

**Resource Community Formation & Change:
A Case Study of
OTAUTAU**

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INTRODUCTION

This paper reports the findings of a case study of Otautau. It is one of a series of four case studies of agriculture communities in New Zealand. The case studies are part of an ongoing project entitled “Resource Community Formation and Change” that has been funded by the Foundation for Research, Science and Technology. The other case studies of agriculture communities in this series are Katikati (WP12), Clandeboye (WP13) and Waitaki Plains (WP14). Further case studies explore communities in the forestry and mining sectors.

A variety of research methods were used in this case study, which focuses on changes in Otautau and the Western Southland area over the last twenty years. These methods included an analysis of census statistics, and a review of published documents about the town, agriculture and forestry sectors and land-use change. Five days of interviews were conducted in Otautau during March 1998. Two of the other case studies in Western Southland, Ohai-Nightcaps (mining) and Tuatapere (forestry), added to our understanding of regional and cross-sectoral issues for Otautau

AGRICULTURE AND FORESTRY IN WESTERN SOUTHLAND

Farming in the district

Agriculture is a fundamental part of the Southland economy, with 5,900 FTE, or 18.3 per cent of the total Southland workforce, engaged in farming in 1994 (compared with 8.2% nationally). In addition, are the people employed in processing and support industries. Farming is predominately pastoral, with some cropping - and that is declining - and a very small amount of horticulture (Houghton, *et al.*, 1996 pp 5-6).

From the 1850's, Western Southland was divided into extensive pastoral leases utilising the rolling tussock grassland around areas such as Ohai, grazing sheep for wool with some winter feed crops. Later, in the early 1900's, estates such as Birchwood were subdivided into small farms around 200-300 acres in size. The main purpose of the subdivision was to promote dairying in the area. Gradually, however, the farmers abandoned dairying and grazed sheep with subsidiary fodder crops (Ryan, 1949 pp 23-31). Within a decade after the first shipment of frozen meat to the British market in the early 1870's, farming profits increased sharply and farmers had more spending power. “Refrigeration made smaller farms of the kind surrounding Otautau an attractive economic proposition” (Bye, 1988 p19).

The first buildings on the site of the present settlement of Otautau were erected to meet the needs of travellers after the discovery of gold in Central Otago in 1861. By the beginning of the twentieth century the town “had become a vibrant community whose prime aim was to serve the fertile and increasingly profitable farms which surrounded it”. Otautau had become the centre for the increasingly profitable Western Southland farming district. Shops were opened, hotels and eating houses blossomed and a range of tradesmen set up businesses there. Otautau became the market place and the meeting place, “the social and commercial centre for the district.” In 1904 the town had a population of 625 (Bye, 1988, pp 14-19).

Alongside the flourishing sheep industry, the dairy industry also persisted and developed, and a dairy factory was established in Otautau in 1906. It produced quality cheese for the next 70 years. By 1923 the annual production of cheese reached 300 tons, and by 1932-33 it had increased to 372 tons from the output of 99 suppliers. Over the next three decades, however, dairying became less attractive. By 1966 the factory's production had fallen to 139 tonnes and it only had twelve suppliers (Bye, 1988 pp

21-22). “The trend towards efficient use of existing resources through centralisation reached Otautau in 1967, and at the outset benefited the Otautau Dairy Company through the redirection of milk from the closed Tuatapere factory to the plant at Otautau. The reprieve was short-lived. The 1977 amalgamation of the Otautau Dairy Company with that of Edendale led to the closure of the Otautau factory. Milk from suppliers in the Otautau district is now collected by a bulk tanker and processed at Edendale. The forces of centralisation, efficiency and technological change had struck again.” (Bye, 1988 p.22). Most recently, Southland Dairy Cooperative, based at Edendale, and Alpine Dairy Products, based at Clandeboye, have joined forces (see Clandeboye, WP 13).

Southland was broken into 400 acre farms after WWII. A lot of marginal land was developed. But many of these smaller farms are now generally uneconomic and there is an increase in off-farm employment (Taylor and McCrostie Little, 1995). Respondents indicated that the efficiency of labour has increased markedly, from 2.5 to 1.5 labour units per farm. They said that typically farmers now work 3,000-4,000 stock units, compared to 1,000 in the 1950's, leaving no time and little capital for development. There is also pressure on farms to amalgamate and some corporate farming is apparent. Inputs to recently developed land have fallen, and this land is reverting to scrub or being converted to forestry. The total number of farms increased over the period since the 1970's, but this is a misleading trend in that the substantial subdivision of small holdings and lifestyle blocks masks the increase in size of farm holdings and loss of smaller farm units. Subdivision, dairy conversions and forestry all serve to underpin relatively strong land prices.

New Zealand is squeezed for good growing land that is not prone to drought. Although distance from markets is a problem, transport technology is improving. The attractiveness of Southland pastoral land has therefore led to a major shift in farming type. Houghton *et al.* (1996) show that since the mid 1980's there has been a notable decrease in sheep numbers in Southland, following national trends, but less dramatically, leading to Southland having an increased proportion of the national flock (around 16% in 1994). Beef numbers have remained relatively static. But the big change of the 1990's has been to dairying.

