



Gore District Plan Review Economic and population growth analysis October 2021



Quality control

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Executive Summary

The Property Group Limited (TPG) has been engaged by Gore District Council (Council) to prepare a high-level economic and residential growth analysis as part of the background material to support the review of the Gore District Plan.

The purpose of the analysis is to inform the assessment of the future demand for new residential, industrial and employment zoned land. The review has included a desktop review of available industry data, relevant Council documentation, census data and stakeholder interviews to understand and highlight the relevant and future industry drivers.

In summary the key findings of the analysis are as follows:

Existing Population

In 2020, the Gore District had an estimated resident population of 12,900. The Gore town centre accommodates the majority of this population with an estimated resident population of 7,350 followed by Mataura with a resident population of 1,629 in 2020. In addition to the resident population, 2018 travel to work data indicates that there are approximately a further 1,545 people who travelled to Gore and Mataura, making the combined resident population and those travelling to work in Gore and Mataura 10,524 in 2018.

The Gore Urban Area

The National Policy Statement July 2020 (NPSUD) defines an 'urban environment' as *"any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that: (a) is, or is intended to be, predominantly urban in character; and (b) is, or is intended to be, part of a housing and labour market of at least 10,000 people"*. Based on this definition it is considered that the combined urban area of Gore and Mataura forms an Urban Environment due to their urban nature and interdependent resident and labour market. Gore's smaller rural settlements of Waikaka, Mandeville, and Pukerau do not fall within this definition due to their rural character and rural service centre function.

Population growth will be slow without industry growth

The Gore District Council Long Term Plan outlines Council's goal to grow the population by 1,500 people by 2030 giving a new population of 14,300. However, the current Stats NZ prediction is for the population to grow much slower not reaching this population until 2038 at the earliest.

Council's goal for encouraging a higher rate of population growth is based on attracting new industries and business to the Gore District. The history of population growth in the district demonstrates that population change, and fluctuations has been directly linked to the changes in the agricultural sector. This is evident with the new population that resulted from the establishment of the Mataura Valley Milk processing plant. For the population to continue to grow Council has a role to play creating a planning framework that supports industry needs, including the release of land suitable for industry, planning for adequate infrastructure and supporting housing which attracts the required workforce.

Industry growth is likely to remain focused on agricultural and primary production sector

The district's primary attribute for driving economic growth is its prime agricultural land. Projections for the New Zealand agriculture sector is for continued strong growth to grow. However, the impact of the water reforms on the productivity of this industry are yet to become clear. Other areas of employment growth in the district are likely to be those which support growth in this sector, including meat and dairy manufacturing and processing, engineering services and other service-based industries that support the workforce of this industry.

To support this growth, it is recommended that land within Gore and Mataura is rezoned to allow for anticipated growth in the local manufacturing sector. This includes the industrial land located at the corner of SH1 and SH90 in Gore to accommodate future opportunities in the agricultural and dairy industry and land south of the Gore centre and Mataura centre (referred to as Industrial Stage 2 in Gore and Industrial Stage 1 in Mataura in the Spatial Plan) to accommodate growing manufacturing of machinery and equipment and local industries.

Demand for up to 860 new homes over the next 20 years, mainly in Gore and Mataura

Based on the review of population projections and taking into consideration Council's vision for the future it is estimated that there will be a requirement for between 650 and 860 new dwellings for 1,300 additional permanent residents in Gore over the next 20 years (to 2038). This incorporates consideration of the potential shift in average household size and the competitive margin applied in tier 1 and 2 districts under the NPS-UD to ensure best practice planning for growth is given.

It is recommended that through the District Plan review process a staged release of greenfield land is enabled for residential development to ensure infrastructure investment can be focused and efficiencies can be achieved. The staging in the spatial plan is supported with the Gore Stage 1 area being the focus for rezoning as part of this District Plan review and the other areas identified as future growth areas only. This area provides the potential development sites closest to existing amenities and infrastructure networks and it is anticipated that this area can accommodate the majority of Gore's residential growth needs over the next 20 years, particularly when infill development within the existing Residential Zone is quantified as well.

A focus needed on affordable and smaller housing typologies as well as worker accommodation

The shifting demographic of the Gore District and the need to attract more workers to the area means that a large proportion of the new demand for new homes will be smaller typologies in close proximity to services and amenity with less focus on provision of low-density, large lifestyle blocks. To support new industries to locate within Gore it is recommended that there be a focus on providing affordable and quality housing solutions in areas close to employment opportunities and the amenities to support the workforce.

1. Introduction

The Property Group Limited (TPG) has been engaged by Gore District Council (Council) to prepare a high-level economic and residential growth analysis as part of the background material to support the review of the Gore District Plan.

Scope of this assessment

The purpose of the analysis is to inform the assessment of the future demand for new residential, industrial and employment zoned land. Undertaking this assessment will assist in making decisions about where areas for growth should be enabled in the District Plan over the short to long term. Ensuring that appropriately zoned land is released in the right locations and at the right time is critical to the enabling the growth in the district in a way that supports and attracts new businesses as well as planning for the efficient delivery of supporting infrastructure.

The high-level assessment provided in this analysis has included a desktop review of relevant policy documentation, the latest census data, available industry information and NZ Stats growth projections to understand and highlight the relevant and future residential demand and industry drivers.

Context – planning for growth in Gore

In 2018, a Spatial Plan was prepared for the Gore District which sets the future direction for the district's growth over time. It is an aspirational plan that aims to define the place Gore could become – based on the concept of 'Ready for Growth'. The Spatial Plan identifies that there is a need to provide more land for residential and employment generation throughout the district to allow for level of growth that is sought and identifies potential locations where this growth could occur. The next step is to define how much of this potential land will be required and when and how it can be 'released' for development to support sustainable growth of the district.

The structure of this report.

Following this introduction, this analysis provided in this report is set out in the following sections:

- Section 2, provides an overview of the existing levels of population and how this is distributed through the main urban areas within the district
- Section 3, defines the key demographic characteristics of the districts population to assist in understanding the likely housing needs into the future
- Section 4, reviews anticipated levels of population growth and the factors that will influence this including the impact of economic growth attracting higher levels of migration to the district
- Section 5, reviews current levels of employment and the industries that support the district's economy; and
- Section 6, provides an overview of the key drivers for industry growth into the future.

2. Existing Population in Urban Areas

The Gore District has a land area of 125,200 hectares, including approximately 1.5% (1,909 hectares) of urban area and 98% (124,000 hectares) of farmland.

In 2020, the Gore District had an estimated resident population of **12,900** persons which makes up 12.6% of the Southland Region's population of 102,600 (Stats NZ 2020).

The district's population includes **10,524** persons living within the Gore 'functional urban area'. This is based on the 2021 Stats NZ definition of functional urban areas which incorporates the population that live outside the core urban area but access it for employment and services – "a functional urban area consists of a city and its commuting zone" (Stats NZ, 2021, p7). Based on this definition the urban area makes up the Gore centre is defined as a small regional centre for the purposes Stats NZ reporting.

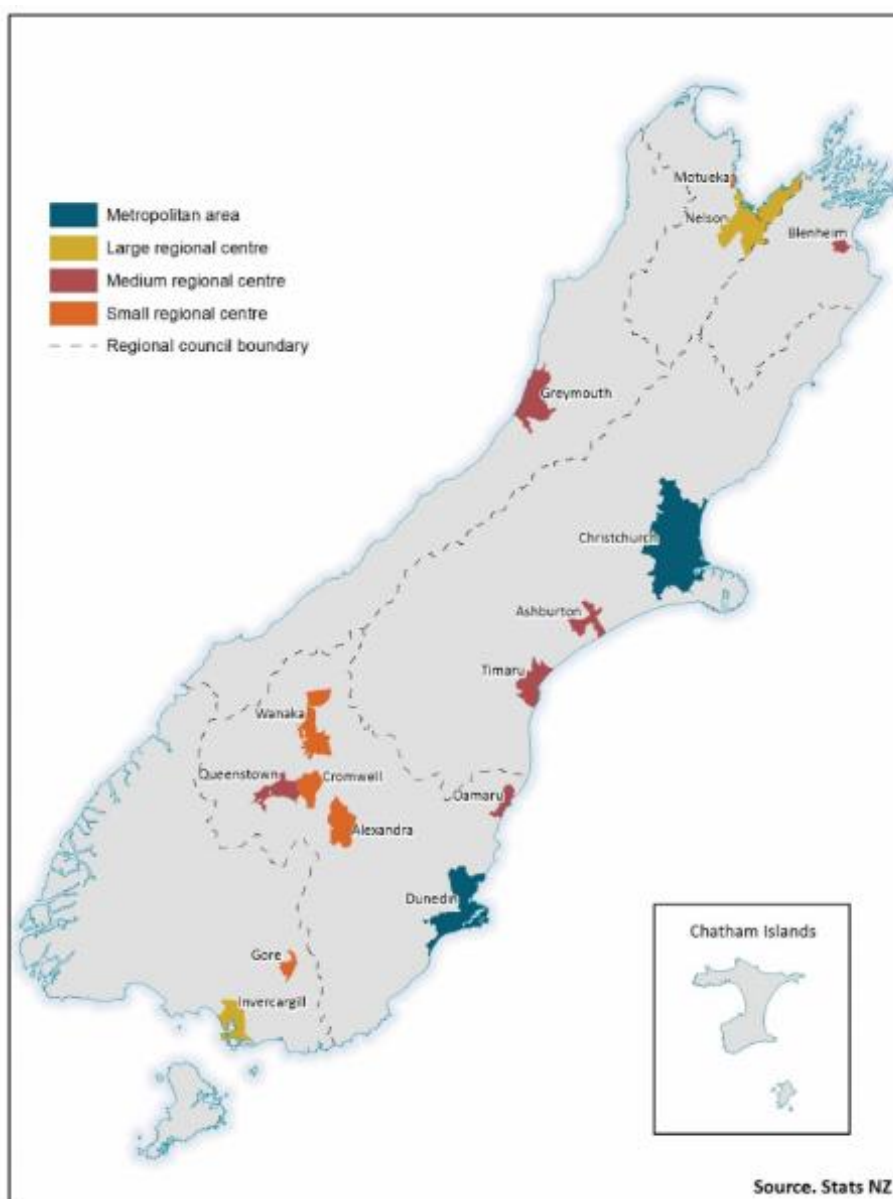


Figure 1: Functional urban Areas by type (Source: Stats NZ (2021). Functional urban areas – methodology and classification. Retrieved from www.stats.govt.nz).

Up until 2006 the population of the district had been through a period of decline corresponding with a decline in the regions sheep farming sector and subsequent closure of the Creamoata Factory (cereal mill) in the township of Gore.

However, from 2006 onwards the population again began to grow. There was a 3% increase from 12,033 in 2013 to a population of 12,400 in 2018. This growth is attributed to the rise in the number of farms in the surrounding area being converted to dairy farms to take advantage of high prices for dairy produce.

The main urban areas within the Gore District include the Gore town centre and the nearby smaller Mataura local centre. There are also the smaller rural settlements of Manderville, Waikaka, and Pukerau. The population density across the district is shown in Figure 2 below.



Figure 2: Gore District Population per hectare

Gore

The Gore town centre covers an area of 1,377 ha. It is divided by the Mataura River, with the majority of the town being situated on the western banks of the river. It is the largest urban area within the district, with a resident population of 7,350 (NZ Stats, 2018).

