

# 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

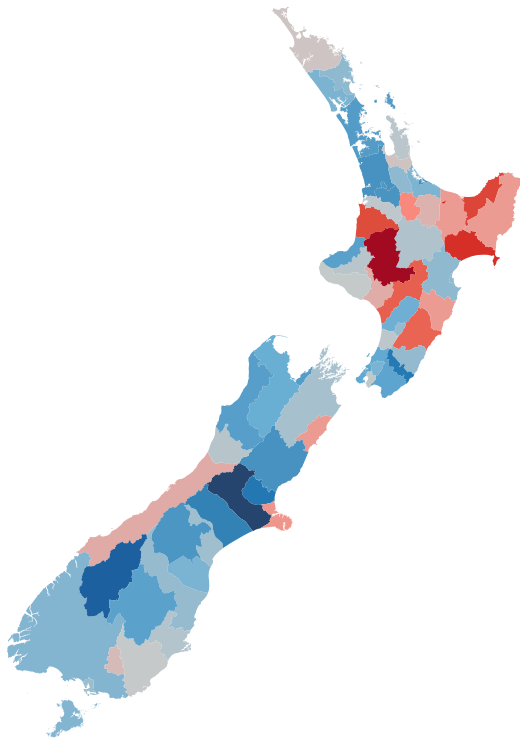
# BURNING PLATFORM

Prosperity is unevenly shared

# Diverging fortunes

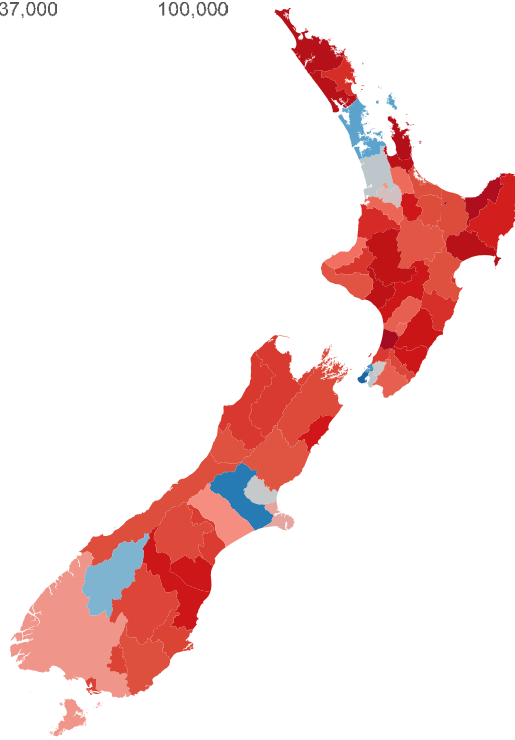
Population growth  
(2006-2013, %pa)

%pa, 2006-2013  
-2 4



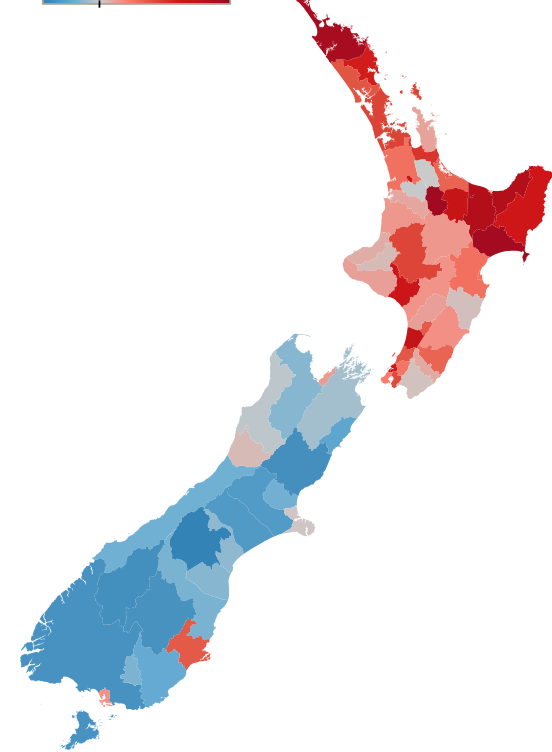
Median household annual income  
(2013)

\$ per year  
37,000 100,000



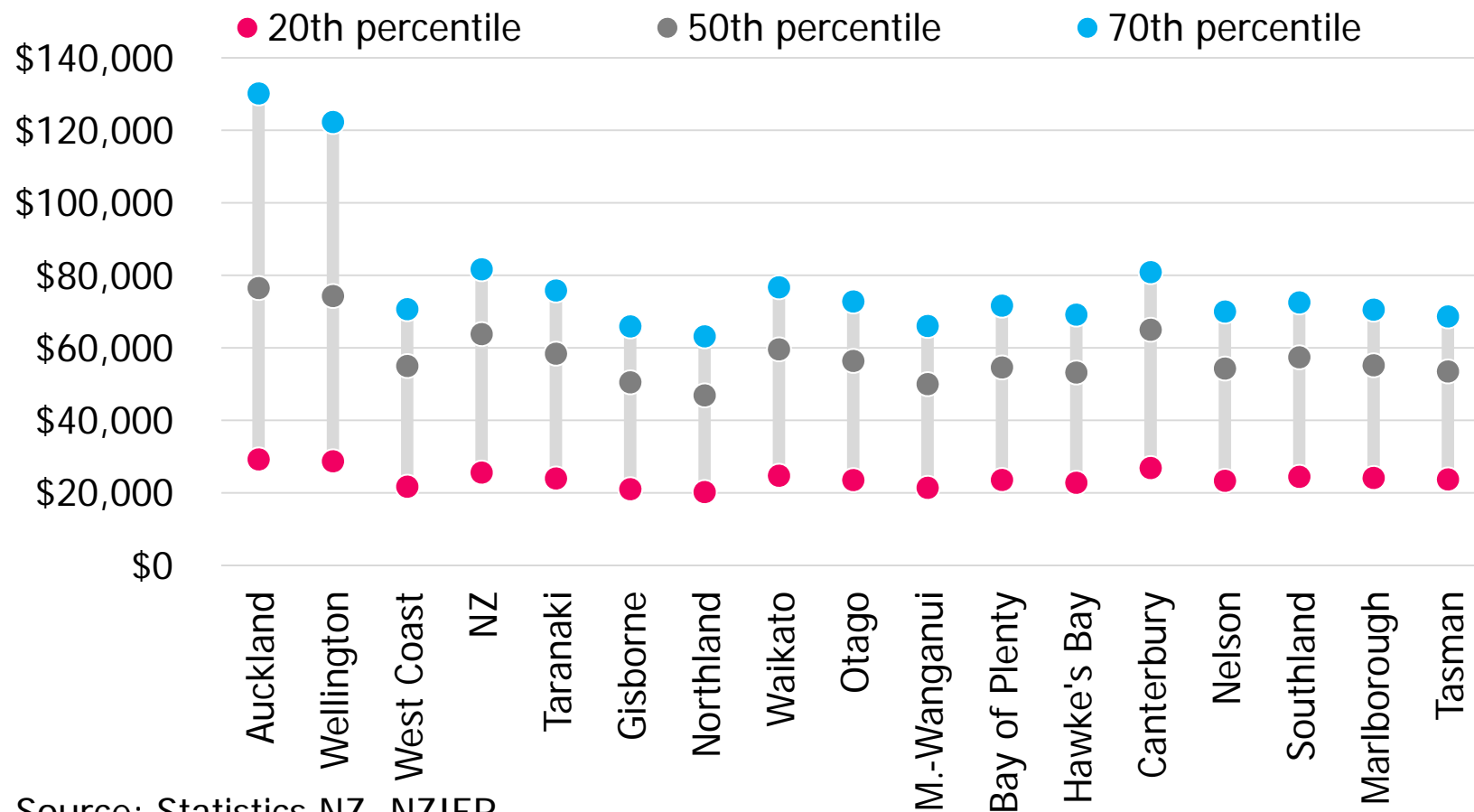
Unemployment rate  
(2013)