Numbers of dairy cows fell from the 1950's to a low of 24,000 in 1981. But the potential in dairying remained. After a recruitment drive in the North Island by dairy industry representatives at the National Field Days, the Southland dairy herd grew dramatically from a base of 33,000 in 1989 to 114,000 in just five years. Growth reflected an improvement in trading conditions, and also the migration south of North Island dairy farmers. At the same time the average size of herd jumped from 240 in 1991 to 390 in 1994. The total number of dairy farms has continued to grow, usually involving the “conversion” of sheep farms. In the Otautau area, this recent growth is largely around the Aparima area.

Also a forestry town

At least five major sawmills used Otautau as their base at the turn of the century and there may have been another five between the township and Fairfax just six miles away. During the 1920's Otautau was as much a “mill town” as a farming town. At that time mills provided more employment for the Otautau workforce than any other single industry. Most of the mills had closed down by the 1950's (Bye, 1988 p.24).

From 1954 to 1983 the only surviving Otautau sawmill operation was run by the Port Craig Company, an Invercargill concern whose mill was part of a Southland-wide enterprise. The Company used the Thomson and McKenzie plant until 1965, when a new box mill in Eton Street was opened to utilise the

nearby beech resources. But in 1983 that mill was closed, with the loss of nine jobs. After four years lying idle, the mill was reopened by the Waikana Timber Company, who sold timber and a range of manufactured timber products. Most logs from the Longwoods, however, were transported by road to an expanded milling complex at Winton or to a chip mill at Awarua on “rigs” ironically called “log trains” (Bye, 1988 pp 24-5). The mill operated by Craig Pine has increased its employment from 5-8 people in the 1980's to 38 working in two shifts today. They are milling timber for local retail and export to Australia and the to the United States though the new owners based in the United States.

The NZ Forest Service began operating from Otautau soon after WW2. The first major plantings of exotics began in 1949. By the middle of the 1960's the planting programme grew rapidly when the Forest Service began to employ seasonal labour to assist with this work. By 1988 there were 7,100 hectares of exotic forest in the Longwood area - 77 per cent being radiata pine. However, most of the 38,300 hectare area at Longwood consisted of remaining indigenous species. At peak times throughout the year the Forest Service employed up to 100 men, and injected more than \$1,000,000 annually into the economy of Western Southland (Houghton *et al.*, 1996:25). The advent of corporatisation and the slowdown in the planting programme in the 1980's decreased the employment opportunities in forest related industries. There were only 25 NZ Forest Service employees at the time of restructuring in 1987 (Houghton *et al.*, 1996 p.53).

However, there are prospects for an expanding forest industry because of the overall increase in areas of exotic plantation since the 1970's (Houghton *et al.*, 1996 p.6). Over the 20 years from 1975-1994 the area of exotic plantation in Southland tripled to around 60,000 ha, mainly reflecting the planting boom of the early 1960's (Houghton *et al.*, 1996 pp 24-25). Furthermore, in addition to the pinus radiata plantations, farmers are planting marginal farm land in different tree types, including eucalyptus species, and douglas fir - which is a longer term species.

DEMOGRAPHIC FEATURES

Population profile

Otautau's population grew slowly until the 1950's and then more rapidly until 1971. Since 1976 it has declined, although this decline has slowed a little. The decline in Otautau is typical of rural Southland as a whole, where rural centres (less than 1,000 people) declined by 8.6 per cent in total between 1986 and 1991 (Houghton *et al.*, 1996 p. 43).

Population changes 1951-1996

Table 1: Otautau - Population changes 1951-1996

Census Year	Otautau		New Zealand	
	No. of Persons	% Change in Pop.	No. of Persons	% Change in Pop.
1904	625			
1916	699			
1945	640			
1951	737	-	1,939,472	-
1956	767	4.1	2,174,062	12.1
1961	806	5.1	2,414,984	11.0
1966	823	2.1	2,676,919	10.8
1971	934	13.5	2,862,631	6.9
1976	950	*-2.7	3,098,900	9.1
1981	921	-3.1	3,143,307	1.4
1986	873	-5.2	3,263,283	3.8
1991	837	-4.1	3,373,929	3.4
1996	813	-2.9	3,618,302	7.2

Note: Data for the 1951 to 1971 years are for the total population and from 1976 onwards for the usually resident population. Changes in population from the 1976 year are calculated using data for the usually resident population as these figures for 1971 & 1976 were published in the 1976 census reports.

* The usually resident population in 1971 was 976 and this accounts for the 2.7% decline in the town's population.

Demographic and socioeconomic characteristics

Children aged under 15 years were disproportionately represented in Otautau's population between 1951 and 1991 (Tables 2-4), making its age structure comparatively youthful by national standards. Formerly, females outnumbered males, but in 1991 this was reversed.

Age-sex structure

Table 2: Age-sex structure of the population of Otautau 1951

	Otautau		New Zealand	
	Male	Female	Male	Female
% 0 - 14 years	35.6	37.3	29.8	29.0
% 15 - 64 years	56.4	56.5	61.4	61.3
% 65 years & over	8.0	6.1	8.7	9.6
Total Number of Persons	362	375	973,968	965,504

Sex ratio M/F 1951: 0.97 (Otautau), 1.01 (NZ).

