

Motueka's Future Economy

by David Armstrong, January 2014; revised June 2014

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A. Introduction

This paper aims to:

- provide an overview of the economy of the Motueka area as it has developed from the simple early days and particularly over the past 40 years or so, and how we got to where we are;
- examine the area's present economy, and the challenges it faces;
- compare several feasible scenarios for the next 30 years, how they influence each other; and
- begin a discussion on how the "better" ones (in the writer's opinion) may be put in place through strategic planning and some possible starting points.

The writer has lived in Motueka since September 2009 (having migrated by choice from pre-quake Christchurch) and has been actively involved in several community groups and initiatives and "behind the scenes" political and reporting activities. This paper is not intended to be a comprehensive detailing of the past and present of Motueka and its industrial and political history, nor a prescription for the future. It assumes that the reader is familiar with the basic facts about the town and its major activities.

It is also one person's perspective based on experiences and observation as a part-time, voluntary online reporter (www.motuekaonline.org.nz), and hundreds of public and private conversations involved in that activity. It is neither definitive nor comprehensive, and should be taken only as a starting point for further conversation and concept development. In particular, there are hundreds of people still active in the Motueka community who worked in the "old economy" (mainly primary industries and small retail businesses) of 30-plus years ago and have a wealth of often intriguing information about the details and experiences from those times that still influence the town today.

Similarly there are many residents who have lived here all their lives and can provide extraordinary detail on how various industries, businesses and buildings morphed over the years. While this can be fascinating, usually it does little to help guide us to the future – apart from explaining sometimes why strategic planning has been singularly lacking from aspects of the town's development.

While it is true that we must learn from the past in order to plot a future course, for better or worse some of the key elements of Motueka's old economy are no longer viable and almost certainly will never again be viable. The most obvious is the tobacco industry, but there are others which are unlikely to ever again experience past glories.

Another source for the content of this paper, and a driver for producing it, is my involvement (as founder and currently chairman) with the Vision Motueka trust (www.visionmotueka.org.nz), which has as one key goal to help build a better future of the town. In order to progress that goal, the group needs to understand how we as a distinctive community got to where we are, what assets we have, and the opportunities we have to make changes.

B. A potted history of Motueka's economy

The town, as a service centre for European settlers, was established in 1842 and became a Borough in 1900. Until 1989 the Borough comprised just the urban centre, surrounded by the Waimea County which included nearby places like Mariri, Lower Moutere and Riwaka.

Following over a century of pioneer and settler development mainly in primary industry production and servicing, as well as the removal (by various means) of much of the original ownership of large tracts of land from the local Maori, by the mid-1970s Motueka was becoming a busy and thriving town despite being rather isolated from the larger New Zealand centres.

People were starting to visit places like Kaiteriteri and Abel Tasman National Park for holidays and recreation, and those who had passed through tended to regard Motueka as a sleepy little place famous for its primary produce. Many Kiwis knew of Motueka's abundance of fruit and other agriculture, and particularly as a unique spot for growing and processing large amounts of both tobacco and hops. For some people in those times of "social liberation" Motueka gained a bit of a reputation for drug use, particularly marijuana, and the hippies that this attracted. This was probably overstated but partly true.

The town was built on State Highway 60 as a strip town, with the shops and many of the houses built as a ribbon along the highway and not a lot of thought given to the placement of key infrastructure and future residential development. The town's residential and commercial area (even today's CBD) also housed some large factories which reflected its industrial past – tobacco factories, fish processing plants, sawmills and fruit canneries.

From its earliest days Motueka's growth and planning was constrained mainly by three factors: (1) a sizeable minority of the land, especially on the west side of High Street, is Maori-owned leasehold; (2) some of the most obvious places for residential and industrial development is also some of the best quality production (orchard) land; and (3) the town's low-lying and flat terrain has many drainage and flooding problems.

I've scanned several planning documents prepared by officials of the Motueka Borough Council between 1975 and 1988, as well as a similar one produced in the first days of the Tasman District Council (1990) to gain a picture of the state of Motueka's progress and industry, and hopes and plans for the future around that time (that is, up to about 25 years ago). A number of consistent themes are evident and continue today.

First, the population of the Borough (that is, the core town, not the satellite settlements) grew very rapidly from 1956 (population 2,824) to 1986 (5,052), at an average of a little more than 2% per year, and considerably faster than the national average. However, in the later reports it was correctly predicted that this rate of increase would slow, and it has, now sitting at around 1% per year. It was evident then (as today) that the greatest contributor to the fast growth was families and older people from other New Zealand towns moving in for lifestyle reasons.

There was also the recognition of the relative isolation of Motueka from Nelson (at the time the main road was via Upper Moutere) and of the whole Nelson region from the rest of New Zealand and export markets.

Already there were concerns about how things would go as the cost of transport (this was during and after the first oil shock) to get produce to markets.

The main industries of the Motueka area were tobacco, fishing, hops, apples, timber, retail and other services. The only manufacture and heavy industry of note tended to be for servicing these primary industries (such as canneries and boat maintenance). Over the past few decades a broader range of horticulture, some viticulture and more recently full-on tourism (both recreational and adventure) has developed. A large employment sector was servicing the needs of the townspeople and residents in satellite areas through retail goods and community services like libraries, health providers, schools, lawyers etc.

(In passing, it was also emphasised many times in these documents that Motueka needed a community core, and preferably in the area which is now Decks Reserve, with a library, Council service centre, medical centre and outdoor plaza. There was also a lot of concern about the problem of heavy traffic in High Street, and early advocacy for a bypass road to the west of town. So these problems have been seen for quite some time, with little progress ever made.)

C. Changes since 1990

In a series of steps through to the tough times of the early 1990s, when the whole NZ economy struggled under late-Muldoonism and then Rogernomics, horticulture became less remunerative and had to compete with larger-scale, international operations; and, crucially, tobacco growing for sale was made illegal. Even though tourism through the Abel Tasman National Park was starting to build, Motueka's economy slumped big-time, with many High Street retailers and businesses closing or looking at a grim future, and forward-looking people were struggling to come up with ideas to build (or rebuild) a positive economic future.

