

Economic Development

The LG-CG nexus

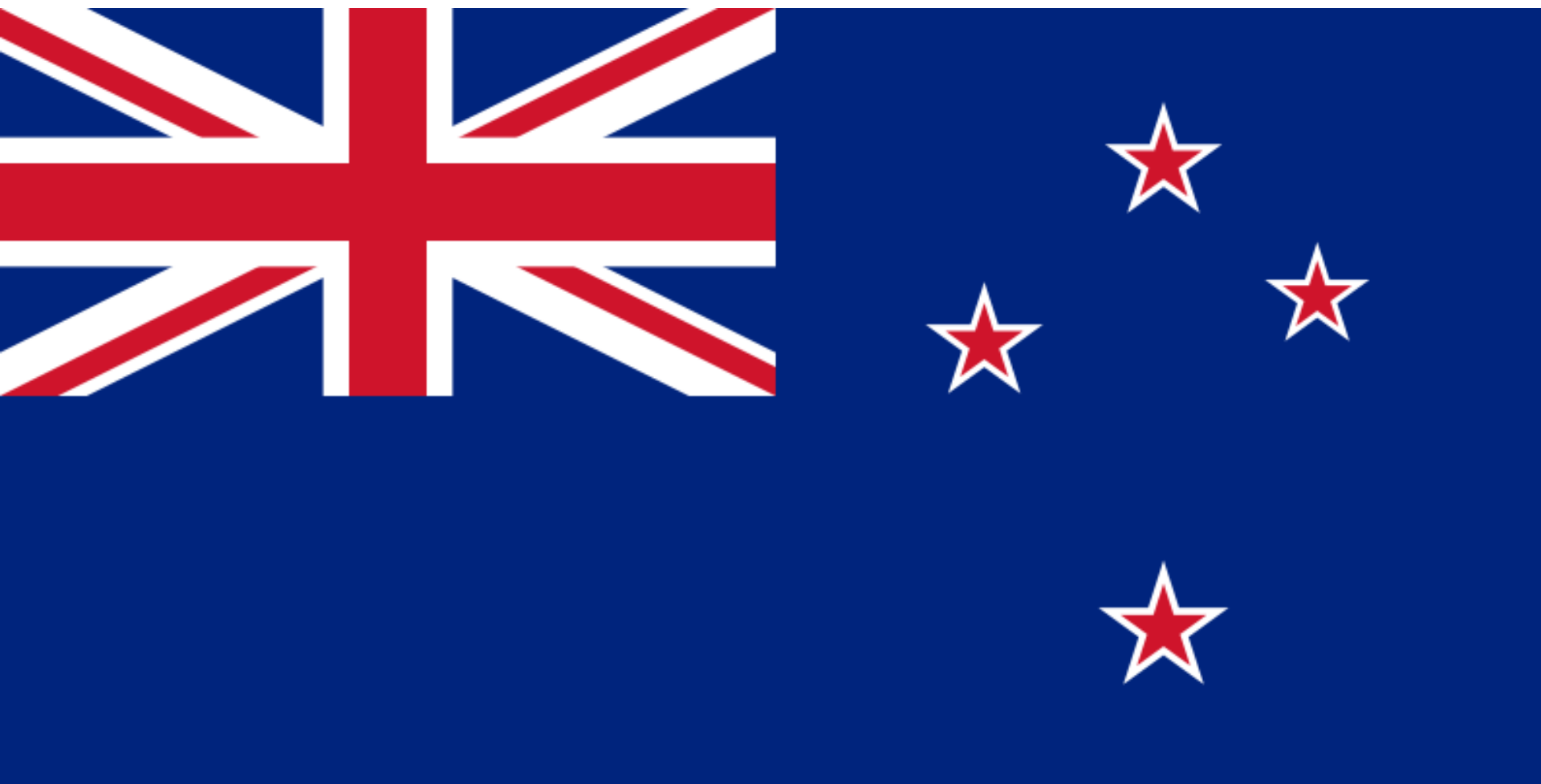
*LGNZ conference workshop
26 July 2010*

Dr Ganesh Nana
Chief Economist

Business and Economic Research Ltd

Agenda

- introduction
- the EGA and local govt areas
- the matrix & indicator framework
- an exercise
- concluding comments
- Q&A



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Economics is ...



