

Growing Apart

A burning platform

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A call for place-aware policies

- Burning platform for change
- What matters
 - People
 - Opportunity
- Different solutions

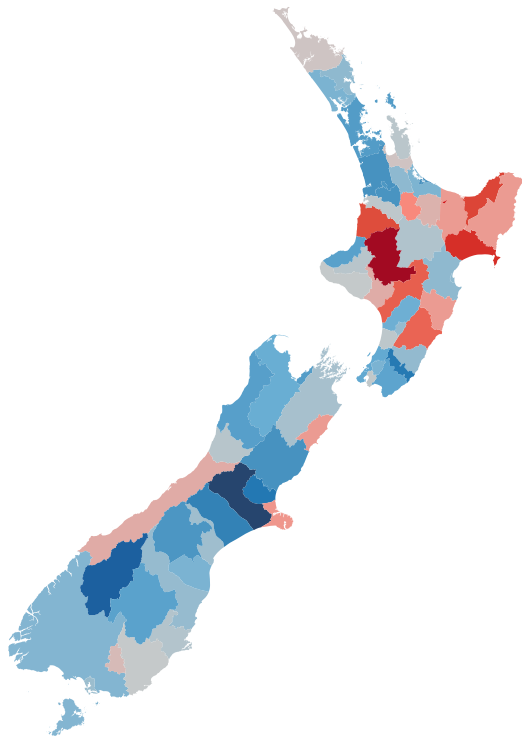
BURNING PLATFORM

Prosperity is unevenly shared

Diverging fortunes

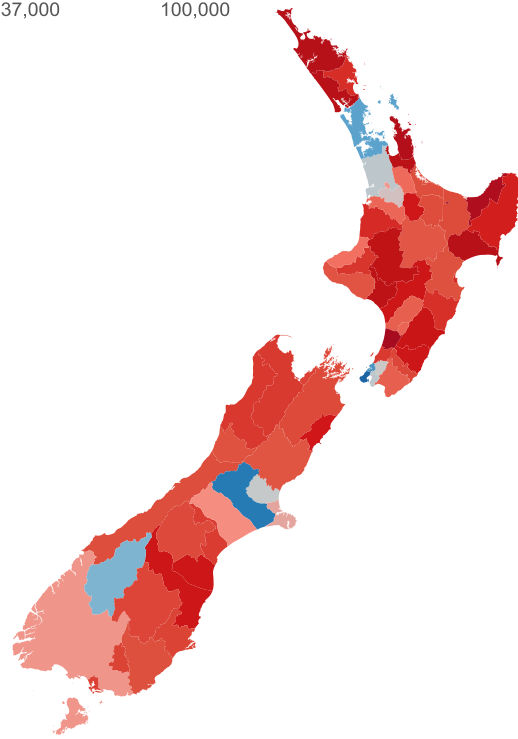
Population growth
(2006-2013, %pa)

%pa, 2006-2013
-2 4



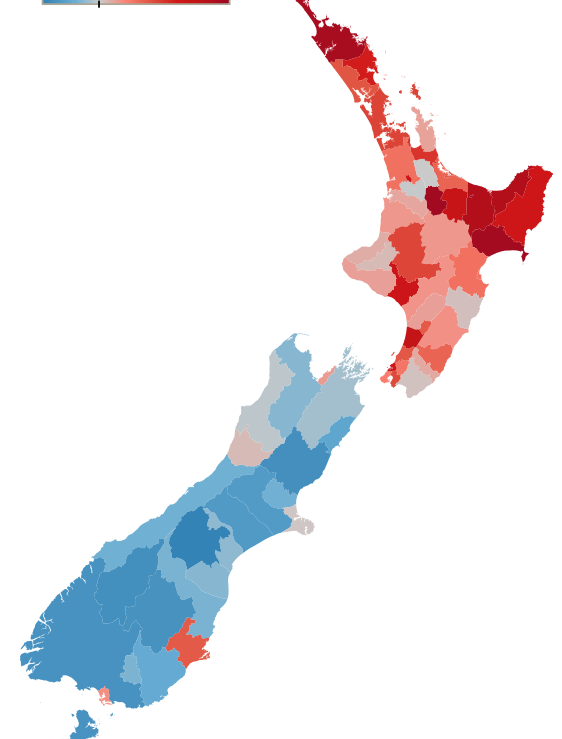
Median household annual income
(2013)

\$ per year
37,000 100,000



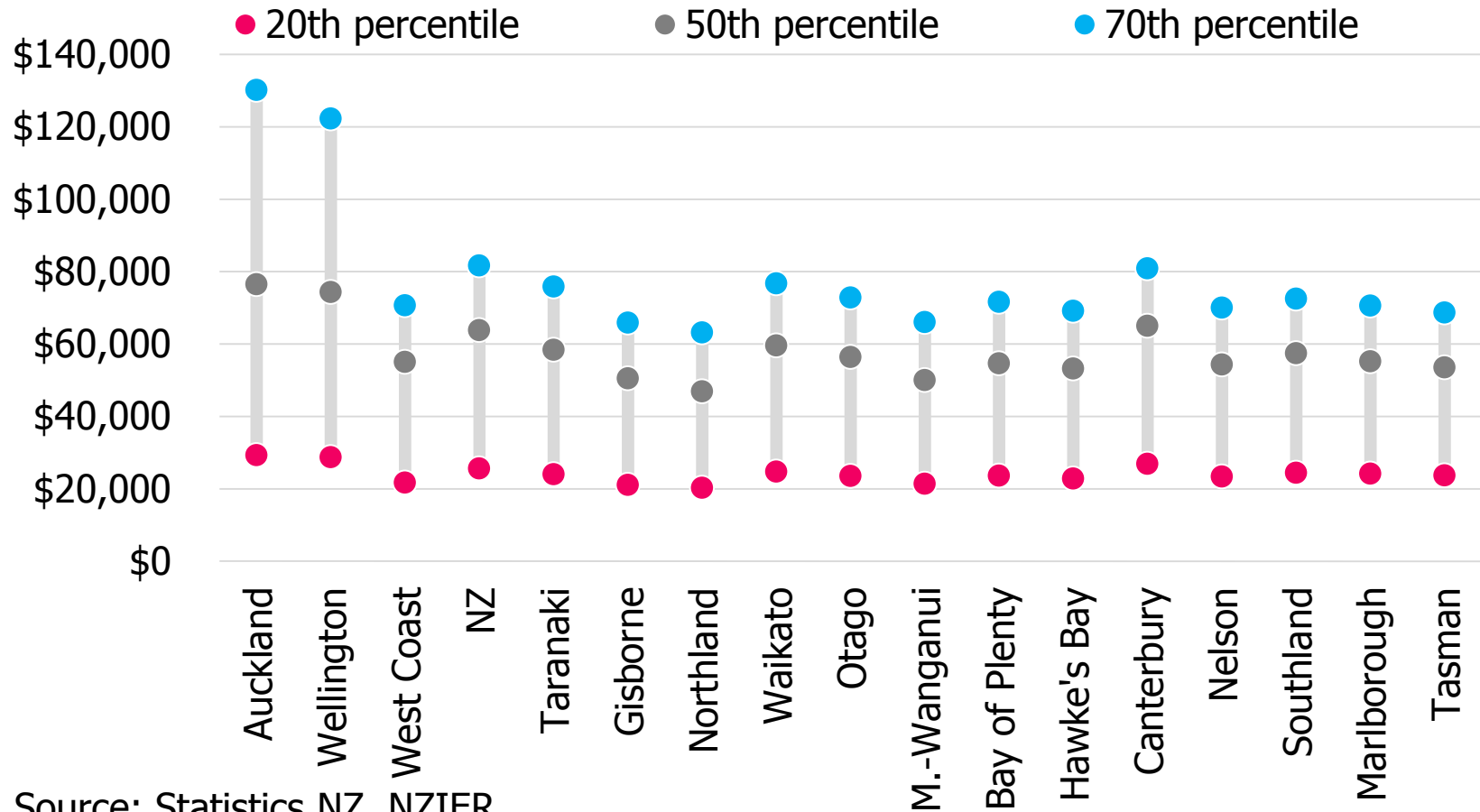
Unemployment rate
(2013)