Dependency ratio 1951: 0.77 (Otautau), 0.62 (NZ).

Table 3: Age-sex structure of the population of Otautau 1971

	Otautau		New Zealand	
	Male	Female	Male	Female
% 0 - 14 years	36.5	37.1	32.5	31.1
% 15 - 64 years	57.6	54.3	60.3	59.1
% 65 years & over	5.8	8.6	7.2	9.8
Total Number of Persons	446	488	1,430,856	1,431,775

Sex ratio M/F 1971: 0.91 (Otautau), 1.00 (NZ).

Dependency ratio 1971: 0.79 (Otautau), 0.67 (NZ).

Table 4: Age-sex structure of the population of Otautau 1991

	Otautau		New Zealand	
	Male	Female	Male	Female
% 0 - 14 years	28.2	25.6	24.1	22.4
% 15 - 64 years	63.4	59.9	66.3	64.8
% 65 years & over	9.9	13.9	9.7	12.8
Total Number of Persons	426	411	1,662,555	1,711,371

Sex ratio M/F 1991: 1.04 (Otautau), 0.97 (NZ).

Dependency ratio 1991: 0.64 (Otautau), 0.53 (NZ).

By 1996, however, the town's population shows a move towards a more elderly population, as a result of a decline in natural increase, ageing, and probably some further emigration of younger to middle age groups. Between 1991 and 1996 the age group under 39 declined by 66 people and those 40 plus increased by 30 people (Southland District Council, 1997).

Ethnic composition

Maori comprised nine per cent of the population in 1991, whereas forty years previously there were no Maori recorded as residing in Otautau:

1951 - There were no Maori residents of Otautau (c.f. 6% for NZ).

1971 - Maori were 0.6 per cent of the population of Otautau (c.f. 7.9% for NZ).

1991 - Maori were 9 per cent of the population of Otautau (c.f. 12.9% for NZ)

Household Income

Household incomes in 1991 (Table 5) were generally lower than the national pattern. A number of respondents raised the issue of "poverty" for both elderly and young people. Whereas they said Otautau previously had been a "wealthy" town.

Table 5: *Distribution of Household Incomes in Otautau - 1991*

Household income range	% of households	
	Otautau	New Zealand
Less than \$10,000	11.9	7.5
\$10,000 - \$30,000	44.6	34.6
\$30,000 & over	31.7	44.4

INDUSTRY, WORK AND OCCUPATIONS

The role of the state

The government has had a key role to play in the changes experienced economically and socially in Southland in the last two decades. Primarily, the state has withdrawn from a major economic role in the agriculture, forestry and mining sectors, as outlined in Working Papers 2-4. At the same time, central government has either withdrawn or centralised support for transport (e.g. railways) communications (e.g. post office) and many rural social services (e.g. social welfare). Local government has also been amalgamated and centralised on the city of Invercargill through Southland District Council, with the closure of the Wallace County Council having a major impact on its former base, Otautau.

Division of labour within the industry

The meat industry has been restructured, with considerable changes in the trade of livestock. The industry is dominated now by two large meat cooperatives. The dairy industry comprises farmer shareholders of one major processing plant, based in Edendale. As noted above, further restructuring is under way.

Few farms employ labour directly today. Most obtain their labour through contract workers and operators: e.g. shearing, fencing, tractor work, spraying. Some of the contracting is supplied by farmers, or farmers sons, but there has also been an increase in the number, and size, of independent contractors. There are several large contractors based in Otautau.

Impacts of restructuring in the 1980's and 1990's

From the late 1970's, Western Southland has experienced successive waves of economic restructuring in farming, forestry, dairying, mining, local government, railways and social services.

In forestry, there were 25 people lost, who were employed by NZ Forest Service at Longwood (Otautau) at 31 October 1986, comprising 7 staff, 18 wage workers and no contractors (Houghton and Watt, 1987).

There were major job losses in the late 1980's in services such as Telecom, losing operators, technicians and line staff - over 30 full and part-time workers. The Wallace County Council closed with a loss of at least 30 staff. Wrightsons went from 11 staff to one today. As one respondent commented, "*if people wanted to work, they moved*".

Industry - major divisions 1971 and 1991

The impact of economic restructuring can be seen in the sectoral distribution of the workforce (Table 6), which changed considerably between 1971 and 1991. There has been a small (proportional) increase in those employed in agriculture and mining, and a notable increase in manufacturing. The losses in proportions employed in the construction, wholesale-retail and transport-communications sectors are marked. There has been an increase in employment in community and social services.

Table 6: *Sectoral distribution of the workforce of Otautau - 1971 & 1991*

Sector	1971 % of workforce	1991 % of workforce
Agriculture	13.4	15
Mining/quarrying	0.3	1.9
Manufacturing	11.5	19.6
Electricity/gas/water	0.3	-
Construction	10.3	8.4
Wholesale/retail	28.4	22.4
Transport/communications	14.6	4.7
Business/financial	5.3	4.7
Community/social	15.9	22.4
Total Number of Persons	321	324

Employment status

Employment status of the town's population in 1991 is shown in Table 7.