CDOs
swaps
liquidity
house prices
interest rates
credit ratings
hedge funds
leverage
debt

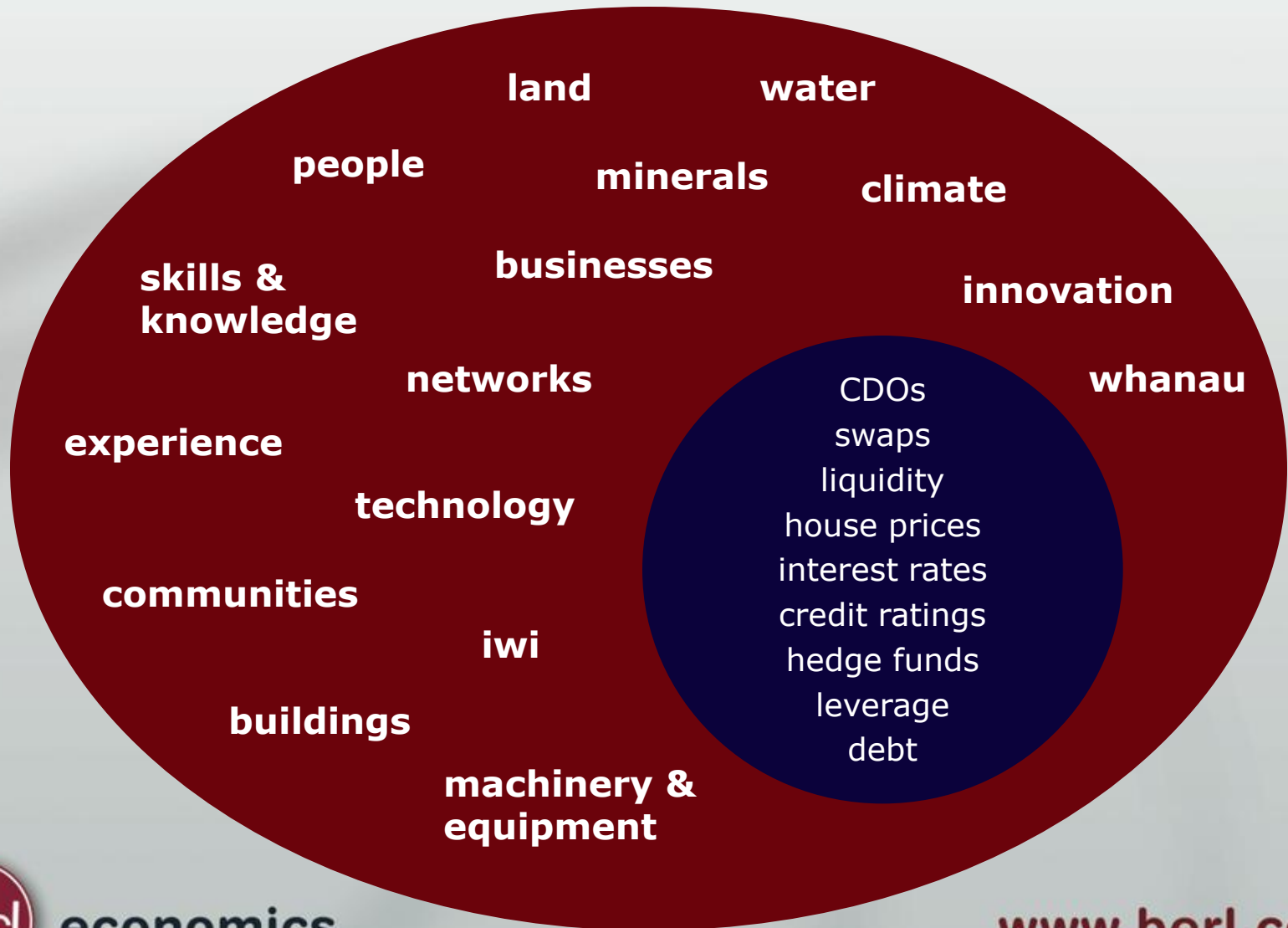


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Economics is ...