% of labour force  
2 12



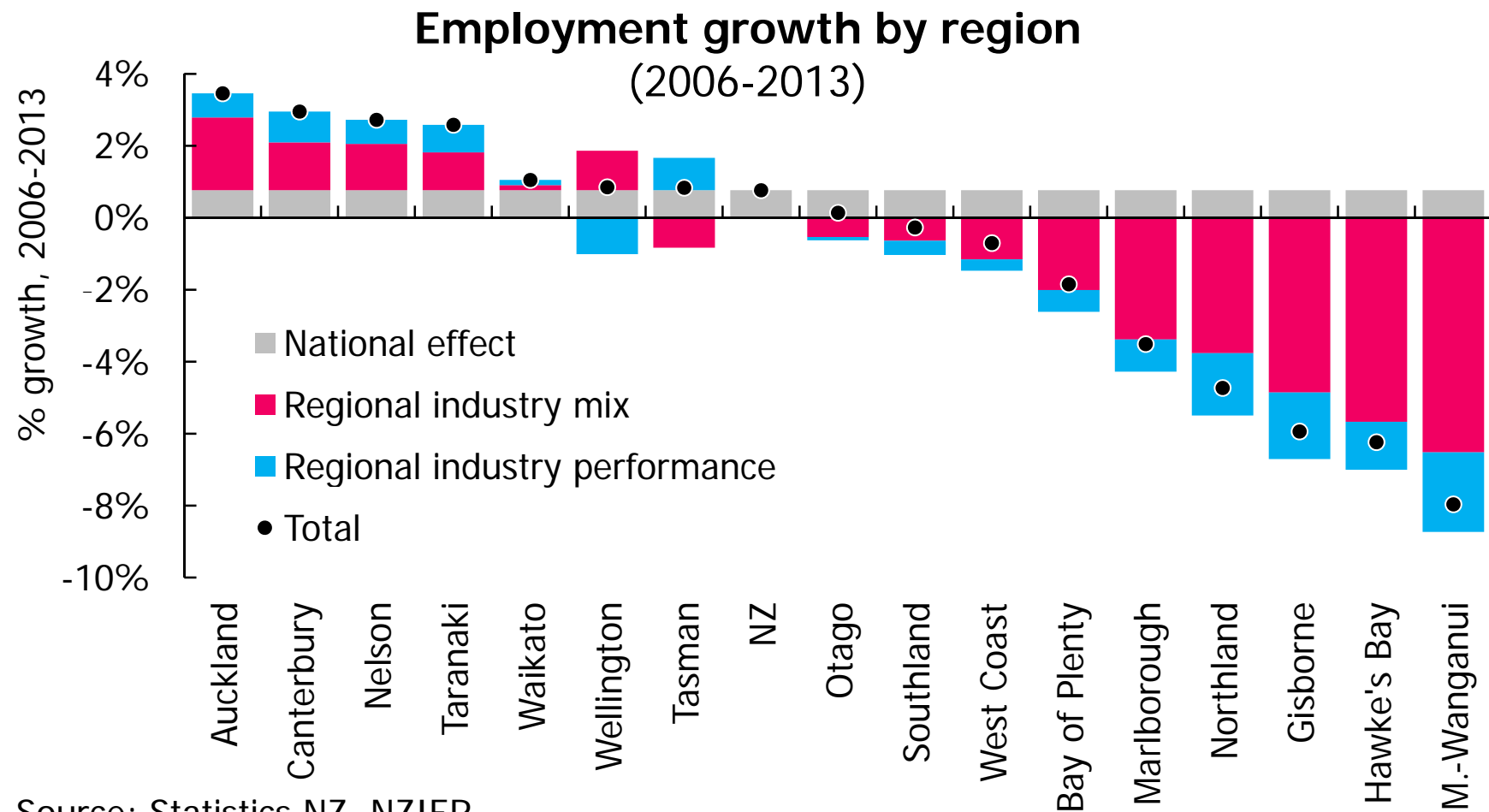
# Unequally shared

## Regional household income dispersion



Source: Statistics NZ, NZIER

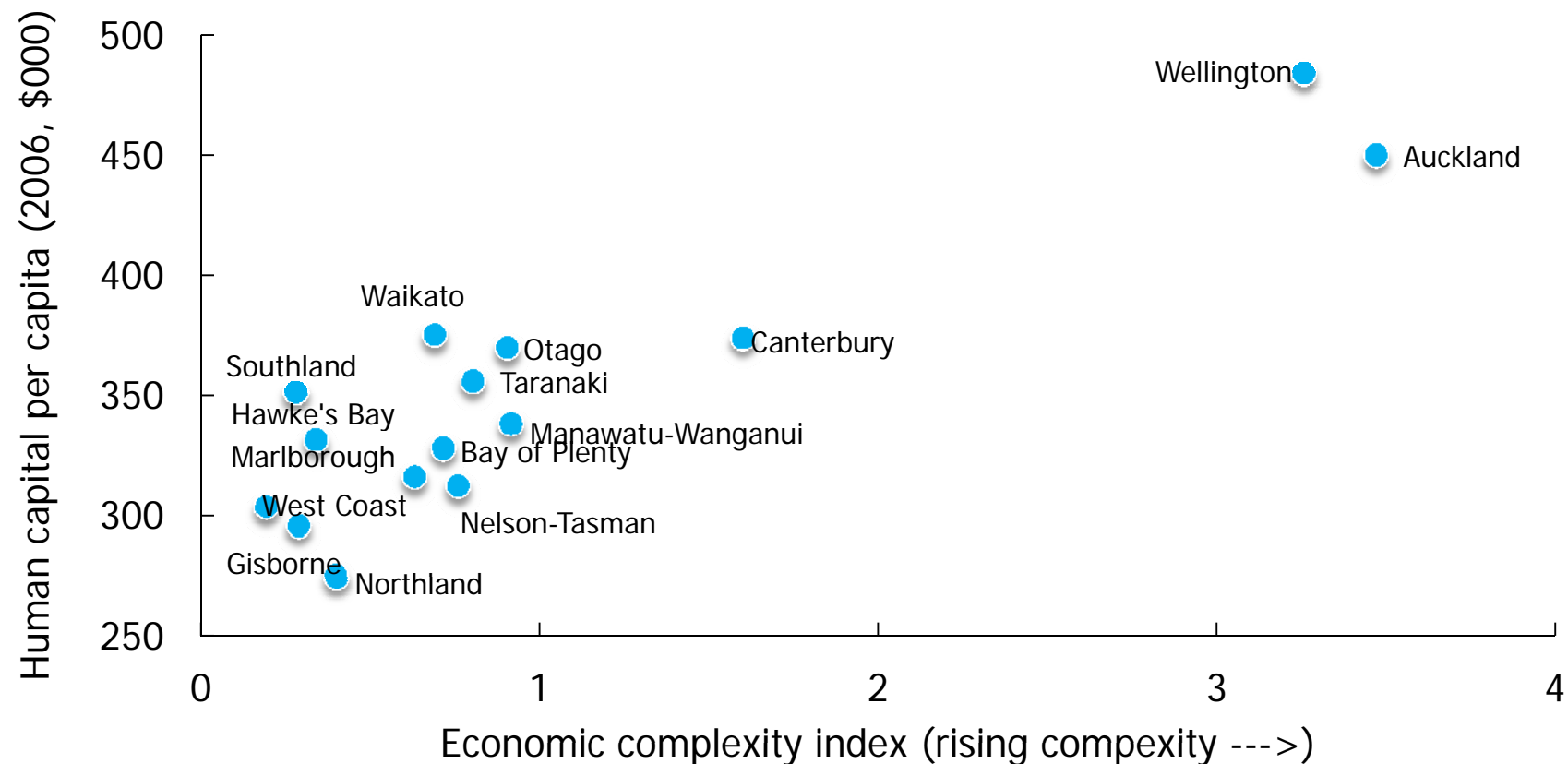
# Different performance



Source: Statistics NZ, NZIER

# Different economies

## Economic complexity & human capital



Source: Statistics NZ, NZIER

# Unique

## Specialisation of industries vs. growth in jobs

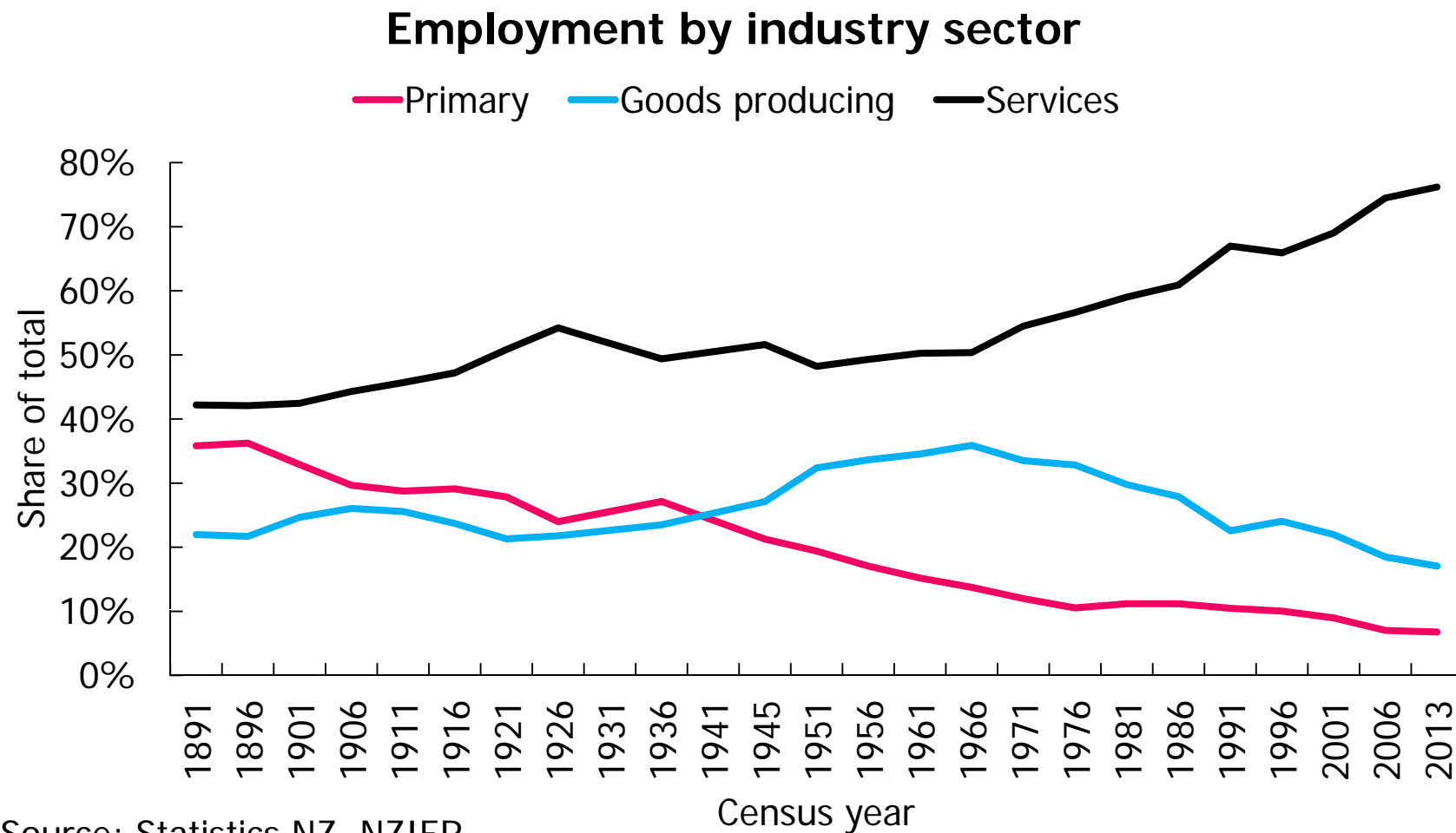