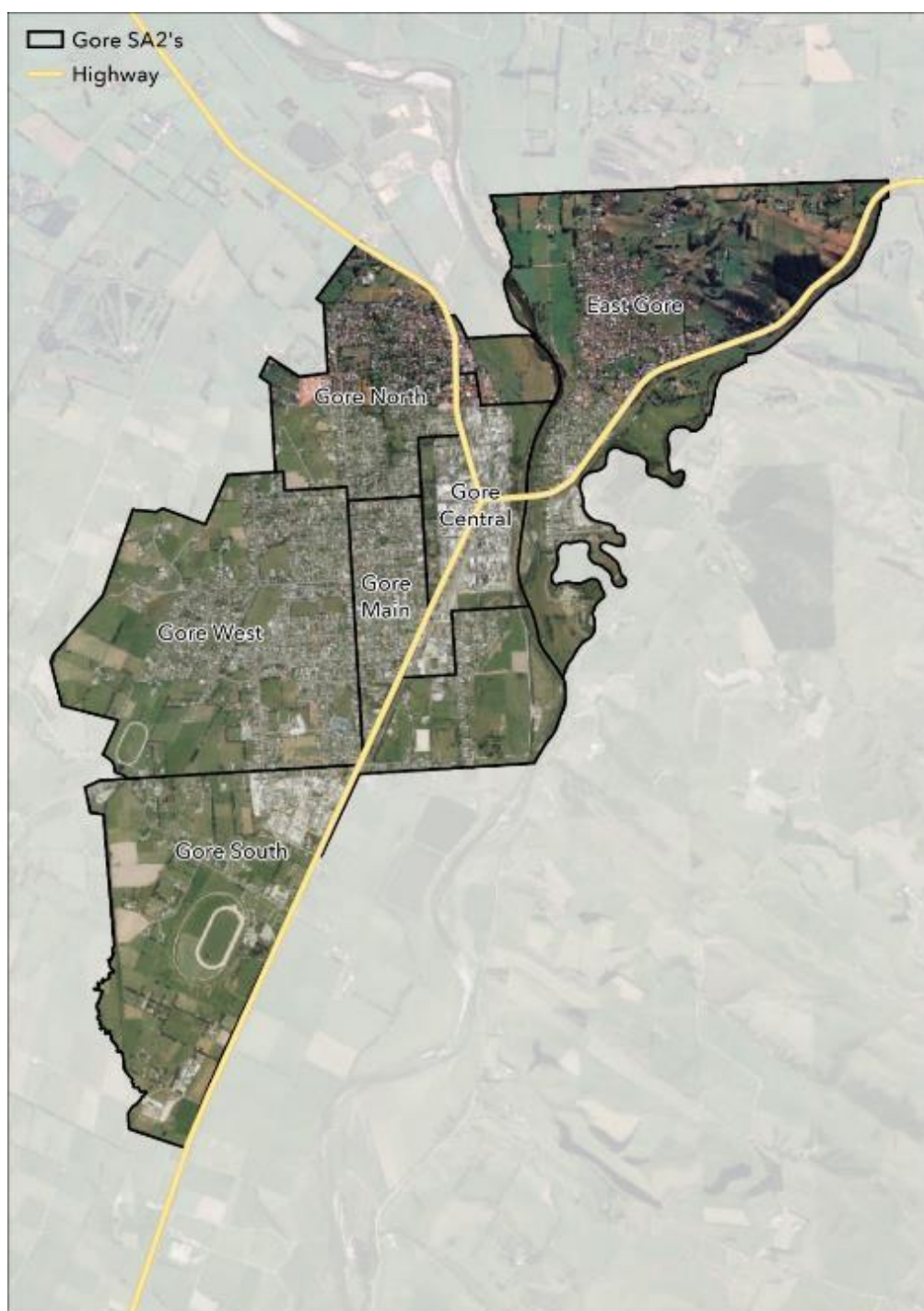


Figure 3: Gore Town Centre – Statistical Area 2(SA2) Boundaries (Stats NZ, 2020)

Table 1: Resident Population Gore (Stats NZ 2018)

Statistical Area	Population (2013)	Population (2018)	Number of private dwellings (2018)
East Gore	1,440	1,443	642
Gore Main	1,200	1,251	651
Gore Central	195	180	126
Gore North	1,557	1,713	756
Gore West	2,703	2,697	1,206
Gore South	597	627	264
Total	7,692	7,911	3,645

Mataura

The township of Mataura is located approximately 12km south of Gore on State Highway 1. It has a strategic location being at the juncture of State Highway 1 and State Highway 93 with the potential to continue to act as a service and employment centre to the surrounding area.

Matura has developed since 1875 when the extension of the railway south of Gore took place and several industrial activities established in the area including the paper mill and freezing works. Despite the recent closure of some of these industrial activities, such as the paper mill, sheep processing unit and dairy factory, there is still significant industrial operations located in Mataura including the Daiken Southland limited plant. Mataura's current population is shown in the table below. The majority of the dwellings are located on the western side of SH1.

Table 2: Resident Population Mataura

Statistical Area	Population (2013)	Population (2018)	Number of private dwellings (2018)
Mataura	1,509 people	1,629	747



Figure 4: Matura– Statistical Area 2 (SA2) Boundaries (Stats NZ, 2020)

As noted earlier, in addition to the resident population, a significant proportion of the district’s residents from other areas access the Gore and Matura townships for either employment or services.

In addition to the resident population, 2018 travel to work data indicates that there are approximately a further 1,545 people who travelled to Gore and Matura, making the combined resident population and those travelling to work in Gore and Matura **10,524** in 2018.

The Gore Urban Area

The National Policy Statement July 2020 (NPSUD) defines an ‘urban environment’ as:

The definition of an urban environment in the NPSUD means:

any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that:

(a) is, or is intended to be, predominantly urban in character; and

(b) is, or is intended to be, part of a housing and labour market of at least 10,000 people

Based on this definition it is considered that the combined urban area of Gore and Mataura forms an Urban Environment due to their urban nature and interdependent resident and labour market. Gore's smaller rural settlements of Waikaka, Mandeville, and Pukerau do not fall within this definition due to their rural character and rural service centre function. This is consistent with the Stats NZ definition of a functional urban area outlined above.

Waikaka Statistical Area

The Waikaka Statistical Area (SA2) covers the northern portion of the district and includes the rural settlements of Waikaka, Mandeville and Pukerau. An overview of each rural settlement is provided in the following sections but for the purposes of looking at population and travel data it is also useful to consider the population at the SA2 area.

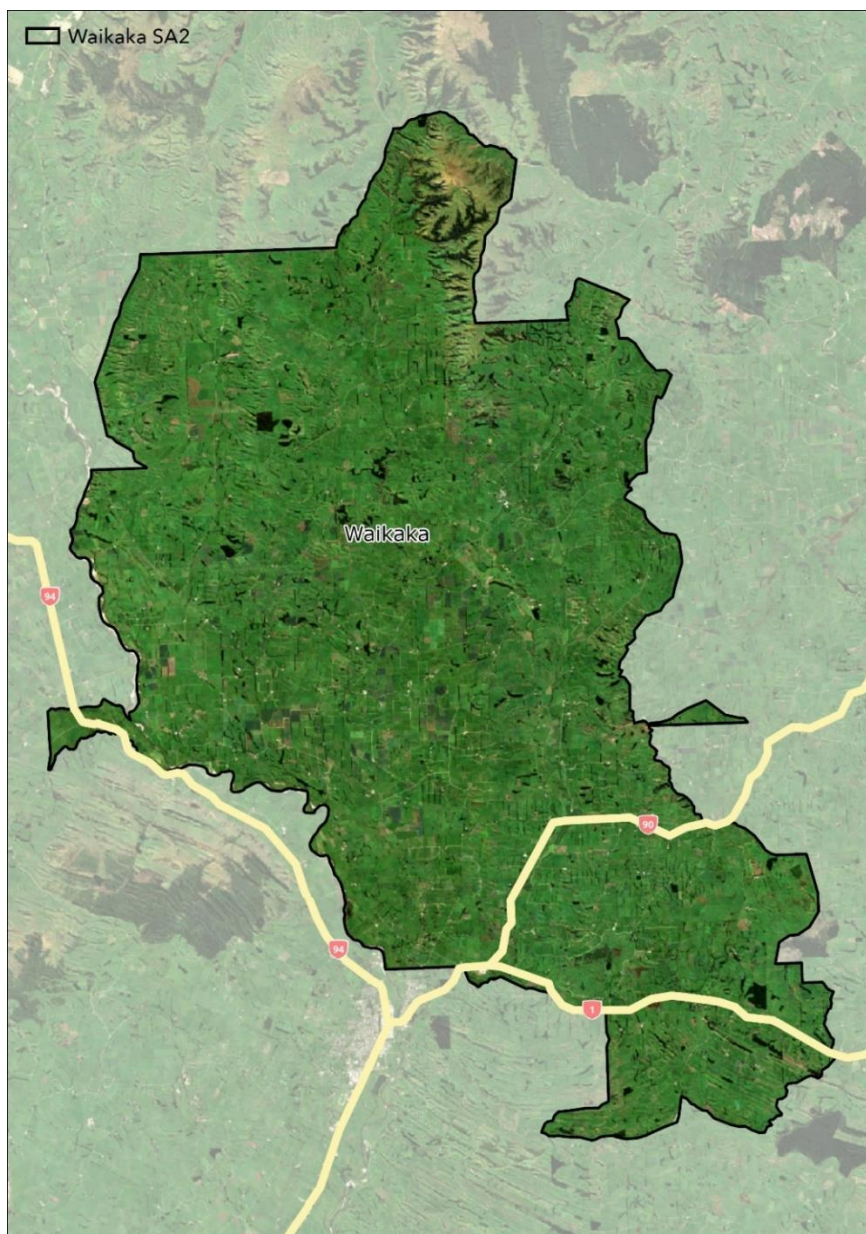


Figure 5: Waikaka– Statistical Area 2 (SA2) Boundaries (Stats NZ, 2020)

Statistical Area	Population (2013)	Population (2018)	Number of private dwellings (2018)
Waikaka	1,554	1,560	648

Waikaka

Waikaka is a small rural settlement approximately 28km north-east of Gore. In 2013, the Waikaka township and wider area had a population of approximately 135 people and 51 households.

Waikaka is a small service town, supporting the wider rural community. Waikaka comprises a small township, including a hall, school, churches, hotel and commercial/servicing activities around which some residential and rural-residential development has occurred. This is an area within the district that has seen a small amount of fluctuation and no real growth over the last ten years.



Figure 6: Aerial photograph of Waikaka township

Table 3: Resident Population Waikaka

Area	Population (2013)	Number of private dwellings (2013)
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Waikaka	135 people	40 dwellings
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Note: 2018 Census data for the mesh block level of the Waikaka township is currently unavailable. Waikaka falls into a broader census SA2 boundary of Waikaka

Pukerau

Pukerau is a small township 14km east of Gore with an approximate population of 70 people (2013). This is an area that has seen some growth over the last ten years, with some level of residential development occurring and the establishment of an engineering business (with 680sqm workshop) in the centre providing specialist agriculture services to the surrounding farms.



Figure 6: Aerial of Pukerau township

Table 4: Resident Population Pukerau

Area	Population (2013)	Number of private dwellings (2013)
Pukerau	70 people (estimate)	40 (approximate)

Note: 2018 Census data for the mesh block level of Pukerau is currently unavailable. Pukerau falls into the census SA2 boundary of Waikaka

Mandeville

Mandeville is a small township located 17km northwest of Gore. It was originally established as a small service centre for surrounding farms however the services provided in Mandeville have declined overtime due to the change in the farming sector and also due to its close proximity to Gore and Riverdale in the Southland District. Despite this decline, it is still home to approximately 50 people and

the centre attracts a number of visitors to the Croydon Aviation Heritage centre and the Waimea Plains Railway Trust railway track tours.



Figure 7: Aerial of Mandeville township

Area	Population (2013)	Number of private dwellings (2013)
Mandeville	50 people	25 dwellings

Note: 2018 Census data for the mesh block level of Mandeville is currently unavailable. Mandeville falls into the census SA2 boundary of Waikaka.

3. Demographic and housing profile

An ageing population

The demographic profile of the Gore District shows an aging population with a decreasing number of people aged between 20-50 years. In 2018, 41% of the population were over 50 and 19% over 65. This is an increase in those over 65 from just 13.7% in 1996.

An aging population impacting on the type and level of services that Gore District requires and the available workforce. It is anticipated there will be an associated decline in the labour force from 67% of the total population to 59% in 2031.