% of labour force
2 12



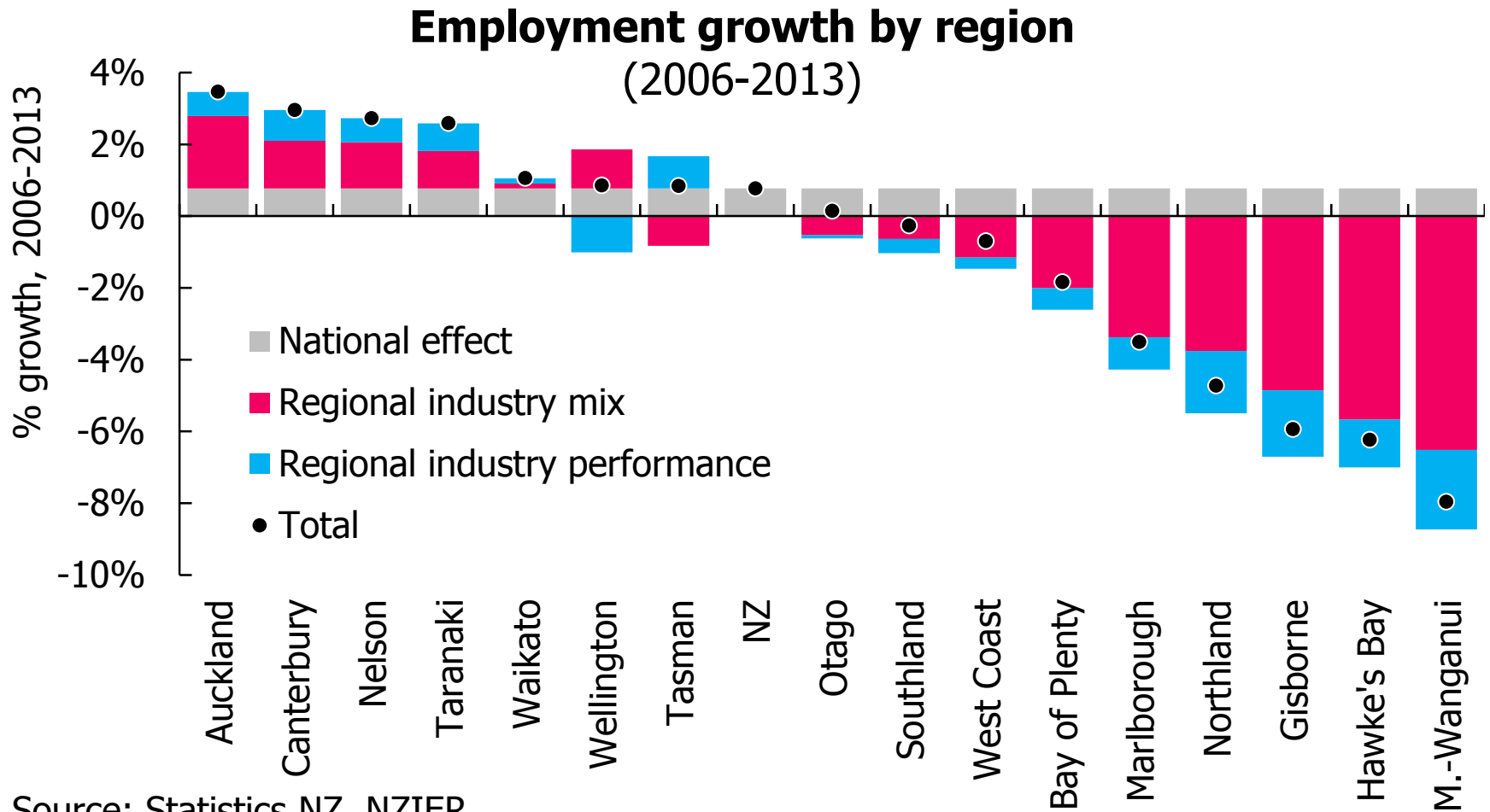
Unequally shared

Regional household income dispersion



Source: Statistics NZ, NZIER

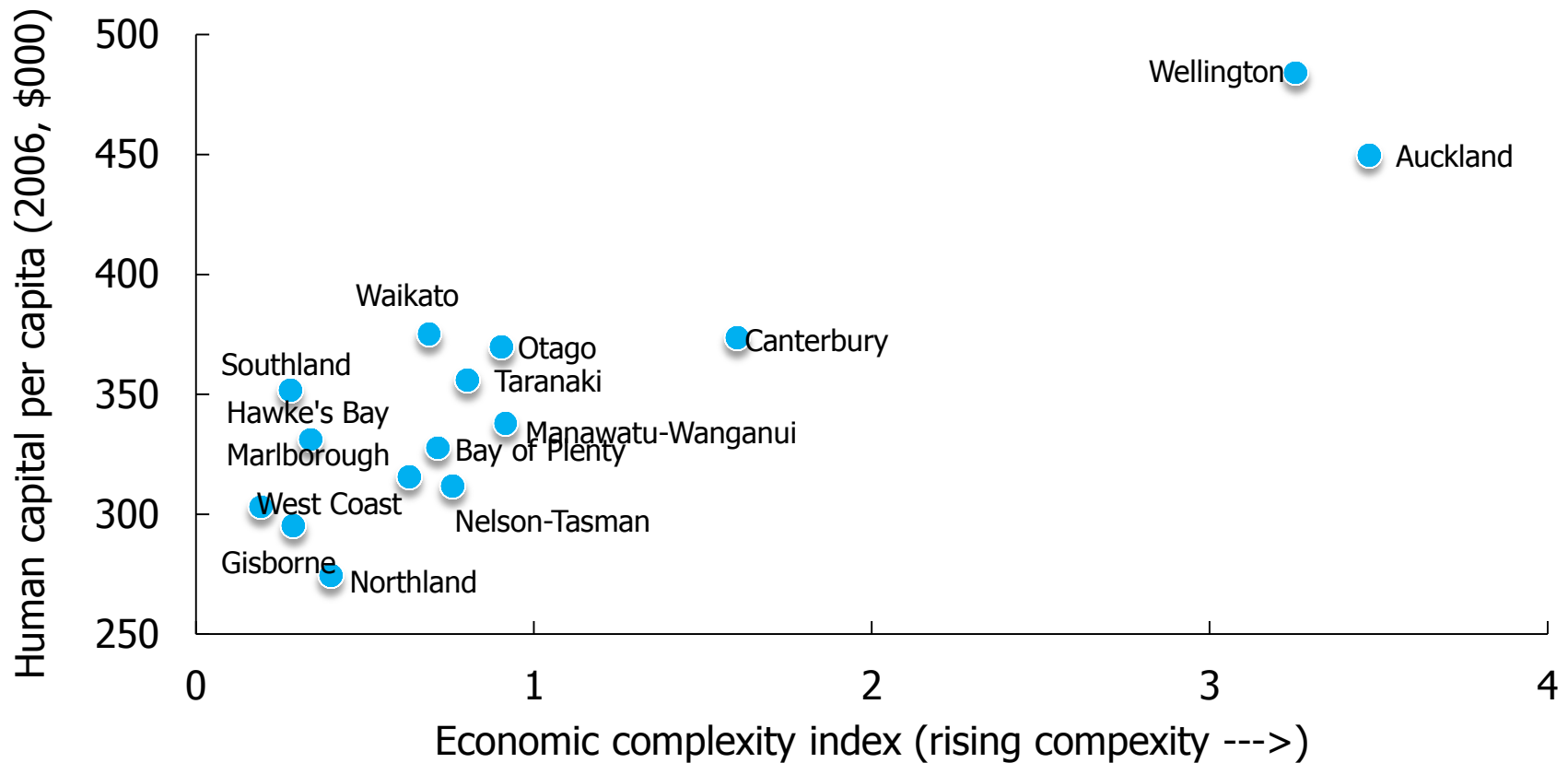
Different performance



Source: Statistics NZ, NZIER

Different economies

Economic complexity & human capital



Source: Statistics NZ, NZIER

Unique

Specialisation of industries vs. growth in jobs

Region	#1 specialty	Strongest growth (2003-2013)
Northland	Petroleum Refining	Hospitals
Auckland	Music publishing	Corporate Head Office Management
Waikato	Iron Ore Mining	Corporate Head Office Management
Bay of Plenty	Kiwifruit	Other Agriculture & Fishing Support
Gisborne	Citrus Fruit	Sheep-Beef Cattle Farming
Hawke's Bay	Apple & Pear	Labour Supply
Taranaki	Petroleum Exploration	Labour Supply
Manawatu-Wang.	Pumps & Compressor Mfg	Sheep-Beef Cattle Farming
Wellington	Central Banking	Central Government Administration
Tasman	Building Society Operation	Road Freight Transport
Nelson	Fish Trawling, Seining & Netting	Labour Supply
Marlborough	Non-Metallic Mineral Mining & Quarrying	Other Agriculture & Fishing Support
West Coast	Metal Ore Mining	Coal Mining
Canterbury	Communication Equipment Mfg	House Construction
Otago	Stone Fruit Growing	Stone Fruit Growing
Southland	Aluminium Smelting	Dairy Cattle Farming

Note(s):