Region	#1 specialty	Strongest growth (2003-2013)
Northland	Petroleum Refining	Hospitals
Auckland	Music publishing	Corporate Head Office Management
Waikato	Iron Ore Mining	Corporate Head Office Management
Bay of Plenty	Kiwifruit	Other Agriculture & Fishing Support
Gisborne	Citrus Fruit	Sheep-Beef Cattle 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")

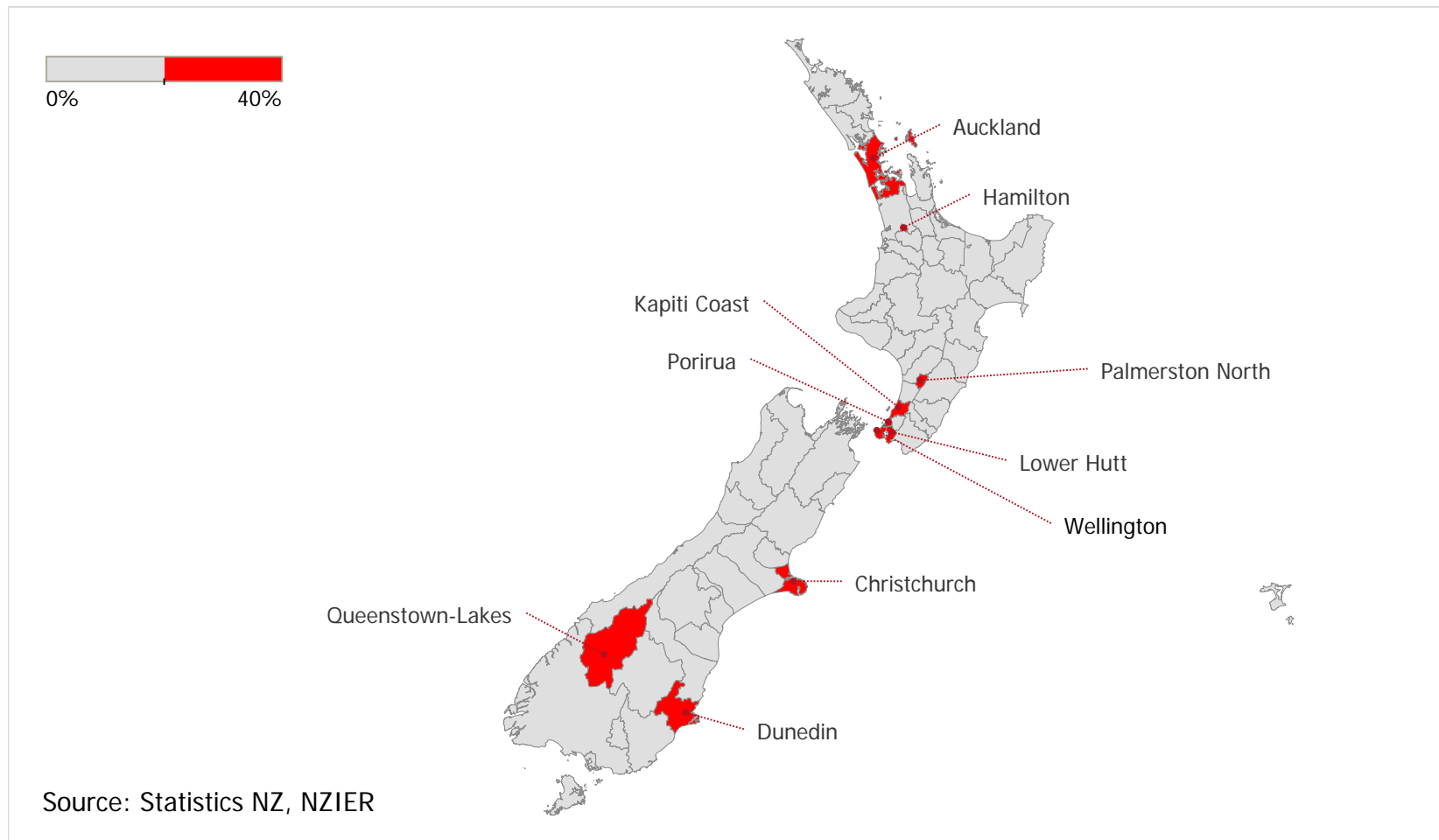
Source: Statistics NZ, NZIER (Based on filled job comparative advantages for 2013)