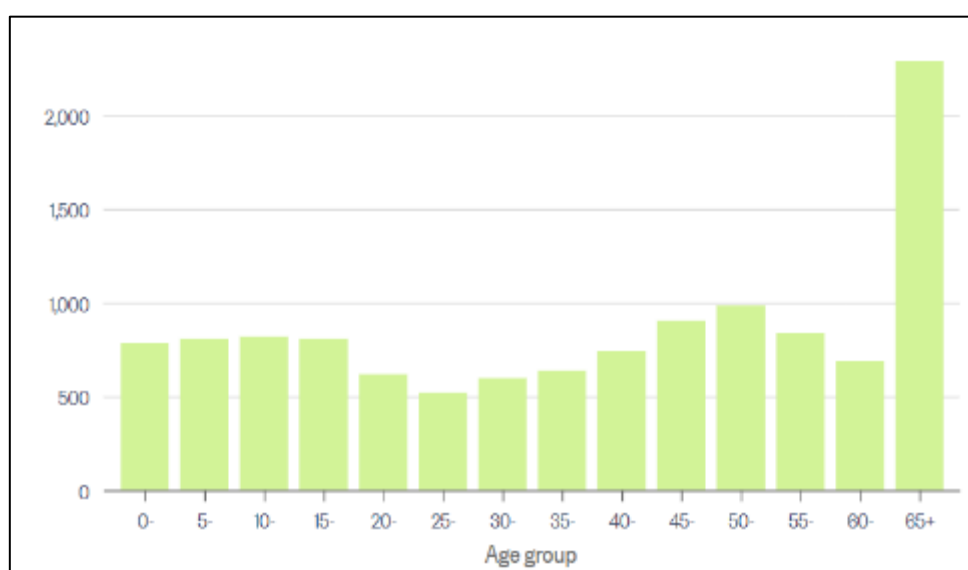


Figure 8: Population by age group, Gore District (Stats New Zealand, 2018)

The 2018 census data shows that there is a trend for older people to be located within the more urban areas of Gore. The area with the oldest median age is central Gore, with records showing median ages of 59.6 years in the statistical areas of Gore Central and 58.6 years in Gore Main compared with a median age of 43.6 for the Gore district as a whole.

The data also shows that 67% of the districts under 15-year-olds are located in the urban area (20% of the total residential precinct's population) and 28% are located in the rural area (26% of the total rural precinct's population). As such, youth are under-represented in the residential areas and overrepresented in the rural areas relative to the district average and the total population. Conversely, the 65+ age group is over-represented in the residential (urban) areas (85% located in residential precincts) and under-represented in the rural areas (13% located in rural precincts). This is an expected trend; as people age, they tend to move closer to social and medical service providers and into smaller, lower maintenance properties. The 65+ age group is particularly concentrated in the Central Southwest Gore Residential and Central West Gore Residential precincts with 12% and 11% of the total respectively.

Average household size

The Gore District has a total number of 5,142 households (5,577 houses) with an average household size of 2.4 persons. This compares to an average household size of 2.7 persons across New Zealand and 2.1 within larger urban areas such as Queenstown and Dunedin.

Two people households are the most common in the district and make up 37.8% of all households. The second most common household size is one person, this makes up 30.5% of households in the district. This is followed by three people households at 12.5% and four people households at 11.9%. This data is shown in graph below:

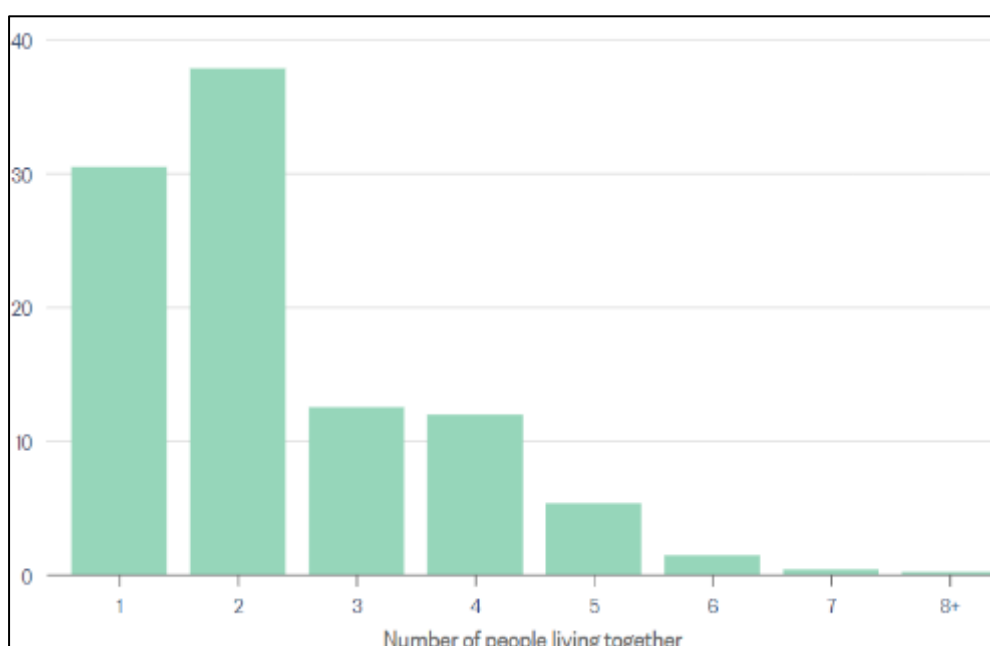


Figure 9: Household size in Gore District 2018, Statistics NZ

Falling rates of home ownership

The 2018 census data stated the district was only at 57.4% home ownership and, up until 2018 there had been declining rates of home ownership generally across the Gore District. However, statistics in 2020, show that 72.5% of households living in the Gore district live in occupied private dwellings which they own, or the ownership is held in a family trust. This is higher than the national household data set at 64.6% and represents a significant increase in home ownership.

Most areas across the Gore District experienced a dip in ownership rates in 2013. This is a continuation of the decrease that the Gore District has experienced since the 1990s. This decrease is consistent with the nationwide trends of dropping home ownership rates due to the increase in the cost of living and housing supply not keeping up with population demand. Evidence of the recent increase in home ownership in Gore is likely due to the lower interest rates that have allowed first home buyers to get on the ladder. The main areas that have experienced a decrease in home ownership are Gore South and Waikaka with Gore Central the only area that experienced a steady increase in home ownership since 2006.

Declining housing affordability

Gore has recently experienced a significant increase in house prices and in 2020 the district had the highest price rise than anywhere else in New Zealand. New Zealand Real Estate Institute (REINZ) statistics show the average median house price for Southland was \$300,000 in July 2019– up 20 per cent compared with \$283,740 in July 2018. The Gore District saw the biggest individual jump in the region over this timeframe with prices up 31.1 per cent from \$225,000 in July 2018 to \$295,000 in July 2019.

Anecdotally the increase in house prices has been linked to an increase in demand from those who have come to the district to work at the Mataura Valley Milk Plant. About 60 per cent of the people employed at the plant were from out of the district, therefore increasing demand for housing in the area and pushing up prices.

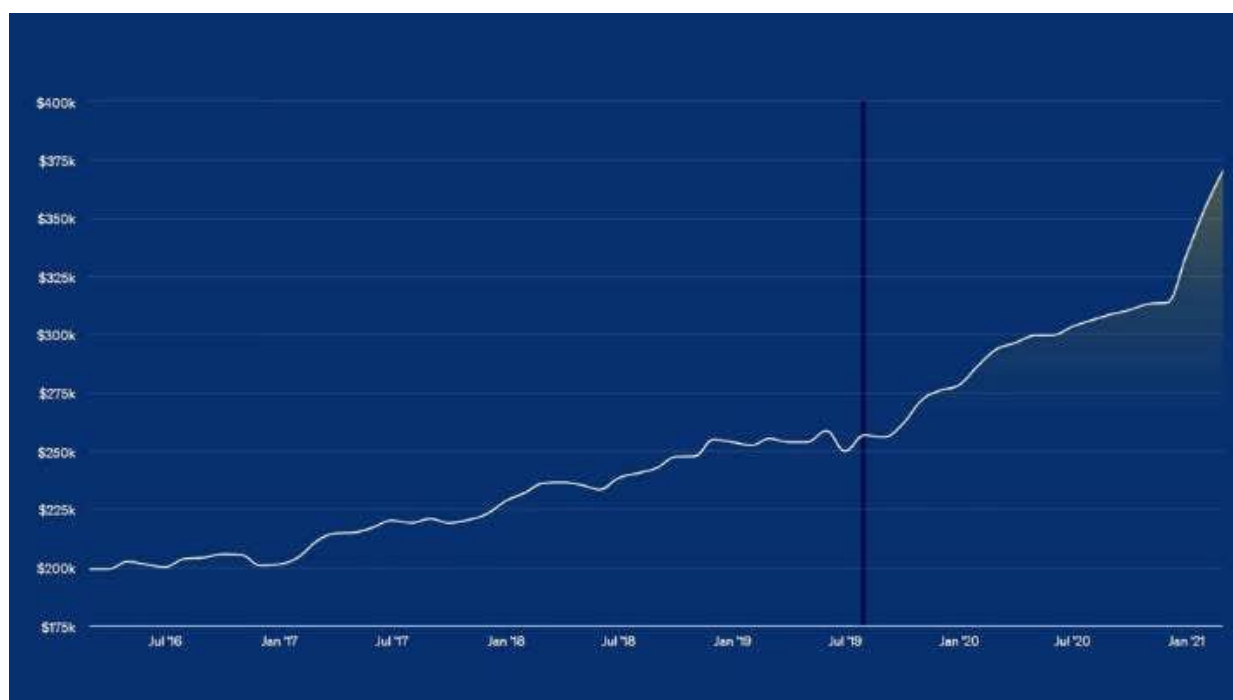


Figure 10: House price increases in the Gore District (QV, 2021)

Despite the increase in house prices, Gore is still a relatively affordable market compared with other areas of New Zealand. Something that could attract further migration to the area as housing affordability remains one of the biggest challenges for New Zealand families.

The decreasing affordability is however creating additional demand for rental options and subsidised public housing. In 2020, the southern region had 1883 public houses and 1000 transitional houses. By 2024, plans are to increase to 2183 public houses and 202 transitional homes. This has been initiated following the number of housing register applications and the local demand for public housing. Gore District currently has just 38 housing tenancies.

Low unemployment

In 2018, the unemployment rate in the Gore District was 2.6%, which is lower than both the New Zealand average of 4% and 3.4% for the Southland Region. The lower unemployment rate is again attributed strong growth in the dairy industry and opening of the Mataura Valley Milk plant in 2018 and potentially those without employment prospects leaving the district.

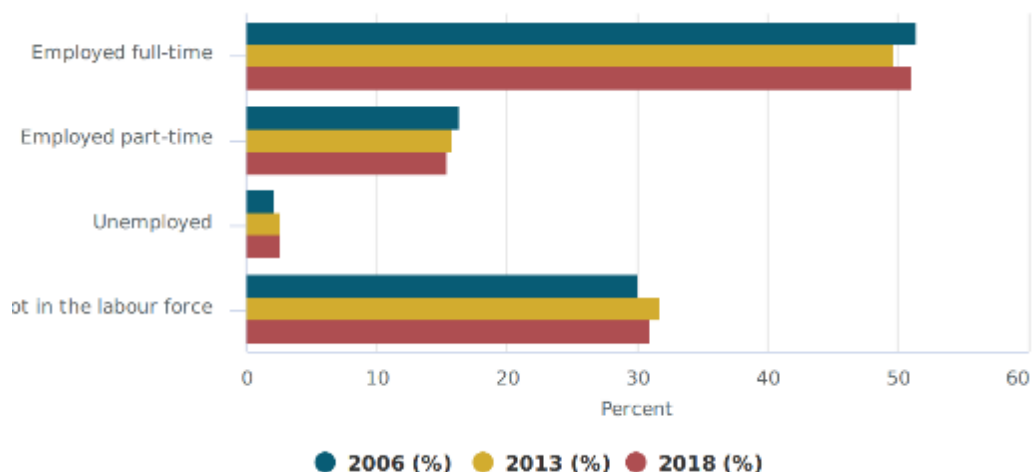


Figure 11: Employment levels in Gore District 2006-2018, Statistics NZ

4. Population Growth

Growth projections

The Gore District Council Long Term Plan outlines Council's goal to grow the population by 1,500 people by 2030 giving a new population of 14,300. However, the current Stats NZ prediction is for the population to grow much slower not reaching this population until 2038 at the earliest.