Until 1989 Motueka had been the administrative centre of its own Borough Council. People active in the community then (up to 25 years ago) built what they could largely through their own enterprise and the close-knit nature of the small-town community. People were happy to volunteer their services and time to create some basic infrastructure, and the Borough Council argued about how much they could afford for what services. Facilities had been built mainly by locals for locals, wherever spare land or existing buildings were available. Talking with those who lived here for much of their lives, one can easily sense the pride in what that generation achieved, as well as the frustration today about what they see as intrusive changes (or lack of change, depending on your viewpoint) and wasteful spending of their rates by the Tasman District Council. The Borough Council was forced in 1989 to amalgamate into a new wider district, politically run from Richmond. Many still have very bitter and openly expressed regrets about that process and what has followed.

Before the tobacco industry closed, farming was quite diverse and included cropping, hops, pip fruit and some stone fruit, plus berries up the Moutere valley, and early ventures into kiwifruit. After the tobacco left, kiwifruit, apples and grapes became the replacement mainstays. Over time some horticultural businesses were taken over by large corporations such as Zespri (for kiwifruit) and Enza, contracting with the previous owners to produce the fruit. Apple orchard ownership was consolidated, with a smaller number of larger employers and fewer owner-operator orchards. The global apple market began to demand a more consumer-focused product, with new trendy varieties cropping up every few years

meaning orchardists have to constantly respond by replacing some long-established varieties with new ones, adding to expenses.

The several large sawmills closed down, but the district as a whole remains a substantial employer in forestry management, though with not much managed out of Motueka. While the fishing industry mutated over the decades from small businesses to larger ones, Talley's thankfully chose to build and run a large processing plant here, providing employment for many.

Over the past decade or so, new industries and additions to older ones began to emerge. The most obvious is large-scale, multi-faceted tourism. Motueka is the jumping off point for many tourist activities, and this gateway activity is now directly and indirectly bringing a lot of money into the town, from tramping, boating, tenting, beaching, kayaking, wine & food, arts & crafts, cycling, tourist accommodation, and adventure (sky diving, canyoning, caving, aerobatics etc).

The airport also has some fledgling businesses in pilot training, which could spawn related aeronautical industries such as servicing and engineering. Likewise, the fishing port and marina has the potential (and some big backers) to be expanded and provide a home for boat building and servicing businesses for the fishing industry and for recreational boat owners.

Today, new industries are emerging in the area, including aged care (which is already a significant employer) and fledgling ventures into bigger agribusinesses, aquaculture, and science and technology related to various primary industries.

Also in recent years, the local high school has begun some initiatives to help their non-academic students get into jobs in trades and manual industries, with further expansion of this "Gateway" activity in the pipeline.

We'll note here another aspect of Motueka's economy which although minor is probably stronger here than in many other NZ towns - the cashless economy and volunteerism. Back around World War II Riverside was set up as a pacifist community, and continues to this day largely now as a shareholder collective with its own internal economy but with many connections - social and economic - to the mainstream town. As well as the Riverside "non-conformist" activity, there are also a good number of people in the town with "alternative economy" aspirations, seen at present in the Transition Town movement, the TALENT currency group, time-banking, community gardening and other "green", "sustainability" and "resilience" movements. The reputation of Motueka as a place that attracts laid-back hippies continues, and an alternative local-economy mindset is active among many and has some influence on how the town's economy could and/or should develop.

There is also a long history of volunteerism in Motueka, which some say is more prominent here than in most other NZ towns. Being once a borough of its own and without much strategic planning in its development, many facilities and services have been built up over a century by locals using volunteer labour and goods, often based around buildings and land no longer used for their original purpose and therefore offering a cheap starting point for new facilities. The library, i-Site building and the early Recreation Centre and cinema were adapted from earlier use by volunteer community efforts. The building of the Jack Inglis Friendship Hospital could not have happened without negotiations over existing land use and then huge community fundraising, building efforts and free labour. Likewise the Estuary walkway.

The service clubs (Rotary, Lions etc) and community leaders who spearheaded much of these projects are sadly getting older now and their ranks are not being fully replaced, and some of our leaders of the past are resisting further developments by younger generations and Council, believing the town now has everything it needs (if only the Council would levy lower rates and make life easier). Younger people are busier with their pressured daily lives and responsibilities, and seem more willing to expect the Council to do the larger-scale planning and development work on their behalf (but don't want to pay for it).

One other facet of the history of Motueka's economy needing mention is the part played by Maori and local iwi groups. Much has been spoken (but not enough written) about the history of how Maori land was purchased or confiscated, the deals which were made and broken by European settlers, and in time the loss of much of their resources to the point where Maori could no longer choose a self-determining place in the community. What was left of their resource base was insufficient to maintain numbers and healthy development, and the Maori population dwindled. In recent years the decline has begun to turn, and tribal leaders have been working hard, mainly within their own community based around the Marae, to regain mana and resources. The treaty settlements being enacted at this time (2013) may see groups such as NRAIT and Wakatu become strong again, and with some encouragement from pakeha this new strength should be seen by all as an important part of a stronger, inclusive economy.

D. Demographics and other factors shaping the present economy

1. *Long-time residents.* The leadership of the town is still dominated by the people and families who lived here most or all their lives. Relative newcomers find it very difficult to gain enough votes from the conservative electorate to replace them (as proved again without doubt by the results of the 2013 local body elections), with familiar names returning over and over.

There is a huge amount of institutional knowledge held by these long-term residents. They know who owned what land and buildings, when changes occurred and why, the past uses of all the old buildings, who has what skills and equipment available for loan, etc. Usually this knowledge is used to bring about improvements (through word-of-mouth networks and service clubs like Rotary), although in some cases the attitude is expressed through public discourse and local government voting that Motueka is pretty good the way they have built it and there should be no big changes in future. A minority of well-established people want only to maintain the town as a pleasant place to see out their final days, amuse their grandkids and keep jobs in place.