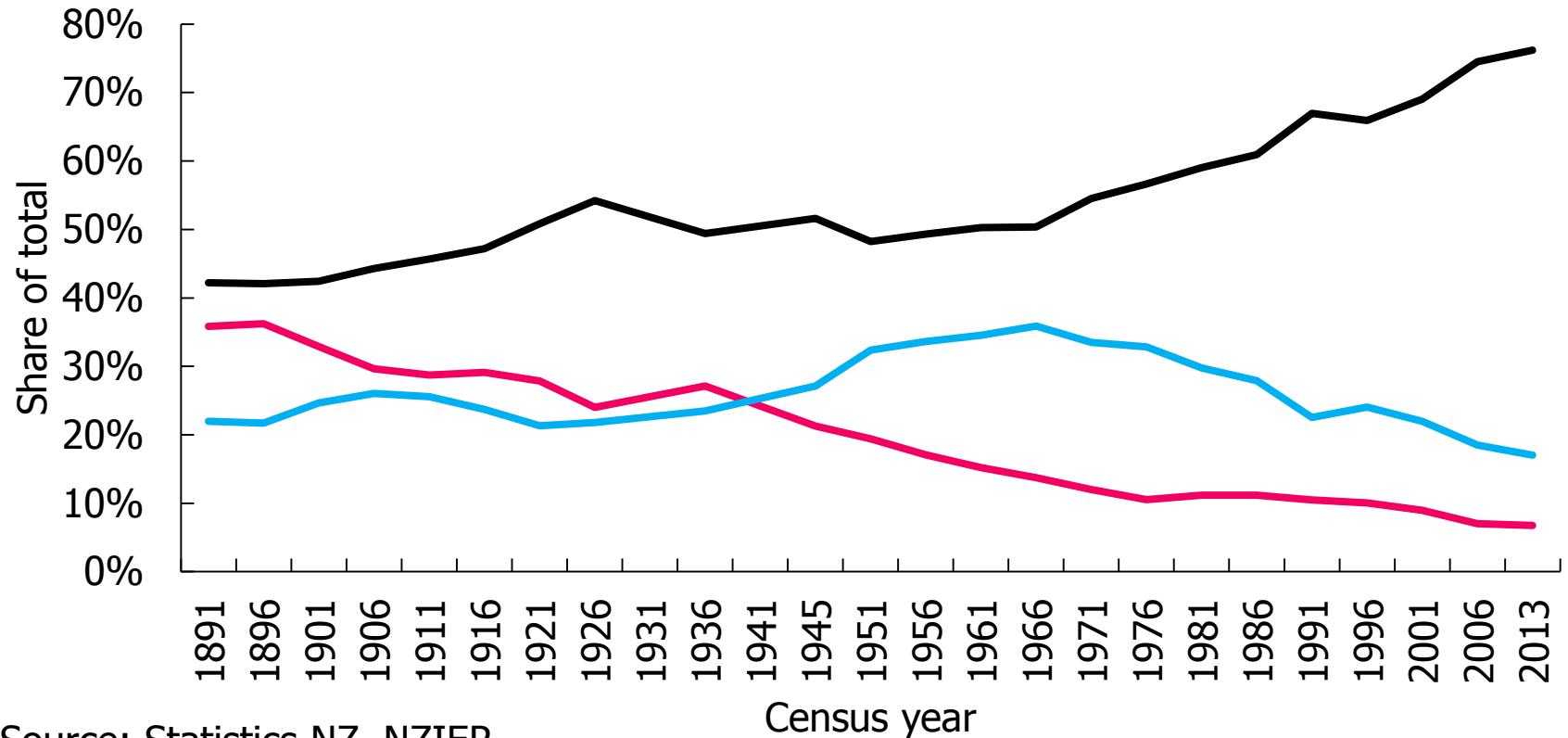
Legend: **Service**; non-service ("making")

Source: Statistics NZ, NZIER (Based on filled job comparative advantages for 2013)