Economic development

setting the platform to

- enable people and communities to pursue their lives and lifestyles
- ensure the broadening of choices and opportunities of future generations



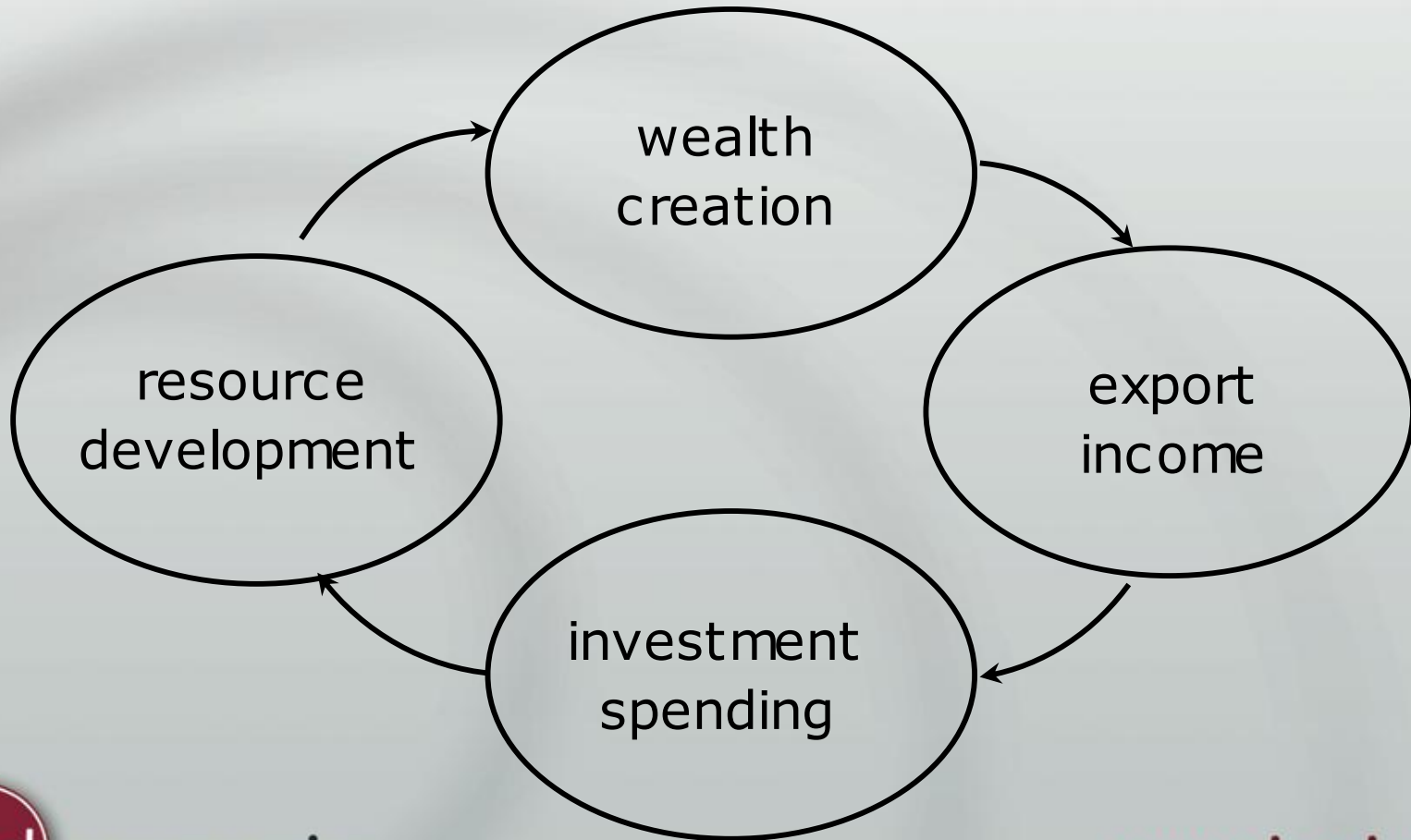
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A lesson in rocket science

or Economics 101



Economic Growth Agenda

initial goals

- Exports to increase to 40% of GDP by 2025 (currently 31%)
- NZ GDP per capita to match that of Australia by 2025 (currently NZ 76% of Australia)