2. *Some wealthy residents.* Although the town is often characterised as a low-income area relative to much of New Zealand (and there is plenty of truth in it), not everyone is hard done by. The range of wealth (or lack of it) is very large, and both ends of the spectrum are well represented. If we place the Goodmans and Talleys to one extreme end, there are many long-time residents who are very well off having worked hard through the second half of the 20th century and are, deservedly, living very comfortably. Some of them are heavily involved in philanthropic activities and community services, while doubtless many are not. However, it is not possible for a relative newcomer like me to ascertain who is doing what in these fields - it tends to happen behind the scenes. It is merely worth noting that at least the potential is there for wealthy people to share and bequeath some of their assets - their legacy - back to the community that helped them reach their position. The question is how to inspire them to want to do it.

Many wealthy newcomers (mostly from other New Zealand locations but also some from other countries such as the UK) have set up either holiday homes in this area or have retired here (often on lifestyle blocks tucked away on minor roads). However, I am unaware of any efforts to gauge how many there are and what contacts they have with local community leadership to the extent that they too could be inspired to share some of their wealth for the common good. Some of these well-off "lifestylers" are still in their productive years but have chosen to retire early to make good use of our adventure and leisure environment while otherwise not being closely connected to the community and its well-being. (You could say they see the area as their shared playground but otherwise stay relatively aloof.) How do we inspire them to give something back to the community and make it even better for them?

3. *Skilled newcomers.* It has probably happened to a degree for several decades, but it is now evident that there are many newly arriving families or empty-nesters who are still working in highly skilled professions, but who prefer to work within the lifestyle that Motueka offers rather than in a city. Broadband internet has meant that distance from their markets is no longer a huge problem. Most have some sorts of concerns about the environment and communities - they have come here because they value those things ahead of making pot-loads of money.

My recent experience has shown that these people are often open to making innovative contributions to the community, and many of them are in fact taking the lead in projects such as those being mounted by Vision Motueka. Those with parents also have concerns about the future of their children and are keen to see a broader and more vibrant economy in the town.

4. *Melding the elements.* How these two demographics work effectively together is one of our challenges. Often it is the skilled newcomers who are bringing innovations, and many of the old-timers resist this (often under the pretext that all changes must be rate-funded and we cannot afford it). At the same time, many of the old-timers have the institutional knowledge and contacts to actually make things happen (if they so wish them to). The secret is likely to be in how the two can be effectively combined, project by project. Those with new ideas and initiatives should be talking with established leaders about how these ideas could be adapted to fit with local tradition and culture. And the old-timers need to be inspired somehow to be open to new ideas, for the sake of future generations and the longevity of the town.

5. *Struggle street.* As mentioned, Motueka also houses a large number of people who are struggling socio-economically. Being a "hippy" town in previous decades, and enjoying a gentle climate, there are still many young people attracted here for a laid-back lifestyle, which for most can mean transience, basic accommodation and low paid jobs (if any) in the off-season. There are also a good number of older people who have lived here most of their lives but who never made a lot of money, who struggle to keep up with the basics of living and, mostly, are critical of their rates being used to fund new facilities and other future development. Even earnest young people raised here (ie, not drifters) find it difficult to get well-paid jobs. All planning for a future economy must take these financially challenged people into account.

6. *Shopping local or elsewhere?* There has been a steady increase in access to and reliance on Richmond/Nelson, bringing a threat to local business support. My own observation is that there appears to have developed a dichotomy of consumers in Motueka. Many say they will always use local services and buy from local shops unless they *have* to look further afield. They know that to do otherwise would see the local businesses die and no longer be available. But a similar number of people are habitually critical of the

goods and service levels in local shops and trades, and as their default setting look to Nelson businesses and Richmond shops for their needs. The quick road access to Richmond and Nelson has advantages *and* disadvantages!

It also has to be said that some local retailers have become complacent and uninterested in new ideas to boost the retail scene. Building owners are generally of the old school who have lost the innovative drive they once had and are content to pick up the rental payments each month. Efforts by Our Town Motueka, in particular, to engage many business owners in new-technology promotion such as a website presence, or even to open outside the normal weekday hours have seen very poor responses. Thankfully there are many exceptions, and levels of customer service on average are good - certainly in my experience.

7. *Engaging young people.* A challenge for all NZ regional towns is keeping their young people engaged and, after they leave high school, employed. Motueka is no different. Some leave for tertiary training or their big Overseas Experience. Some stay and become involved in mainly lower-paid jobs in retail or working for the few large employers in town. Some (particularly early school leavers) drift and get into trouble.

Clearly those who need tertiary education (apart from NMIT) have to leave town. What happens next is more challenging. How can they be encouraged to return to work in Motueka? How many jobs here require the qualifications they have acquired? After a university degree, it is only logical that many will look for jobs in large centres and even overseas that will challenge them. The best we can hope with them is that one day they will want to return to raise a family in the place where they have an enduring connection, and/or some higher-tech businesses will be created in our district which will satisfy their intellectual skills.

For those who don't leave for higher learning, the challenge is more acute. After their big OE, how can they be encouraged to re-settle in Motueka? What sort of town can we offer them? What sort of jobs? Is there a young-adult vibrancy and 21st-century employment "vibe" about the town? Were they sufficiently engaged in community life before they left to have created an enduring connection not just with their older family but also with the town?

And what sort of jobs are there for those who drift and never really want to leave town? The "Jobs for Youth" programme presented to us last year (2013) by Otorohanga mayor Dale Williams has not so far gained traction, but it may this year. It just needs a charismatic champion to lead the effort, with backing from TDC and/or a government agency. Most who have heard the details of the Otorohanga programme agree that this would be a huge boost for the town because it facilitates true and lasting engagement between the community and mainly non-academic young people who do not see a future for themselves here.

8. *Two cultures.* At the time of writing, the pakeha and Maori communities and economic agendas seem not to be very well aligned. It is evident that neither group is strongly represented in the other's work. The Community Board and High Street retailers are almost entirely pakeha institutions, the former in particular following conventional pakeha/Westminster protocols which remain unsatisfying and even alien to many Maori leaders, who say they don't like going to meetings but rather like to talk through issues in different ways. Likewise, the pakeha leadership, with a few exceptions, spends little time in working with Maori through Maori protocols. I have heard complaints from *both* sides that the others don't engage with them at all well.