Table 7: *Employment status of the residents of Otautau - 1991*

Area Unit	Wages or Salary %	Self-Employed & Employer of others %	Unemployed %	Full-time %	Part-time %
Otautau	41	10.2	4.9	46.8	10.7
New Zealand (TLA)	42.3	10.3	6.3	49.3	11.1

The participation rate in 1991 was 58 per cent (c.f. 60% for NZ). The proportion unemployed was low compared to the rest of New Zealand, but high for Southland. By 1996, however, the labour force had increased 20 per cent, indicating considerable growth in the local economy (Southland District Council, 1997).

Technology and the organisation of work

An economic size for a sheep and beef property is now in the order of 3,000-4,000 stock units. This level of production is difficult for one person on their own. Nevertheless, many farm couples have one or more members working off the farm to obtain additional income. This trend is particularly evident amongst young farmers. Nor is it confined to women.

As permanent employed labour has largely been shed on sheep and beef farms, the pool of farm labour has decreased drastically. Many people who previously provided farm labour have moved out of the rural localities and townships such as Otautau. Newcomers who have come in, occupying houses vacated by people in the 1980's, do not necessarily provide a pool of labour suitable for, or interested in, casual employment on farms. Casual and contract labour now comes from a wide catchment including Otautau, Tuatapere, Ohai and even Invercargill, and is usually supplied through an agricultural contractor. Dairy people have created a demand for building contractors throughout the region, at least in the short term as conversions take place. Overall, workers are generally more mobile, with people such as forestry workers, shearers and freezing workers travelling considerable distances to work.

Dairy farming has a distinct pattern of work that influences the social lives of the farm families. The great majority are newcomers to their communities as well, having been in the area less than ten years. Out of 12 local, dairy farm women, four years was their longest on their current dairy farm. Some had made four shifts in ten years, leaving little time to contribute locally. Few have close social ties, with heavy work to be done. It is easier for them to have friends in dairying.

There have been considerable technological changes in the dairy industry, such as feeding systems and strip grazing, breeding, and rotary cow sheds. These changes have correlated with increases in the average size of farm.

Technological changes have impacted on all modes of farming: hydraulics, aerial topdressing and spraying, electric fencing, round bales and the four-wheel farm bike. So the need for physical work has reduced. Overall, farmers tend to specialise much more. In the 1950's they might have run 60 cows and some sheep, and done some cereal cropping. Today they specialise in sheep, dairy, deer or cropping.

In timber processing, the new, United States owners of the timber mill have introduced plant upgrades and a kiln drier. The work force has increased to 38 and further expansion is expected. The new owners have introduced needed capital and access to export markets. The workforce is mostly younger, single people and they are spread beyond Otautau itself. The lack of skills and essential work habits is proving a major problem.

Occupations and class structure

Unemployment was lower in Otautau than the national average in 1991. Most male workers, three-fifths in 1971 and two-thirds in 1991, were engaged in blue-collar occupations, while the majority of females pursued white-collar occupations. Each of the wholesale/retail, community/social, and manufacturing sectors provided employment to a fifth of the town's workforce in 1991. The latter two sectors had increased their share of total employment over the previous twenty years; whereas the share of the wholesale/retail sector had declined.

Table 8: Occupational status of the workforce of Otautau - 1971 & 1991

Occupational category	1971		1991	
	Male %	Female %	Male %	Female %
administrators/managers	2	-	10.5	20.8
professionals & technicians	6.4	9.9	17.9	20.8
clerks	10	43.7	1.5	29.2
service/sales	20.4	36.6	3	20.8
agriculture & fisheries workers	11.6	4.2	10.5	4.2
trades workers/machine operators/elementary occupations	49.6	5.6	55.2	4.2
Total Number of Persons	250	71	192	72

Ownership of forestry and agricultural processing and servicing from outside the district, and region, was noted by many. There are today fewer agricultural servicing and processing companies owned by Southlanders and based in the region (e.g. stock and station, freezing works). Similar issues arise for the timber industry. It was noted that Southland had once been the wealthiest province. But profits move out: “The Auckland Harbour Bridge was built with Southland money”.

Respondents commented on the more obvious class structure and social divisions in Otautau today. This is apparent to them because of low-income, beneficiaries moving into the area. Previous, or existing class structures, based around ownership and work in the traditional industries of farming and forestry received less comment.

THE REGIONAL AND LOCAL ECONOMY

Otautau and the agriculture and forest industries of Western Southland

Higham *et al.* (1977 pp 35-37) provide information about the economic impact of the forestry sector in Western Southland before the changes of the 1980's. The forestry sector in Western Southland then comprised two branches of the NZ Forest Service and five milling companies.

The social impact of the forestry industry on Otautau was, in summary:

- employment - 53 jobs or 16 per cent of all employment in the town. The company, Port Craig Ltd, provided 29, and the Forest Service 24 i.e. around one sixth of all employment;
- wages - \$300,000 after tax wages in 1976;
- families dependent on forestry sector - 121 people residing in the town (13% of the total population) and another 30 living in villages outside Otautau;
- services obtained from other businesses - \$100,000 spent on engineering, construction and motor services in the town in 1976;
- integrity and vitality of local organisations - strong contribution by forestry families to churches, scouts, football and social clubs;
- rates - 7 per cent of Otautau rates during 1976/77;

- local purchases of goods and services by employees in the forest industry - \$260,000 spent on local purchases during 1976;
- cohesion of local services - the primary school draws a high proportion of its pupils from forestry families. Medical services also depend on patronage from forestry families.