Table 5: Population Projections (Stats NZ, 2020)

Projections	2018	2023	2028	2033	2038	2043	2048	Change	% Growth
High		13,200	13,600	13,900	14,200	14,450	14,600	1,800	0.4
Medium	12,800	12,850	12,900	12,900	12,850	12,700	12,500	-300	-0.1
Low		12,550	12,300	11,950	11,550	11,050	10,450	-2,350	-0.7

Population growth is not evenly distributed across the different age groups. There is a decline in the percentage of people aged below 30 years anticipated. This is partly explained by current levels of out-migration, particularly among younger people in the Gore District. Historically, the only in migration for the district is from migrant workers who are drawn to the Gore District for its agriculture sector. This is discussed further in the following section.

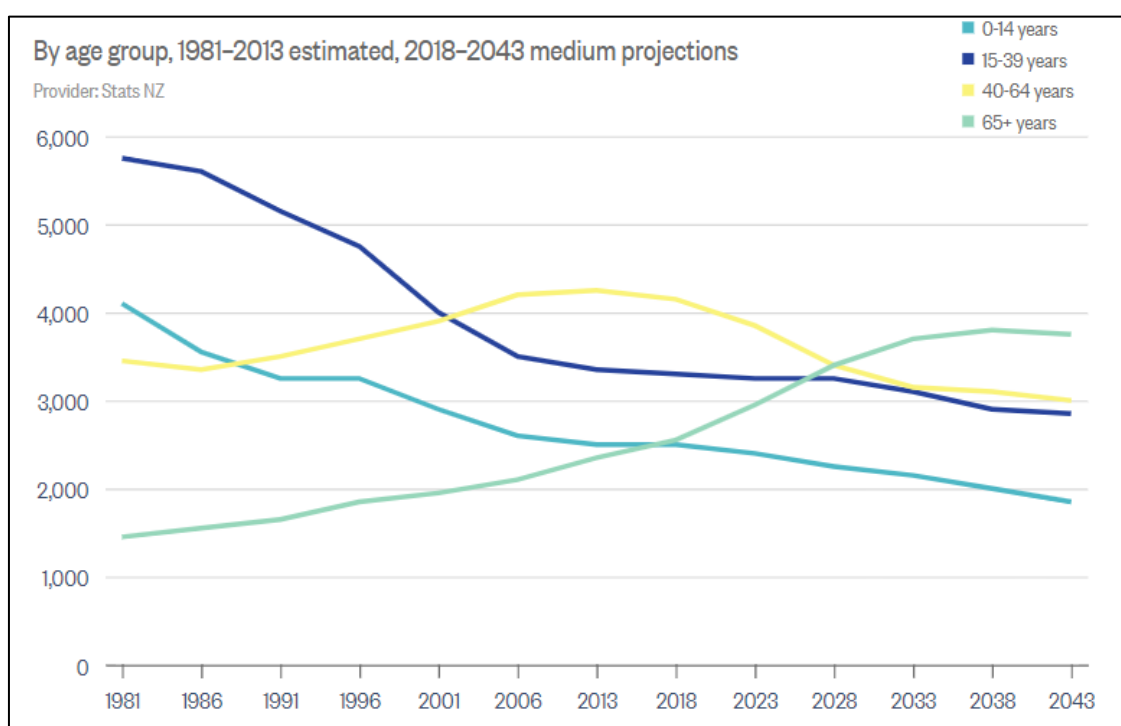


Figure 12: Historical and projected population in Gore District (Statistics, New Zealand)

As noted in the earlier section, Gore has an aging population, and this is expected to continue. As shown in Figure 12 it is anticipated that the older demographic population will form the majority of the Gore District’s growth. The population is projected to have 5,550 people aged over 65 in 2042, being 33% of the total population.

A decline in the labour force is predicted, from 67% of the total population to 59% in 2031. The increasing aging population is also predicted to occur in the greatest proportion within the local, centralised areas of the Gore district. This would be the areas of Gore Central and Gore Main, followed by Gore North, South and West. This is likely to be because of the demand from the older demographic, to need and want, to be close to the local amenities and facilities. The age group that is predicted to have a decrease in population, is the age group 0 - 20 years, followed by the age group 40 - 60 years, with the lowest age group, 20 - 25 predicted to only make up 4.4% of the population in 2043.

Population Mobility

Up until 2016, the Gore District has experienced a period low migration to the district with high rates of people leaving, particularly in the middle age groups. This has led to a prolonged period of negative net migration which has compounded the low population growth (refer to Figure 13).

Despite the Mataura Valley Milk plant attracting new residents to locate in Gore in 2018, population projections predict there will continue to be negative net-migration to the area. A significant new industry or opportunity would be required to turn this around. It is noted that the district’s workforce do not all live in the district with a fifth (20%) of the Gore District workforce resident outside the district (Stats NZ, 2018).

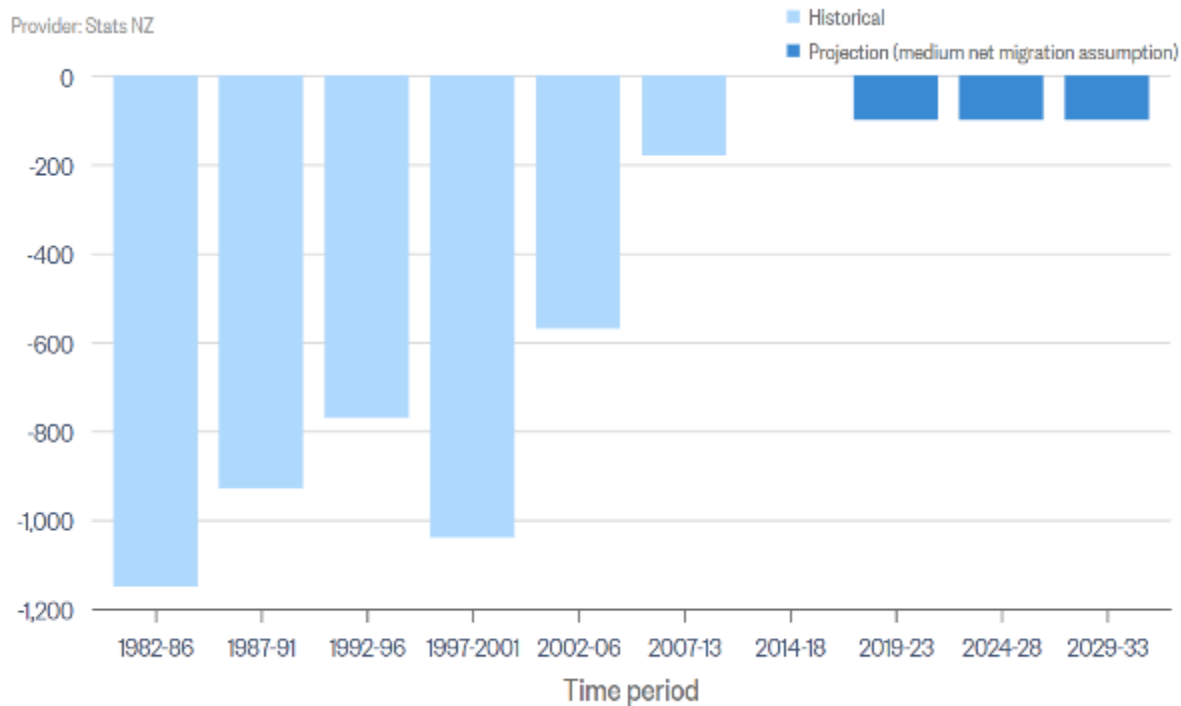


Figure 13: Historical and projected net migration for the Gore District (net number of people) (Stats NZ)

The 2018 census data shows that 83% of the Gore District population has remained in the same residence for a minimum of 12 months. However, the data also shows 14.6% lived elsewhere in New Zealand a year ago and 0.9% lived overseas. This means that a total of 15.5% of the population recorded in 2018 were new residents that had moved their main place of residence to the Gore District. The 2018 data also shows us that 8.8% of the district's population is born overseas, with 2.9% being UK Nationals and 2.2% Asian nationals. This percentage is expected to decrease over the last three years due to the lack of overseas arrivals because of the COVID-19 global pandemic.

5. Future Housing Needs

Demand for additional dwellings

Based on the review of population projections and taking into consideration Council's vision for the future it is estimated that there will be a requirement for between **650 and 860 new dwellings** for permanent residents in Gore over the next 20 years. This incorporates consideration of the potential shift in average household size and the competitive margin applied in tier 1 and 2 districts under the NPS-UD to ensure best practice planning for growth is given.

To support the shifting demographic and future industry growth it is recommended that planning for these homes will need to take the following into consideration:

- **A focus on housing in the main centres, Gore and Mataura** – the demographic analysis demonstrates that the aging population locate generally within the main centres, close to services and amenities. In addition, focusing the growth within the existing centres leads to an efficiency in infrastructure provision. The areas identified in Gore are assessed in more detail below.
- **Introduction of more medium density and smaller housing typologies** – Based on the anticipated demographic shift it can be assumed that a large proportion of the new demand for new homes will be smaller typologies in close proximity to services and amenity. However, based on information from industry representatives providing a range and choice in housing which includes provision of large lifestyle blocks options is also important for attracting workers to the area.
- **Both affordable and quality accommodation for workers** – To support new industries to locate within Gore it is recommended that a focus on providing opportunities for both affordable housing solutions in areas close to the amenities and also high-quality options.

Areas to support residential growth

The Gore Spatial Plan identifies a number of greenfield areas that could accommodate future residential growth as well as the potential for infill closer to the town centre (refer to Figures 14 and 15). As noted above, it is recommended that the focus of residential growth is given in the main centres of Gore and Mataura to accommodate the needs of an aging population and to grow these centres.

In Gore, four greenfield areas (see Figure 14) are identified as suitable for residential development with an estimated potential to provide up to 2,218 large residential lot or rural residential development lots (Gore Spatial Plan, 2018 p23). Based on the high-level assessment of future housing needs provided in this assessment this is well over what will be required to support Gore's growth over the next 30 years.

In Mataura, an additional 200ha (approx.) of land is identified for residential and rural residential development in the Spatial Plan (see Figure 15). These areas would essentially see the expansion of Mataura east of the river and would require investment in local infrastructure to support development. It is not anticipated that the expected levels of population growth would generate sufficient demand in the short to medium term for this land and the majority of population growth in Mataura could be accommodated with the 26ha of underutilised land already zoned residential in the centre.

Rather than rezoning all the land identified for residential growth in the Spatial Plan it is recommended that, through the District Plan review process, a staged release of greenfield land is enabled for

residential development to ensure infrastructure investment can be focused and efficiencies can be achieved. The staging in the spatial plan is supported with the Stage 1 (West Gore) area being the focus for rezoning as part of this District Plan review and the other areas identified as future growth areas only. This area provides the potential development sites closest to existing amenities and infrastructure networks.

It is estimated that this area could accommodate between 930 and 1,400 new residential lots which more than accommodates the districts housing needs. This is a high-level estimate, more detailed yield and structure plan analysis of this area is recommended. Further development feasibility analysis and capacity analysis is recommended to determine the area that should be rezoned for growth.