# Not new



# Not for all

Share of population with tertiary education



# UNSTOPPABLE FORCES

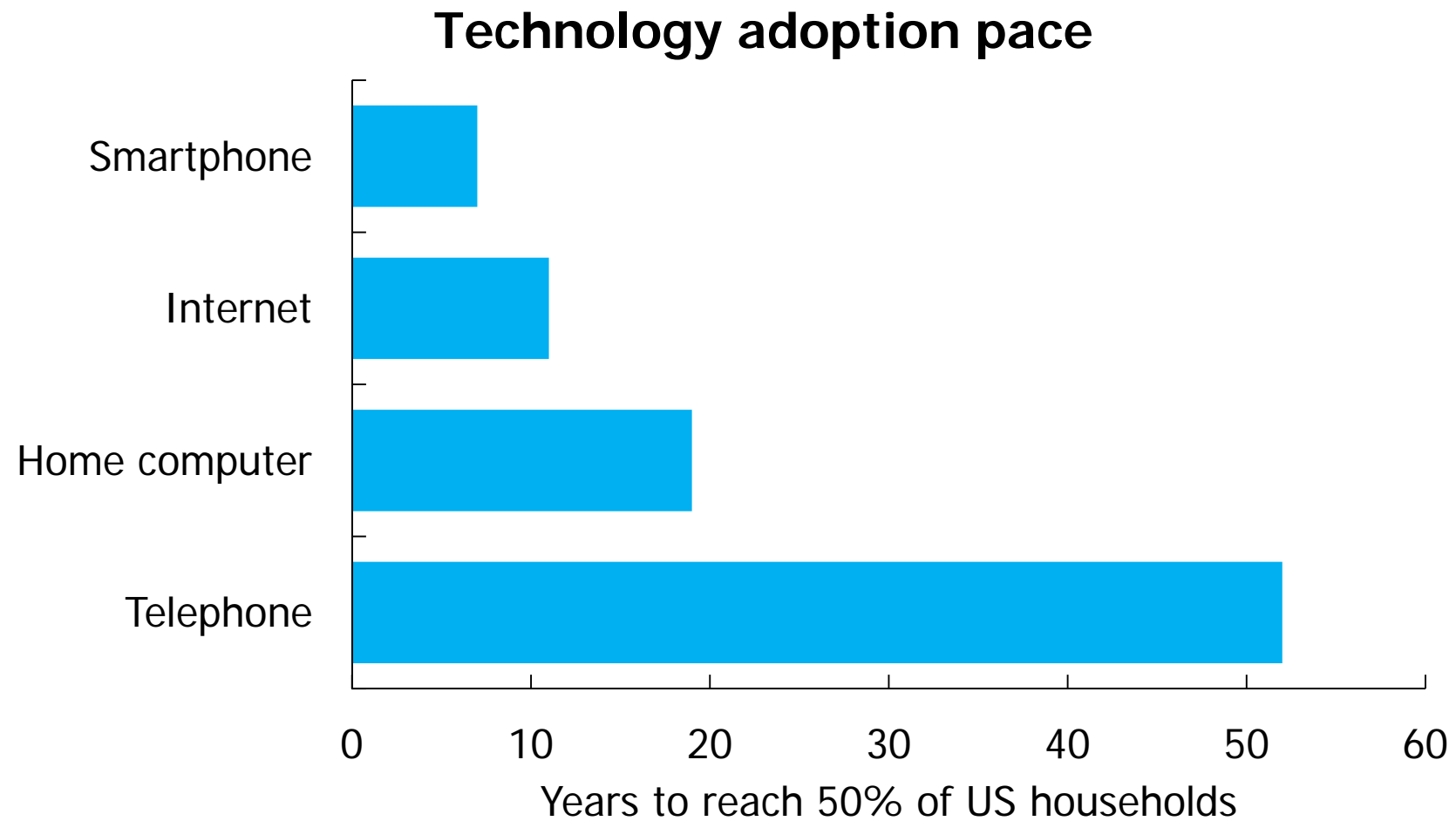
Sped up change

# Secular forces = growing gap



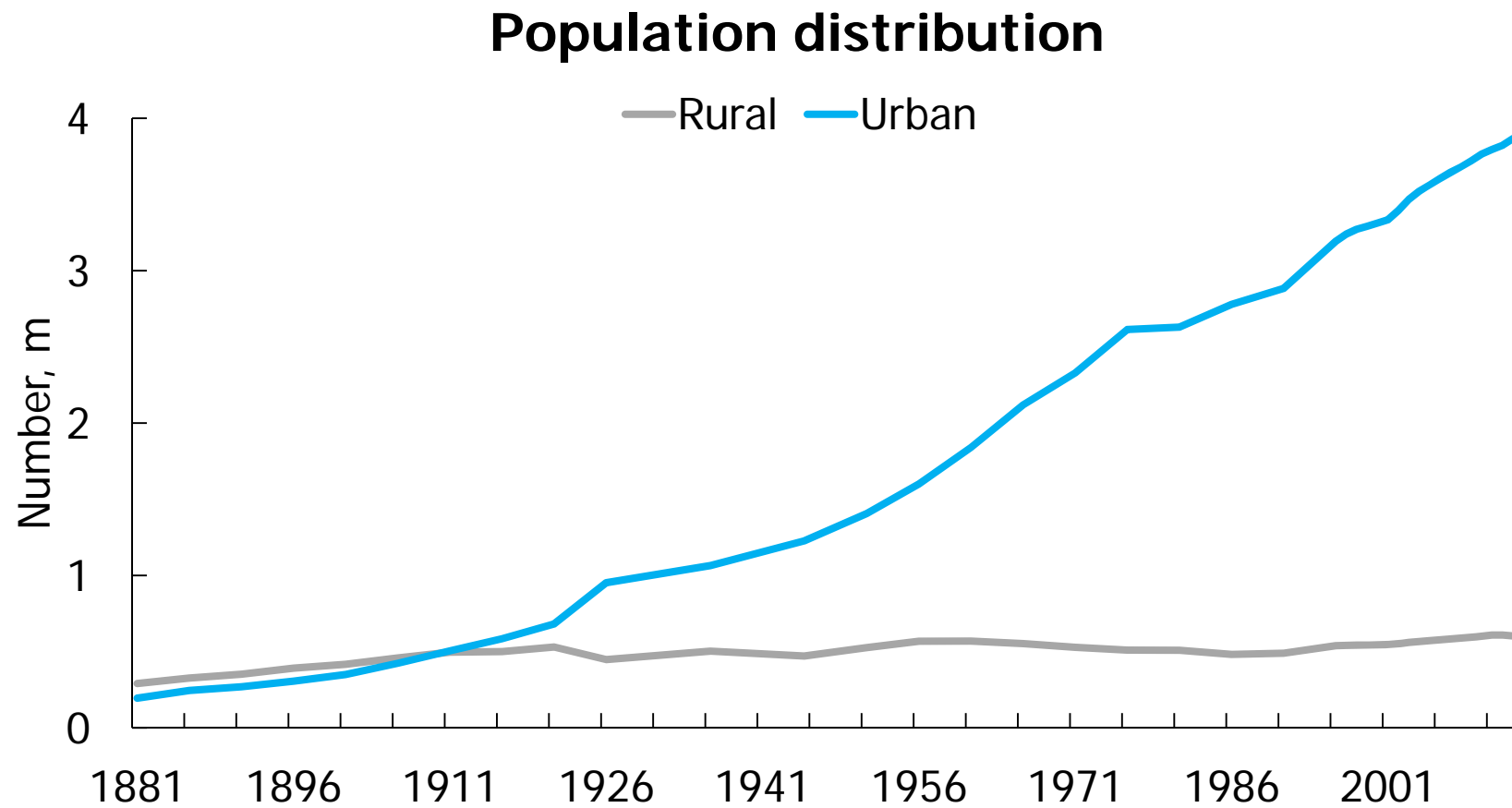
- Technology
- Globalisation
- Urbanisation
- Ageing

