



Community Plan Conference 2008

Economic Sustainability

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TARANAKI

like no other



Background

Local authorities are “creatures of statute”.

Our existence, what shape we take, the shape of our playing field and the rules of the game are determined by Parliament.

In late 2002 we were told to play a different game.

It's similar to the old one, but more open, fluid, needing a clear game plan (strategy).

It's got a really keen ref (OAG)

A game is defined by its rules and many of our players haven't really accepted that the game has changed.



Background

We can't reasonably put our hand up for the rugby team and expect to walk out on the paddock on Saturday morning and say "I'm here to play league".

Yet looking at the results of the recent survey by the Local Government Commission, that's where some of us, elected members and staffers, are at.

Community well-being, community outcomes, strategic planning, joined up thinking, etc cannot be left to a single unit within council, while the rest of the organisation carries on as if nothing changed in 2002.

The rules did change and the game's actually more fun!



Background

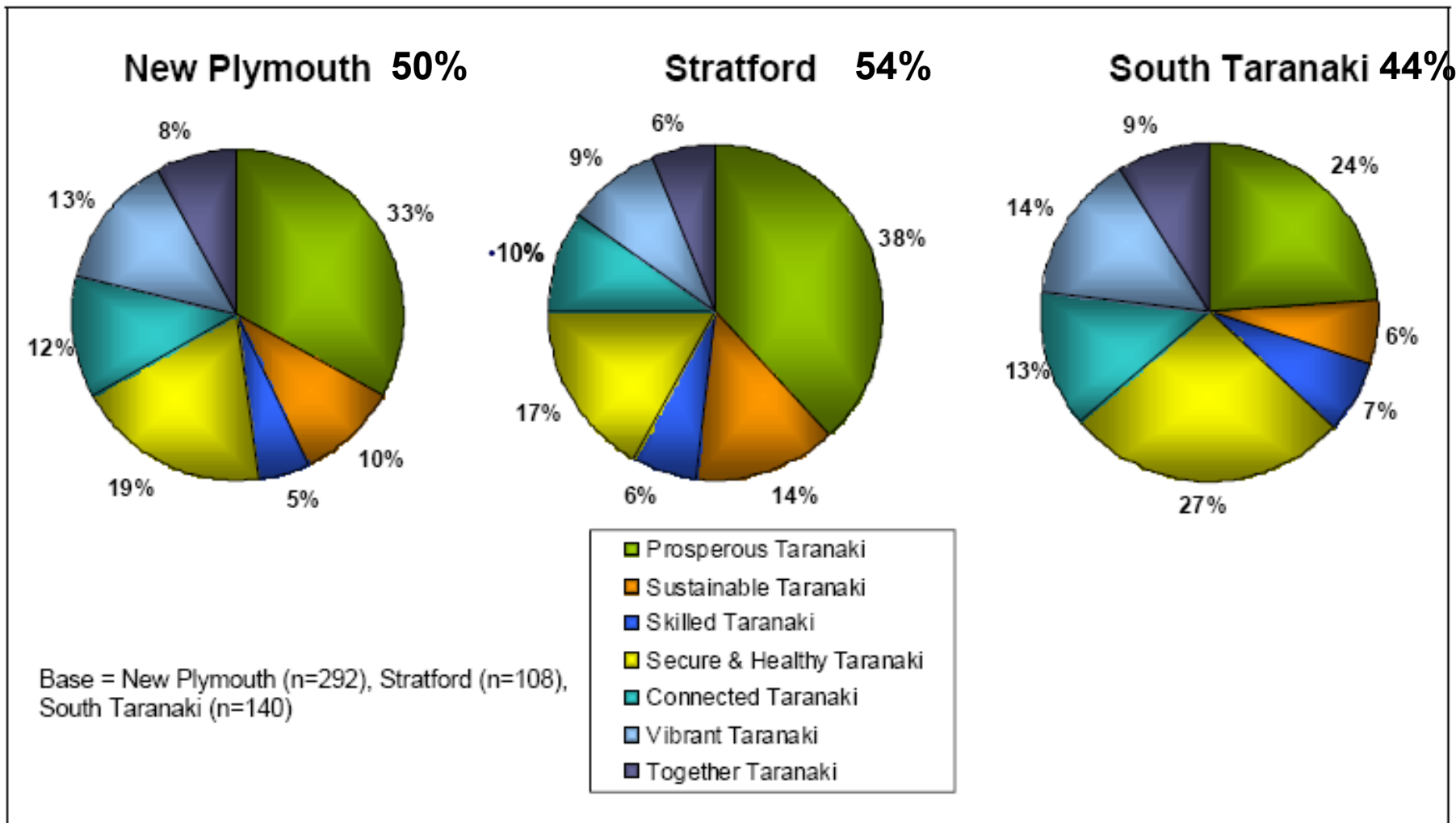
Some of my favourite rules are those requiring the identification and prioritisation of community outcomes and then to base our day to day and long term decision making on them.