This may be changing in recent times as treaty settlements are sorted out. There may be lots of work being done behind the scenes involving Wakatu, NRAIT and other local iwi groups with some key pakeha leadership, but it is not evident to onlookers such as me. The respect between the two cultures is still strained on both sides, with many Maori still feeling the treaty settlements being worked out are not adequate, and many pakeha retaining very prejudiced views about Maori involvement in the town, particularly in the ownership and use of land. Bridging this gap with stronger links and engagement in mutually satisfactory protocols is a very important need for the future of the town. There are some very articulate and intelligent leaders on both sides, and each needs to listen to the other and appreciate their contributions and points of view from an historic perspective.

E. Other 'big picture' factors and constraints

Of course, everything that happens in Motueka takes place within broader economic and environmental challenges, some local and some global, and life within any small community in part depends on these wider factors. Economic and social development within Motueka is partly at the mercy of at least the following constraints, and probably more. Little needs to be said here about them, apart from noting that they must all be factored into any future strategies.

1. *Dependence on affordable fuel and energy.* Some still argue that we needn't worry about this, that technology will always provide us with new ways of getting fossil fuel products as well as come up with viable alternative energy sources. Most, however, believe that energy will only get more expensive. Therefore any plans for economic growth within our community need to factor in larger transport costs involved in getting physical products to market, getting us as consumers to where we want to shop, freighting products into the town, and getting tourists to our area.
2. *Sea level rises and climate threats.* Regardless of what people think of how much humans are causing climate change, and how closely linked global climate change is with sea levels, most decision makers are starting to include in their planning the likelihood of rises in sea level this century and of more extreme (and often destructive and expensive) weather events. Being located on low ground and beside a high-volume river, Motueka especially needs to heed this. More than most other 'big picture' factors, this likely risk casts a big shadow over the future, and forces us to ask huge and fundamental questions. Should the town be relocated on higher ground? Is it worth investing lots of money in things like the sewerage works if they will not survive sea level rise? Can we expect new businesses to locate here if their physical future and insurability is not guaranteed? To what extent can we park these worries for a few further decades while a long-term strategy can be agreed?
3. *The need for vital and expensive basic infrastructure upgrades.* As many have pointed out, there is no use having a vibrant, productive town if the waste water and storm water systems are stuffed. Great streetscaping will not attract visitors and residents if human waste is bubbling in drains or getting into the river during heavy rain. People cannot move about the town easily if roads, cycle paths and footpaths are in poor shape. If the river overflows and floods the town, confidence in our safety will be diminished and affordable insurance hard to get. Whatever great ideas we have to grow more businesses and build better community facilities, we must also allocate funds to investment in stronger basic infrastructure.

4. *Earthquake-prone older commercial buildings.* This is a relatively new problematic factor in the town's future development, resulting of course from the outcomes of the big Christchurch quakes. At some stage, be it due to government regulations or the demands of the insurance market, many of our older shops and some of the community facilities will have to be strengthened or replaced. The longer it takes for building owners and Council to work through the issues and their implications, the more likely it will be that tenants will vacate them, few new buildings will be built, and the retail scene generally will begin to wither. While it may be hard for most of us to do anything about this, we need nevertheless to be aware of it and factor it in.

5. *The impossibility of unlimited growth.* (This item is a matter of personal opinion, but the long-term implications of its basic truth are so fundamental that it needs at least to be factored in.) Apart from the "alternative local economy" option outlined in the next section (F.7), most of the goals and options in this paper focus on how to "grow" the economy.

Indefinite growth is mathematically and physically impossible, especially so if it is compound growth (that is, each year sees a certain percentage more than the previous year) which produces an exponentially rising graph. A point must come when it all flattens off, because the earth's resources (such as potable water) are simply not infinite. So long-term planners need to look at economic growth as a way of maximising what we have and using it efficiently, in ways such that the resources used are renewable in the long term.

It is obvious to many, but nevertheless usually ignored for convenience purposes or because it's "too hard", that any growth (apart, perhaps, from some short-term stimulus developments) has to be sustainable, meaning *able to be sustained into the long-term future*. It is my belief that any economic strategy for Motueka going forward should be kept within such a criterion - to use what we have in an efficient and sustainable fashion so that energy inputs required can either be sourced here or paid for by trading our produce. Innovative technology and human intelligence provides one means for achieving this.

8. *Council challenges.* Like it or not, TDC have lots of rules that often seem to get in the road of new ventures (and not just business ones), which is a source of grievous aggravation to some people. Many of these rules are imposed on Council by government, but others seem at times to be the result of risk aversion, lack of imagination or a show of power by council managers. How individual businesses and the Motueka business community deals with these is crucial, but a good first step may be for business groups to enter into dialogue with TDC on key issues and how to create win-win situations rather than leave individual businesses to fight their own battles.

7. *Assets and challenges.* We can only start from what is. And what we have in Motueka is a unique set of assets and challenges. It helps in plotting an agenda for the future to accept and agree on what these are. I have attempted a starter list, which is presented in Appendices 1 and 2 at the end of this paper, and welcome any further suggestions.

F. Alternative economic options and agendas

The core purpose of this paper is to suggest feasible options for Motueka's future economic strategy, and how they may or may not make the town stronger and provide a better community for all who choose to live here. These are in no particular order of personal preference.

1. *Keep doing (better) what we do best.* This option sees the region "sticking to its knitting", further developing and hopefully expanding the economic base it has built over the century and particularly the past 20 years. More fishing, horticulture, agriculture, forestry and tourism would bring more money into town, thereby increasing retail activity and generally creating more jobs.

While this may work, without local innovation and added value we would gradually get further behind the ultra-competitive global markets and become more reliant on fickle commodity prices. This strategy has not worked particularly well for the past 20 years, and it's a bit hopeful to expect much change in that regard. Furthermore, as the world becomes more technologically driven, concentrating on low-skill industries and jobs risks getting left well behind and seeing our best (and even our average) brains leaving town.

2. *Adding value to existing industries.* These traditional, well-established industries can be updated and have value added by researching and applying improved technologies and building more local processing. (This is a common theme throughout New Zealand as a way of increasing our export dollars.) This is not easy to elaborate on: it's hard to suggest any obvious examples of value-adding, because any such innovations are never particularly evident until someone actually invents them.

