SUMMARY

- The Statistics New Zealand Business Demographic Series collects information about businesses and the number of people they employ annually each February. The employee count only includes the people receiving wages.

- The following table sets out the number of business units based in rural areas and the number of employees that are employed by these businesses in February 2013, and calculates each as a percentage of the total for the District in each category.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Rural business units</th>
<th>Total District business units</th>
<th>Percentage of District total</th>
<th>Rural employees</th>
<th>Total District employees</th>
<th>Percentage of District total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>111</td>
<td>244</td>
<td>45.7</td>
<td>367</td>
<td>1540</td>
<td>23.9#</td>
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<tr>
<td>Construction</td>
<td>412</td>
<td>813</td>
<td>46.1</td>
<td>813</td>
<td>1940</td>
<td>42.0</td>
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<tr>
<td>Wholesale/retail</td>
<td>150</td>
<td>194</td>
<td>34.5</td>
<td>194</td>
<td>2130</td>
<td>9.1</td>
</tr>
<tr>
<td>Accommodation/food services</td>
<td>32</td>
<td>116</td>
<td>27.9</td>
<td>60</td>
<td>800</td>
<td>7.5</td>
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<tr>
<td>Transport Warehouse</td>
<td>71</td>
<td>159</td>
<td>44.8</td>
<td>74</td>
<td>270</td>
<td>27.5</td>
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<tr>
<td>Finance</td>
<td>108</td>
<td>204</td>
<td>53.2</td>
<td>21</td>
<td>110</td>
<td>19.1</td>
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<tr>
<td>Rental real estate</td>
<td>541</td>
<td>912</td>
<td>59.5</td>
<td>39</td>
<td>240</td>
<td>16.3</td>
</tr>
<tr>
<td>Professional scientific and technical</td>
<td>165</td>
<td>348</td>
<td>47.6</td>
<td>57</td>
<td>430</td>
<td>13.3</td>
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<td>Administrative Support services</td>
<td>84</td>
<td>182</td>
<td>46.3</td>
<td>92</td>
<td>260</td>
<td>35.5</td>
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<tr>
<td>Education</td>
<td>39</td>
<td>84</td>
<td>46.5</td>
<td>313</td>
<td>1230</td>
<td>35.5</td>
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<td>Health and Care Support</td>
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<td>141</td>
<td>28.4</td>
<td>85</td>
<td>900</td>
<td>9.4</td>
</tr>
<tr>
<td>Arts and Recreation services</td>
<td>49</td>
<td>110</td>
<td>44.6</td>
<td>27</td>
<td>190</td>
<td>14.2</td>
</tr>
<tr>
<td>Other Services</td>
<td>72</td>
<td>245</td>
<td>29.4</td>
<td>98</td>
<td>490</td>
<td>20.0</td>
</tr>
</tbody>
</table>

# Note Daiken is included in the Ashley Census Area Unit

- Most of the businesses based in the rural zones are relatively small, and many involve people who are self-employed.

- The diversity of business activity varies across the District, with most of the activities more extensively represented in the south-east of the District and the Ashley/Loburn area.

- Most non-agricultural businesses in rural zones are operating without causing concern to neighbours.
INTRODUCTION

This paper reviews the information provided by Statistics New Zealand’s Business Demographic Series (BDS) about non-agricultural sector business activity based in the Rural Zone in the Waimakariri District. The BDS provides information about the number of business units and employees by industrial classification (ANZIC06) for the District as a whole and at Area Unit (AU) level. These sub-areas within the District in most instances coincide with readily identifiable localities within the District. In a few instances this is not the case, and these areas covered by these will be further identified. The BDS collects information from businesses each February, and this series is linked with the Inland Revenue Department’s (IRD) “pay as you earn” (PAYE) taxation database.

There are differences between the information that is available from the BDS and that collected about workforce participation at each Census. The information about employment from the BDS identifies everyone who receives wages and is taxed via the pay as you earn (PAYE) system in February each year. This means that if a person has two jobs with different employers both will be counted, although no indication is provided about whether these are full-time and part-time jobs.