I'm guessing this is what the ref (our auditors) have been talking about when they say they want the community plan to be about, among other things, having the "right conversation" with our communities.

We've taken community outcomes conversation pretty seriously in Taranaki and the community gave us some fairly clear messages.

They're concerned about the economy

Figure 3: Proportion of residents in each district who ranked a statement in each outcome area as the top priority that Taranaki needs to work on over the next ten years





Well-being & sustainability

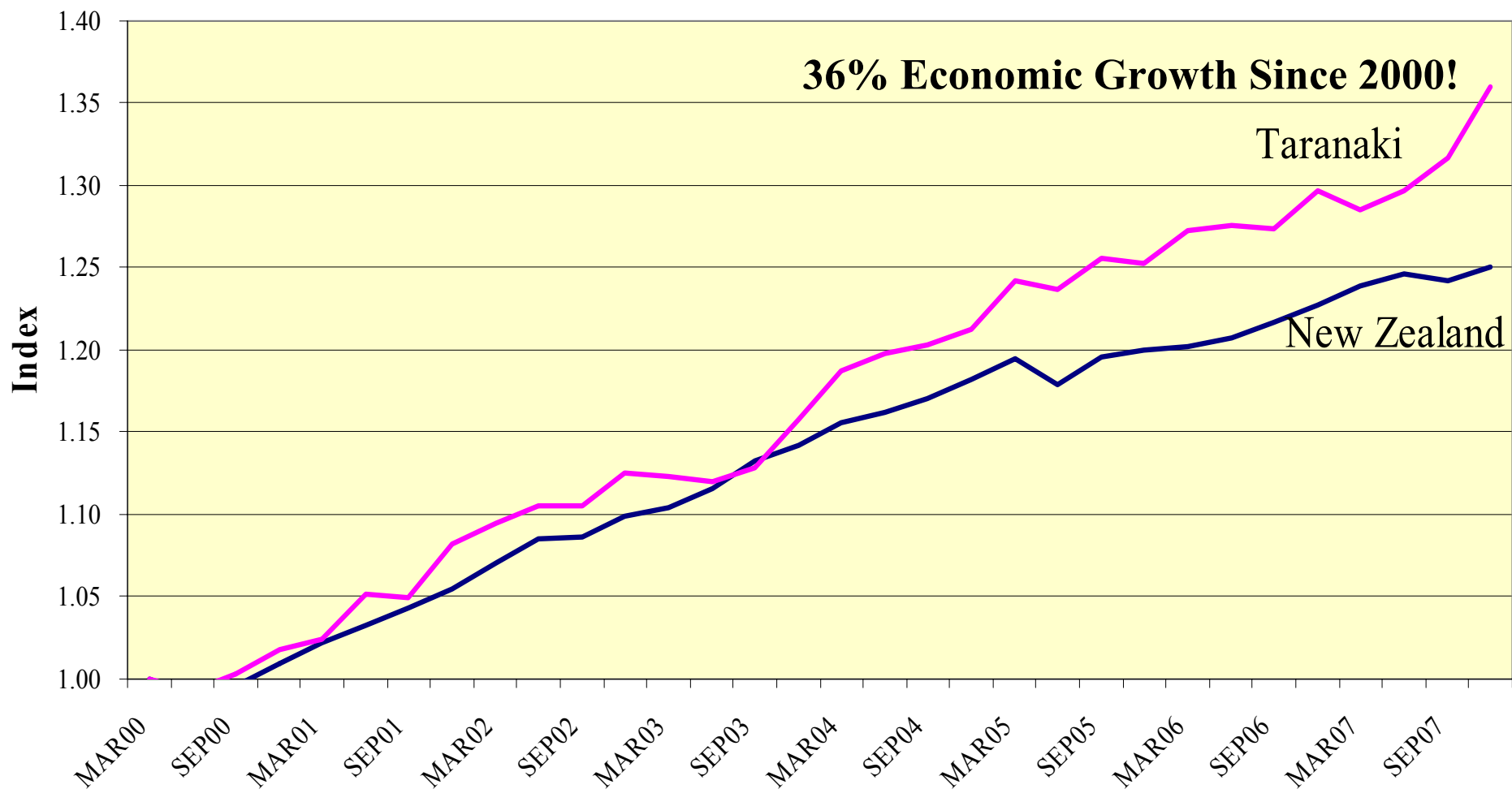
The New Plymouth District and Taranaki community have been very concerned about the local/regional economy.