# Technology



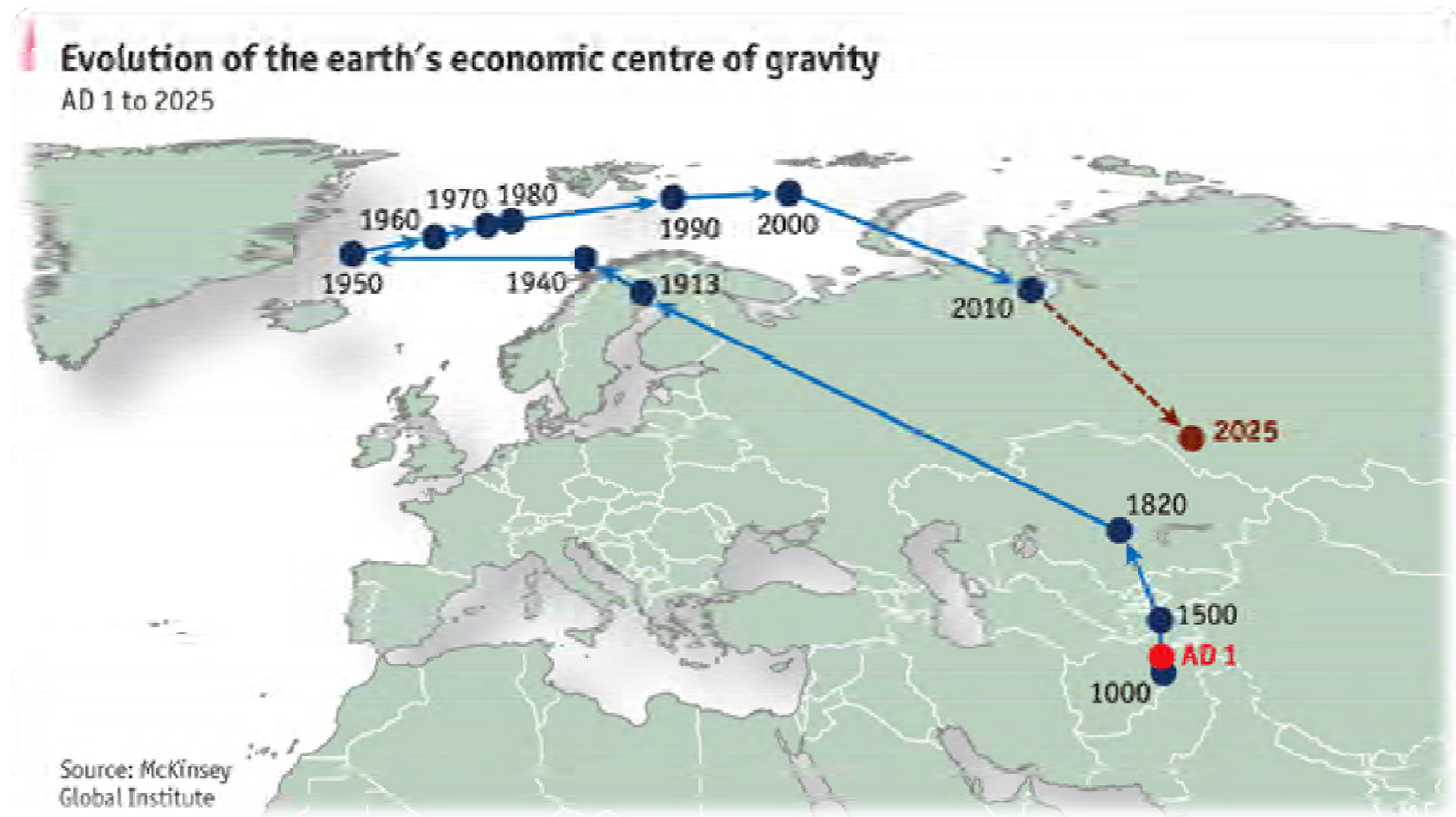
Source: Asymco

# Urbanisation



Source: Statistics NZ, NZIER

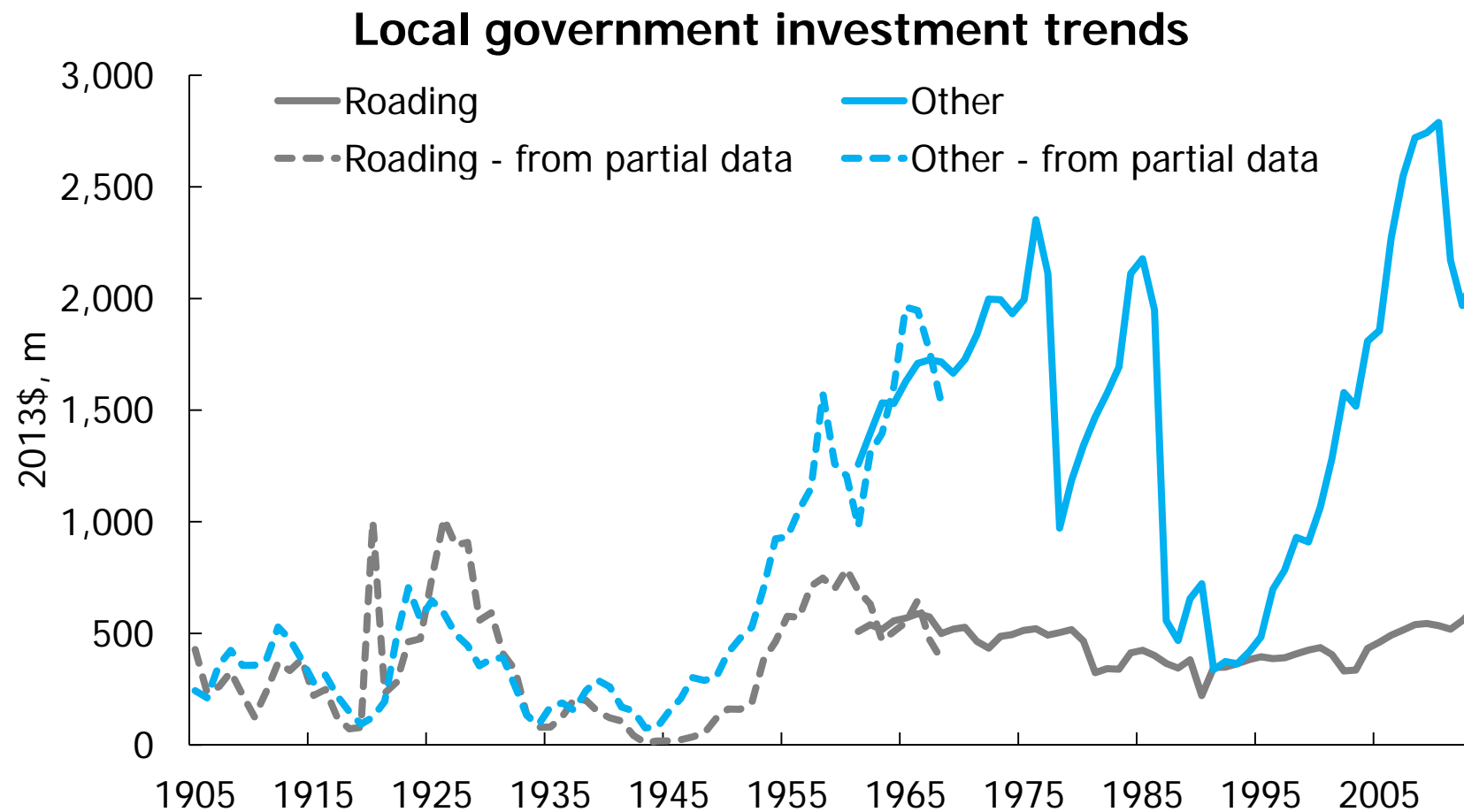
# Globalisation



# CATALYSTS

Reality bites

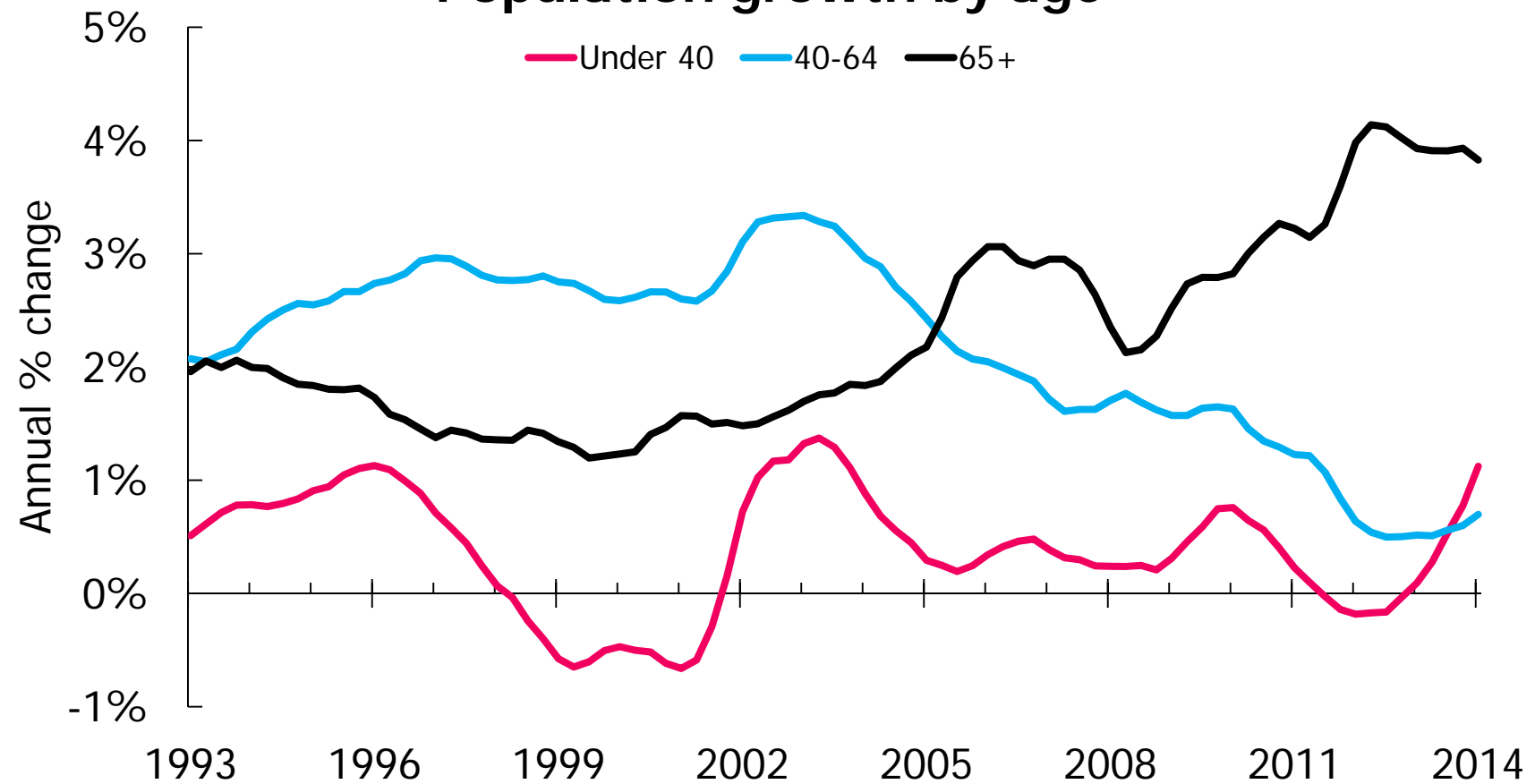
# Future capital decisions



Source: Statistics NZ, NZIER