Houghton *et al.* (1986) found in a survey of Otautau businesses that 70 per cent were very dependent on servicing farming such as stock and station firms. It was estimated the town served up to 4,000 people, including up to 500 farms.

The local economy of Otautau today

Few of these original businesses servicing farming remain today. City based mercantile firms such as Wrightsons (city branch) and CRT dominate farm supplies, while local stock and station firms have closed or merged. There are fewer stock agents working the rural townships. Although, some new business opportunities have emerged, particularly agricultural contractors, and builders doing dairy conversions that require new milking sheds and other buildings.

Overall, local businesses report a change, with less local spending, despite considerable local loyalty and support. In addition to losses of services and people, and the down turn in farming, businesses face strong competition within the region, and the introduction of cheap imports, such as clothing and electrical goods, and chain stores such as the Warehouse. Banks closing is a major issue. There were three banks in 1986. Two have closed. People came to a town to bank, and then conduct other business. In addition, businesses have faced increased bank charges.

Winton and Invercargill are the main alternative locations for shopping. People from both Otautau and its hinterland, including Ohai and Nightcaps, are attracted to these alternative locations. The reduced local retail activity has a compounding effect as shops close and services are reduced.

People commute from Otautau to work in other centres, including Invercargill. Others such as teachers, tradespeople and professional people commute in reverse from Invercargill. The result is that both groups tend to do their major shopping in Invercargill, putting further pressure on local businesses to compete. In addition, high school children now commute to Winton, bringing greater contact with that centre, where there is a large supermarket. Newcomers and younger people, such as dairy families, are seen to have less obvious loyalty to local shops and services.

While some farm business services have been lost locally, a strong regional service is now provided out of Invercargill, with 0800 numbers provided. There has also been an emphasis by surviving businesses in Otautau on their response to change. Improved management was noted as necessary, and more aggressive marketing and pricing in line with city stores. Businesses can no longer count on the comfort of a local margin based on loyalty or transport costs.

Wrightsons (Otautau branch) is regarded as an example of a local business that has improved recently and become more competitive. Restructuring in the firm has given the Otautau branch more independence to set prices and compete with the city in both price and service. The operation has dropped from two in the shop and four stock agents to a sole operator. Whereas previously it was a large business dealing in real estate, cars, machinery, white ware and petrol sales, the focus is now on basic farm merchandise.

The supermarket has also built up - but the businesses in the town are under considerable pressure and competition. In many cases this means that where there are two businesses they have problems surviving, e.g. two hairdressers, or a supermarket with a good meat section putting pressure on the butcher, two mercantile firms, etc. In the past, businesses had informal arrangements about the range of products each offered, now most businesses offer a wider range of products, for example, garages. Several businesses were reported to be for sale.

Strengthening the economic base of Otautau

There is a strong belief that the trend of decreased farm labour will not reverse without sustainable land use change. Horticulture (primarily floriculture) is seen as a key potential land use in the area, with smaller units and more employment. Southland District Council (SDC) considers horticulture can stimulate one direct job per ha and four more downstream. Increased population through such development is seen as a means of strengthening local communities.

Crops for Southland, based in the SDC, have an enterprise development role, with an emphasis on the development of new technology and lessening the initial risks of new ventures. Their focus is on development of knowledge and skills. They have numerous projects, using a “snowball” approach to bring in research and development funding and new venture capital. There is a long list of ideas, so they prioritise by competitive advantage, available private input and likely markets.

The Topoclimate Project involves mapping of soil and climate types. They are working with Crop and Food Research, Landcare and Ag Research. This is a \$4.5m project. There is local funding from the councils, and Southland Community Trust (ex Trustbank). The project addresses risks of sustainable land management and economic development. It will include a data base of key growth factors horticultural growth factors.

SF2000 is an incorporated society running a sheep monitoring programme aimed at increased productivity from the Southland sheep flock. Also involved are the Clutha Development Board and Focus Southland - under the Chamber of Commerce. Other developments in the region include forestry investment, veal processing using a Dutch system, and Biogrow (organic) meat focussing on the concept of food safety.

Tourism in the area has potential. One of the main local tourist developments is a farm hosting scheme that involves 14 farms working through Elderhostel to host busloads of up to 42 people, usually for two nights. Some of these farm hosts have been going for as long as 12 years. Other operators in Otautau include two hotels with bars and restaurants, a grill, and a jet boat operator. Issues for tourism development include the improvement of signage (Transit are seen as obstructive to new signs) and development of an inland scenic route. There is potential for a motel, development of the Hump Track, local walks, a heritage trail, and garden visits. Farm based tourism has to be cognisant of peak farm times such as lambing.

The Promotion Association has been active in the town with the support of funds from the District Council. Their activities include improved signage and brochures about the area. CEG have assisted with a folio for Western Southland that is placed in hotel and motel rooms. It was reported that noticeably more people are coming through the area.

