

# Rediscovering the Regions: a new era of regional policy intervention in New Zealand

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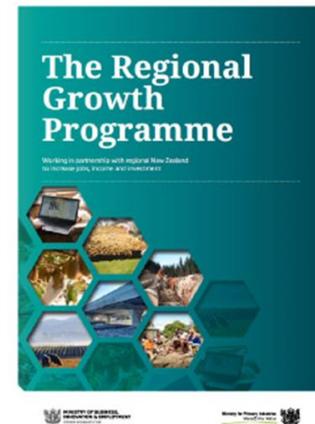


# Introduction

- Internationally - Regional Development - widespread in era of spatial Keynesism – focus on subsidies and addressing inequalities - but success limited globally.
- From late 1990s – internationally - transform to a focus of support for competitive advantage (not addressing backlogs), innovation, 'new regionalism' and place based development (EU – Barca Report, 2012). (NZ – more neo-liberal approach)
- Emergence of smart growth and smart decline thinking & a focus on human resources and innovation in EU.
- In NZ Reg Dev. scaled backed from 1980s but re-introduced in 2018 – Provincial Growth Fund (PGF) – partially to address market failure.
- Most NZ territorial authorities are anxiously seeking PGF funding – has the potential to alter economic trajectories and well-being of small towns and rural area.

# Historical Regional Development in NZ

- 1930s - Spatial intervention and public works
- 1970s – Priority Regions – financial support for industry, primary sectors and tourism
- 1970s – Regional Development Councils
- 1970s/80s - ‘Think Big’ programme
- 1980s – Rogernomics – leave to the market
- 1999+ - Regional Partnership Programme
- 2012+ – Business Growth Agenda – Treasury Concerns  
– Regional Growth Programme – Regional Governance Groups – Regional Strategies & Action Plans
- 2017 – Provincial Growth Fund & \$ 1 bn p.a. x3



# The Provincial Growth Fund

- Overseen by Provincial Development Unit
- MBIE & MPI & key regional officials
- Foci – Regional Projects; Sector Investment; Infrastructure; Billion trees; Youth Unemployment; Skills
- Focus on the 'Surge Regions'



# PGF – Progress to date

- Strong links with recent Regional Action Plans (where they exist).
- By Feb. 2019 – amount allocated \$1 bn+; but only 3.4% allocated and 54 jobs created.
- Skills received - \$ 82 mn.
- Infrastructure (reg. & nat.) - \$466 mn e.g. rail and broadband.
- Surge Regions - \$ 570 mn
- ?s – should roading be funded by the PGF
  - are projects sustainable
  - some projects stalled by need for co-funding
  - is enough attention paid to skills & training
  - no support for housing
  - little evidence of inter-regional links and rural-urban integration
  - no clear strategy / piecemeal approach

# Conclusion

- Regional dev. globally : long and often lacklustre history – EU refocus on smart growth with: youth employment / environment / procurement
- The NZ PGF has a subsidy and addressing inequalities focus.
- Has a regional governance and local decision-making.
- Little evidence of a focus on smart growth, competitive advantage or innovation or smart decline, support for innovative local initiatives.
- Politically contentious.
- Need a clear strategy, a focus on national spatial integration & planning.
- Funding is welcomed but is it sustainable / long-lasting ? in the absence of a clear strategy.
- Could it exacerbate ‘uneven regional development’ ?
- ? –can all regions grow / who decides / who benefits.
- Will have n.b., but selective implications for NZ regions & small towns.