, representatives of the United Council, Borough and County, relevant government departments, the settlers, Ross Community Council, the Hokitika Forum and the community worker. This group would organise the ongoing collection of information about the social impacts of land development, and devise and promote appropriate strategies for action. An initiative by Department of Lands and Survey to set up the committee and a social monitoring process will require support from the West Coast United Council and the Town and Country Planning Directorate, Ministry of Works and Development.

4.2 SPECIFIC RECOMMENDATIONS

On the basis of the social assessment to date, as described in this report, the following detailed recommendations can be made. In most cases the necessary action will be possible within the existing policy and funding base of the Department of Lands and Survey. In other cases, the Department may be able to

advocate action by other Government agencies or regional-local bodies. It is expected that these actions will enhance the social benefits of the development, and add to the contribution settlers make to community viability.

- 1) A package of information should be made available to settlers regarding the social environment of the area. It should be made clear from the outset that the development has social goals, and that the definition and achievement of them is the result of a partnership between the settlers and the local community.
- 2) Settlers should be encouraged to benefit from their distinct social grouping arising from their proximity in an otherwise unsettled area, and status as newcomers. But this grouping could have negative connotations unless it is given positive expectations and tasks such as the provision of support networks. It should always be made clear that the settlers are part of a wide community.
- 3) A rural delivery service should be provided for Butler's from Ross, even if this service results in an average distance between boxholders greater than

0.8 km. This service will improve quality of life and assist in identification of Butler's as part of the Ross community, and in the use of services that can be supplied by rural delivery.

- 4) A school bus service should be established from farms on Butler's to Ross primary school. Involvement with the school will assist in the integration of settlers into the Ross community.
- 5) For similar reasons, farmers at Butler's should be encouraged to join the Ross-Waitaha branch of Federated Farmers.
- 6) Lands and Survey should investigate further the alternative of settling small, part-time holdings, probably for deer, at Butler's. This strategy would increase the number of settlers, and may require revision of policies with respect to size and management of settler's deposits and mortgages.
- 7) The age of farmers at settlement should be considered carefully. Approaches need to be explored to find means of settling farmers early in their life cycle, to encourage a full contribution to community life. Blocks requiring hard physical work should be settled by the youngest farmers.

- 8) Department of Lands and Survey should consider means to support appropriate social development activities as part of the cost of development. This support could include actions as funding subsidies for services such as a school bus, or postal delivery. Secondly, a special fund could be considered for supporting activities such as the pre-school, sports groups, adult education, etc., that enhance the quality of life.
- 9) Information about the objectives and approach of the Butler's development should be made available regularly to the public in the area. A positive public perception of the development will help sectors such as businesses and personal services to take necessary steps to gain advantage from secondary economic effects.
- 10) A strategy should be devised for business development in Hokitika and Ross. This strategy probably best coordinated by the "Hokitika Forum", would aim to achieve improved business skills, marketing activity and accessible small-business finance. A full survey of businesses in the area would provide useful information for future development.

- 11) Department of Lands and Survey should investigate tourist trips to their developments in Westland, including demonstration of deer farming.

4.3 RECOMMENDATIONS FOR RESEARCH ON FARM SETTLEMENT IN NEW ZEALAND

Finally, it is recommended that Lands and Survey, Head Office, should consider designing and supporting further research on farm settlement. This research would have practical application in the wider review of settlement policy, and in the conduct of SIA at specific localities. Research needs include:

- 1) A national profile of farm settlers, including age, sex, family characteristics, origins, date and location of settlement. It should be possible to extract such information from data currently available on file.
- 2) From this information, and interviews of field officers, a selection should be made of selected settlements for in-depth analysis. This analysis should cover local social and economic aspects of development by means of a detailed survey of both settlers and the surrounding community.

- 3) Sound data should be obtained to enable detailed economic evaluations to be made of options for land use and development. Such studies would concentrate first on the "primary" impacts of development, and explore a broader range of choices including the spatial and intertemporal aspects of farm settlement in the region as a whole.

- 4) An improved conceptual basis should be established for integrated rural development in New Zealand. This work would require input from other government departments, such as Town and Country Planning Directorate, Ministry of Works and Development.

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