It's growth has been a rollercoaster with more exaggerated up and down swings over the 70s, 80s and 90s.

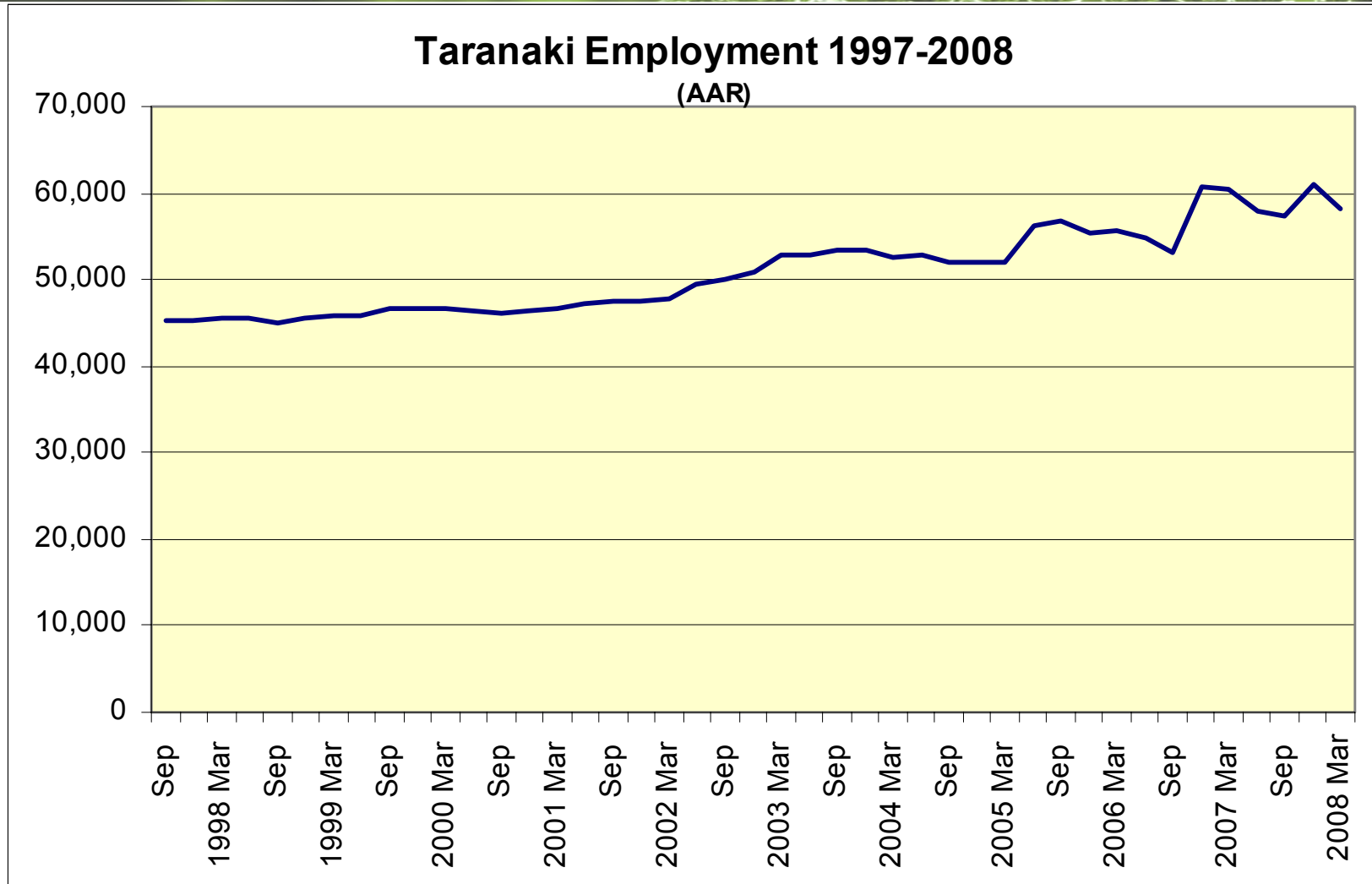
We have continually put it to our council that it is not useful to think in terms of a New Plymouth District economy, but rather a Taranaki economy.