A new international airport proposed for the Lumsden area of Western Southland would have a major impact on both the horticulture (floriculture) and tourism industries in the area.

PHYSICAL AND SOCIAL INFRASTRUCTURE

Infrastructure and funding

Local sports facilities are good - e.g. tennis. There is an excellent sporting complex in the town.

There is a good sewerage system, built to cope with a population of 4,500. This scheme has the capacity to deal with industrial waste if plants were built in the future.

A new town hall is being developed, with 40 per cent of the cost coming from the Community Trust.

An issue is provision of a transfer station for the area - where it will be located. A campervan waste disposal point is needed at the public toilets.

Flood control

“In many ways, the commercial future of Otautau, along with that of small towns throughout New Zealand's green belt, seems bleak. Otautau also has an added burden. It must overcome its reputation gained in the wet wake of the disastrous 1984 and 1987 floods of being flood prone; a place where it is now unwise to build a house or establish a business on the flat in case the rain and the water comes again” (Bye, 1988 p.33).

In the flood of 27 January 1984:

“Those who suffered most in the flood were the under insured and the old - often the same people. These were the people with the greatest sense of the past, and therefore the greatest amount to lose. They were also the people with the least energy to start afresh. For many, the longest lasting effects of the January floods will be psychological, rather than physical. Each long and heavy rainstorm brings with it the possibility of a new disaster in the minds of those who experienced the full blast of the last one” (Bye, 1988 p.135).

In the flood of 10 March 1987 only sixteen houses suffered substantial damage but the repair bill for the primary school was estimated at \$250,000 (after the 1984 flood some \$300,000 was spent repairing the school). Two business firms in North Otautau also sustained serious water damage. In the aftermath of this second flood there was considerable anger expressed by the town's citizens against representatives of central government (Bye, 1988 p.140). The sense of relief felt by the community that they were spared the devastating effects experienced in the previous flood was tinged by anger that distant powers had brought Otautau to the brink of an “avoidable” disaster. This view is summarised by (Bye, 1988 p.140):

“To many locals, Wellington was an unsympathetic world away, a world full of powerful people daily making decisions affecting small communities like Otautau, without taking sufficient notice of the effects those decisions would have on these communities. The 1987 deluge may have brought the promise to Otautau of a flood-free future, but the fact that there had been a flood at all only served to reinforce in the minds of many that to those in the north where the power now appeared to lie, rural New Zealand, and especially southern rural New Zealand, is almost a forgotten land”.

Transport and communications

Bye notes that the railway line has remained open not to serve Otautau, but because of the coal resources at Ohai and Nightcaps (1988 p.38). There are very limited public transport services, an issue primarily for low income families and the elderly.

Interviews identified considerable improvements in private transport and communications in the last two decades, including sealing of roads, improved freight and mail services, and improved telephone services and the internet. Generally road transport is much easier, and many families have two cars.

Housing

Over the last few decades there has been a growing proportion of dwellings in the township that have become owner-occupied (Table 9), as central government has withdrawn from the economy and previous “state” houses have been sold to private owners. Many of these residents are newcomers to the town.

Table 9: *Tenure of Dwellings in Otautau - 1951,1971 & 1991*

Form of Tenure	% of dwellings		
	1951	1971	1991
Provided rent free	4.3	7.4	2
Rented	26.5	21.3	20.8
Owned with a mortgage	34.6	30.6	33.7
Owned without a mortgage	34.1	40.7	42.6
Total Number of Dwellings	185	258	303

There are also some local pensioner housing units.

Health

The doctors cover an area from Gropers Bush, some of Isla Bank, Hadden Bush, Eastern Bush, Tuatapere, Ohai and Nightcaps. The doctors go to Nightcaps four afternoons a week and have a nurse practitioner there for three half days. There are also medical centres in Tuatapere and Te Anau. Riverton has two doctors and a locum. There is a Plunket nurse in Otautau. Her area includes Wainawa, Winton and Riverton. Another nurse based in Winton covers Ohai and Nightcaps. There is also a district nurse, and another at Ohai.

The medical practices are now owned by two local doctors, both women, and this is regarded as a good service. But there are concerns about access to Kew Hospital in Invercargill and changes in the health system. Services there are being downgraded and there is the issue of travel to the city. There are waits for specialists. A mental health team visit from Invercargill as do domiciliary nurses. Riverton has a rest home.

There are elderly in the town, including those in the pensioner flats. District nurses assess problems for the elderly, and if patients deteriorate they have to go elsewhere, maybe to Riverton, a few to Invercargill. They might go to Winton if they have family nearby.

There is concern about the ambulance service, which is voluntary - and while trying to be available daily is mainly available weekends. Most volunteers are self employed, and find it difficult to operate the ambulance in the daytime. Yet they need to respond to both farm and forest accidents. There is also a fire brigade which gets strong support and trains twice a week. They do St Johns training as well.

Education

Residents of Otautau possessed fewer educational qualifications than the general population of New Zealand in 1991 (Table 10).