Economic Growth Agenda drivers

- better public services
- world class tax system
- better infrastructure
- improved skills and education
- better regulatory environment
- innovation and business support



Local government areas

- services
- regulation
- social and community
- planning, infrastructure and resource management
- business and industry development
- leadership, facilitation and partnership



FRAMEWORK STRUCTURE

AREA

ways in which local government contributes to economic growth and development

PHENOMENA

activities within an area

INDICATOR

measures of activities



Business and industry development

PHENOMENA

encouragement to regional economic growth

PHENOMENA
main street project

INDICATORS

- sister city relationships
- access to and use of information sites

INDICATORS

- incidence of graffiti
- interaction with business groups

Social and community

PHENOMENA

provision and maintenance of
community amenities

PHENOMENA

addressing social and
community issues

INDICATORS

- issues from Council libraries
- use of sports grounds and
recreation centres

INDICATORS

- representations to CG
- interaction with CG
service providers



Regulation

PHENOMENA

building consent processes

PHENOMENA

availability of information

INDICATORS

- average days to process
- cost of consents

INDICATORS

- accessibility of information
- requests for clarification



Services

PHENOMENA

public transport and active
modes

PHENOMENA

water supply and waste
water

INDICATORS

- passenger numbers
- use of cycle ways

INDICATORS

- quality of potable water
- days of storm water
overflow



Planning, infrastructure and resource management

PHENOMENA

delivering on infrastructure expectations

PHENOMENA

zoning for industrial park

INDICATORS

-integration with CG infrastructure
-infrastructure renewal plan

INDICATORS

-hectares and utilisation
-congestion



Leadership, facilitation and partnership

PHENOMENA

alignment with CG priorities

PHENOMENA

integration of economic development plans

INDICATORS

- explicit acknowledge of CG priorities
- relationship with CG

INDICATORS

- relationships with
 - business group(s)
 - community group(s)



The matrix

| | | leadership partnership facilitation | infrastructure planning resource mgmt | regulation | services | business and industry development | social and community |
|-----------|------------------------------------|---|---|------------|----------|---|-------------------------|
| | | phenomena | | | | | |
| phenomena | public services | | | | | | |
| | innovation and business support | | | | | | |
| | regulatory reform | | | | | | |
| | infrastructure | | | | | | |
| | tax system | | | | | | |
| | education and skills | | | | | | |



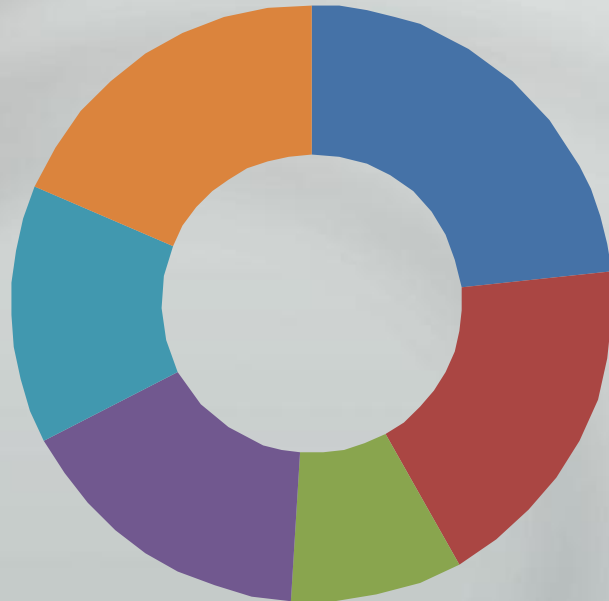
An exercise

- add some phenomena and then rank areas by **importance** and **effort**
- then match LG area to EGA driver
 - * better public services
 - * world class tax system
 - * better infrastructure
 - * improved skills and education
 - * better regulatory environment
 - * innovation and business support