Not new

Employment by industry sector

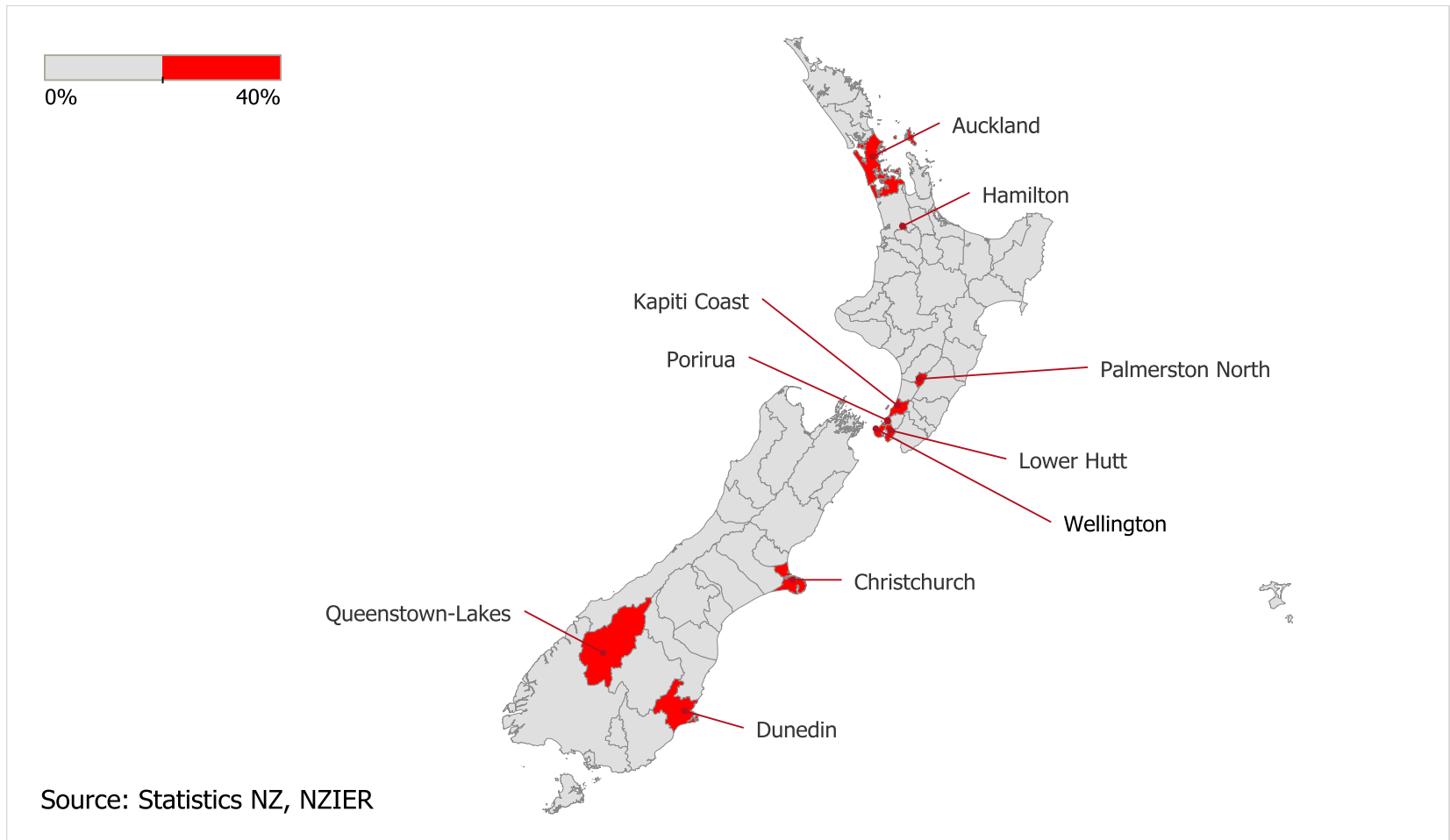
Primary Goods producing Services



Source: Statistics NZ, NZIER

Not for all

Share of population with tertiary education



UNSTOPPABLE FORCES

Sped up change

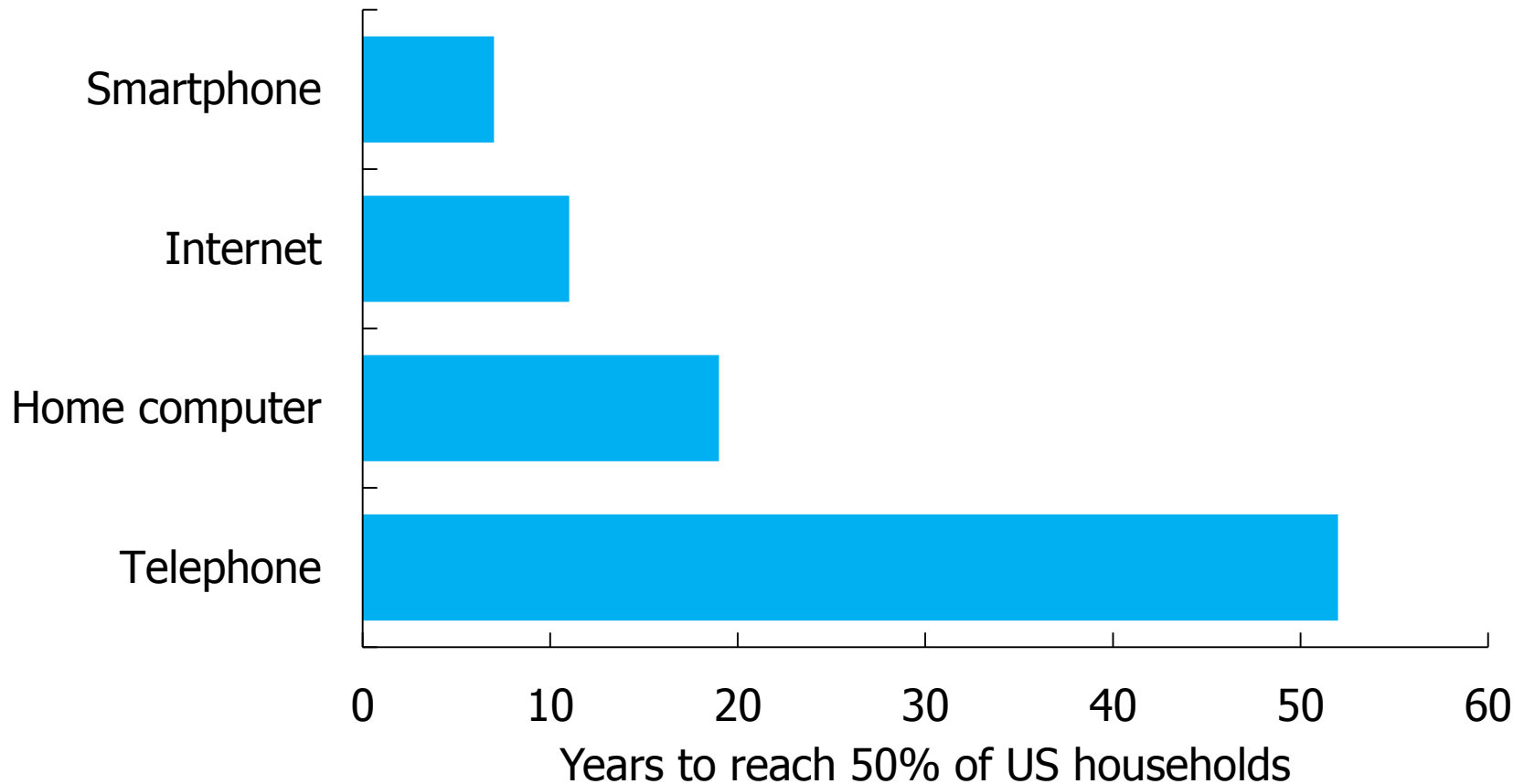
Secular forces = growing gap



- Technology
- Globalisation
- Urbanisation
- Ageing

Technology