As the information collected for the BDS comes from the IRD’s PAYE taxation system it does not capture the employment of people who pay taxation via the provisional method. This means that the numbers of people employed by the BDS does not capture the workplace activity of people who are self-employed sole-traders or business owners who are taxed via the provisional taxation system. The daytime workforce captured by the Census includes all those working in an area, and includes the self-employed and business owners but only provides information about a person’s main occupation. This means that if a person has two jobs only one of these is reported in the Census workforce tables.

The following analysis involves reviewing the number of business units and employees for industries not involved with agriculture based outside of the District’s main urban areas. To gain an understanding of the significance of the numbers of businesses and employees in each industrial group, the totals for the rural area are compared with that for the District as a whole. Attention will then be paid to which of the District’s rural areas have the greatest number of the business units and/or employees, and any particular considerations that might be affecting the distribution identified.

RURAL ZONE ACTIVITY

2.1 Manufacturing

In 2013 there were 111 manufacturing businesses in the District’s Rural Zone, with which represented 45.7 percent of the total manufacturing businesses in the District. These manufacturing businesses had 367 people which represented 23.9 percent of the people employed in manufacturing across the District as recorded by the BDS.

Among the areas with the greatest number of manufacturing business were Clarkville with 14 business units employing 25 people, Fernside with 13 business units employing 20 people and Loburn with 10 business units employing 25 people.
The Ashley AU stands out with 11 business units employing 220 people. Included in this area is the Daiken medium density fibreboard manufacturing plant located on the Upper Sefton Road, and many of the employees identified by the BDS as working in manufacturing in this area will be working at the Daiken factory.

Eyrewell also stands out with only 7 business units but collectively these enterprises employ 35 people. In this case, Angus Robertson’s precision manufacturing business will be employing many of the people identified by the BDS as working in manufacturing in this area.

Apart from these businesses, most of the remainder of the enterprises involved with manufacturing in the District’s rural area in 2013 were relatively small. For example, none of the 19 manufacturing businesses based in the Okuku area, at Waikuku, Pegasus, Tuahiwi, Woodend Beach, Cust and West Eyreton have any employees. In these instances, the people operating these businesses will be self-employed or working in a partnership where those involved were not receiving wages.

2.2 Construction

Businesses involved in the construction industry also vary in size, from a plumber or a carpenter who is self-employed or a sole trader to a multi-national business. In 2013 the BDS reported that there were 412 business units based in the District’s rural areas which represented 46.1 percent of the total businesses involved with the construction industry in the District as a whole. These enterprises were employing 898 people employed which represented 23.9 percent of the 1540 people employed by businesses involved in the construction industry based in the District in 2013.

The areas with the highest number of construction related business units in 2013 with the number involved in each case in parentheses were Fernside with 52 businesses employing 140 people, Loburn with 51 businesses employing 50 people, Mandeville (including Eyreton) with 39 businesses employing 50 people, Waikuku with 35 businesses employing 60 people, Ashley Gorge (Oxford rural) with 33 businesses employing 30 people, Tuahiwi with 30 businesses employing 150 people, and Clarkville with 28 businesses employing 130 people.

In some of the other areas the number of businesses exceeded the number of employees, which means that some of the businesses will involve a self-employed sole-trader or a partnership. For example, the Okuku area had nine businesses and only three employees involved in the construction sector, Ashley had 22 businesses and 18 employees and West Eyreton had 20 businesses and eight employees.

2.3 Wholesale and retail

The BDS indicated that in 2013 there were 150 wholesale and retail businesses based outside of the District’s main urban areas, and these businesses represented 34.5 percent of the District’s businesses in this industrial category. At the same, there were 194 employees involved with these enterprises and these people represented 9.1 percent of the 2130 people recorded as being employed by wholesale and retail businesses in the District as a whole.
For wholesale and retail businesses based in the District’s rural areas, including its small settlements such as Ashley, Sefton, Cust and the beach settlements there were very few employees compared with the number of enterprises. Many of these businesses will be owner-operated, and have one or two owners also activity involved with the day to day operation of the business.