Economic Growth Since 2000 - NZ vs Taranaki (NBNZ)

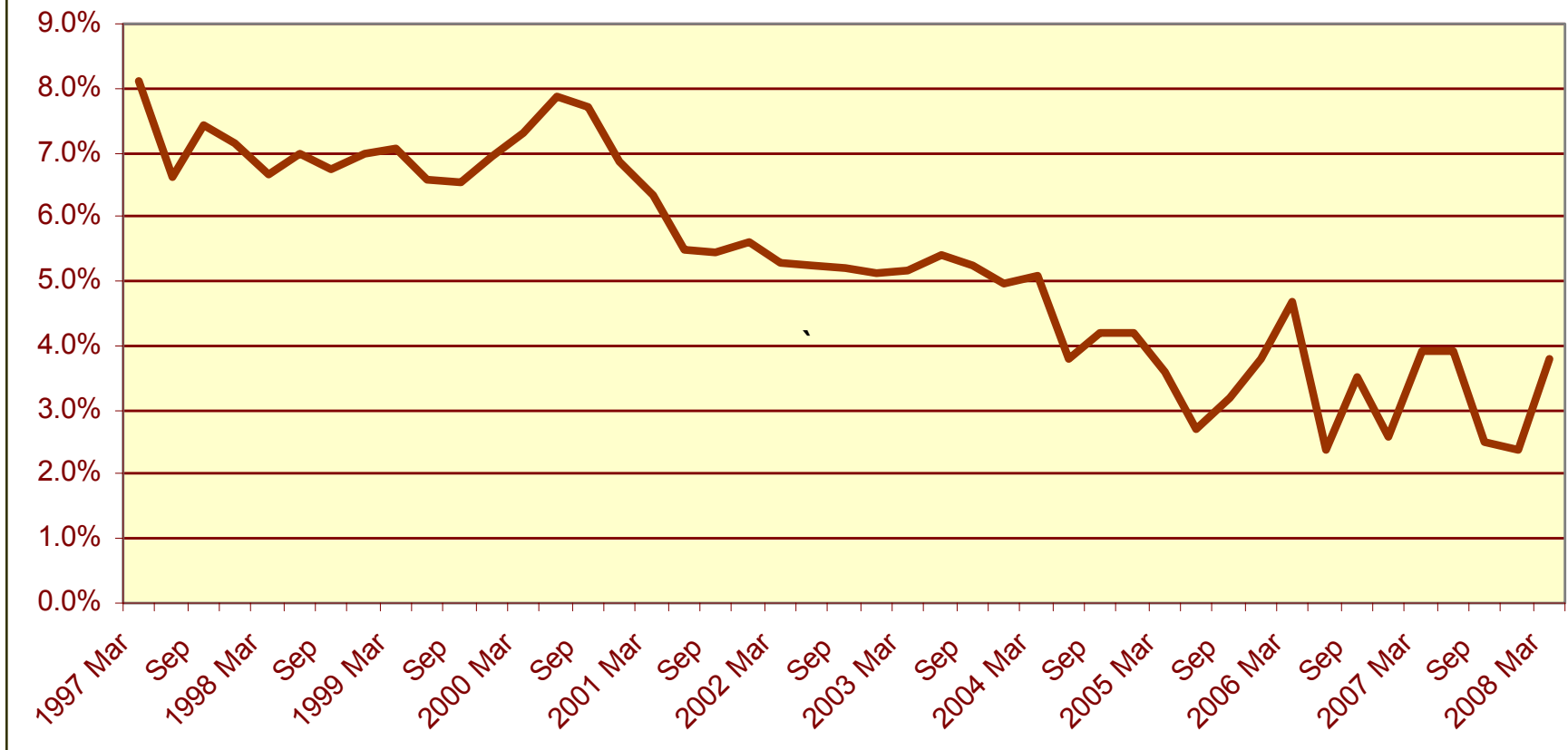


Taranaki employment (14,000 people, or 30% growth since 2000!)



Taranaki unemployment

Taranaki Unemployment 1997-2008 (%)



The availability labour is now seen by business as the No1 growth issue.



Can we sustain our growth performance?

Taranaki's 36% economic growth has been made on the back of 30% growth in the local labour force.

While we can continue to grow through higher export prices, capital investment and technological improvement, we are very unlikely to be able to repeat our performance without a significant increase in the labour force.