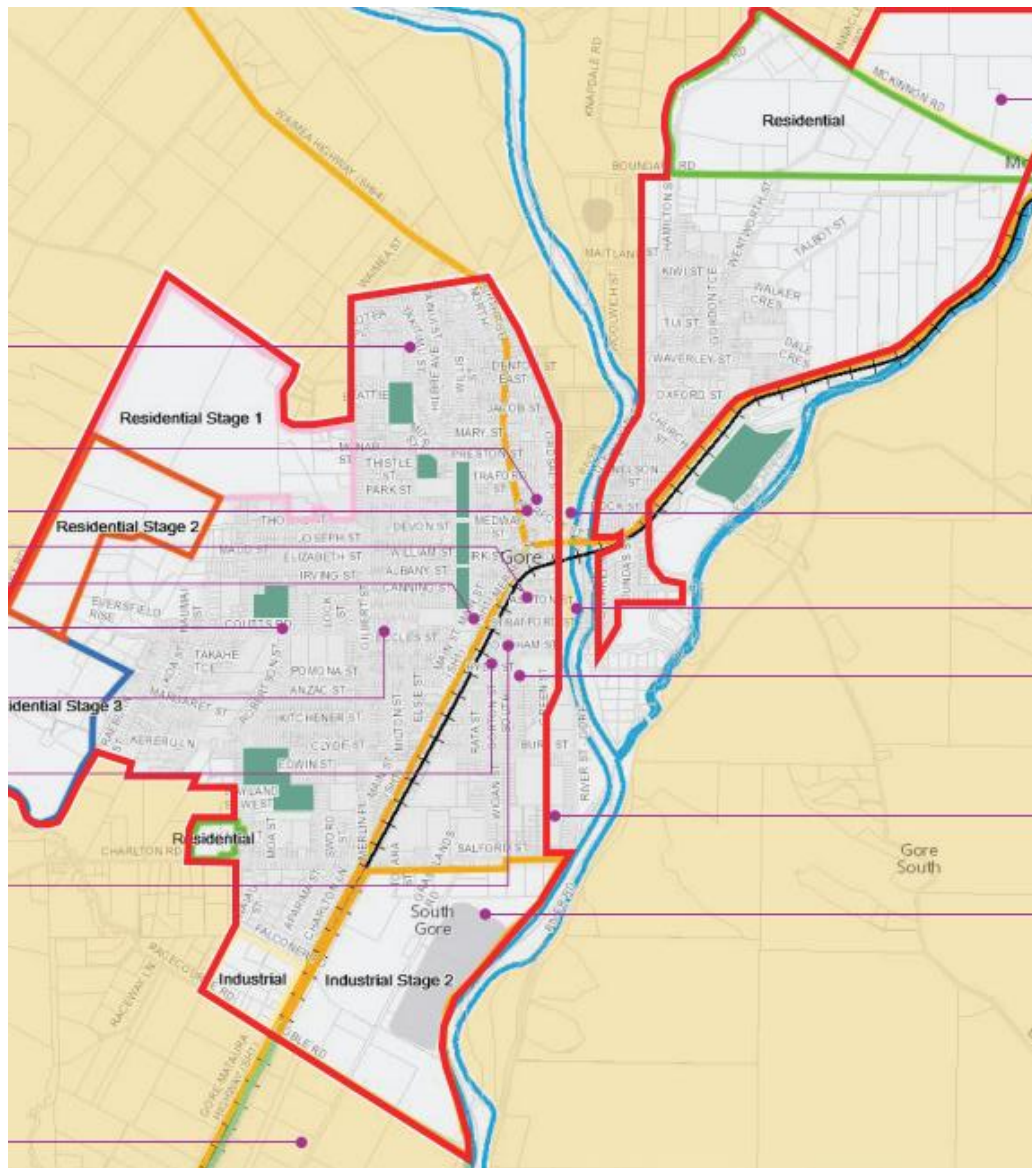


Figure 14: Opportunities identified for Residential and Industrial growth within Gore (the Gore Spatial Plan)

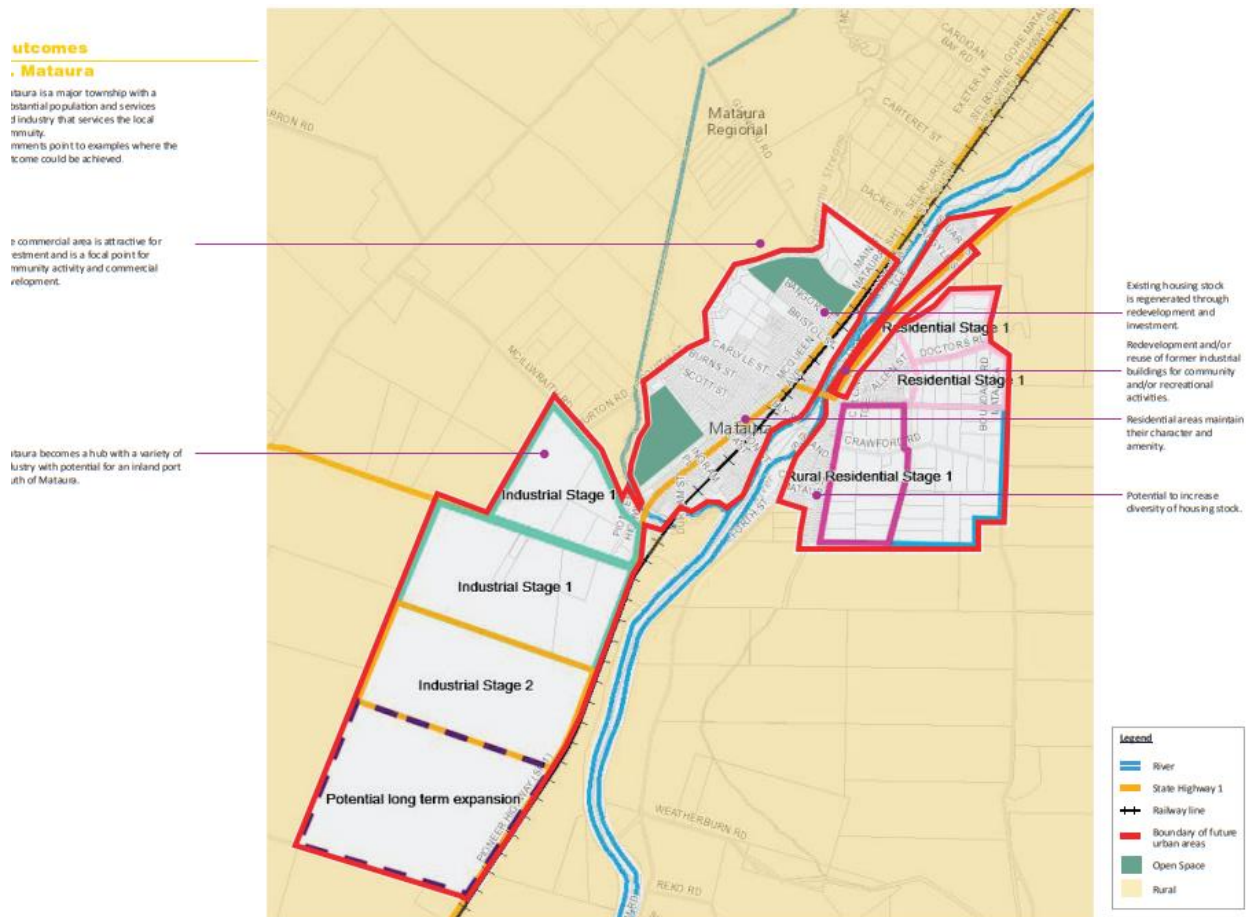


Figure 15: Opportunities identified for Residential and Industrial growth within Mātaura (the Gore Spatial Plan)

The impact of development feasibility and industry needs

The provision of adequately zoned land that supports the districts housing needs will also be contingent on the markets ability to deliver these homes and what type of dwellings are needed to support industry growth. It is recommended that further assessment of development feasibility is undertaken to understand existing barriers to the delivery of homes and whether there are any district plan provisions or other Council levers that can be modified to ensure delivery of homes meets the needs of anticipated population growth.

It is important to ensure a mix a dwelling typologies are enabled to support attraction of a new workforce. This includes both small dwelling types that are available as investment properties that can be rented or are more affordable for the transitional workforce alongside quality homes that attract highly skilled workers to the area.

6. Local economy and employment

Contribution to Regional economy

The Southland Region's economy is heavily dominated by agriculture and manufacturing which are two of the largest industries making up 32.1% of Southland's GDP. Southland is highly productive, contributing 15 percent of New Zealand's tradeable exports from just over 2 percent of its population.

Southland also has a well-established food and beverage sector driven by significant primary sector production. The Southland economy also relies on tourism spend and visitor numbers throughout the region, with domestic and international drawcards including Milford Sound and Fiordland, the Catlins and Stewart Island (Rakiura). In 2019 the Southland region contributed to 2.1% to New Zealand's GDP. This included 8% of the national (MBIE, 2019).

The Gore District is one of the largest contributors to the Southland's GDP, with the largest proportion of GDP in the Gore district accounted for by primary industries such as agriculture, forestry, and manufacturing.

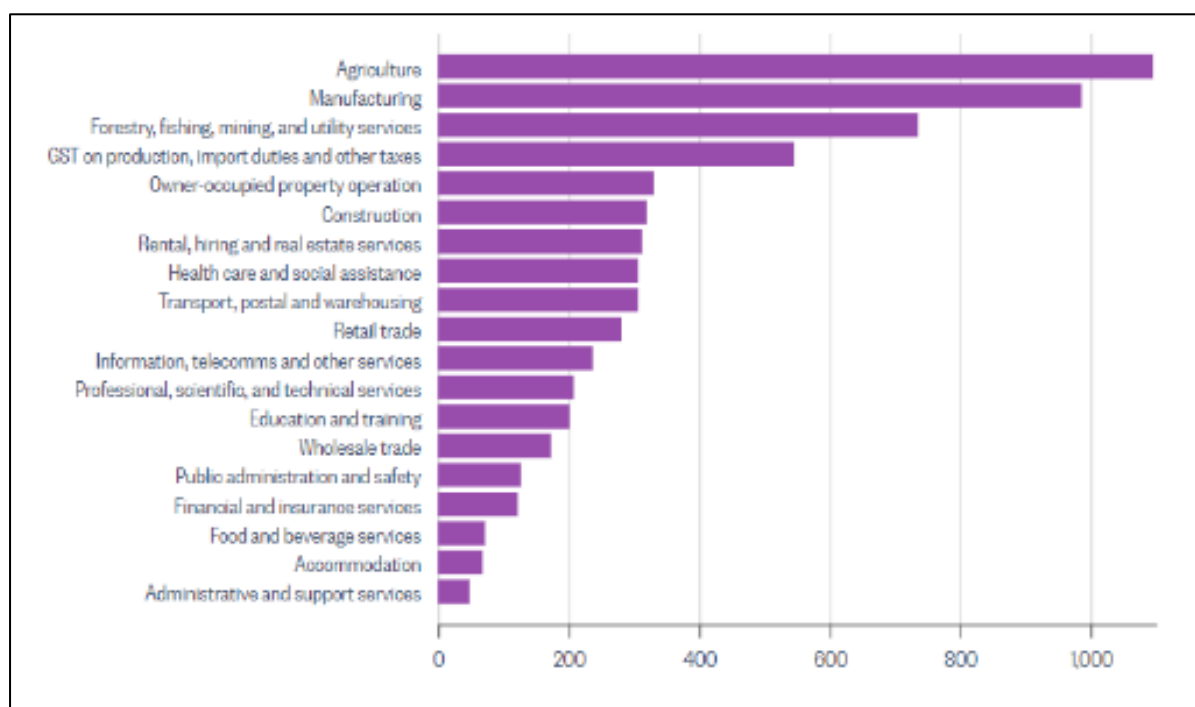


Figure 16: GDP of the Southland Region by Industry (NZD millions), March 2019

GDP growth for New Zealand in 2019 was 5.3%, the Southland Region in comparison achieved an increase of 5.5%. However, in 2020 Southlands GDP increased 3.7% which was below the national average of 5.4%. This is expected as the largest industries, agriculture and manufacturing, are susceptible to fluctuation in commodity prices. The key influence on the high ratios of employees to population, and employees to labour force is the role that Gore District plays in the sub-regional economy.

Areas of Employment

In Gore most people are employed in primary production industries, such as agriculture, forestry, mining, and manufacturing. The data also shows that 14.2 % of employees in the Gore District are technicians and trade workers, 20.2% are managers and 21.8% are labourers.

The focus on agriculture and manufacturing within Gore is demonstrated in the graph below.