There areas with the highest number of wholesale/retail businesses in these areas were 25 in Mandeville with 29 employees, 17 in Clarkville with 37 employees, 15 in Fernside with 12 employees, and 14 in West Eyreton with 3 employees. As with other industrial groups, the number of employees when compared with the number of businesses provides an indication of the scale of the enterprises. For example, there were significantly more employees than business units for the wholesale/retail enterprises in Clarkville which indicates that at least some of these are reasonably large compared with those in West Eyreton. In West Eyreton with only 3 employees and 14 business units means that most of these enterprises are owner-operated with no employees.

2.4 Accommodation and food services

In 2013 there was a significantly lower percentage of the District’s accommodation and food services businesses based in the District’s rural areas and small settlements, than for manufacturing, construction or wholesale/retail. There were 32 such businesses in these areas and they represented 27.9 percent of the District’s accommodation and food service businesses, and these enterprises employed 60 people (7.5 percent) of the 800 employees by the BDS for the District as a whole.

The accommodation and food service businesses located outside of the District’s main urban areas were widely distributed across the remainder of the District. Of these areas Fernside had the highest number with five businesses and nine employees, Mandeville had four businesses and nine employees, and the four businesses in the rural area at Oxford (Ashley Gorge) had three employees. The two businesses in the accommodation and food services industrial classification in Okuku did not have any employees, and each of the single businesses in Sefton, Cust and West Eyreton were also without employees.

2.5 Transport and Warehouse

There were 71 business units in the transport and warehouse industrial classification based outside of the District’s main urban areas, and these represented 44.8 percent of the 159 business in this classification in the District as a whole. The 74 people employed by these businesses represented 27.5 percent of the 270 people employed by enterprises involved in transport and warehousing.

There was a concentration of these businesses in the south-east of the District, with nine businesses employing 20 people based at Clarkville, eight businesses employing nine people at Mandeville/Eyreton, and six businesses employing nine people at Ohoka. Fernside also stood out with eight businesses employing six people. In contrast, a total of 16 transport and warehousing businesses based at Okuku, Tuahiwi, Waikuku Beach, Woodend Beach, Coldstream, West Eyreton and Eyrewell did not have any employees. It is likely that those businesses involved in the transport industry without employees are self-employed owner-drivers.
2.6 Office based businesses

The Business Demographic Series has a range of classifications for businesses which are predominantly office based:

- Finance and insurance services;
- Rental and real estate services;
- Professional, scientific and technical services;
- Administrative and support services

The sub-categories for financial and insurance services are:

- Finance;
- Insurance and superannuation; and
- Auxiliary finance and insurance services

For finance and insurance services the areas outside of the District's main towns have 108 businesses which represented 53.2 percent of the District's total businesses in this classification, and 21 employees which was 19.1 percent of all the employees involved in finance and insurance services in the District. Of these enterprises the most numerous were at Ohoka with 18 business units employing six people, Mandeville with 17 business units employing nine people, and Clarkville with 12 businesses employing six people. None of the other business in the finance and insurance services classification based outside of the District’s main urban areas had employees.

The sub-categories for rental and real estate services are:

- Rental and hire services (except real estate); and
- Property operators and real estate services.

There was also a high percentage of the District’s rental and real estate services businesses based outside of the District’s main towns, and in this instance relatively few of these enterprises had employees. In all there were 541 business units or 59.5 percent of these enterprises based in the rural areas or small settlements, and their 39 employees represented 13.3 percent of the total employees of rental or real estate services businesses in the District.

Again the higher numbers and those with employees were concentrated in the south-east of the District, with the Ohoka area having 51 businesses with 12 employees, Mandeville having 55 employees with nine employees, and Clarkville having 58 businesses but without any employees. There were also high numbers of businesses in this industrial classification with 65 in Fernside, 49 in Loburn and 28 in Tuihiwi all without any employees. The exception to this overall pattern is the Oxford rural area which has 58 businesses and three employees. While there has been a high level of real estate activity in the District in recent years, it is possible that people working in real estate who are self-employed are working across a wider area including Christchurch and north and mid-Canterbury.