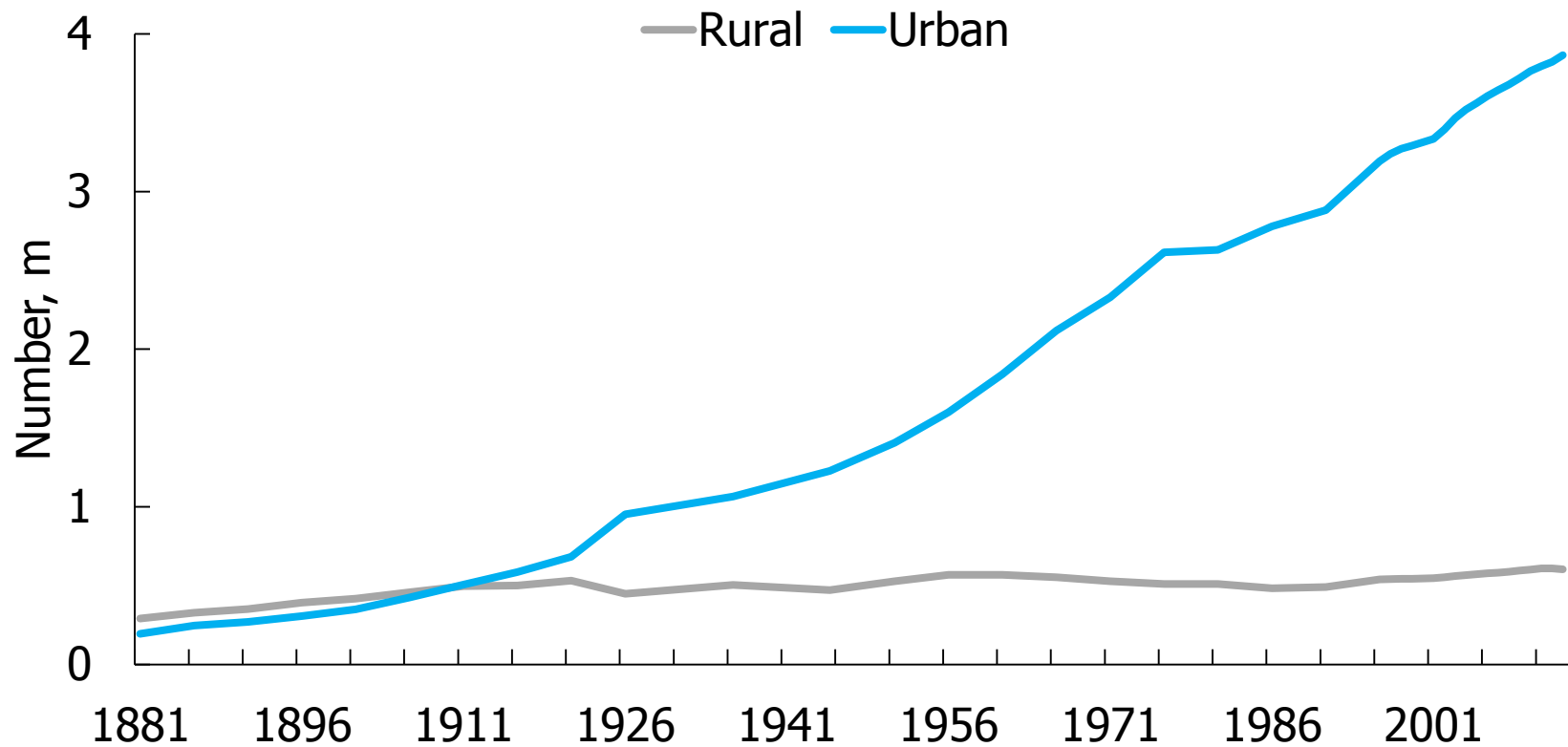
Technology adoption pace



Source: Asymco

Urbanisation

Population distribution

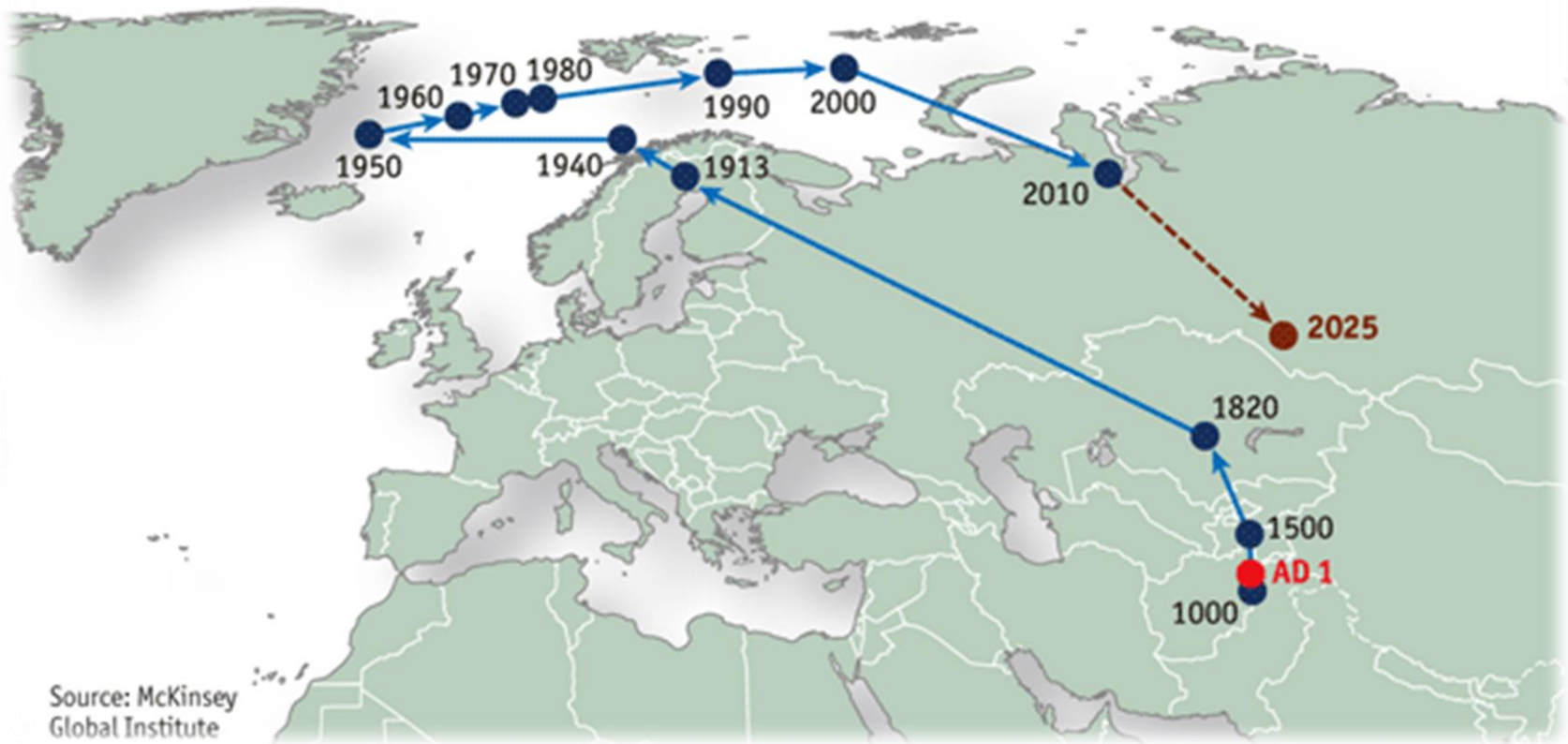


Source: Statistics NZ, NZIER

Globalisation

Evolution of the earth's economic centre of gravity

AD 1 to 2025

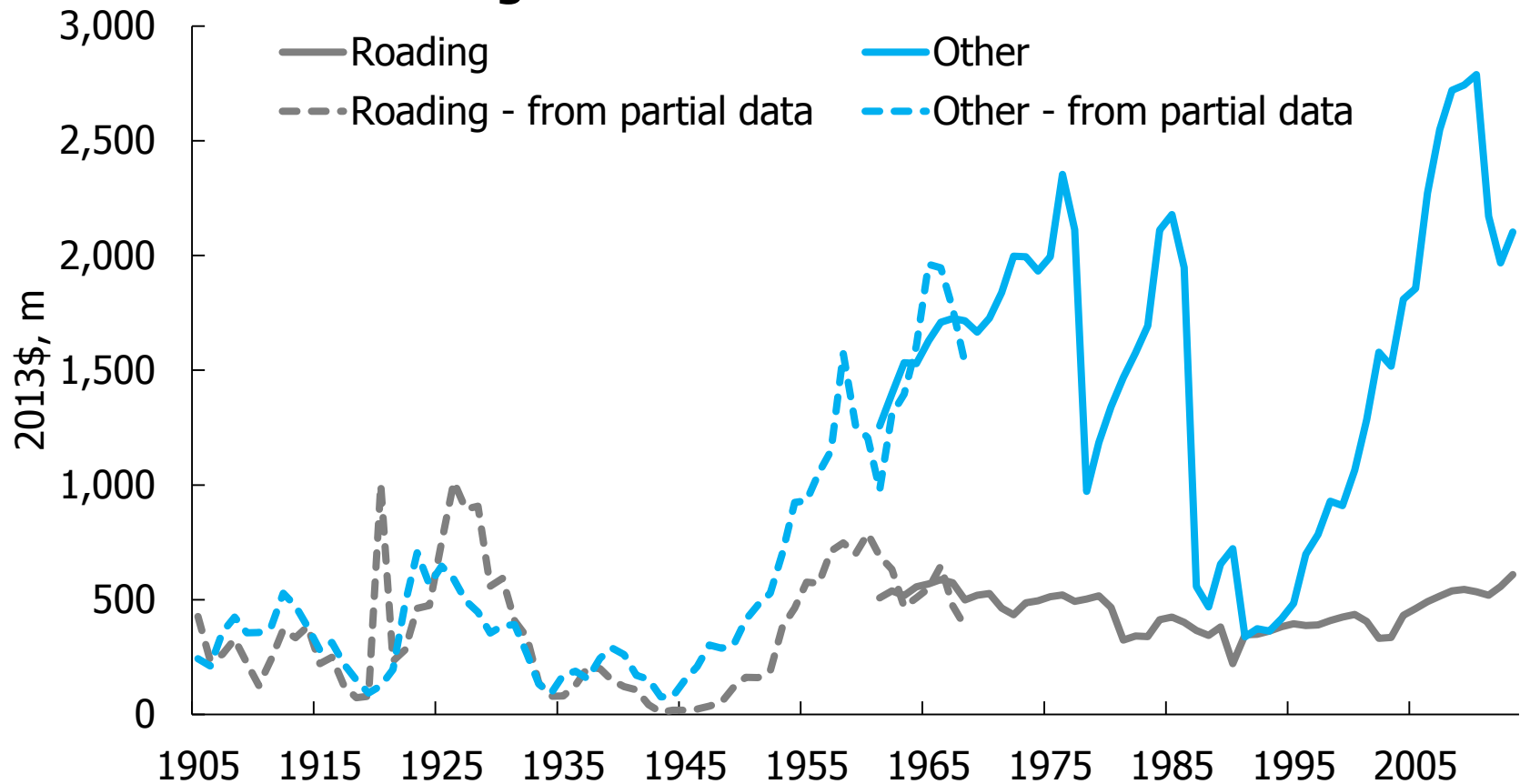


CATALYSTS

Reality bites

Future capital decisions

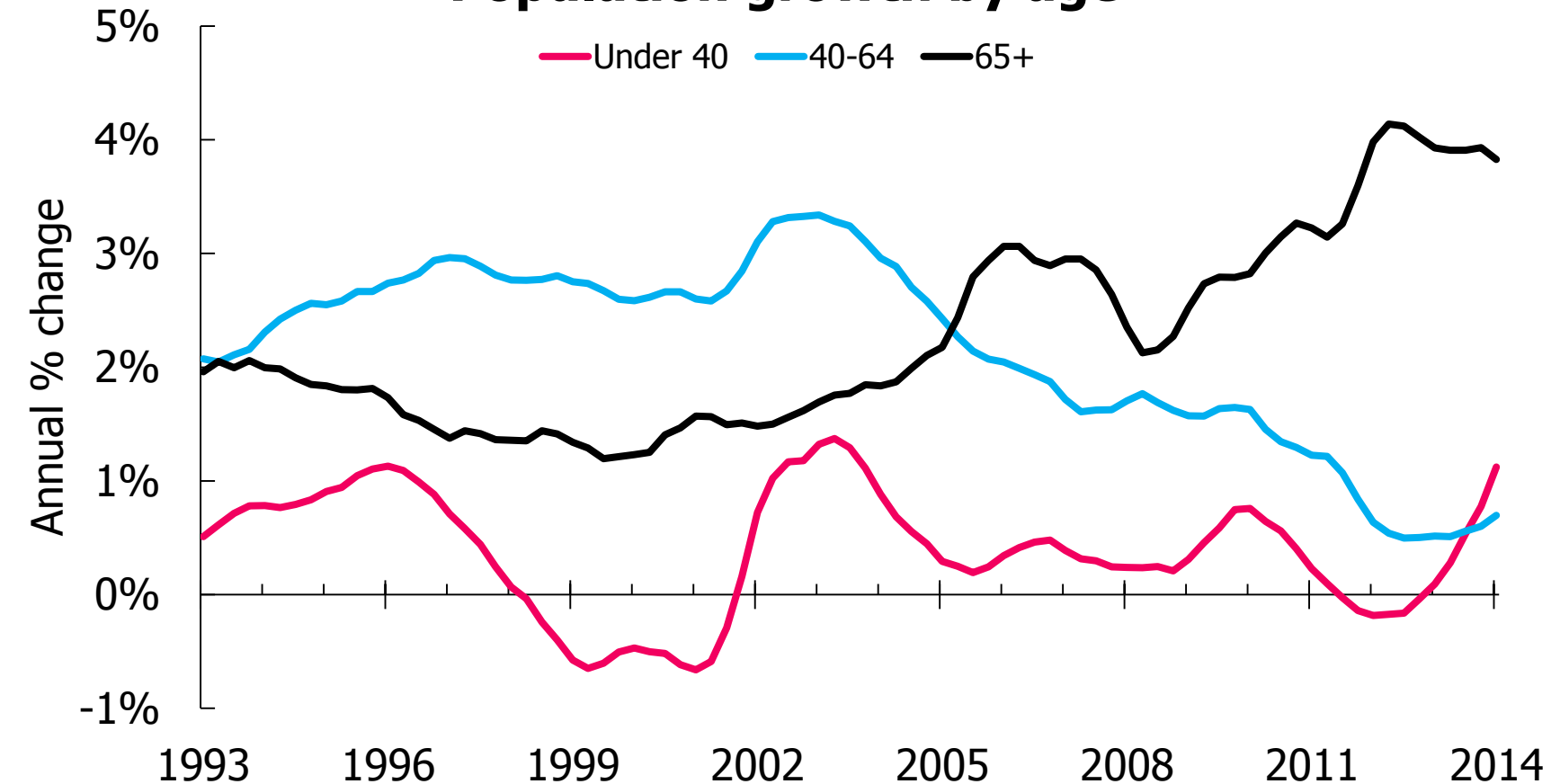