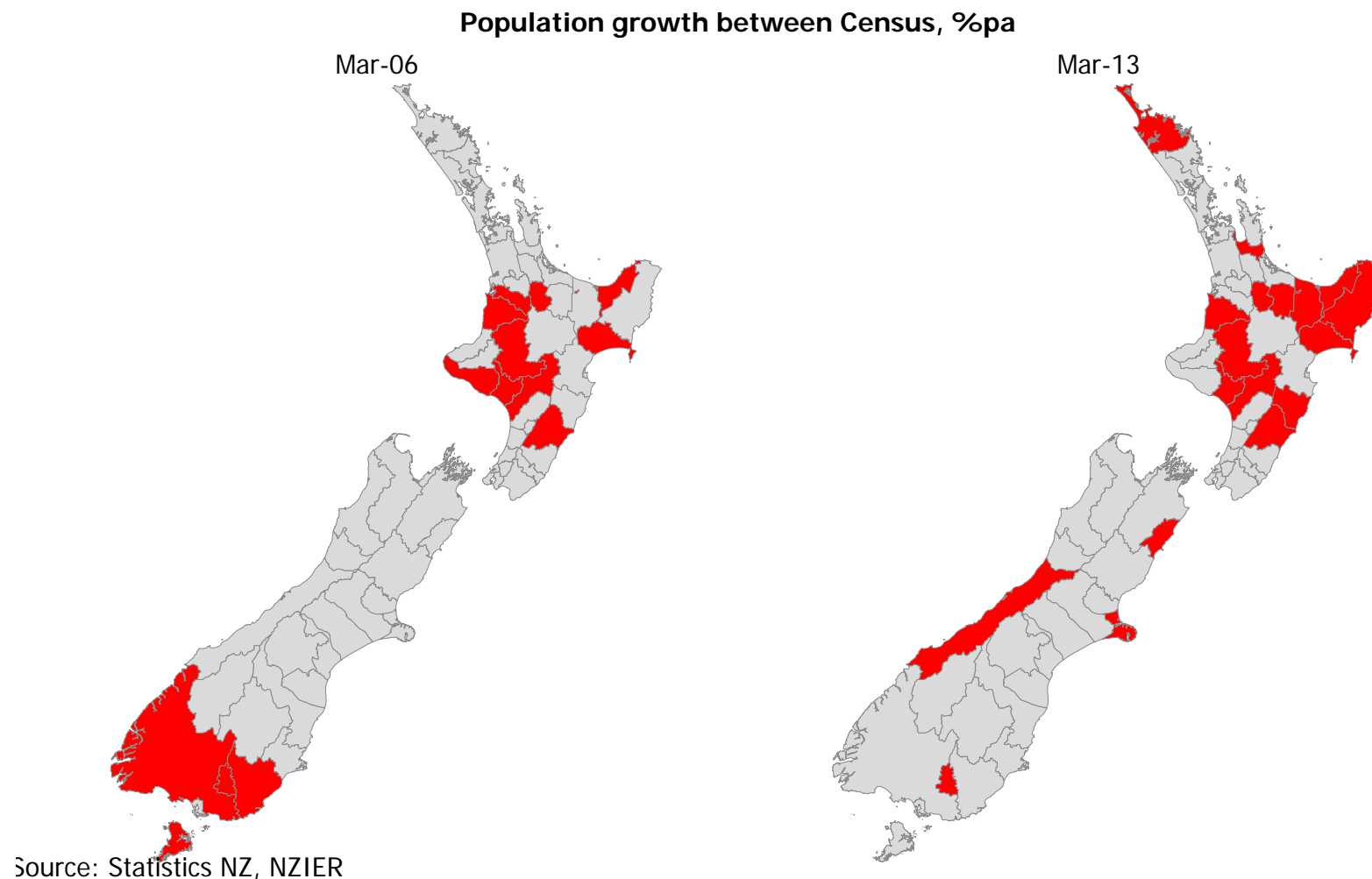
# Ageing

## Population growth by age



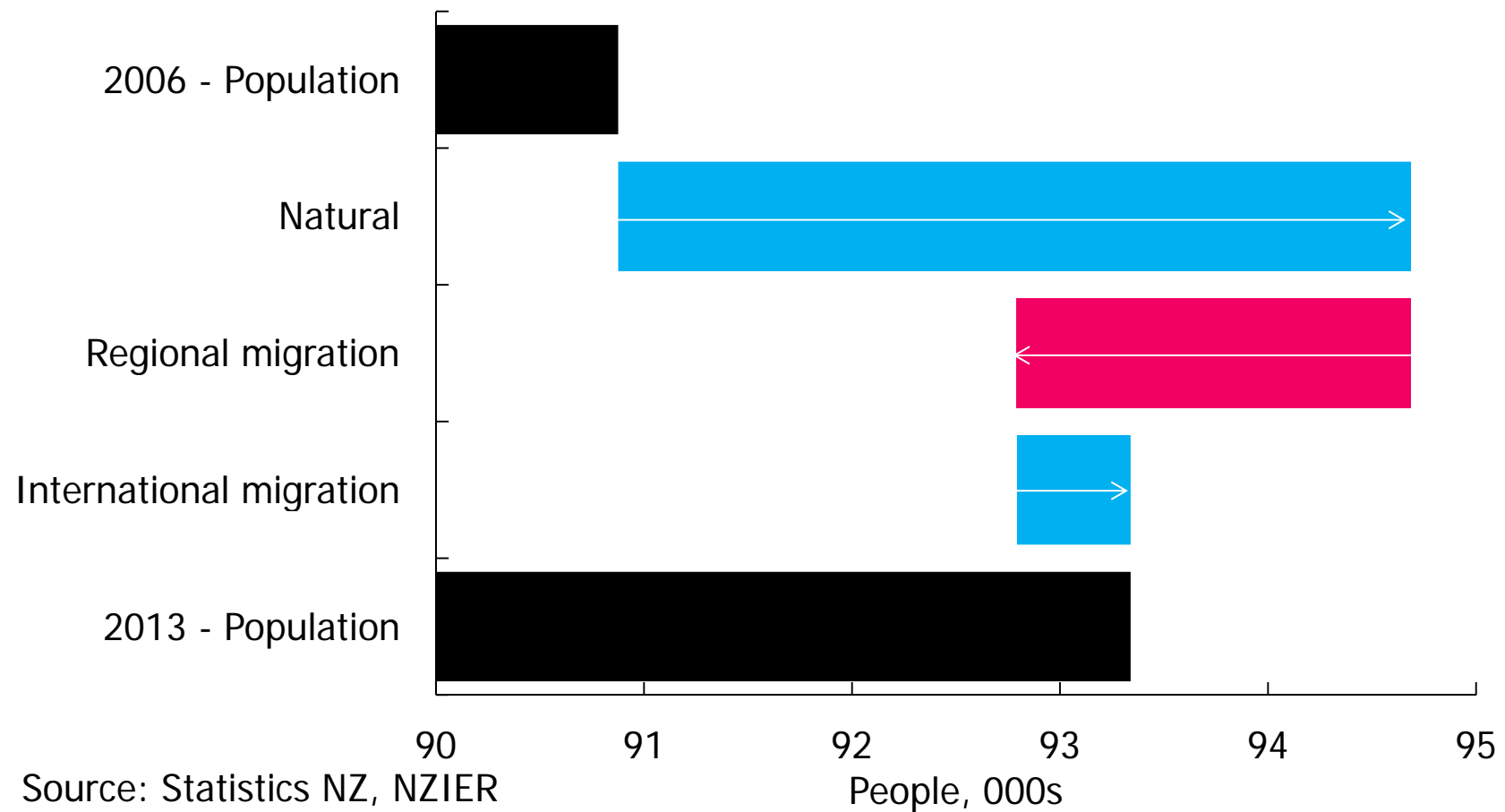
Source: Statistics NZ, NZIER

# Voting with their feet



# End of growth?

## Southland population growth 2006-2013



# PLACE BASED POLICIES

Transitioning to a new state