2 case studies

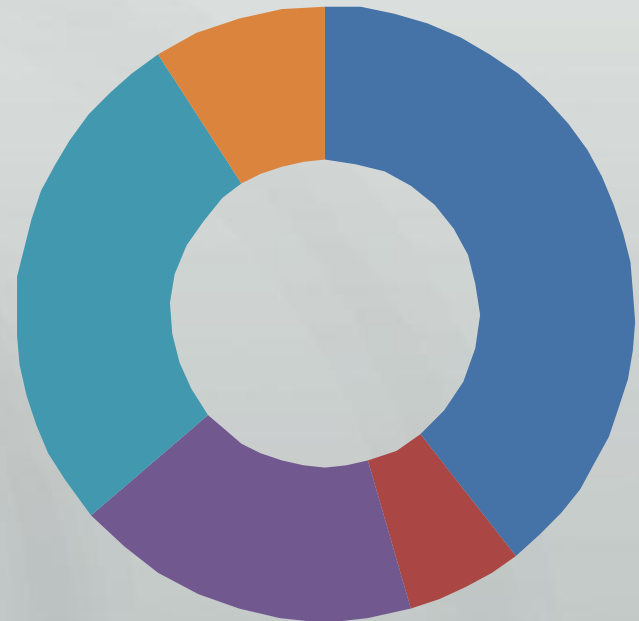
LG areas of effort

Highbrook



- Leadership
- Infrastructure
- Regulation
- Services
- Business & Industry
- Social & Community

MWRC



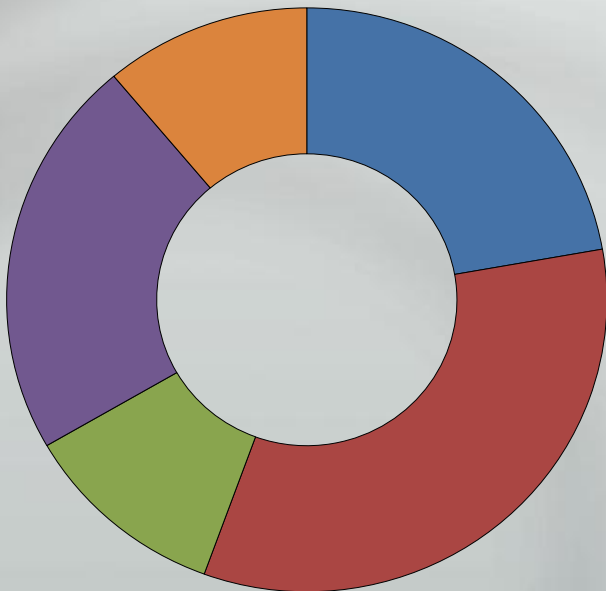
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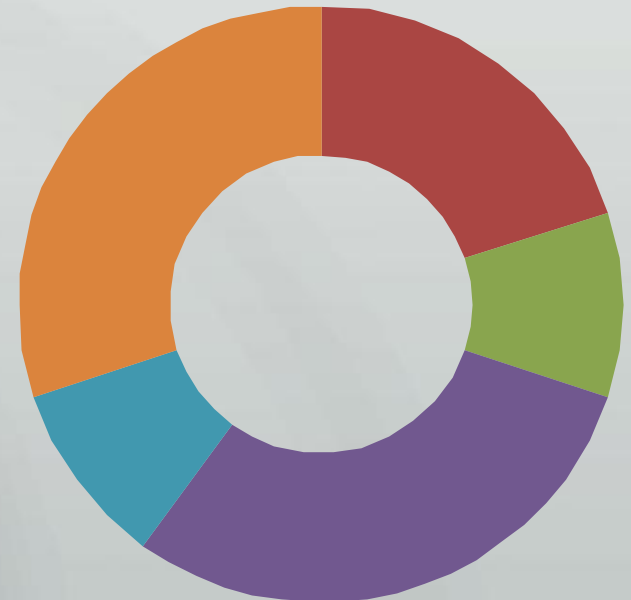
2 case studies relevance to CG EGA

Highbrook



- Regulatory Reform
- Investment Infrastructure
- Better Public Services
- Innovation and Business Assistance
- World Class Tax System
- Education and Skills