Local government investment trends



Source: Statistics NZ, NZIER

Ageing

Population growth by age

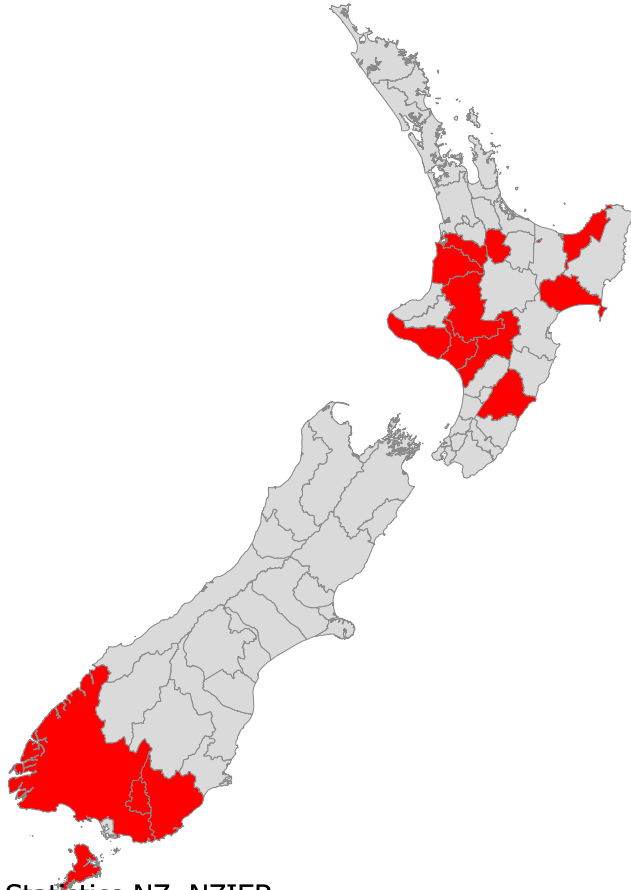


Source: Statistics NZ, NZIER

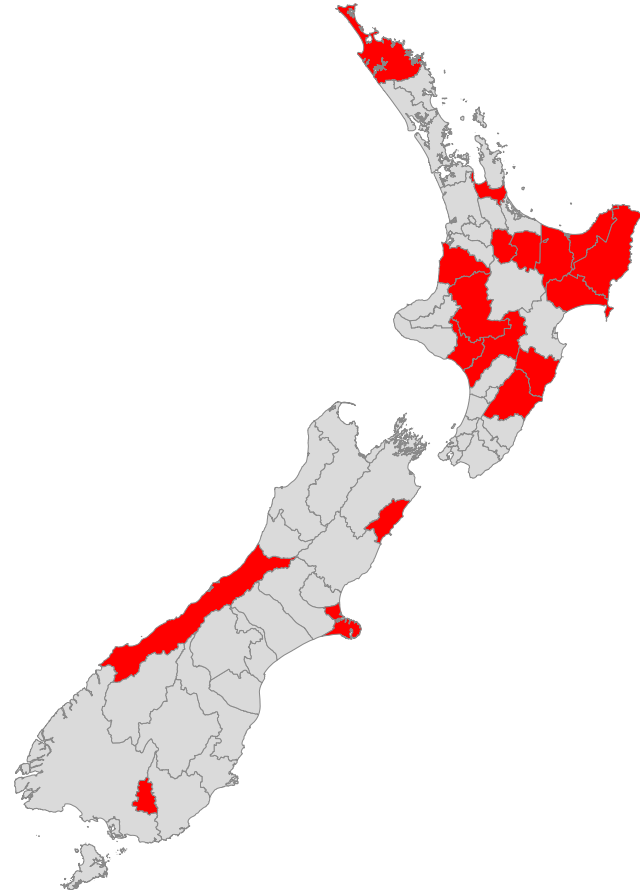
Voting with their feet

Population growth between Census, %pa

Mar-06



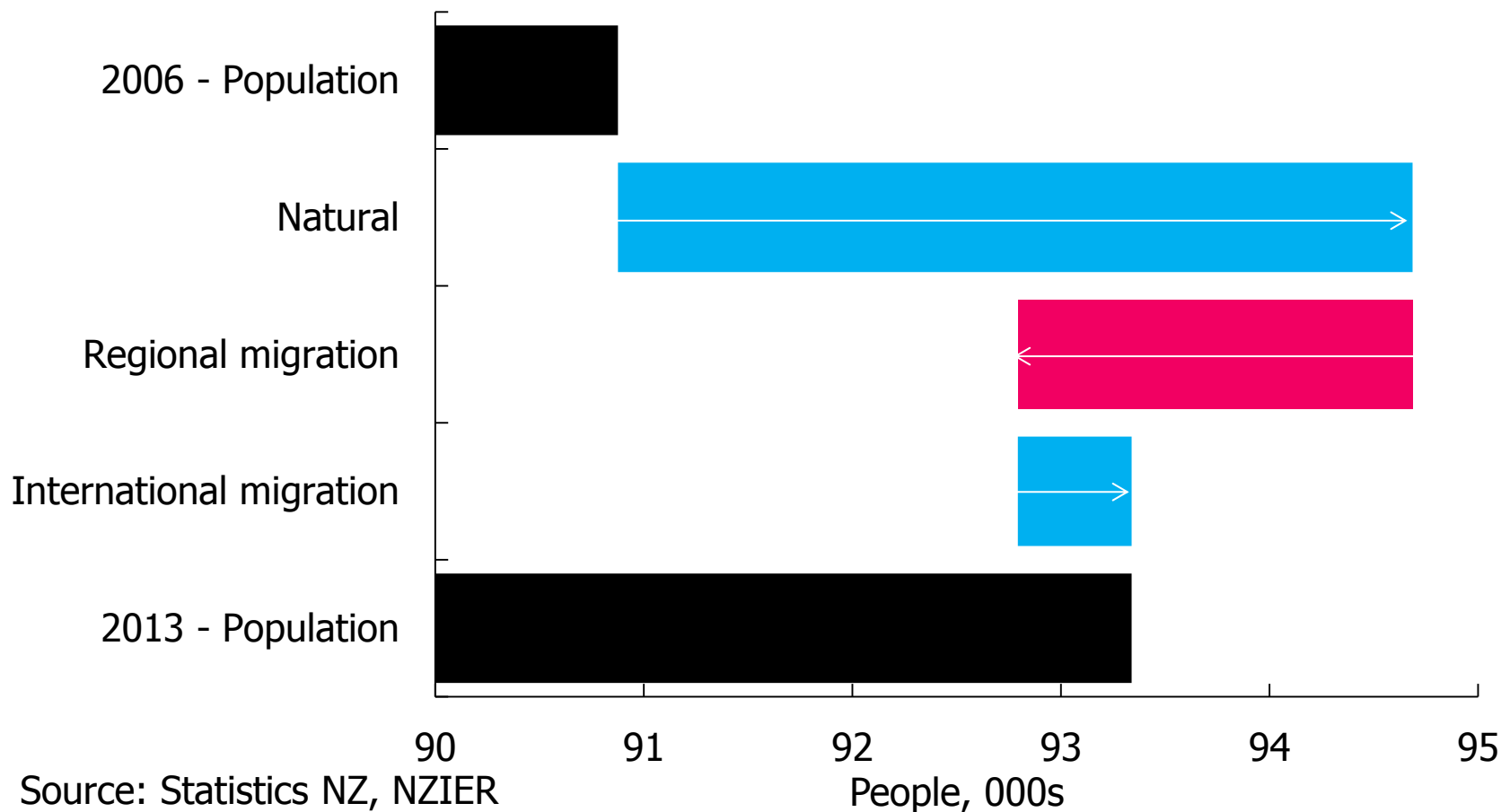
Mar-13



Source: Statistics NZ, NZIER

End of growth?