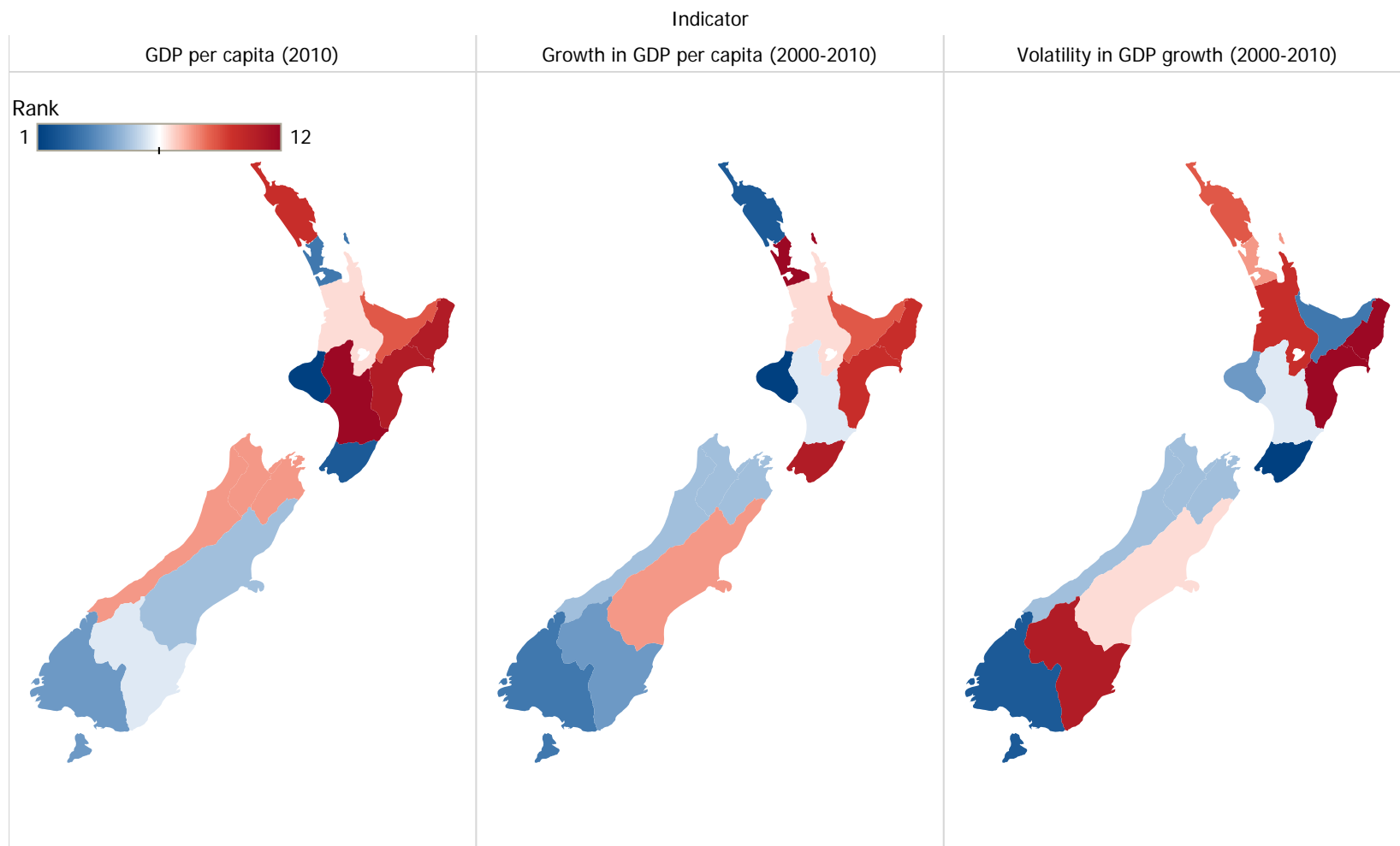
“...build on **existing capabilities** by leveraging local strengths and expertise.

...[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*

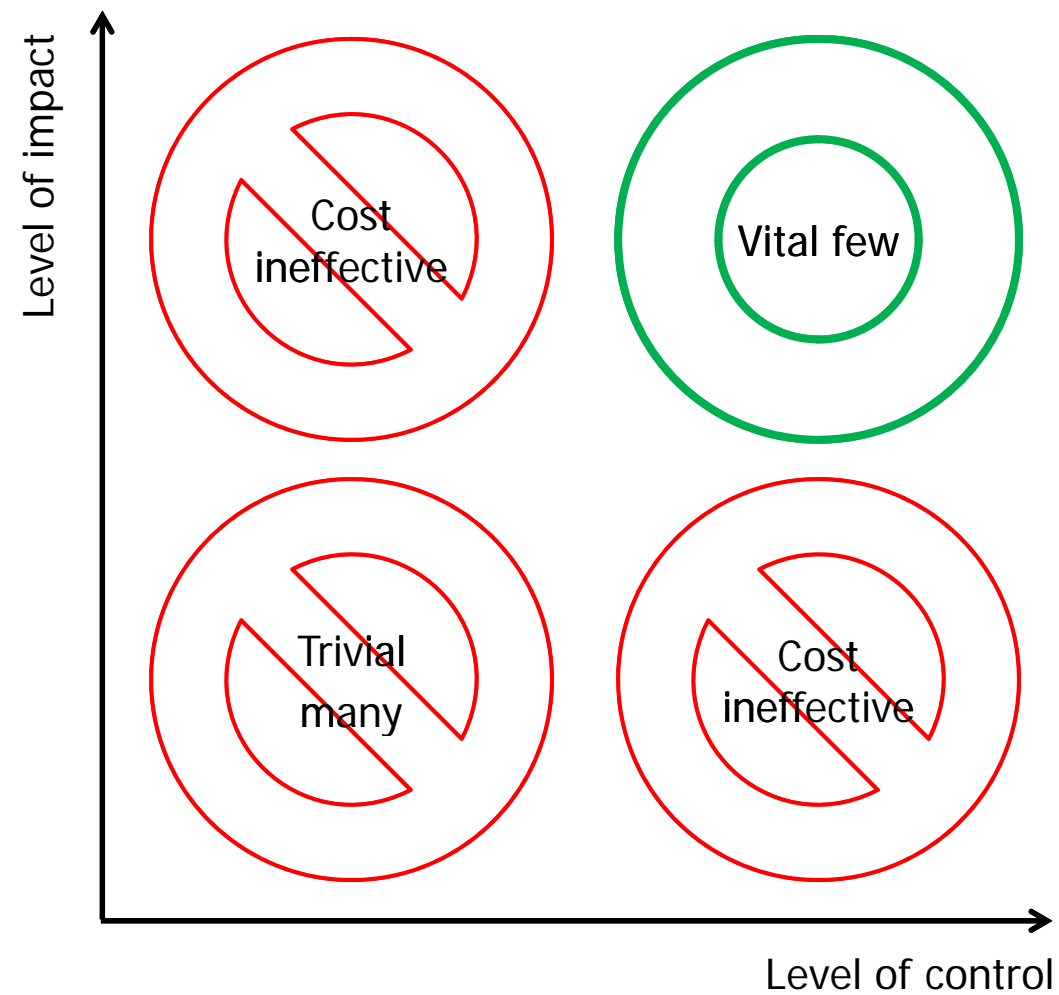
# What is success?