Table 10: *Highest educational qualifications held by residents of Otautau - 1991*

Highest educational qualification	Otautau % of residents	New Zealand % of residents
University & other tertiary	22.4	34.5
Secondary	15.6	18.8
No qualifications	47.8	30.6

The Otautau school, which involves 120 families, is the hub of the community. The school age families plus about 20 others receive the school newsletter. The boundary of the school community is established by the school bus runs, and includes Scotts Gap, Aparima, Gladfield, Bayswater, and Ringway, not quite to Fairfax.

The school roll has fluctuated over the last 22 years as the following figures show:

1976	277
1981	284
1986	245
1987	242 (est)
1988	204 (est)
1998	196
1999	220 (projected)

Sources, Houghton *et al.* (1986); Otautau school

Between 1965 and 1976 the roll of the Otautau primary school grew and extra classrooms were added. In the early 1980's the roll peaked and then began to fall reflecting local social and economic changes

and national trends (Bye, 1988 p.103-4). It declined further in recent years, but is now predicted to be slowly on the way up.

The small remote schools such as Blackmount have also experienced a drop in population and typically a reduction from a two to one teacher school. The loss of farm labour and increased ages of farm families contribute to this problem. On the positive side are improvements to school buildings, and access to computers and the internet. Also, when small schools are closed Otautau can benefit. When Orawia loses its school this year, some will go to Otautau, others to Clifden.

The social character of town and school were affected by the economic downturn. Cheap housing brought in lower socio economic status people. The school noted that social problems followed this change and the school and community are less stable now. The comment was made that *“before you knew all the people in town. Not now”*.

Dairy farming has brought younger families with school-age children into the Otautau school, with about 30 or 40 dairy families moving into the school district over the last ten years. Dairy families support the school as a priority, and it helps them develop social links and *“settle in”*. They work hard and have little other time for community activities. Forestry families are few, as the workers are now mostly single. If the new mill expands, this could be different. There are few business families. Many parents, often both, commute out to a freezing works or to contract work on farms. There are two or three shearing families.

Training

Contractors now undertake the logging and forestry planting and they want productive, trained, people. But forestry development is now concentrated in Invercargill, so the employment is concentrated there too. They often use freezing workers during the off season. There are few jobs for young people in Otautau, who consequently leave the area for training and work. The expanding mill has noted problems obtaining young people with strong work skills, indicating some very basic training needs.

Most of the shearers are from the north island, plus a few locals. There are now more Europeans shearing. The Wool Board provides courses for shearers and shed hands.

Otautau used to have a training programme but there is nothing going on at present. Past focus has been on life skills courses. It is difficult to get training resources, for example, for computer courses. It is necessary to have a qualified trainer and the appropriate equipment, with support from the Qualifications Authority. Trainers face a lot of red tape, and there is a difficulty attracting transient, unemployed people to courses. So little has been done in the last few years.

There is no bus service and it is difficult for people to get out for training in other centres. So they are trapped in a cycle of poverty: no money for transport, can't get into town, high debt. Young people wait for a break, any opportunity to go into the city to live, possibly to work or train for work.

Agencies and social welfare organisations

The Community Funding Agency (CFA) provide advice, information and funding for the Otautau community worker. They have also funded parenting courses and home group courses, with the goal of strengthening families. There are a number of community support activities including a food bank

and family support. CFA require a voluntary contribution to make up 100 per cent funding. This raises the question of the availability of volunteers to help make up the difference. The COGS scheme is another source of funding.

The main needs identified were budget advice, parenting skills, home based support (there needs to be a Maori worker but there is no funding for this), basic life skills and meals on wheels. The main groups with needs are young people with families, single parents, youth, unemployed males and elderly living on their own.

RESOURCE AND ECONOMIC PLANNING AND LOCAL GOVERNMENT

Local government

The Otautau Town Council amalgamated with Wallace County Council on 1 April 1978. On that day the previously independent Town Council became a Community Council under the umbrella of the Wallace County Council. (Bye 1988 p.169). At that time it was noted that:

“The Wallace County Council now occupies more land and employs more people on a permanent basis than any other single enterprise in Otautau. Its contribution to the life of Otautau has been immeasurable. By selecting Otautau as the site of its operational headquarters, the township was placed on the local government map and confirmed as the focal point not just of the Western District's roading network but of the network within the entire Wallace County area. It brought families into the township and even built them houses in which to live. It provided jobs for Otautau people and added to the business life of the community. It has provided expert advice to the Otautau Town Council and financial assistance with a number of major projects. Since the 1978 amalgamation of the Otautau Town Council with the Wallace County Council, it has been indirectly responsible for the construction and maintenance of all roads and services within the township” (Bye, 1988 pp 35-6).

People generally see local government as part of the loss of services and employment, and especially the loss of local control. But amalgamation of the councils into the Southland District Council based in Invercargill was also seen to have brought benefits, such as less isolation, more coordination and less conflict between local areas, and better qualified and more professional staff. There is also a larger rateable base.

The Wallace Community Board is now responsible for the provision of basic services in Otautau, such as streets and footpaths, water supply, drainage, refuse collection, parks and beautification, halls, toilets and library, as well as input to administration of the RMA. The Otautau Community Services Strategy (Southland District Council, 1997) provides a framework for the future provision of services.