Examples may, however, include more research in aquaculture (there is already a little going on in the district); improved information & communication technology (ICT) infrastructure to encourage IT-savvy industries and tourism; larger and more efficient processing plants for primary produce; research in horticulture and viticulture; and technical ventures around the port and aerodrome (see item 5 below). All of these require some considerable investment in research & development (R&D), at least part of which probably has to come from government and/or Council, but bodies such as Cawthron Institute suggest it is not impossible, if a solid strategic case can be made. And recent work by Coppins, for example, show that if suitably encouraged and resourced, private enterprise can fruitfully invest in research and development.

Although some of these technology-rich developments may decrease the number of unskilled, low-wage jobs available (replacing labour with machines), it would open up many new ones and, crucially, aid the retention and importation of skilled knowledge workers and higher paid jobs.

Note that this idea of focusing on scientific and manufacturing innovation within existing industries is not original. Hi-tech, high-skills innovation within our mainstay primary industries has been a theme of one of the country's leading economics thinkers, Rod Oram, in his frequent deliberations on Radio New Zealand National's *Nine to Noon* programme over several years. This has also been taken a step further into promoting hi-tech engineering based on niche IT products and research, argued by the influential scientist the late Sir Paul Callaghan in his presentations over the past decade and in his book *"Get Off The Grass: Kickstarting New Zealand's Innovative Economy"* (Auckland University Press, 2013), co-authored with science researcher Prof Shaun Hendy.

3. *Hyper-tourism.* A relatively inexpensive option for adding value is to concentrate on and engineer an all-out, sophisticated expansion of tourism. This could begin by building the computer and communications infrastructure to encourage tech-savvy tourists and incentivise them to engage with the town and its environs through their digital devices (smartphones, laptops and tablets).

Once you begin to imagine how this could be done, the gamut of feasible applications grows rapidly. Some that have been mentioned include helping tourism providers, retailers and other sales outlets to upgrade to modern, user-friendly websites; provide Wi-Fi throughout the town and tourist spots; provide fast broadband to all shops; provide an advisory and assistance centre for businesses to use social media and other popular web technology; provide QR codes wherever possible but particularly wherever tourist attractions are located (such as murals, historic art, historic buildings, public facilities, and places along the cycle trail); make a modern library with a technology section available and tourist friendly; and improve the IT facilities in the tourist information centre.

The cost required to implement all of these (as a starter) would be in the hundreds of thousands of dollars, with ongoing staffing costs to ensure it all kept up to date. The rewards across the district would likely outweigh the investment, but initial investment would have to be through some government body or sustainable funding.

The downside of this economic growth strategy, if done on its own, is the reliance it places on increasing (or at least steady) tourist numbers, which depends on the fluctuations in the global economy and, even worse, on the cost and availability of transport fuel. (At least this factor argues in favour of putting resources into making the cycle trail an enriching experience, as it relies much less on fuel.)

4. *Specialist IT-based products.* Sticking with the IT theme, it is becoming apparent to most people that it is possible (in fact, easy) to run some businesses in geographically remote locations entirely using modern ICT and fast broadband. A whole range of new IT-dependent industries are popping up in New Zealand and globally, with new ideas seemingly every week. There are very few reasons why Motueka could not be a location that specialises in businesses run from websites or providing highly technical products via the internet. This is particularly the case when we acknowledge that our environment and surrounding attractions appeal to those who may want to set up a laptop office while enjoying the Motueka lifestyle.

Examples could include setting up classy online shops for arts and crafts outlets (and even for existing specialist and general retailers); designers of software such as websites, social media, games and smartphone apps; writers and editors; IT specialists; graphics designers, architects; and so on. We are aware of several small IT businesses already offering some of these from their Motueka bases, but if some entrepreneurial investment was encouraged the town could build an IT hub that is very sustainable and requires few physical resources.

While this would be unlikely to create a large number of local jobs, it would bring money and skills into the local economy and be an effective way of retaining our more creative and skilled high school graduates or bring them back here after their tertiary training and/or OE. I believe that this option is a feasible and promising part of a broader economic growth strategy. The small Otago town of Lawrence is the home of Tuapeka Gold Print, New Zealand's largest business designing, printing and distributing promotional pens, coffee mugs and other small objects branded by their clients. Using its high-tech design and printing processes, it employs about 70 people in the town and surrounds, in three anonymous old buildings, and is Lawrence's largest employer.

5. *Other larger sustainable industries.* Several proposals have emerged over the years to build some larger industries out of existing and reasonably successful ones. The most promising and well-researched one

involves reclaiming more land near the Port Motueka marina and along the eastern end of Wharf Road, to allow for a number of industrial businesses related to boating and fishing, commercial and recreational, manufacturing and maintenance. Its proponents believe that such a facility would pay for itself very quickly.

The aerodrome, too, provides opportunities to expand aircraft-servicing businesses, including a high school academy-style employment programme for aircraft maintenance on its own or with the pilot training school.

Some have suggested that our aging population and gentle environment, and the existence already of several retirement villages and two rest home settings (Woodlands and the Friendship Hospital), is an opportunity for a commercially promoted push to make it the "retirement" capital of the South Island, attracting big operators such as Ryman. This would again provide lots of jobs, though mainly low-paid ones.

The success of some of our sports athletes and teams, both at high school and stand-alone clubs, together with the "sporty" nature of our surroundings (such as great roads for cycle and long-distance running), offer the potential for Motueka to be the home of several national sporting academies and/or training facilities, based around a sports hub near the centre of town.

Another approach may be to start an altogether new central government department initiative near Motueka. One that has been suggested is a Top of the South prison, as there are none in the island north of Christchurch. If done well, this would bring lots of near-guaranteed employment into the area, not all with low skill levels. However, in the 21st Century any initiatives such as this must be regarded as subject to the whim of the governing party; it only needs a change in social policy and governing party to close down such a facility as quickly as it has been created, so such an economic development strategy could hardly be described as safely sustainable.

None of the initiatives mentioned above on its own offers employment on a scale needed to revive the town, but some of them may well be a feasible part of a multi-pronged strategy.

6. *Big-box retailers.* Some people have suggested that what Motueka needs is one or two big retailers such as a Harvey Norman or a Mega Mitre 10, probably in the Motueka West development area.