The sub-categories under professional, scientific and technical services are:

- Professional, scientific and technical services (excluding information technology); and
- Computer system design and related services
The 165 professional, scientific and technical services based outside of the District’s main urban area represented 47.6 percent of the 348 businesses in the District in this industrial classification. The 57 people employed by these businesses represented 13.3 percent of all of the 430 people employed in professional, scientific and technical services businesses in the District.

The businesses in this industrial classification with employees were also concentrated in the south-east of the District. There were 23 businesses with 12 employees in the Ohoka area, 14 businesses with six employees at Clarkville and 20 businesses with 12 employees at Mandeville. The other areas with significant numbers of these businesses were Loburn which had 28 businesses with six employees, and Fernside with 19 businesses and six employees.

The sub-categories under administrative and support services are:

- Administrative services; and
- Building cleaning, pest control and other support services.

The administrative and support services classification follows a similar pattern, with the 84 businesses in this classification based outside of the District’s main urban areas representing 46.3 percent of the total of these businesses in the District as a whole, and the 92 employees representing 35.5 percent of the District’s total employees involved with these businesses.

As for other principally office based service businesses, there was a concentration of the businesses with employees in the south-east of the District, but in this instance it extended to Fernside and the Mairaki Downs. In this instance, Fernside had 11 businesses involved with administrative and support services with 20 employees, and the Mairaki Downs had three businesses with 45 employees, while Mandeville had eight businesses and six employees, Ohoka had 7 businesses with nine employees and Clarkville had six businesses with three employees.

Again there were a significant number of these businesses across the District that did not have any employees. For those with significant numbers of employees, however, it should be noted that these people need not be working “on-site”. Some of the employees involved with any of these businesses may be working elsewhere but the businesses that employ them are based in the District. Given the number of sole-traders or self-employed people operating as registered businesses for taxation purposes, it is also important to appreciate that the number of businesses may be a better indicator of the extent of economic activity generated that the number of employees. Alternatively the number of employees should be added to the number of businesses on the assumption that each of the businesses has an owner-operator actively involved.

2.7 Education and training

The sub-categories under education and training are:

- Pre-school and school;
- Tertiary education; and
- Adult, community and other education.

Education and training enterprises are also well represented in the rural areas of the District. The main education and training enterprises in the District’s rural
areas are 13 primary schools located outside of the main urban areas. The Business Demographics Series indicates that there are a further 26 business units involved in education and training. These 39 education and training enterprises represent 46.5 percent of the 84 such enterprises in the District in 2013, while the 313 people employed in the rural based education and training business units represent 25.5 percent of the people employed in this sector.

The areas with the most education and training businesses area Tuahiwi with five employing 50 people, Ashley with five, employing 20 people, and the rural area at Oxford with five employing 9 people. In each instance, one of these business units will be the primary school based in the area and others are likely to include pre-schools with private training providers making up the remainder.

2.8 Health and care support

The sub-categories under health and care support are:

- Hospitals;
- Medical and other health care services;
- Residential care services; and
- Social assistance services.

There were 40 health and care support enterprises identified the Business Demographic Series as based outside of the Districts main urban areas in 2013. The number of these business units and the number of people employed varied widely across the District. These businesses represented 28.4 percent of the health and care support business units in the District, and the 85 employees represented 9.4 percent of the 900 people employed by businesses in this industrial classification in the District.

The highest numbers of businesses in this industrial classification were in Loburn that had eight businesses with three employees, Ohoka that had seven businesses with six employees, and Mandeville which had four businesses with 18 employees. As with many of the office based businesses, there were a number of instances where the number of business units exceeded the number of employees in that area which means that at least some of the health and support care businesses involved people who were self-employed sole-traders.