Southland population growth 2006-2013

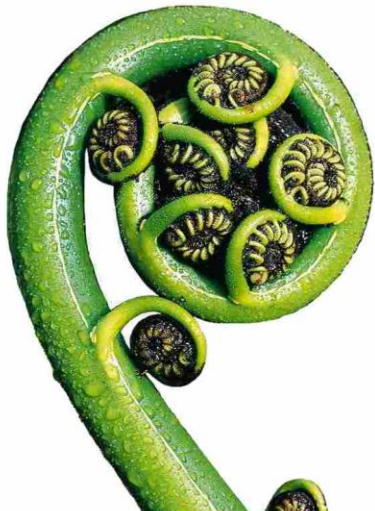


PLACE BASED POLICIES

Transitioning to a new state

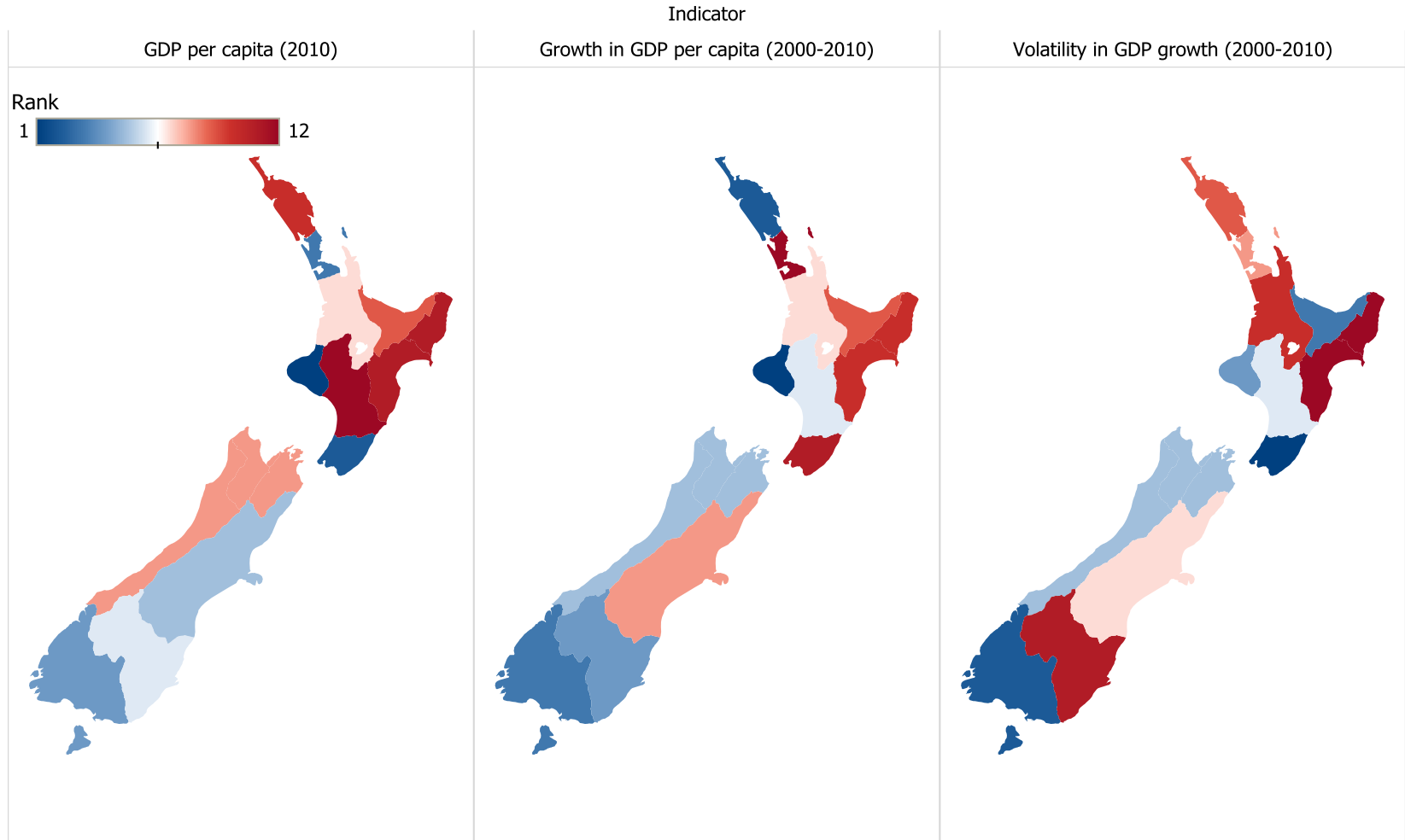
“...build on **existing capabilities** by leveraging local strengths and expertise.

...[interventions] should only be to resolve market failures and [if] a community has a credible chance to building a **self sustaining** cluster.”



Enrico Moretti
The New Geography of Jobs

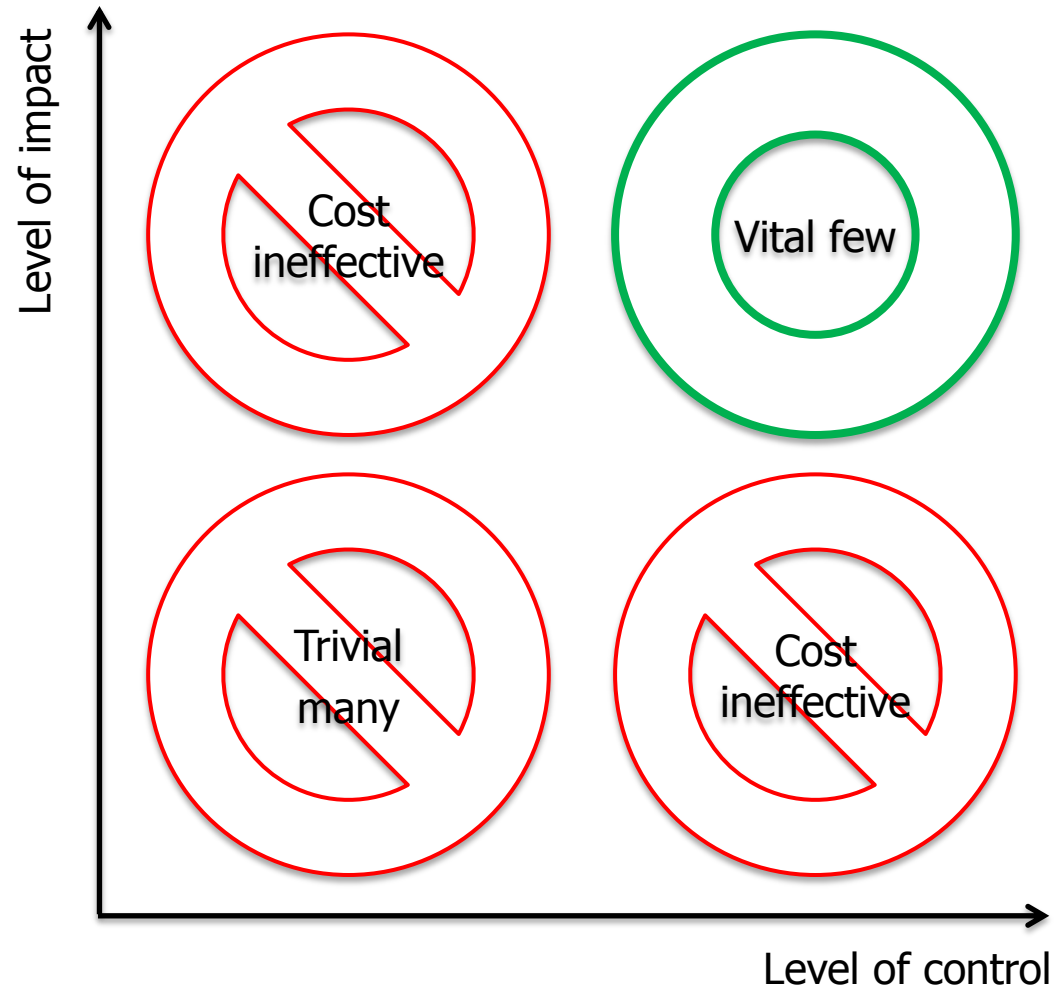
What is success?