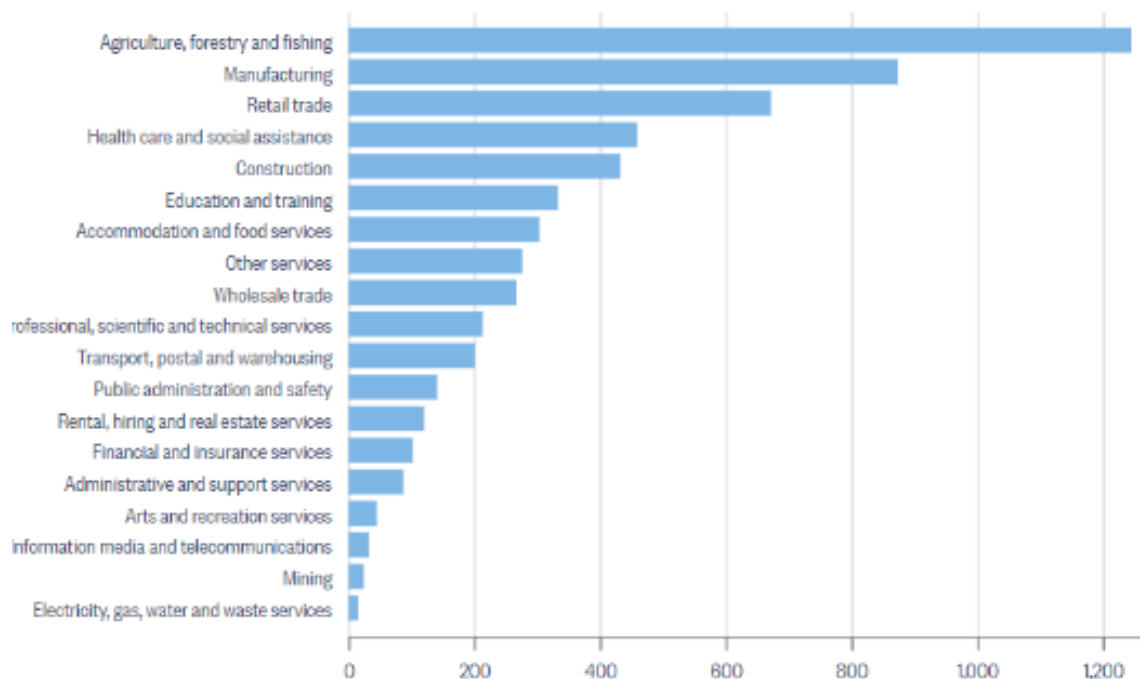


Figure 17: Areas of employment in Gore 2013 (number of people employed) (Stats NZ)

Agriculture

Gore's farming history has predominantly been in sheep, beef and deer farming, but market changes have resulted in dramatic growth in dairy farming and associated dairy processing capability. Gore's climate and rich soils are well suited to several types of land use. Moderate rainfall spread across all seasons means high pasture growth and little need for irrigation through the summer months. Southland also has high summer daylight hours, producing flowers that have particularly vibrant colours. The temperate climate means that animals are rarely stressed by extremes of heat or cold and there are reduced impacts of viruses, fungi and insect pests.

Manufacturing

Manufacturing, including building and light engineering, is one of the largest industry sectors in the Southland region and in Gore. The availability of quality aggregates, timber supplies and an effective supply chain combined with a skilled workforce, affordable land and the support of established transportation infrastructure, has seen many businesses thrive, and offers numerous opportunities for investment. The district supports a wide range of manufacturing and processing capability. This includes milk processing, medium density fibreboard (MDF) manufacturing, plywood veneer production, wood chip processing, concrete production, and niche car building.

Mataura Valley Milk Plant is a large employer located in the Gore District and has now been operational since 2018 and has more than 80 employees. Since opening, the Milk plant was hit dramatically by the covid pandemic however they have recently had an offer from the a2 Milk Company to acquire 75% interest in the Mataura Valley Milk Plant. This acquisition provides the opportunity for the Mataura Valley Milk Plant to participate in nutritional products manufacturing and strengthens their relationship with key partners in China. Since opening, the Mataura Valley Milk Plant has not only provided new employment opportunities, but it will also feed into the maintenance and service sector within the district.

Retail and hospitality

Whilst the retail sector in Gore is not a huge contributor to the district's GDP, it is an area which employs a number of residents. Retail and hospitality activity in Gore District is concentrated in Gore Central, with only a small number of businesses located in Mataura and scattered throughout the rest of the district. Total district sales in retail and hospitality (excluding automotive) in 2010 were estimated to be \$150m, of which around 89% (\$133m) were made by businesses in Gore Central, and 11% (\$17m) by businesses elsewhere in the district (including Mataura).

Travel to Employment

The agricultural and manufacturing industries located in Gore attract workers from both outside the district and also those living within the district.

The district attracts a significant influx of workers, with a fifth (20%) of the Gore District workforce being residents outside the district. However, 9% or just under 450 of employed residents travel outside of the district to work (mostly to Southland District followed by Invercargill City). This compares to nearly 1,120 employees travelling into Gore district for work. Approximately half of those originate from Southland District and a fifth each originating from Clutha District and Invercargill City.

The travel to work statistics for Gore District's population currently shows, 17% work from home, 57% drive to work in a private vehicle, 0.9% Bike, 5.1% walk or jog, 14.1 % use a company vehicle, van, or truck to travel to work. If you compare this with South Gore Data, 63% drive to work in a private vehicle, 4.4% Walk or jog and 2.6% Cycle.

Maps which demonstrate the travel to work data across the different areas are provided in Appendix A with the key numbers shown in table 6 below. This data demonstrates the focus for housing and employment opportunities in the Gore Town Centre, with 73% of people who live there also working in Gore.

Table 6: Travel to work data 2018 (number and percentage of workforce) (Stats NZ, 2018)

Area	Number who live and work in the area	Number who travel to the area for work	Number who leave the area for work
Gore	3,546 (73%)	1,287 (27%)	441
Mataura	258 (47%)	327 (53%)	327

Waikaka (SA2 area)	651 (81%)	153 (19%)	459
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7. Drivers for economic growth

Agriculture

The district's primary attribute for driving economic growth is its prime agricultural land, this is one of the reasons that the agriculture sector continues to grow. The presence of highly productive soils in the District and the need to preserve these for food production will be a key challenge into the future as the urban area expands. The rise of dairying in southern New Zealand has created a number of opportunities, ranging from complete conversion to integrated cropping and dairy grazing options. The farmers of the region have responded in many different ways to engage in this change.

Meat and dairy processing and manufacturing

A recent reason for local economic growth is the Maitava Valley Milk Plant, which has provided new employment opportunities in the area. This new local employer will also naturally feed into the maintenance and service sector as these services are required in future years. Gore District is heavily dependent on the economic success of our agricultural sectors.

Design and construction

Strong growth in the region's design and construction industry will continue to be driven by growth in the dairy industry and demand for new residential development. This is already evidenced in the recent growth in the Real Estate Sector, this is due to the rapid increase in house prices within the Gore District.

Service Based Industries

Coupled with an aging population it is anticipated there will be an increase demand for service-based industries including the health and social assistance.

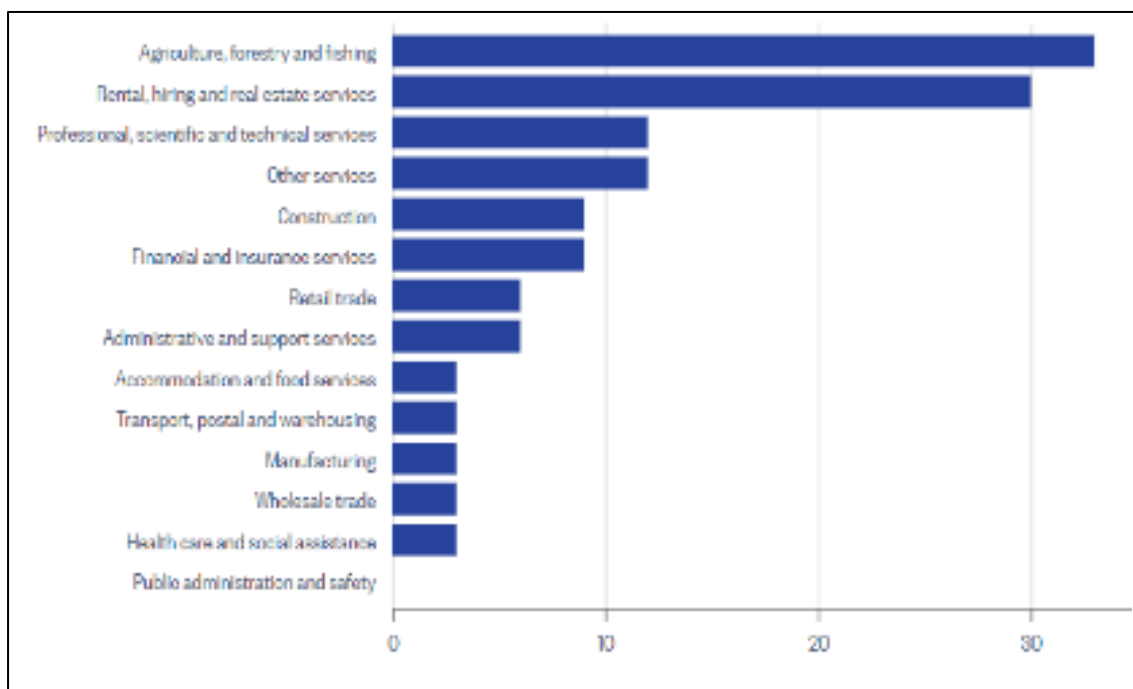


Figure 18: New Business in the Gore District (number of businesses starting operation), 2019-2020, Statistics NZ

Infrastructure investment

Alongside population and economic growth, it is important to consider planned investment in the Southland Region and the role it has in enabling growth of the Gore District. The following planned infrastructure investment projects can will support the levels of growth anticipated but further interrogation of how areas identified for growth can be supported by planned infrastructure is required.

Transport Projects

Funding from Waka Kotahi NZ Transport Agency announced in September 2021 has allocated a \$1.1 million investment in the Otago/Southland Region. This will assist the Southland region carry out their action plan to “create a safe, resilient land transport system that supports economic recovery and growth”. The action plan identifies transport as being one of the enablers of population growth, by providing for rural transport and bulk haulage to South Port, to meet increasing tourist traffic and to support town/city redesign in Invercargill and Gore. This long-term plan should enable better transport links between the districts within the Southland region.

Three Water Reform Projects

In July 2020, the government launched a Three Waters Reform Program. This is a three-year programme to reform local government three waters service delivery arrangements. Local government is facing urgent challenges in the provision of these services including funding infrastructure deficits, complying with the safety and environmental expectations, building resilience to natural hazards and client change into three water networks which will in turn support economic growth.

Gore Wastewater and Stormwater

Gore and Mātaura's wastewater and stormwater systems are old and do not meet today's environmental standards. Around two-thirds of properties in the district have combined wastewater and stormwater pipes, which is a system that is not efficient or effective. In 2018, Gore Stormwater Master Plan (SMP) stage one was started, with the installation of a new stormwater main in Elizabeth Street and St Andrew's Street. This project is one of the first of many that the Gore District needs to undertake over the next 30 to 50 years.

The map below shows the current three waters connections across Gore. The coloured areas are those identified in this report as being potentially able to support growth as per the recommendations of the Spatial Plan. Further assessment is required to demonstrate how infrastructure provision has an impact on the viability of new development in these areas.