This strategy would provide a sharp stimulus to the economic activity of the town and provide quite a few new jobs immediately, and would likely reduce the number of visits made by Motueka residents to shop in Richmond (which in itself is quite a powerful advantage). The disadvantages, however, would be that such developments would threaten the livelihoods of many existing small retailers (and their employees); provide mainly low-paid, low-skill jobs; entrench a dependence by retailers on consumer goods being transported *into* the town (making the community less resilient to cope with adverse changes in external factors); and probably be rather short-term in economic growth. There is only a certain amount of money in the pockets of townsfolk, so spending in any large new shops will mean less spending in existing ones.

My belief is that increasing the size of the retail sector does very little if anything (beyond a short-term blip) to build the economic health of the town. Shopping (and retail services) thrive when there is more money circulating, which comes as a result of there being more and better-paid jobs among the community,

not there being more shops. The only medium-term advantage of having more shops here is that it encourages more people to shop locally.

7. The Transition Town agenda and a cashless economy. One other economic strategy needs mentioning here, even though it runs against the grain of conventional beliefs held by many people who see it as counter-growth. As mentioned toward the end of Section 3 above, a significant number of people in and around Motueka have firm beliefs that the end of the era of economic growth will arrive soon, and we should be preparing for a new kind of community, a transition to a new type of town and an economy based less on cash. This viewpoint has been around for a few decades, especially with concerns about "peak oil", but received a boost a few years ago as the global financial crisis hit and it looked like conventional economies may cease to operate properly if at all. (The jury is still out on that, but so far the short-term measures to counter depression in western countries has managed to keep the boat afloat for now.)

Transition Towns people propose that if the scenario of economic collapse due to dependence on economic growth does eventuate, we need to be ready now to maintain a resilient local economy that takes us back to communities that existed without plentiful fuel and imported consumer products, and provided instead simple health and education models and a reliance on a bountiful and productive environment. Just as some economists are hard-line free-market disciples who scoff "green" thinking, so some proponents of local sustainable economies are also hard-line in their zealous opposition to "capitalist multinational corporate" growth agendas. Most people have attitudes somewhere along the spectrum between these two extremes, recognising the good points about each. I sit part way along that spectrum, and have indicated in Section E.5 my belief that all economic growth should if possible be in activities which are sustainable and add not only to our export capabilities but also enhance our own internal resilience.

8. What if it all turns to custard? It is worth at least a short look at how Motueka would be placed if the global economy does indeed go into a tailspin and fossil fuels become rare and expensive. Could Motueka and its community survive? What further action is needed to prepare for this possibility? Most people who have studied such scenarios agree that survival depends on the strength of existing community connections, and the resources and assets already available in the area. If this is true, then Motueka is probably better placed than most New Zealand towns to manage adequately.

We have a compact and flat town where most people could walk or cycle to anywhere else to buy or trade goods. Materially, the area has abundant food (though with a choice limited mainly to fruit) to stop people from starving, and easily accessible, good quality water. Its soil is such that people can fairly easily set up their own veggie garden, with resident experts in the craft and a thriving community garden in place. It has plenty of spare building materials, including timber and stones, dotted around for running repairs.

Most important, it has some really effective connections within the community, some very skilful community leaders who are active in these caring networks, and a lot of people who know how to make do with what is available. It has a small alternative currency system (TALENTs) well established, and a time-banking system for trading in hours is under way. A similar time-banking system in Lyttelton was instrumental in getting that port suburb back to normality after the February 2011 earthquake - it already had in place the networks, the organisational frameworks and the foot soldiers to jump right into action when needed.

9. *The "do nothing" strategy.* To round off this discussion, it is worthwhile to picture some of the likely outcomes of doing nothing at all, just keeping Council rates as low as possible, all spending just on maintenance or the status quo, and resisting innovative ideas that could lead to change. While this may bring solace to some (but certainly not all) older people on fixed incomes, allowing them to live their retirement in peace and in the community that they built, it would ultimately lead to the slow death of the town. (I would add to this group some of the Transition Towns people who actually have good financial reserves and now want the rest of the community to live as they do - eschew dollars and go back to nature - in order to make the kind of community they believe is best.)

This slow decline of the town would be a death by a thousand cuts, but once inertia set in on the downward path it would be difficult to rebuild momentum. As the population gets older and export dollars flowing into the static town declines, it becomes more difficult to not only attract new younger people but also to retain our own young people who see other towns progressing and keeping up with the times socially and technologically. A lack of investment in young people and their changing needs will discourage them. As the population stalls and falls over a decade or so, businesses serving them begin to close down. Fewer shops make it more likely that residents travel to Richmond for a greater range of specialised purchases. Trades and other servicing businesses likewise will close or shrink as a downward spiral sets in of fewer customers who then have to look for services elsewhere. A falling population means a decreasing rates take for the Council and therefore less money spent on maintaining the town and even less likelihood of funding improvements to facilities, including infrastructure. Ageing infrastructure and community facilities makes the town less attractive to potential residents.

This scenario is feasible but unacceptable. The task of us all, including local government, is to ensure that investment continues in new businesses and improved community facilities.

G. How and where to start: some suggestions

Most of the material in this paper has been factual and largely objective – only occasionally have I ventured an opinion. This final section is far more opinion-based, although drawing on some of my experiences in working with Vision Motueka and observing the dynamics of change and leadership in the town. (But I will not be drawn on any single best solution – that is for the participants in the processes below to decide.)

First, I will assume that the “do nothing” option is off the table for anyone reading this who is wanting better times. Something must be done, even if it’s just Option F.1 (try harder).

As a starting point, an "economic summit" could be held, at which business leaders would be encouraged to think how they could try harder and do better within their own businesses and business sectors, work together more, and perhaps to employ more people. However, in my opinion, this sort of "re-motivation" is unlikely to bring many lasting benefits when the rest of the world is changing so rapidly. We need some sort of co-ordinated and planned (strategic) programme and, basically, a paradigm shift.

I am convinced that such a change would best be triggered by two initiatives: (1) an economic summit or series of meetings, and (2) the engagement, motivation and commitment of a group of young to middle-aged potential business and civic leaders.