Taranaki population

Region	1996 Census night population	2001 Census night population	2006 Census night population	Increase or decrease '96-'01		Increase or decrease '01-'06	
				Number	Percent	Number	Percent
Taranaki	106,698	102,786	103,630	-3,912	-3.7%	844	0.8%

Venture Taranaki

The shape of Taranaki's future

- Commissioned BERL to provide overview of the regional economy from independent perspective
- Including:
 - Analysis of key industry sectors (eight)
 - Providing employment and GDP projections by industry out to 2026
 - Highlighting key issues
- Projects Taranaki will grow at faster rate than nationally over next 20 years

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The challenge and future focus

Taranaki's economy is projected to grow faster than the national economy over the next twenty years

The economic growth constraint is labour shortage

- Projections suggest will need additional 16,500 FTEs between now and 2026 (880 FTEs annually).
- We cannot meet our economic growth potential from our natural population.

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Growing the population

We have the jobs, but that doesn't mean we'll automatically get the people.

That's because the labour market is increasingly globalised, particularly in oil and gas, but also in many other skill sets.

This means we have to compete for skilled people on the basis of incomes and quality of life.



The challenge and future focus

16,500 people by 2026 might seem ambitious...

... but the Taranaki labour force grew by over 14,000 between Jan 2000 and Dec 2007!

The issue is that **there are not** 16,500 people in Taranaki waiting to be employed.

To achieve our economic potential we need to attract people from outside the region.



Growing the population

The good news is that we can compete on lifestyle.

The prestigious British magazine “The Economist” ranks New Zealand the 15th best country in the world in which to live.

Britain is ranked 29, which is an opportunity. Australia is ranked 8th, which is a threat.

Why move? Why stay?

Reasons for Choosing New Zealand⁽¹⁾

By immigration approval category

	Skilled PA	Skilled SA	Business	Family partner	Family parent
	Percent				
Relaxed pace of life or lifestyle	63.3	54.8	32.9	25.5	13.0
Climate or the clean, green environment	52.8	44.2	49.3	25.5	16.5
A better future for my children	44.5	49.8	45.2	23.8	5.2
Employment opportunity	42.0	28.2	7.3	12.4	3.0
Friendly people	38.0	30.9	20.5	18.7	13.9
Safety from crime	38.0	35.3	19.6	13.2	7.8
Join family members	8.3	18.2	14.2	16.1	95.2
Easy access to outdoor or sporting activities	33.2	29.0	16.0	12.1	3.0
Educational opportunities	19.3	18.4	30.1	11.4	4.3
Marry or live with a NZ spouse or partner	3.0	3.0	0.9	71.1	0
Political stability	19.9	13.2	21.5	7.8	10.4
Economic conditions	19.5	13.3	8.2	6.8	4.8
To study	10.6	9.2	16.4	8.8	1.3
Accompany family members	1.2	12.4	14.2	5.4	10.4
Other	6.2	5.7	2.7	2.4	S

Growing the population



This is strongly supported by the 2006 Census data for district and city populations:

Anything big grew

Anything next to something big grew (Selwyn, Rodney)

Places with a reputation for lifestyle grew (Queenstown)

All those that shrank were not near anything big and don't have lifestyle reputations



Our role

When you consider the 40 or so very diverse activities that local authorities carry out...

Infrastructure (roads, water, sewerage, stormwater)

Regulation (building, animals, noise, commercial premises, parking)

Recreation facilities & events, Cultural facilities and events,

Parks, Walkways & Open Space,

Community Development, Economic Development.

... the unifying theme is providing a quality living environment for our community.

Well-being, sustainability & outcomes

The regional community wants Taranaki to grow
(Prosperous, Skilled & Connected)

Long term we will fail if we destroy those very things that make our place attractive