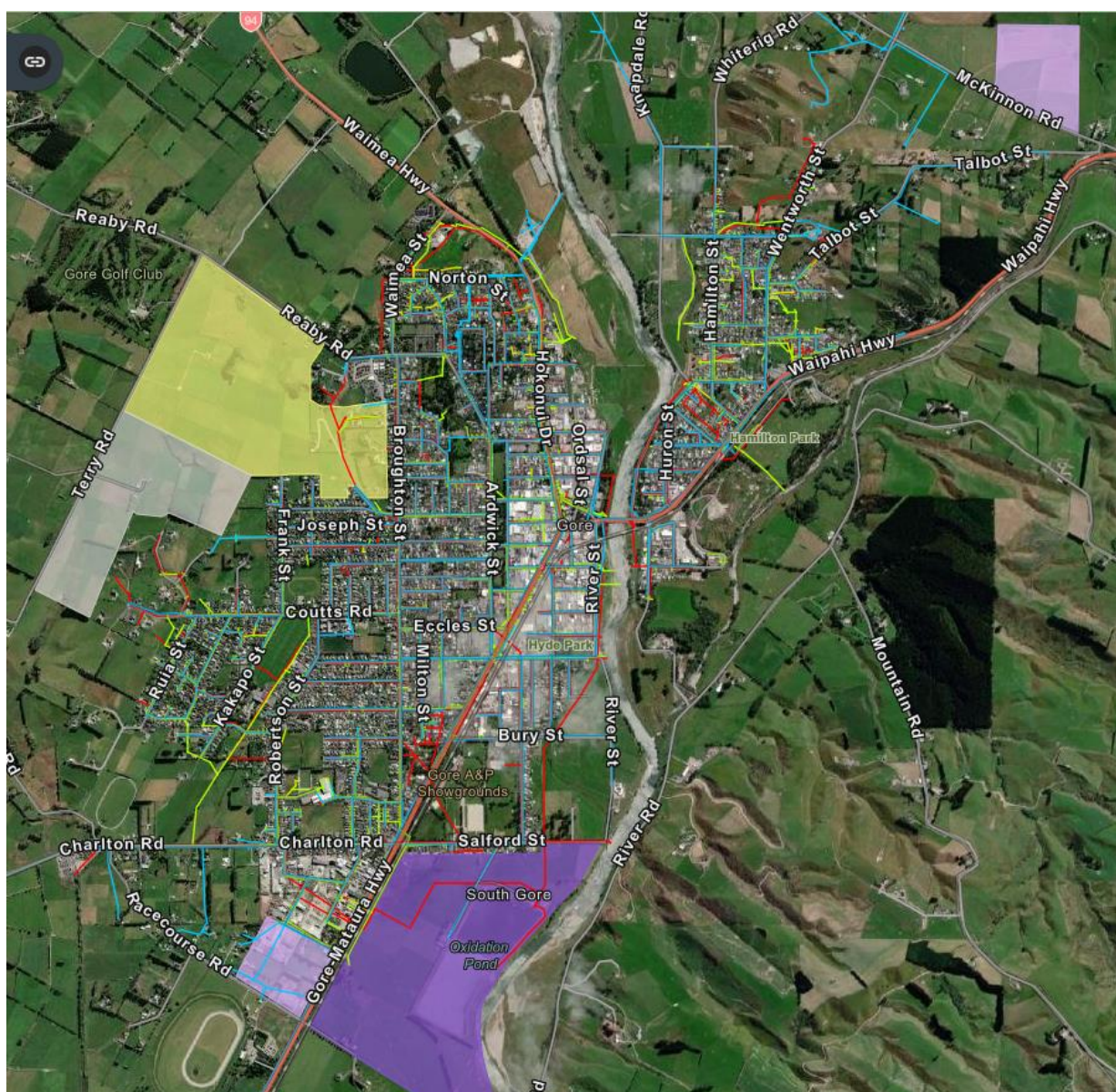


Figure 19: Three waters connections to areas identified for growth in Gore

8. Employment and industrial land projections

Anticipated growth by sector

A review of potential growth in industries and what this means for demand for employment zoned land has been undertaken to establish recommendations for the areas of land that should be further investigated for zoning under the District Plan.

To guide the assessment, a review of industry growth projections given for the Southland Region has been undertaken to build a set of assumptions. It is important to not by industry have been used to make assumptions of how the industries located and concentrated in the Gore District that will place additional demand on industrial zoned land may grow into the future and what this means in terms of land required to support growth. These assumptions are given in Table 7 and table 8 below.

Table 7: Employment Growth Projections for uses on Industrial land (Based on NZ Stats, 2020 projections and ME Environment, Southland Regional Economic Profile 2013)

Sector (ANZSIC06)	Anticipated growth in contribution to GDP 2021 – 2031
Manufacturing	Dairy + meat processing 3% growth (40 additional FTE's)
	Machinery and other manufacturing 40% growth (350 additional FTE's)
Heavy industry	Petroleum and industrial chemical manufacturing and basic metal manufacturing 20% (20 additional FTE's)
Wholesale trade	34% growth in wholesale trade (No change in FTE's anticipated)

Table 8: Assumptions of employee and operation densities by land use (BERL, 2018)

Land use	Activities	EFT per ha	Average EFT per operation	Average land area per operation
Heavy manufacturing	large-scale manufacturing, vehicles, aluminium, steel production	3	9	9 ha
Light manufacturing	Small- scale manufacturing	27	8	0.4ha
Warehousing	warehousing, wholesaling with or without associated retailing	28	8	0.4 ha
Food processing	food processing or specialised food storage	85	46	1.9ha

Examples: Matarua Milk – 30.5ha site (10ha plant area), 62 employees, Daiken – 125ha site (10ha plant area).

Potential Demand for industrial land

Based on the above analysis the following assumptions have been made regarding additional land that may be required to support industry growth:

- Up to 60 ha of land that supports the large to medium scale manufacturing sector (based on an assumption of there being an equal share in heavy and light manufacturing land uses)
- 18 ha of land that supports heavy/wet industry
- 30 ha of land that supports the dairy and meat processing industry.

Capacity of areas identified for Industrial Growth

A high-level assessment of the capacity of land identified in the Spatial Plan for industrial growth (refer to figures 14 and 15) has been undertaken to understand how much land could be rezoned to accommodate future growth. This has included consideration of likely employment densities that could be achieved on areas identified for growth.

Note: no detailed economic modelling of employment growth has been undertaken as part of this assessment. The growth indicated is based on a desktop review of available industry data and preliminary engagement with key industry representatives.

Table 9: Assessment of capacity of areas identified for industrial growth

Areas identified for industrial land use (Spatial Plan)	Likely sectors	Number of operations accommodated	Employment opportunities generated (FTE)
Industrial area located at the corner of SH1 and SH90 (potential for industrial hub that incorporates the Mataura Valley Milk factory) (209ha area) <i>(assumed 40% site coverage of area surrounding Mataura Milk (80ha) to allow for appropriate buffer and site design)</i>	Food manufacturing and processing	Up to 9 new operations	108
South Gore – Industrial Stage 1 (128ha) <i>(assumed 40% site coverage to allow for appropriate buffer and site design)</i>	Assumed area would accommodate a 20:80 mix of light manufacturing, warehousing and heavy industry	Up to 32 new operations	256

South Gore - Industrial Stage 2 (116ha)	Heavy industry, wet industry	Up to 5 operations	45
Assumed 35% site coverage to allow for appropriate buffer and site design			
Mataura Stage 1 (205ha)	Assumed area would accommodate a 20:80 mix of light manufacturing, warehousing and heavy industry	Up to 42 new operations	370
<i>(assumed 40% site coverage to allow for appropriate buffer and site design)</i>			

Growth Areas

As shown in the table above the amount of land identified in the Spatial Plan for industry growth is greater than what is anticipated to meet market demand. There is a balance needed to ensure land is suitably zoned to support the attraction of industry whilst focusing likely growth in suitable areas.

It is recommended that consideration of rezoning of the follow areas identified within the Spatial Plan for industry growth is given through the District Plan review:

Gore

- Land surrounding the Mataura Valley Milk operation and an additional 21ha area of land located at the corner of SH1 and SH90 – to accommodate the anticipated growth in the food manufacturing and processing industry whilst also providing scope to attract new businesses to the area above what is projected.
- Land located south of Gore along the State highway (referred to as Industrial Stage 2 in the Spatial Plan) to accommodate growth in the local manufacturing sector and heavy/wet industry.

Mataura

- Land located south of Mataura (referred to as Industrial Stage 1 in the Spatial Plan) to accommodate growth in the local manufacturing sector

It is recommended that each of these areas is investigated further through more detailed capacity modelling, development feasibility analysis, and environment impacts analysis.

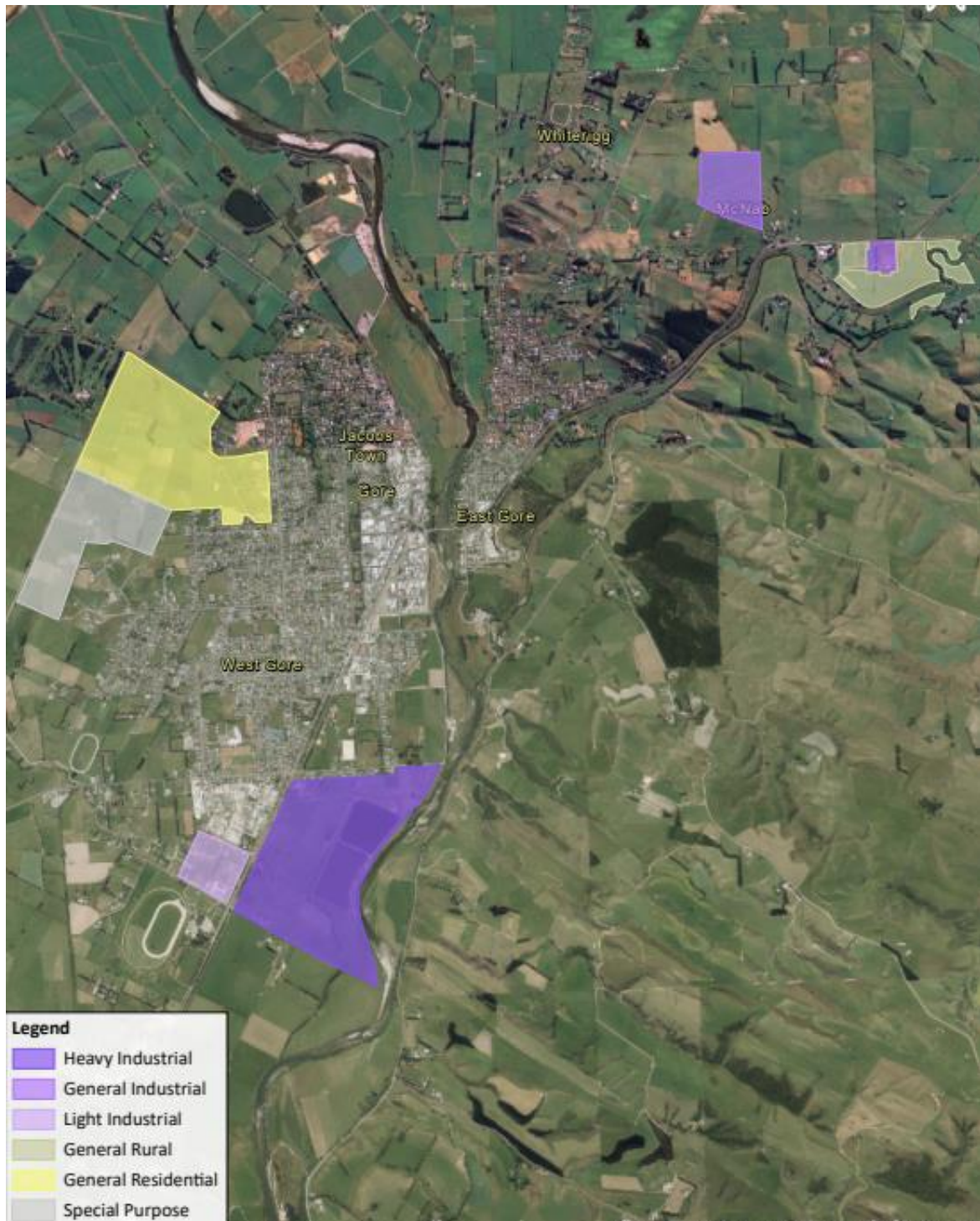


Figure 20: Gore areas identified to support industrial growth



Figure 21: Maitara areas identified to support industrial growth

9. Conclusions

Gore Urban Environment

Given the urban nature and scale of Gore Town Centres current and intended housing and labour market, it is considered that Gore qualifies as an Urban Environment under the NPS_UD. This approach is re-enforced by local examples and by SNZ's classification as a small regional centre. It is recommended that this should be confirmed through further discussions with Ministry for Environment who have a role in implementing the NPS_UD.

Future Housing Needs

Based on the review of population projections and taking into consideration Council's vision for the future it is estimated that there will be a requirement for between **650 and 860 new dwellings** for permanent residents in Gore over the next 20 years.

To support the shifting demographic and future industry growth it is recommended that planning for these homes is focused within the main centres, close to services and amenities. In addition, focusing the growth within the existing centres leads to an efficiency in infrastructure provision.

Rather than rezoning all of the land identified it is recommended that through the District Plan review process a staged release of green field land is enabled for residential development to ensure infrastructure investment can be focused and efficiencies can be achieved. The staging in the spatial plan is supported with the Stage 1 area being the focus for rezoning as part of this District Plan review and the other areas identified as future growth areas only. This area provides the potential development sites closest to existing amenities and infrastructure networks.