The first of these is the easier of the two, though still needing a great deal of careful thought. It is easy to host a meeting such as a Motueka Economic Summit and invite the bosses of successful industries to attend for a morning to give their opinions. The trouble is that without some specific, committed follow-up action and people with new visions and ideas, nothing will actually happen in any kind of coherent, strategic sense. Some business leaders may decide to up their game a bit, at least for their own benefit, but it will remain "same old" only a bit better in places.

The second problem with a simple discussion and brainstorming summit is that it becomes little more than exchange of ideas, with people giving examples of what did and didn't work for them in the past and what they as individual businesses may think about doing in future; or even just criticising other businesses or people (eg landlords, TDC) for letting the side down. In other words, lots of small-picture thinking and opinions and little in the way of big-picture visions of what might be if only we could work together on a coherent, long-term programme.

One further comment about such a summit. Its outcome would need to not only involve but also be led by the younger group of potential business and town leaders. I mention in Appendix 2, item 18 the challenge of passing on the baton of leadership to people in the 30/35 to 50/55 age group. If an economic summit resulted in the same or similar group of retired and soon-to-be-retired people leading projects and utilising their traditional networks, then I believe the initiative will have failed already.

Assuming a Motueka Economic Summit is organised and run, and that a good number of energetic middle-aged and young leaders take part, then I believe the most promising outcome would be the creation of what could be a respected, active leadership group which I'll call a "business task force". It may work through Our Town Motueka, or become a separate organisation, or simply remain an informal but focused group that could meet regularly, perform research and analysis, and motivate others.

It would comprise people who understood the (potential) roles of business and commerce in shaping the local economy and community links, were able to expand their vision to consider innovative ideas, and who were committed to using their skill and experience to initiate and drive business projects. It would probably partner or at least liaise with Nelson Economic Development Agency.

Appendix1: Motueka's assets

1. *Climate.* Very few would argue that our climate is close to ideal for many people. Warm but not hot summers, cool but not bone-chilling winters, usually settled, and few horrible prevailing winds.
2. *Environment.* This includes the nearby national parks and hills, Tasman Bay, verdant and productive farming and horticultural land, the ready availability of water, interesting local ecologies, flora and fauna.
3. *River.* Our river is one of the cleanest and most interesting rivers in the country, with plenty of scope for recreational use.
4. *Beaches.* Kaiteriteri is one of the best known swimming and recreational beaches in the country. The usefulness of Motueka's own beach is greatly subject to tides and only small parts of it are suitable for swimming. Other nearby attractive beaches include Kina and Stephens Bay. The saltwater baths are an underused asset.
5. *Port.* A small but popular facility with considerable potential for development. It can be smelly and appear unkempt. It is host to an important industry and an employer. It offers safe haven for pleasure boats and is good for small-scale fishing.
6. *Locally owned shops.* Motueka has a higher than average number of owner-operated shops and (so far) not many national chains. This often (but not always) translates into more personal service, but sometimes a few gaps in the product lines available.
7. *Most business sectors represented.* Broader than just shops, there is a wide range of service businesses, including some which are in the market-leading bracket. But as would be expected, there are also some holes in the service offerings.
8. *History of volunteerism.* Motueka has a reputation for a high level of volunteerism. Long-standing residents have for many years played key roles in building the facilities and community groups which we have now. Many residents are aware of these historical contributions. It is not clear, however, that younger generations have the same level of dedication.
9. *New ideas and energy from retirees and newcomers.* Motueka is well endowed with recent arrivals of retired people and (to a degree) younger families arriving for lifestyle reasons (plus Christchurch people moving away from their broken city). Many of these recent arrivals have brought a new or different type of energy and new ideas for community groups and town improvements, and sometimes these energies and ideas are being tapped for the good of the whole community.
10. *Flat terrain.* Our flat terrain can be an asset and a drawback. Flat land means easy to walk and cycle, as well as fewer obstacles to development. Flatness also means harder to make attractive (compared with

land that can provide lookouts and hilly parks etc.), and combined with the proximity of the bay, concerns about flooding and sea level rises.

11. *Cycle trail.* When the cycle trail is completed and becomes popular, Motueka stands to gain a lot more business activity including tourism, interest in arts and crafts, wines and hospitality, as well as a broader range of recreational amenities.
12. *Aerodrome.* The aerodrome is well placed to grow commercially, including being used for commercial passenger flights on small planes and charter operations. Its closeness to town pleases some residents and annoys others due to noise, particularly of helicopters. Its proximity also limits how much growth (in land area) can be undertaken.
13. *Arts and crafts base.* Motueka is part of a large network of arts and crafts operators also including Nelson, Mapua and Upper Moutere, Motueka Valley, and Golden Bay. With promotion and focus, Motueka could become known for its craftspeople, as Nelson is becoming known for its visual arts.
14. *Proximity and easy access to a larger city.* The large retailers and health providers of Nelson are close by.
15. *Multi-cultural community.* Although the Motueka community is dominantly of British extraction (compared with many other larger towns in NZ) and Maori, the number of people from other European countries and Asian and Pacifica countries is gradually rising. Although some people are prejudiced against this, a majority welcome the broadening of the range of cultures making up the community, as shown by the popularity of the annual Turangawaewae festival at Parklands School. Most see this as an asset to the town, rather than a challenge.
16. *Potential for resilience.* If big problems arise in the global economy and/or environmental degradation, Motueka is well-placed to be resilient to these and self-sufficient. Better than in most NZ areas, it has good water supplies, land good for growing crops, easy local access by foot or bike, and a history of simple innovation.