Our environment **(Sustainable)** Environmental well-being

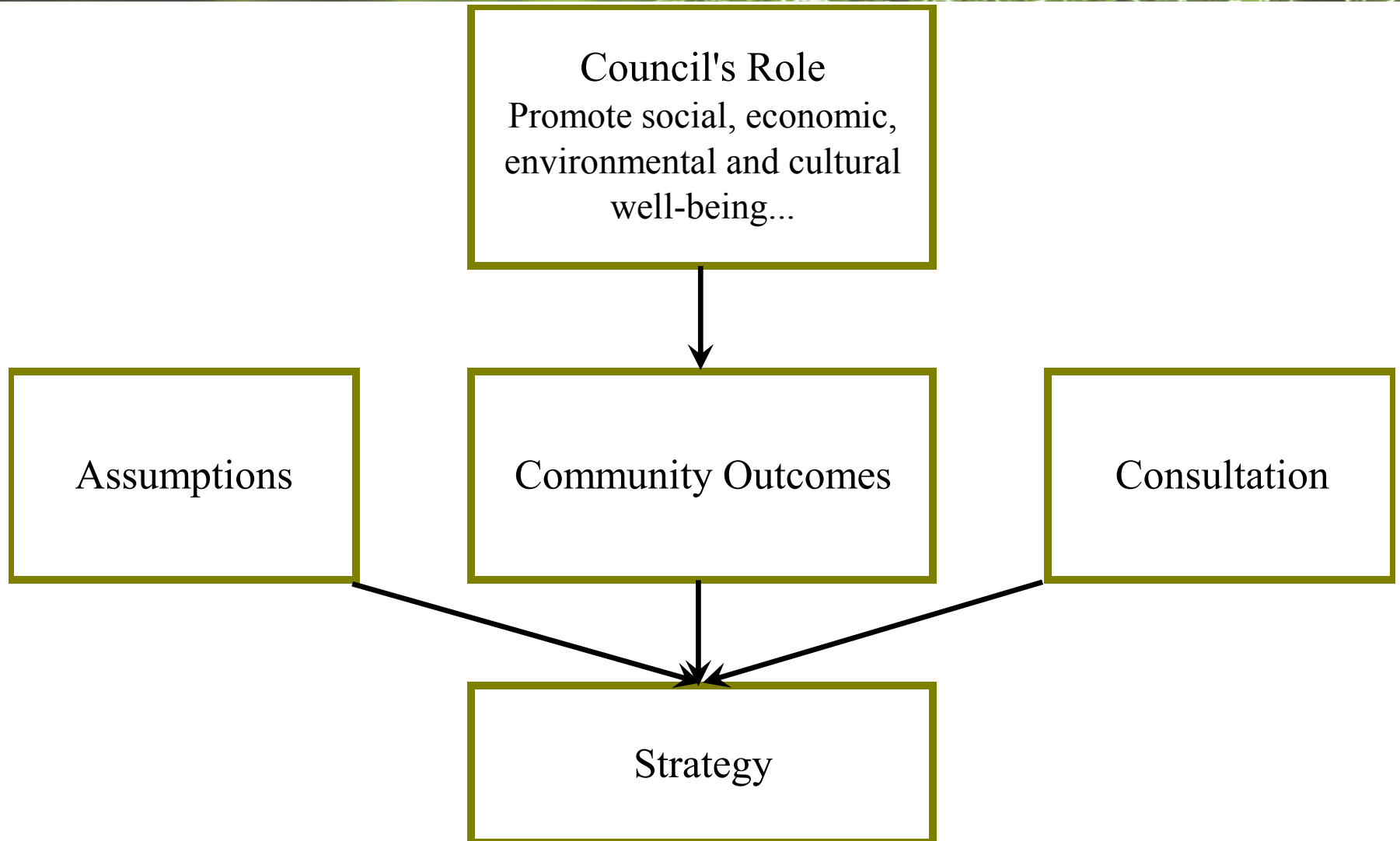
Our sense of community **(Together)** Social well-being

Our security **(Secure and Healthy)** Social well-being

Our culture & fun **(Vibrant)** Cultural well-being

We've come to a holistic conclusion without even trying – the 4 well-beings, sustainable development & achievement of our outcomes are inseparable.

The Basis of Strategy?





Vision/Mission

STRATEGIC INTENT

New Plymouth District will offer an attractive living environment that compares favourably nationally and internationally.

It will do this to attract new, while retaining its existing, high quality people and the labour force it needs to grow and prosper.

The unifying purpose of all New Plymouth District Council services lies in creating an attractive living environment.

New Plymouth District Council will invest in, maintain, assist and encourage others to provide those diverse facilities, infrastructure and services that are needed to make New Plymouth District nationally and internationally a location of choice.



Worth it?

I was initially sceptical about the Local Government Act 2002, but...

...would we have put as much thought and effort into...

...understanding our community's priorities...

...understanding what needs to be done about them...

...understanding impacting external factors...

...understanding the council's role in all this.

It has given (I hope) the council a strong position from which they can think about & articulate responses to loud voices in the community who are saying do nothing, do less, lower rates.