

How can Hawke's Bay construction industry benefit from local government's role to help local communities weather the recession?

“With the Government’s focus firmly on stimulating economic and employment growth, local government can play a strong role in helping New Zealand communities and local economies weather the worst of the global recession.” -

Lawrence Yule, President, Local Government New Zealand and Mayor of Hastings District Council.



LHTDesign invited Lawrence Yule to speak to a gathering of Hawke's Bay construction industry leaders on 15 April 2009. Our brief to Lawrence was to expand on his comments in March 09 *Local Government Quarterly News*, and the key recommendations from the Jobs Summit held in February 2009, regarding the role local government can play in the current economic downturn, particularly as it relates to the construction industry.

The following are key points made during his presentation produced with Lawrence's permission.

Nationally

- The Government is listening to, and has commitment to build a solid partnership with local government and industry sectors as evidenced by the Jobs Summit held in February.
- The collective goal of the Jobs Summit was to minimise the impact of the recession over the next two years. Estimates show up to 10% unemployment rate with a disproportionate rate of Maori (possibly 25 percent).
- The Government is making a \$500million investment in stimulating publicly-funded building projects, much of which is in earmarked for infrastructure improvements so the country will be strongly placed for strong growth when the economy improves.
- Changes are planned in compliance to reduce costs, and redress the country's risk averse mindset. Many compliance requirements are central government-imposed regulations and procedures.
- Over the next two years, emphasis will be placed on encouraging training, to improve the competitiveness of the New Zealand workforce to ensure long-term sustainability.
- Significant encouragement of tourism through cross subsidisation likely – to use growing space on planes to bring in international spenders.

Hawke's Bay

- Lawrence's view is that while it is and will be tough in Hawke's Bay, we are better positioned than most other regions:
 - Being a primary producing region of food, with established export distribution – people always buy food,
 - We have been in the trenches before – we know how to operate in a tough environment.
- He thought the worst was yet to come for HB ie after seasonal work finishes.
- Hawke's Bay local authorities are united in belief that it is important to spend on infrastructure (where relevant). To keep the dollars circulating within construction industry to maintain employment; to keep the economy going.
- While national transport infrastructure spend will be dominated by Auckland, Hawke's Bay has not been disadvantaged with money available for local projects.

- Hastings District Council committed to keeping rate increase as low as possible without compromising asset management plan. Construction plans have not been dropped.
- Significant projects dwindling – Hastings Courthouse nearing completion, Regional sports park held up by protest, Council's Lyndon Road \$4M expansion and Napier museum pending, some winery development possible.
- HDC commitment to improve 40km \$3M of footpath improvements over next three years.
- Lawrence believes that while a number of local businesses are downsizing, most companies are looking to build on strengths with a view to surviving recession and be better positioned to grow when economy improves.