MWRC



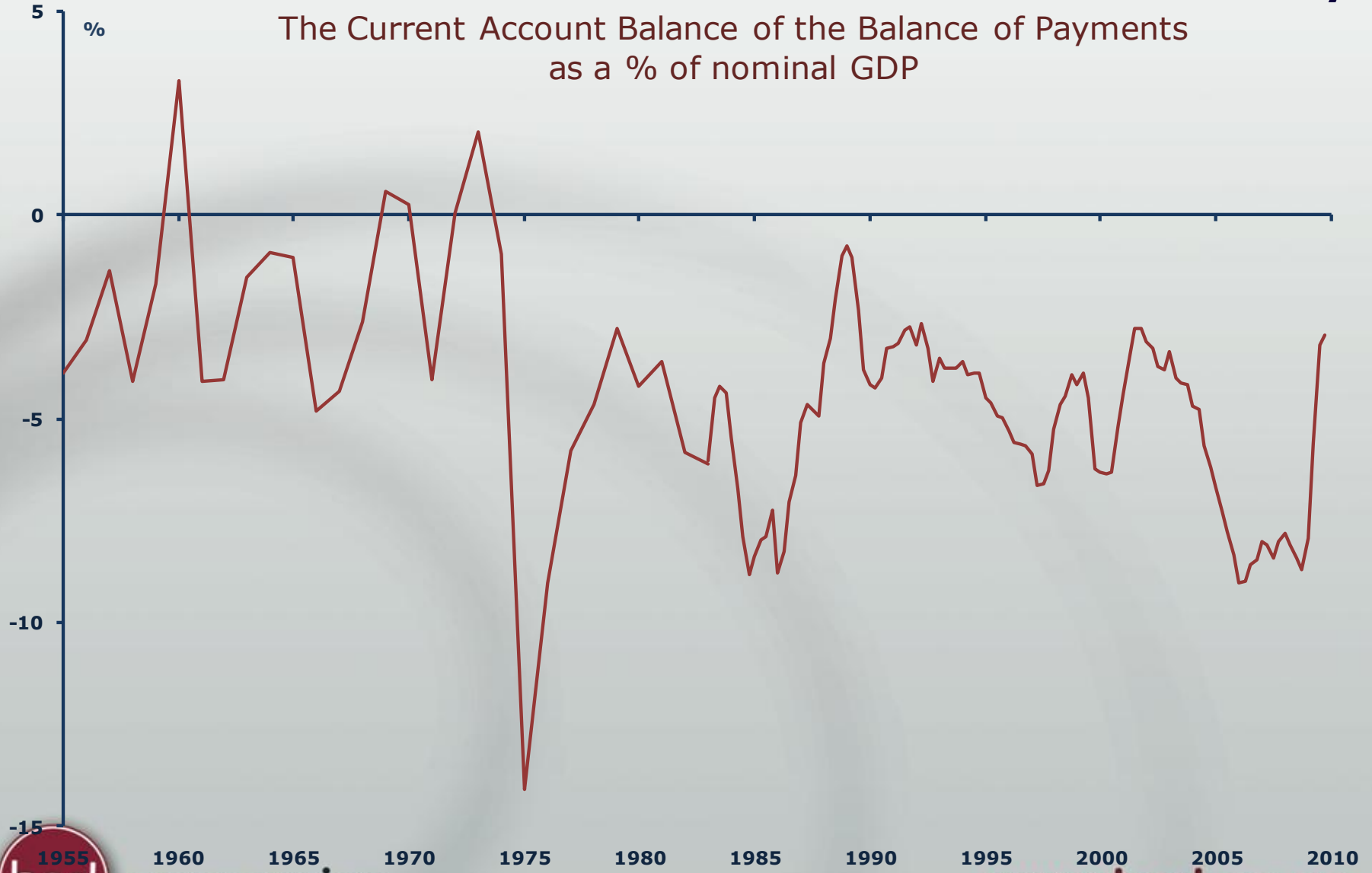
Life in NZ After the Recovery



**Contains horror scenes
Not appropriate for the young and innocent**

The Achilles' Heel of the NZ Economy

The Current Account Balance of the Balance of Payments
as a % of nominal GDP



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New Zealand's largest single vulnerability is now its large and growing net external liabilities. New Zealand now owes the world \$168bn, or around 90 per cent of GDP."