2.9 Arts and recreation services

The sub-categories under arts and recreation services are:

- Heritage activities;
- Artistic activities;
- Sport and recreation activities; and
- Gambling activities.

The businesses classified as arts and recreation services were widely distributed across the District outside of the main rural areas in 2013. There were 49 arts and recreation services businesses based in the District’s rural areas and these represented 44.6 percent of the District’s 110 businesses in this industrial classification. The 27 people employed by these rural based businesses represented 14.2 percent of the people employed in such businesses across the District as a whole.
The highest number of arts and recreation services was in the Oxford rural area which had eight businesses with three employees, Mandeville which had five businesses with 6 employees, and Clarkville and Loburn which each had four businesses with three employees, and Sefton and Woodend Beach which each had four and no employees. Again, there were a significant number of businesses in this industrial classification with no employees which means that quite a high proportion of the people involved with the provision of arts and recreation services in the District’s rural areas are self-employed sole-traders.

2.10 Other services

The sub-categories for other services are:

- Repairs and maintenance; and
- Personal and other services.

There were 72 business units providing other services in the area of the District outside of the main urban areas in 2013, and these comprised 29.4 percent of the 245 businesses in this industrial classification. These business units employed 98 people, and these employees represented 20.0 percent of the 490 people employed by businesses providing other services.

The number of business units providing other services varied across the District’s rural area, with Tuahiwi having 10 business units employing 12 people, and Fernside also having 10 business units and employing nine people. The Oxford rural area had nine business units employing 20 people, while the Mandeville area had nine business units employing nine people. The Ohoka area had a relative small number of business units providing other services with four, but these businesses collectively employed 18 people. Other areas had relatively few business units providing other services, and in some areas these had no employees and in others there were fewer employees than business units.

3 Conclusion

The relatively permissive “effects based” approach to the management of the District’s Rural Zone in the District Plan is one of the factors that can be seen as encouraging the establishment of manufacturing and construction businesses in the District’s Rural Zone. The availability of storage space for vehicles and equipment, in addition to the presence on some properties of sheds previously part of a larger farm and used for farming purposes also makes the District’s rural areas attractive places for manufacturing and construction businesses.

In the wake of the Canterbury earthquakes there has been a substantial increase in construction activity in the greater Christchurch area. When reviewing the number of business units based in the District’s rural areas and the number of people employed by these businesses, it is important to recognise that only a limited amount of construction activity is likely to be undertaken on-site.

The level of activity in most of the industrial categories was highest in the east of the District, with many of the people involved with office based enterprises concentrated in the Clarkville, Ohoka, Mandeville, Fernside and Mairaki areas, plus the Ashley and Loburn areas close to Rangiora. These businesses which often involve no employees are of little concern from a resource management perspective, and are ones that are likely to become increasingly attractive to people living in the rural areas. These people are able to enjoy the advantages of
living in a rural environment and not having to travel into Christchurch at peak time, even their business activities may involve regular visits to the City they are likely to be able to choose the time that they make these trips.

Overall, it is also important to recognise that the number of employees identified in the BDS clearly understates the number of people working in business activities not associated with agriculture in the District’s rural areas. While there has traditionally been a view that agricultural activity should be the predominant form of economic activity in rural areas, the emergence of a wide range of other business activity in the District's rural areas can be seen as offering significant advantages to the community as a whole. In particular, it means that not all the households in the rural areas are likely to be impacted at the same time by various economic cycles and or adverse climatic events. The range of skills available to the community to run organisations and to stage community events is extended because people living in the area are involved in businesses other than agriculture.

From a planning perspective, the concept of “mixed use” is promoted for urban areas where people are able to live and work in the same general locality. Rural areas have always been ones where people live and work in the same place. The development of a wide range of non-agricultural businesses based in rural areas in the Waimakariri District can be seen as a variant of the planning concept of “mixed use”. In the context of the rural and peri-urban areas of the Waimakariri District these non-agricultural businesses, so long as they are in situations where they do not adversely affect the amenity values of the neighbourhood add an important dimension to the District's economic activity and quest for increased employment.