Appendix 2: Motueka's Challenges

1. *Living with High Street.* The state highway is a fact of life. It is sometimes very busy, making it hard and even unsafe to cross, and divides the town into two sides. A bypass is decades away, and many believe it would harm the town more than help it, removing some potential business income. What practical steps can be taken to “live with” the street as it is and reduce its effect on community living?
2. *Flat terrain.* To many, a flat landscape means boring, and limited in landscaping options. How can we make it less boring and remove the flatness from the attractiveness equation?
3. *Sea level threat.* If predictions are correct, within something like 50 and 100 years the town will be subject to regular flooding due to high tides. (And if combined with a stopbank breakage or severe rain event, serious and damaging floods.) Before that time, some land and flora will be damaged or become unusable due to salt water in the ground table. Property insurance will become ever harder to obtain. While this is still only in the background thinking of a minority of people, within perhaps 20 years this will start to make Motueka seem a less desirable place to live than it is at present. Businesses and new residents may choose other higher places in the district, and present property values may decrease.
4. *Poor streetscaping.* Given the fertility of the soil we live on and its suitability for growing a wide range of plants and trees, our streets still seem rather bare and unattractive, especially High Street. Keep Motueka Beautiful is looking at more tree planting, but do we need a bigger effort through council?
5. *No central city “hub”.* The town has no obvious, attractive and engaging “heart”, a large enough place and space where people can meet, carry out civic activities and feel part of the community. Regardless of the outcome of the present library development exercise, developing a broader hub should remain a difficult but achievable challenge.
6. *Run down buildings and facilities.* Some of our civic and public facilities are being upgraded, but they still present difficulties looking into the next few decades. The library is the most obvious one, while Memorial Hall remains problematic despite excellent recent work on upgrading the internal facilities. Hopefully the Recreation Centre will continue to improve and modernise. There is no decent art exhibition space, nor appropriately sized and equipped civic meeting room. The museum would benefit hugely from an expanded space and modern display facilities. The information centre could be enhanced and become a tourist focus. All added together, these buildings currently give the town an air of 20th Century functionality and that’s all.
7. *Earthquake-prone buildings.* Many of the downtown shops and community facility buildings face an uncertain future due to the likelihood they will not meet new (post Christchurch) building standards. At some time they will need to be strengthened or rebuilt, with 15 years from now looking like the window of grace. If building owners put this off until the last years, they risk leaseholders walking away and leaving empty shops. Insurance difficulties will force the hand of some. How these costs will be borne remains an unknown, but a running down of old buildings (which dominate the CBD) will threaten the future of the town.

8. *Aging population.* Although we are not the only town in New Zealand with this problem, Motueka and districts are more affected than many others. The popularity of the place for retirement, the desire of “old timers” to stay here in their last years, and the lack of challenging jobs for our bright young people lead to an ageing population. This can be good in many ways, but provides a challenge as to how to balance care for the elderly and retaining a quiet lifestyle for them with making the town attractive to younger people and promise a lively future.
9. *Long term residents getting tired and negative to change.* This is widely recognised by many who seek to breathe new life into the town. And it must be noted that it is not universal – many older folk remain positive about the future. However, one of our biggest threats is allowing negativism and conservatism to reign over council and community board decisions. It is a huge and on-going challenge for progressive people and groups to counter this with a positive agenda.
10. *Struggling shops.* Our retail businesses always struggle, especially over the colder months, despite occasional campaigns to plead “buy local”. This will be an on-going challenge as we try to encourage residents to minimise their trips to Richmond to shop. Perhaps as transport (petrol) costs increase in time, this will become a greater incentive for local shopping. But in the meantime work needs to be done to make retailers more customer focused and to convince residents that it’s in their long-term interests to keep local shops open by patronising them.
11. *Limited employment opportunities.* Again, a widely accepted challenge is how to keep as many of our young people living here (or returning soon after study and travel in larger places) by building businesses and training academies that are meaningful to them and sustainable.
12. *Dominated by Richmond.* Most of us accept the political situation that Council activities tend to be largely centred on Richmond and the areas nearby. Money far more easily flows to their projects than to Motueka ones, and we feel that we are being expected to accept second best. Is that reality or just a biased impression? How do we get our Council representatives to advocate harder for Motueka?
13. *Too many community groups competing.* Many of our community groups are decades old and increasingly finding it harder to attract new members. Should some of them be encouraged to merge, to enable them to be stronger as well as to make it easier to divide up the limited funds available or that need to be raised for community groups?
14. *Waste water management.* It is now beyond question that our sewage treatment works need to be substantially upgraded, and that eventually they will need to be relocated and rebuilt. How high a priority is this? How much ratepayer money should be allocated to an upgrade (and later relocation) project? What less expensive alternative technologies are feasible?
15. *Flood control.* Likewise for the river stopbanks. After considerable and expensive Council studies, there are still so many questions. How much further clarity is needed as to the risk levels acceptable for various types of strengthening work? What are the cost/benefit factors? How does climate change

affect the likelihood of greater risk and the urgency of this work? Are river levels in recent years making the risk greater or less? Who would be most affected by a stopbank breach and ensuing flood? How does insurance figure in this? So many questions, so many factors, so much money involved.

16. *Making good use of the technology revolution.* It is widely recognised in the tourist industry now that information and communication technology (ICT) developments are changing the way in which tourists, on whom so much of our town's economy rests, plan and carry out their adventures in our district. How far advanced are our businesses in making best use of these ICT changes? What can the town do to encourage more IT-savvy tourists into the town and keep them here through more community engagement, events etc.
17. *Rezoning town land.* The present work being done on the proposed zoning plan changes in central Motueka and the land to the south west will have a huge impact on whether the town continues with piecemeal, reactive planning or strategic development. How can we influence these changes to ensure they have the best long-term benefits?
18. *Getting more people in the 25-40 age group in leadership positions.* 20 to 40 years ago the town's development was led largely by a cohort of young to middle-aged adults who ran community groups, ran the borough council, and co-ordinated the building of last century's facilities. In particular, the Junior Chamber of Commerce (JCs) was a strong and purposeful organisation that fostered a generation of young leaders. Some of that cohort of middle-aged leaders continue to wield large influence on the town's political and leadership structures. Younger ones who would normally come through and take up the reins have different lives now, with greater economic restraints (such as both parents being in paid employment) and busier community lives at school etc. Unless a younger leadership group (in the 30 to 50 year bracket) emerges, the older and generally more conservative leaders will continue to control the town's development. How can this be changed?
19. *Making structural improvements while keeping rates etc low for oldies.* None of us wants rates to rise, but many of us still want a progressive town with modern facilities fit for purpose. The need to balance these two imperatives is both a technical issue (financial management) and a political issue (how Motueka gets its fair share of the Council expenditure pie).
20. *Racial tensions.* Though not as great an issue as in many other New Zealand towns and cities, there remains some pockets of quite strong resistance, in both "camps", to accepting and respecting each other as equal partners. If these are not improved, many other challenges facing us all will be more difficult to resolve.