Budget Speech, May 2010

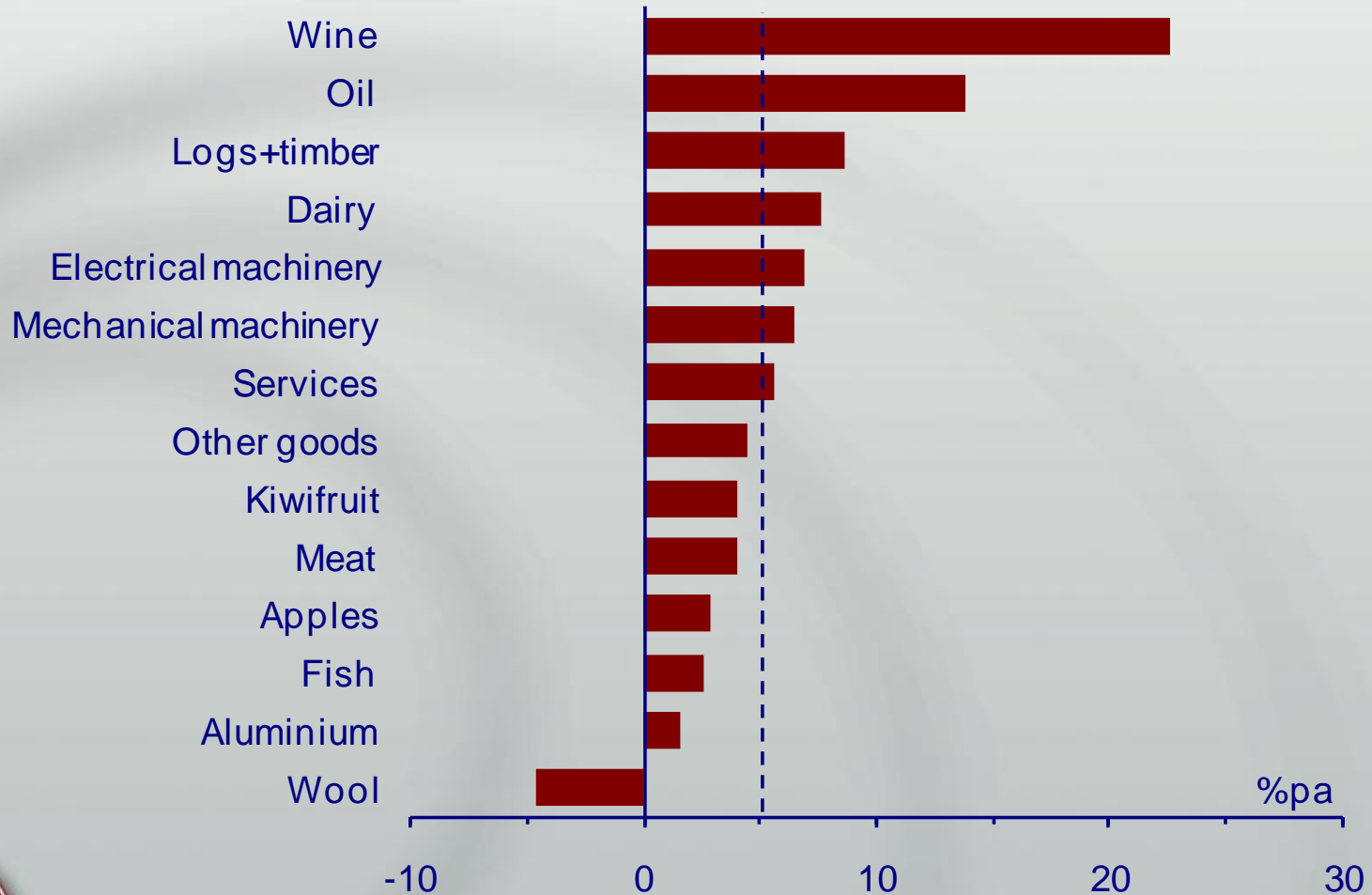
The hard yards ahead ...

“Looking beyond our present circumstances, our future depends on our ability to export.”

Budget Speech, July 1980

Exports – the long term

Annual average export revenue growth
20 years to 2010



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New Zealand