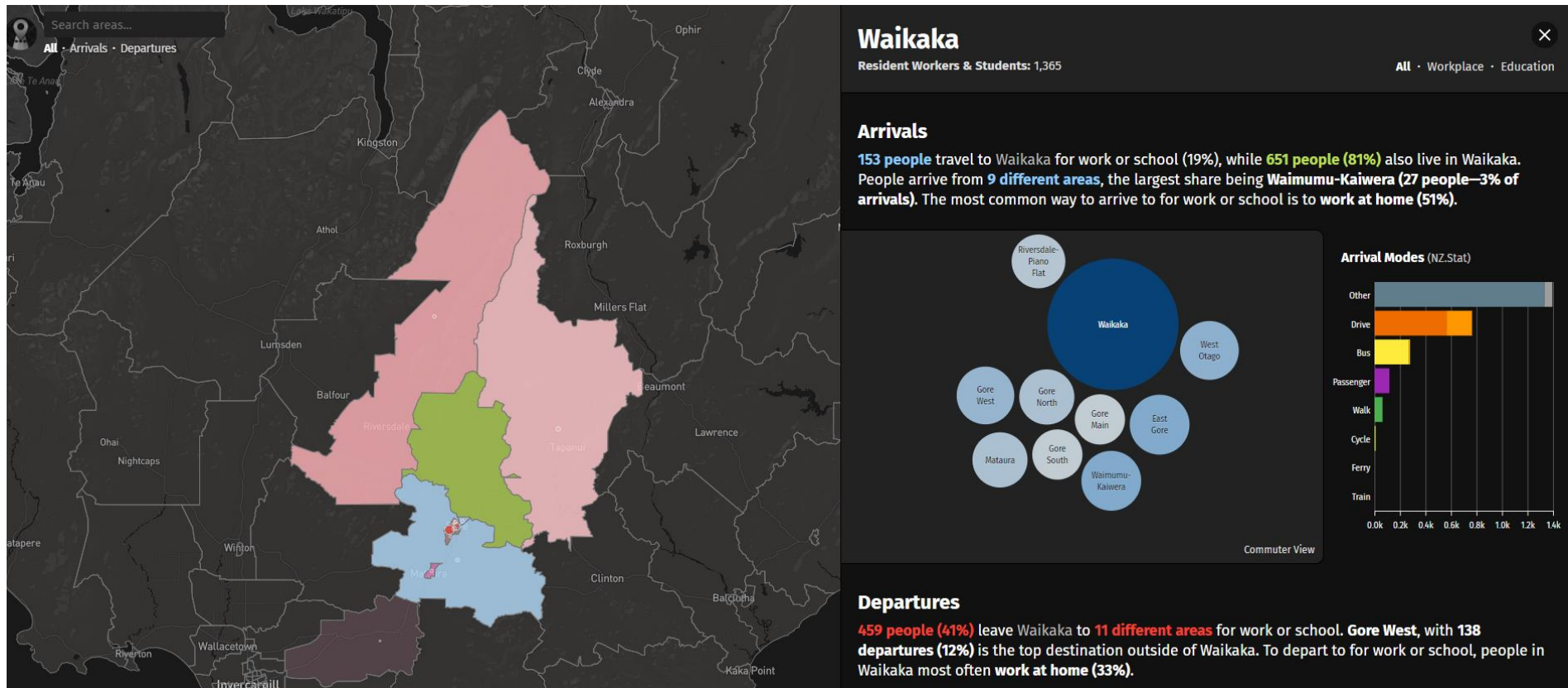
Future employment / industrial land

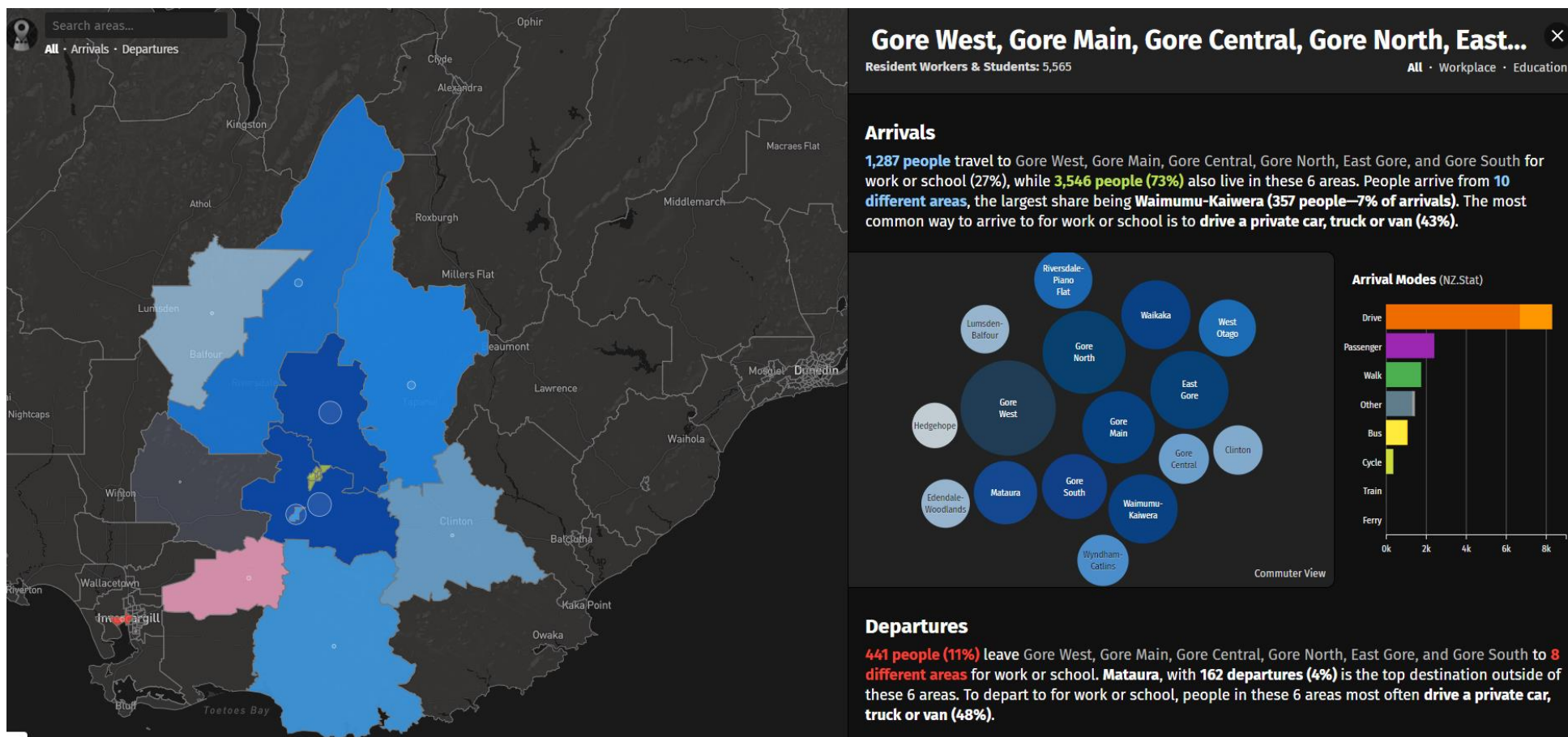
Whilst there will be a continued focus on the agricultural sector, it is recommended that land within Gore and Mataura is rezoned to allow for anticipated growth in the local manufacturing sector. This includes the industrial land located at the corner of SH1 and SH90 to accommodate future opportunities in the dairy and oat processing industry and land south of the centre (referred to as Industrial Stage 1) to accommodate growing manufacturing of machinery and equipment and local industries.

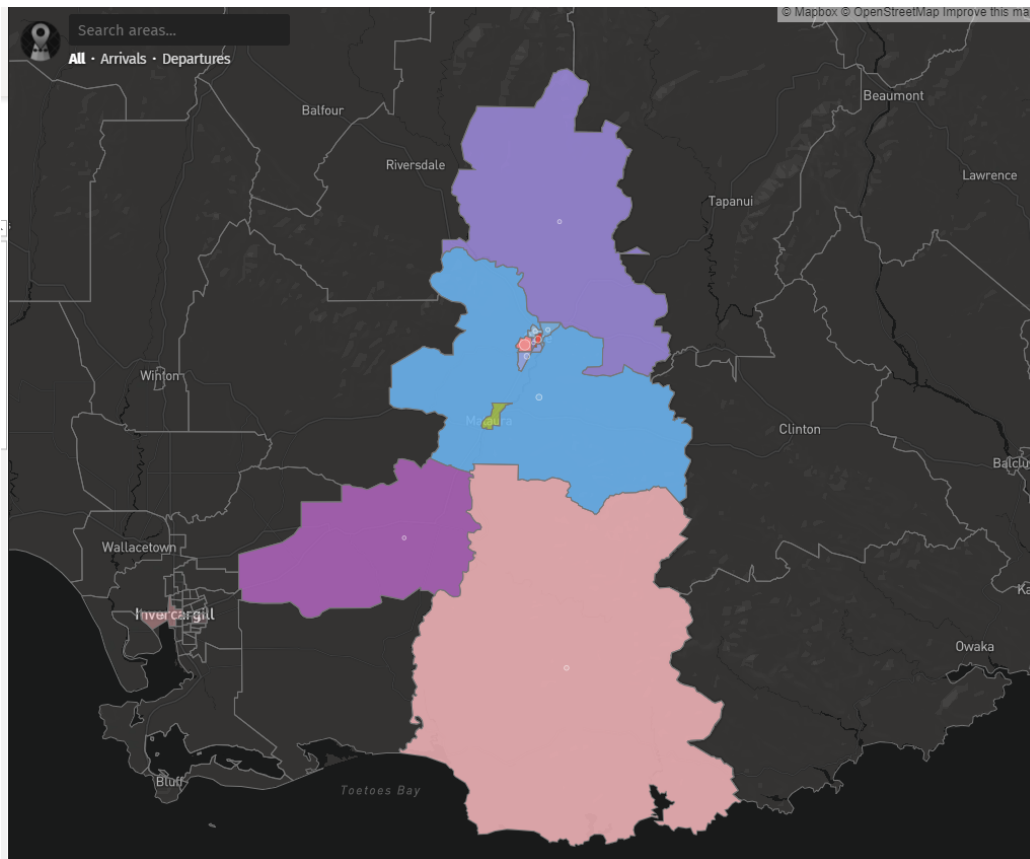
Next steps

To support the District Plan review it is recommended that more detailed analysis is undertaken to test how the growth areas identified can accommodate and support this growth and also provide a link between the proposed planning controls and resulting built form/development outcomes with the existing and future market demand. This approach will provide evidence based on market realities to support the District Plan review and ensure the District Plan enables and attracts development opportunities.

Appendix A - Travel to work maps







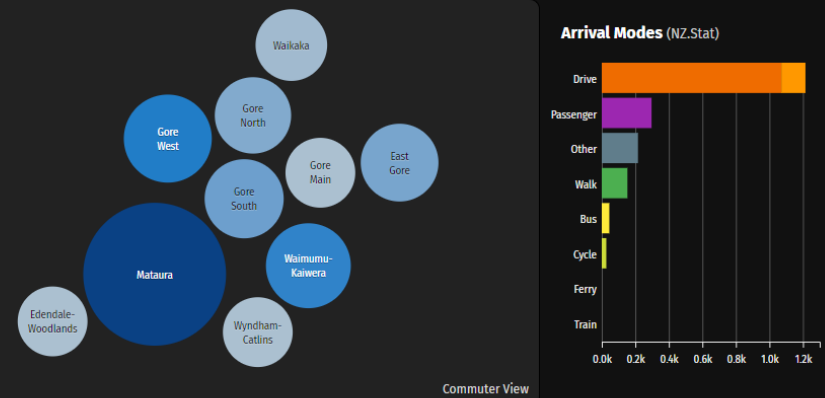
Mataura

Resident Workers & Students: 1,119

All · Workplace · Education

Arrivals

258 people travel to Mataura for work or school (43%), while **348 people (57%)** also live in Mataura. People arrive from **9 different areas**, the largest share being **Gore West (57 people—9% of arrivals)**. The most common way to arrive to for work or school is to **drive a private car, truck or van (55%)**.



Departures

327 people (48%) leave Mataura to **12 different areas** for work or school. **Gore West, with 87 departures (13%)** is the top destination outside of Mataura. To depart to for work or school, people in Mataura most often **drive a private car, truck or van (51%)**.

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