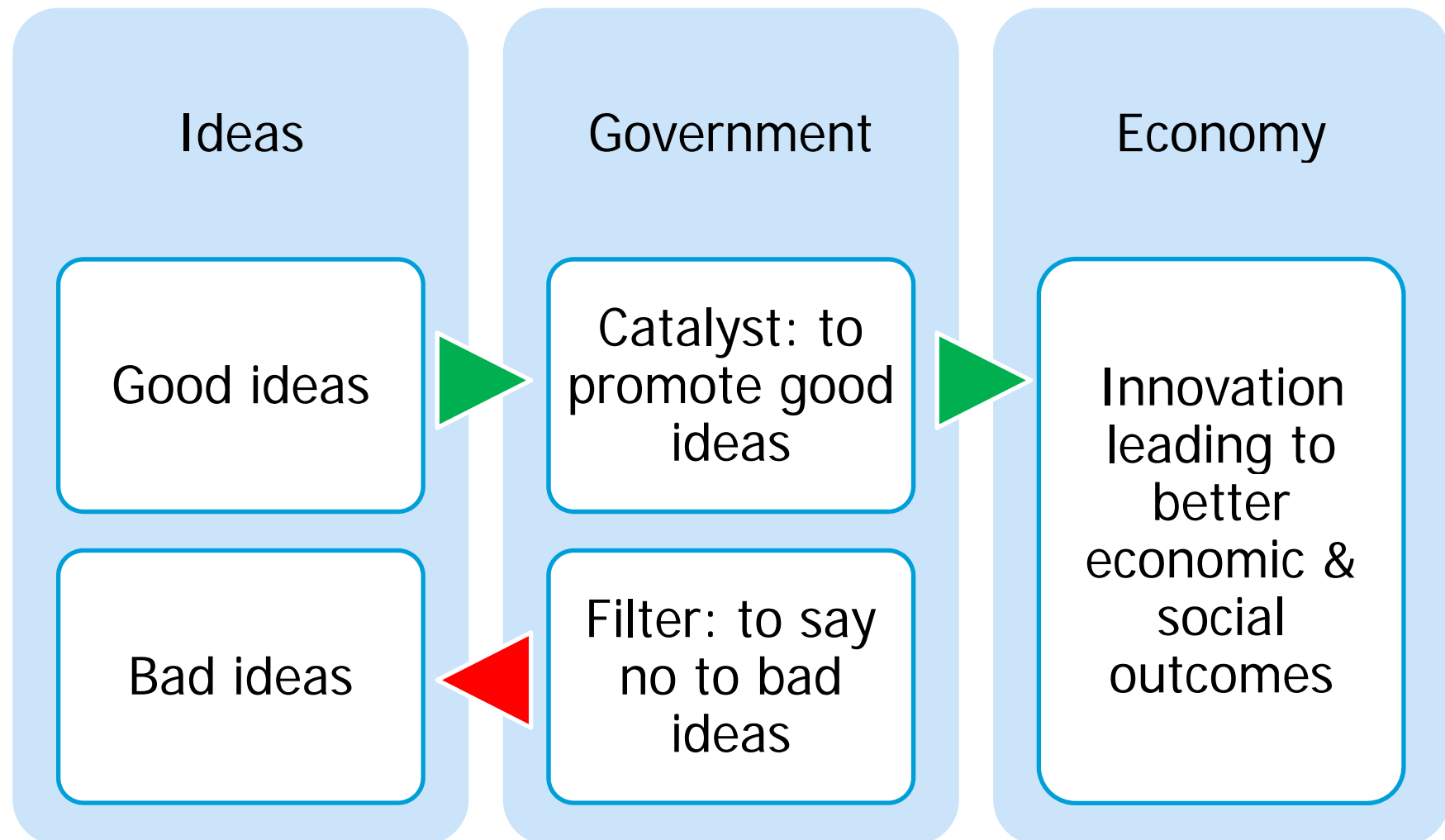
# Different states

- Unshackle
- Catalyse
- Unwind

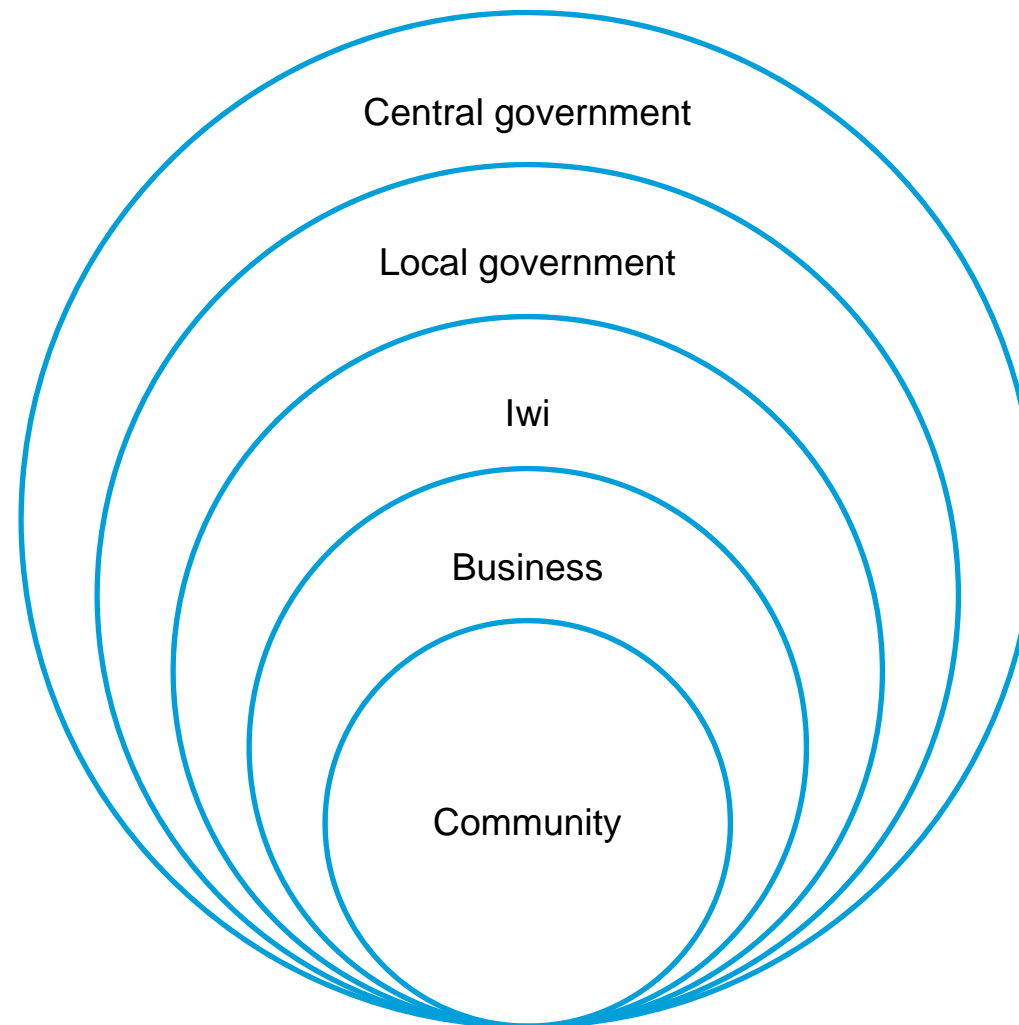
# Control vs impact



# Why you matter



# Not alone



# Hard to co-ordinate



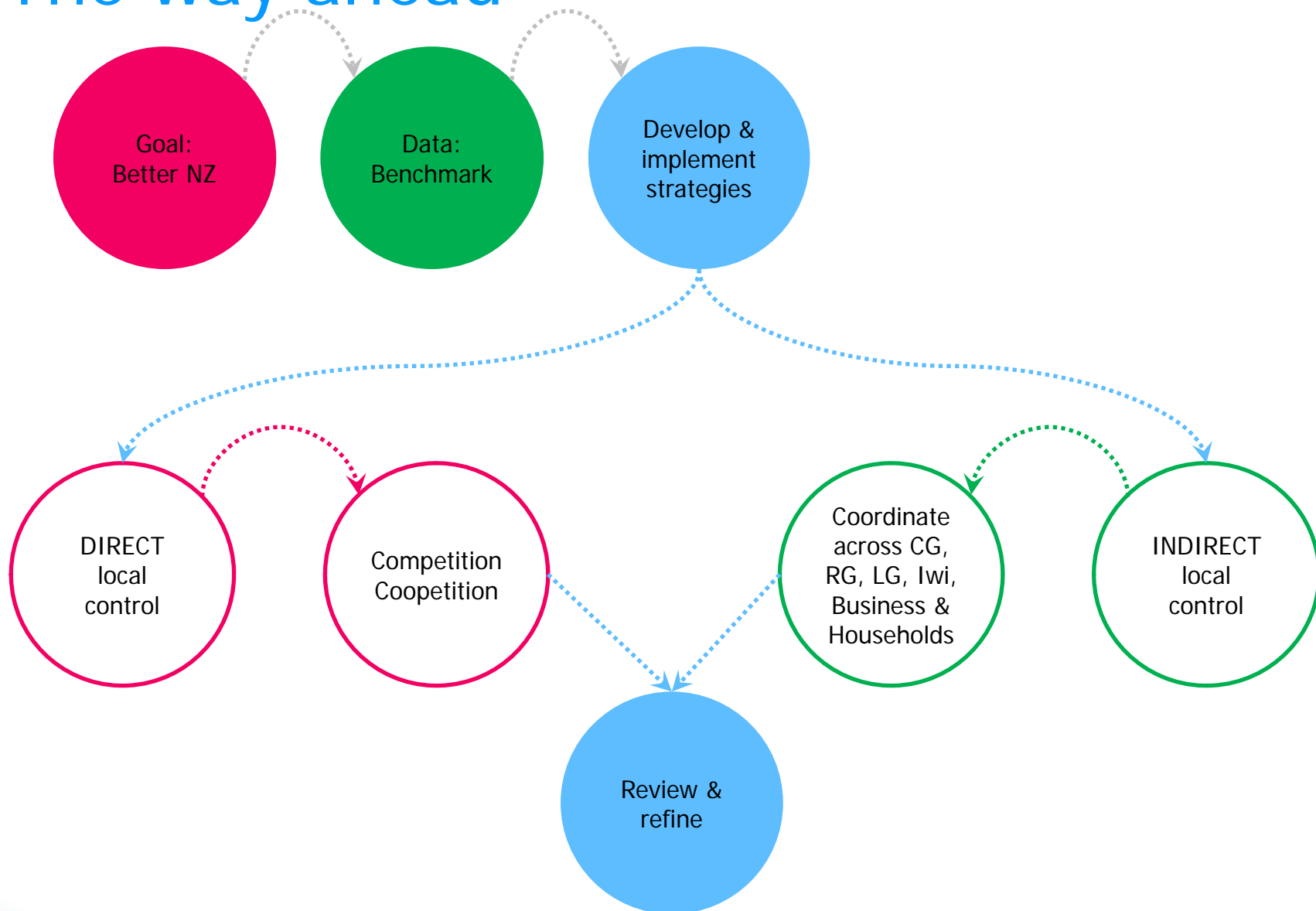
## Yes

- "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**