The Council puts work such as lawn mowing out to contract, with questions raised for locals about their lack of control over the work done.

Resource and economic planning

Waste management is a big issue for the area, particularly the dairy industry. There is also an issue for the town in the future location of a new transfer station for solid waste. It was commented that there is a lack of substantive facts for decision making, including an economic profile and ongoing social and economic monitoring.

COMMUNITY

Community activities, organisation and leadership

There are a wide variety of community groups and organisations, for both men and women. Lions are active and do a lot in the background. There are several local churches with three ministers, and sports clubs. In many small localities the hall remains a focus, but more often as a memory of time past, of local dances and active social gatherings and meetings. In the past, women were involved in gift evenings, or holding social dinners for newcomers. Whereas a gift evening was common, now the girls refuse them, or simply have left the district when they leave school, and marry outside the area. *“The whole of Southland is slowly running down”* one older couple lamented.

The period of economic restructuring meant that the community lost a lot of key, professional and other people who had managerial skills and were active in the community in key roles in local organisations, such as being secretary or treasurer. These people were lost with the successive closing of the post office, Wallace County Council, forestry, railways, banks, stock and station firms and other businesses. There is a lack of volunteers today, with fewer people to take responsibility in community organisations and leadership. The same people tend to work on different committees. Central government pushes local communities to do more but with less funding. All but the fire brigade struggle; they get funding to do their job and there is a social side to the brigade and training activity.

There has been a negative impact of population change and increased shift work on team sports such as rugby, and team sports struggle to maintain membership. This problem is particularly evident in the more remote valleys such as Blackmount. Throughout Western Southland there has been amalgamation of teams in traditional sports such as rugby, netball and tennis. Also, drink driving campaigns have had an impact on sport and associated social activity.

Farm families are travelling ever larger distances to offer sport and cultural activities to their children. They will go to the city for shopping or sport, whereas their parents did not do this. This willingness to travel does not always work in reverse. *“Town”* sports teams were reported as defaulting, rather than *“travel all the way out here”*.

Traditional organisations such as the RSA, Federated farmers and WDFP are facing considerable pressure from population and lifestyle changes. Organisations such as the racing clubs, which have been an integral part of rural Southland, providing considerable employment in the past, are also finding it hard to survive.

Dairying brings new, younger families into the district, but they do not always have time, or feel welcome, to take part in community activities. An alternative view was that dairy farm families are younger, and good for clubs and services, filling a gap in membership and leadership. A comment was made that dairy people are very competitive in sports compared to others and want to *“go where the winners are”*. It should be recognised that part of the change in community organisations in Otautau reflects a wider shift and refocusing of effort in rural communities, away from traditional organisations, towards sports and children’s activities, as documented by Taylor and McCrostie Little (1995 p.193-4).

Social Problems

The character of the community has changed, with considerably more beneficiaries, who have moved in to take advantage of cheap housing, rather than employment opportunities. Social problems centre around low incomes, the need for employment and parenting. Also, the community did not know how to handle men without a job.

The demand for food parcels peaked in the 1990's, now the emphasis is on budget advice. Low income people require budget advice. Also, they often do not have the money to take part in some community activities such as sports. There are more people with a variety of social problems, including newcomers, who tend to lack the strong social support networks of longer standing residents.

Elderly people tend to be independent. Some are lonely. There is no meals on wheels. There is an active Senior Citizens and bowls club who keep an eye out for problems, plus church ministers and medical services.

Maori

As noted above, there has been a growth in the Maori population from none in 1951 to nine per cent of the population in 1991. Maori have tended to concentrate around the labouring work and cheaper housing available in Southland resource communities. There are no specific services or groups for Maori people in Otautau, the nearest marae being near at Nightcaps. Most Maori are from tribes elsewhere in the country, and the strongest networks and support for them are in Invercargill.

Women and young people

While employment in agriculture has fallen, the proportion of women working on farms has increased (Houghton *et al.*, 1996 p.45). At the same time, women are more involved in off farm employment. They maintain a strong commitment to community activities. But many women who might have provided social support and worked in community organisations in the past are now working in paid employment.

Isolation remains an issue for many farm women despite improved roads and vehicles. Travel is a big issue as they have to travel ever further for shopping and basic services, and to keep a range of children's activities going.

Plunket and Playcentre provide support for women, and there is a women's refuge in Otautau. REAP provide days of activities and training for rural women.

CONCLUSION

Otautau has experience much social change in the last 15 years, mostly as a result of economic restructuring in the regional and national economies. It remains firmly based on the resource based industries of agriculture and forestry. Tourism has a minor, but increasing role.

The dairy industry has shown a major cyclical trend. Reduced to a remnant of that found earlier in the century, the expanding industry is seen by many as one of the bright lights on the economic horizon. But the character of the industry has changed, with new technology and much larger herds. The economy has become much more dependent on any changes in the worldwide price of dairy products. Newcomers to the community are driving much of the change. Processing has centralised from many small, local plants, including Otautau, to one major plant serving the lower South Island. Servicing of the industry has also become more regional, and centred on Invercargill.

One of the main prospects in the Otautau community is the expansion of the timber mill under new foreign owners, confirming the cyclical nature of this industry as well.

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