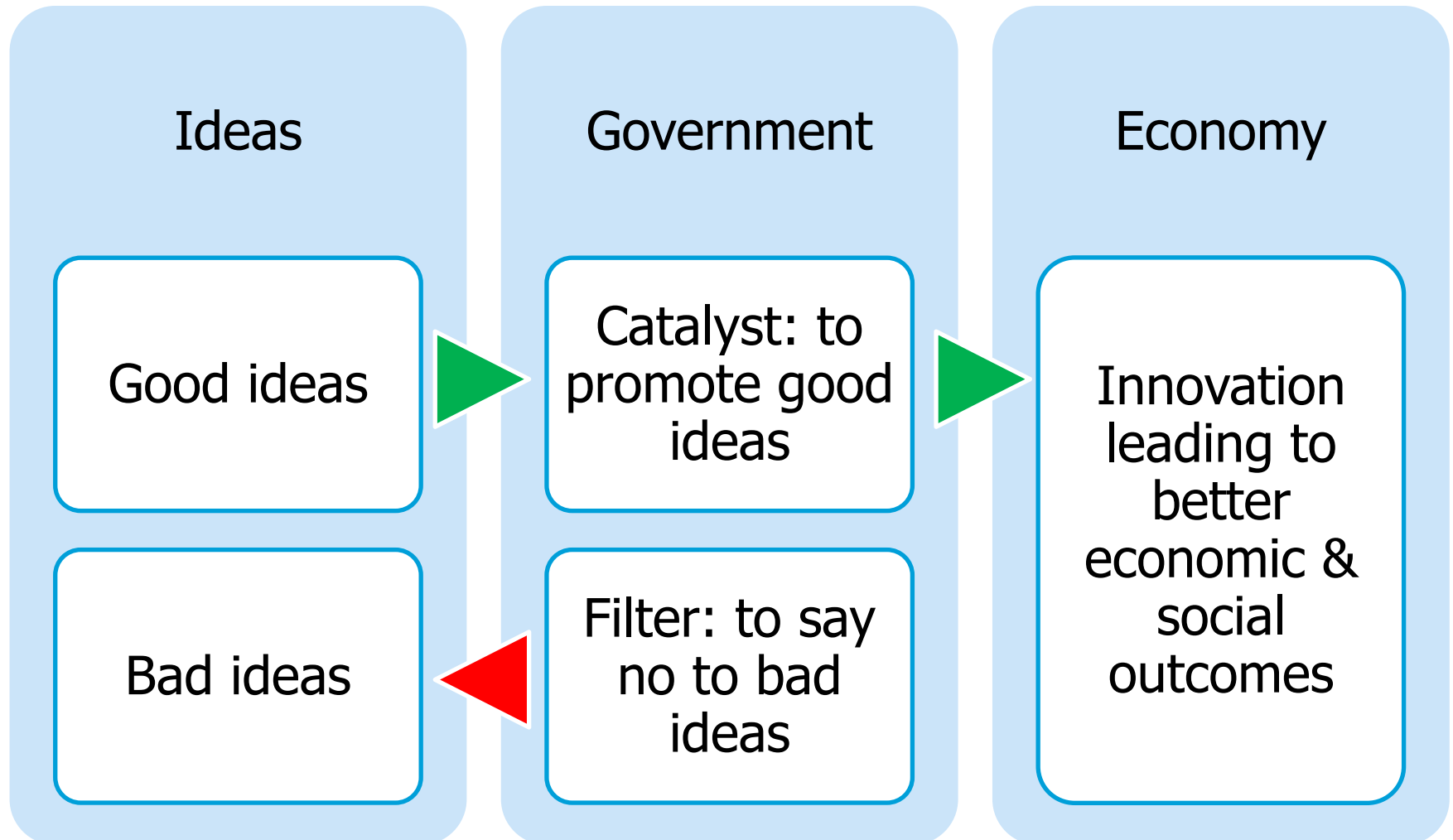
Different states

- Unshackle
- Catalyse
- Unwind

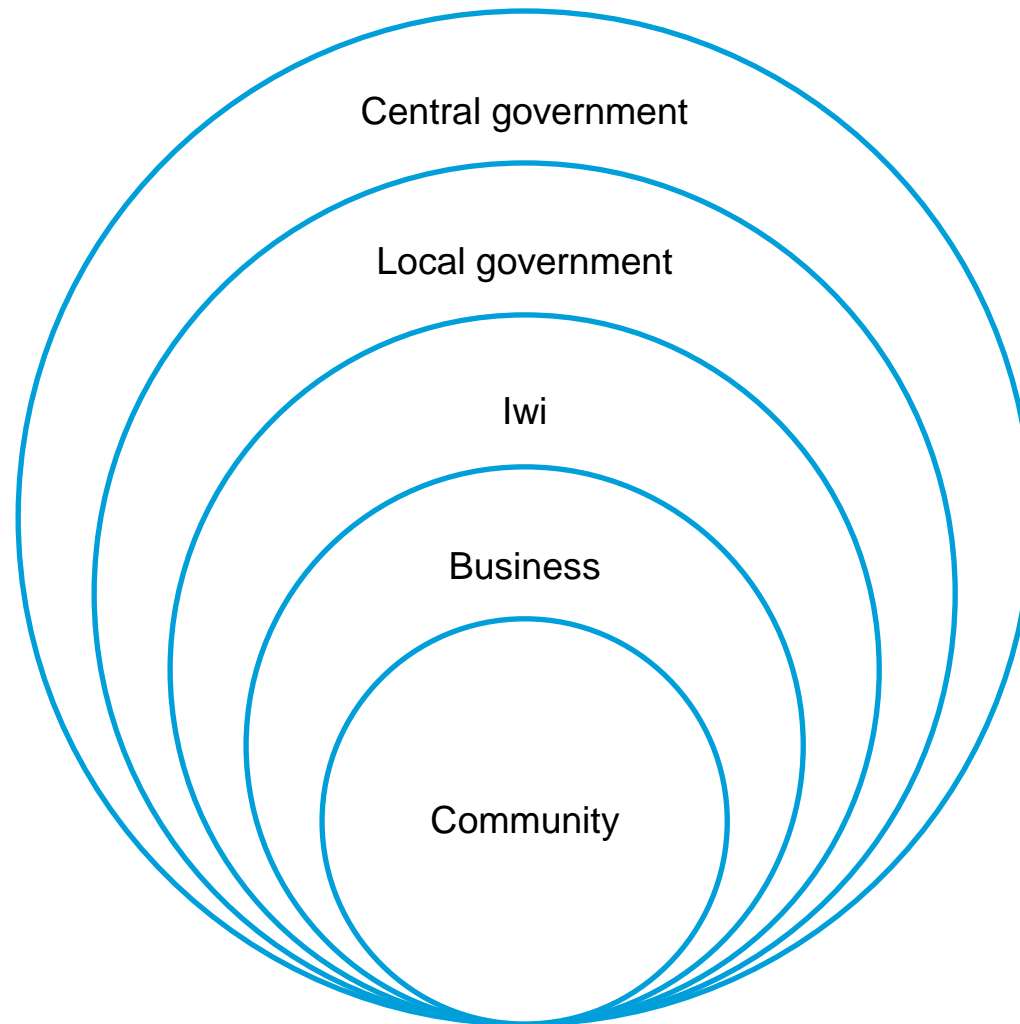
Control vs impact



Why you matter



Not alone



Hard to co-ordinate



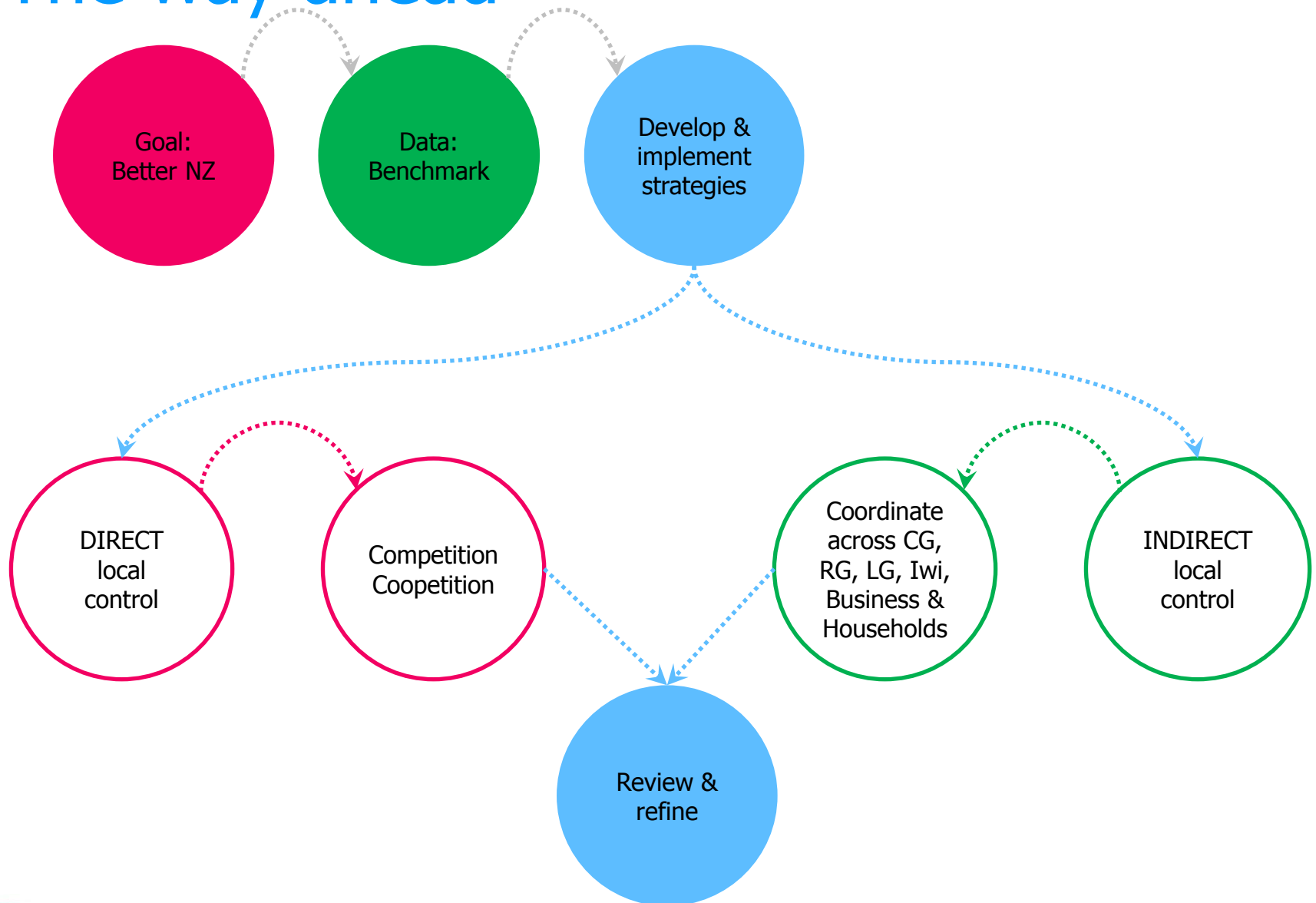
Yes

- “Big picture”
- Realise synergies
- Economies of scale

No

- “Lowest common denominator”
- Reduced accountability
- Longer decision making
- Reduced effectiveness
- Cost of management

The way ahead



A call for place-aware policies

- Burning platform for change
- What matters
 - People
 - Opportunity
- Different solutions

“Invincibility lies in the defence
the possibility of victory in the
attack.”

- Sun Tzu

THANK YOU