Small Town Change and Challenge: The New Zealand’s Experience.

Etienne Nel & NSC Research
Internationally & in NZ: Divergent Small Town Trends: Growth & Decline Mixed Fortunes and Uneven Geographical Development
Plan

- Small Town Literature
- Small Town Growth and Decline
- NZ Context
- Current Challenges
- Small Town Typologies
- Responses & Opportunities
- Conclusion
Literature

A) International:

- Demographic trends – growing & shrinking towns
- New themes: Smart Growth / Smart Decline
- Uneven geographical development – self-reinforcing
- Local response
- Productivism to Post production, multi-functionalism
- Evolutionary Economic Geography / path dependency
B) New Zealand:

- History of rural and small town change
- Neoliberalism & regional development
- Rural restructuring
- Local development trends and responses
- ‘Zombie Town’ debate / “rediscovery of the regions”
INTERNATIONAL EVIDENCE-SMALL TOWN GROWTH & DECLINE

Annual urban population change, 2001 - 2011

Urban population change, 2001 - 2011
• Are there ‘tipping points’ beyond which small towns no longer are viable entities?:
  • population change
  • economic change – town & hinterland
  • loss of services.
  • ‘sponge’ effect of larger centres in travel range
  • Policy debates – equity vs. market forces
EUROPE

Average annual population development in European Local Administrative Units

Population of German cities 2015-20 Forecast:
- Shrinking <500,000
- Growing ≥500,000

Source: Bundes Institut für Bau-, Stadt- und Raumforschung (BBSR)

Economist.com
The NZ Context

• Small town growth and decline - last 160 years.
• Little policy recognition of small town decline
• ‘Zombie Town’ Debate – draw attention to challenges
• In parallel - Growing Towns – struggling with service and housing challenges.
• Rural areas – key shifts from productivism to neo-/post- productivism / changing labour issues
Shrinking Towns: Long Term Trends

The Changing Number of Towns >300 pop. in New Zealand

- Number of Towns
- Census Years
- No. of Towns

Graph showing the decline in the number of towns with over 300 population in New Zealand from 1911 to 1981.
Pre-2000—long term processes of change

- 1953 Town and Country Planning Act restrict dwellings on marae land—encourage Māori urbanization (Melser, 1982).
- 1973 Regional Development Conference in Dunedin:
  - “the closing of shops & garages, the departure of doctors & the reduction in the size of schools which accompany population decline” (Ross, 1973)
- Pryde (1977) declining rural pop. impact on education and health services and available labour
• Parr (1975) - mechanization / farm size increase and labour force decline,
• Cant (1980) key services move to major centres aided by transport advances,
• 1980s – Rogernomics – impact services, employment and farm subsidies.
• Bedford (1983) - partial pop turnaround – 2nd homes, rural residential dev. – selective
• Emergence of multi-functional landscapes (Le Heron, 1991; Smith and McMath, 1988)
• Growth of tourism / retirement towns
Current Trends in Small Town NZ

- Selective pop & eco decline or growth
- Two speed economy - Eaqub
- Pop ageing and youth migration / NEET
- - growing social / spatial inequality
- - temporal = long vs short term trends
- - farming shift: beef & sheep to dairy – impact on debt / turnover / voluntarism / community/labour
- - temporary/seasonal workers vs farming families –
- - impact on social capital
Changes and Challenges

• **Loss of services**/ schools / health-care
• **Changes in mobility**/ urban- rural work flows
• **Centralization of functions** in larger centres = ‘sponge towns’
• **Housing** – temp workers & air b’n’b / housing crisis especially around tourist towns / but other places too – ‘Auckland’ effect
Urban and Rural Population Pyramids: Ageing & Youth Migration

Wellington population
At 30 June 2016
(Median age = 33.8 years)

Thames-Coromandel population
At 30 June 2016
(Median age = 52.4 years)

Source: Statistics New Zealand

Source: Statistics New Zealand
Contemporary & Projected Trends

[Maps showing population trends and projections for New Zealand.]
<table>
<thead>
<tr>
<th>Centre 1981-2013</th>
<th>Grow</th>
<th>Decline</th>
<th>% Declining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Urban Centre +30 000</td>
<td>16/18</td>
<td>2/18</td>
<td>11%</td>
</tr>
<tr>
<td>Significant Urban Areas + 10 000</td>
<td>8/15</td>
<td>7/15</td>
<td>47%</td>
</tr>
<tr>
<td>Minor Urban Areas + 1 000</td>
<td>40/100</td>
<td>60/100</td>
<td>40%</td>
</tr>
<tr>
<td>Rural Centres -1 000</td>
<td>69/138</td>
<td>69/138</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>153/271</strong></td>
<td><strong>118/271</strong></td>
<td><strong>43.5%</strong></td>
</tr>
<tr>
<td>Population Gain/Loss In 4 categories</td>
<td>2 011 946</td>
<td>79 146</td>
<td></td>
</tr>
</tbody>
</table>
Population and Business Change: Commuting, Tourism and Resource Towns – in S. Island

Population

Census Year | Population
1936 | 5000
1981 | 10000
2001 | 25000

Business

Census Year | Number of Businesses
1938 | 200
1983 | 1000
2000 | 1600

Legend:
- Blue: Commuter (50k ChCh) Towns
- Red: Tourism Towns
- Yellow: Mining Towns
- Purple: Timber/Industry
NZ Ghost-towns
Tahakopa; Kelso
NZ Boom Towns

• Queenstown / Wanaka / Te Anau
Institutional Challenges

• Shift from pre-1980s to market-based thinking
• Local Government depends on rates based funding – often declining / ageing pop.
• Challenge of national standards for water etc. often with a small and shrinking pop. / rates base
• Population Based Funding reduces equal provision
• Costs of supplying rural services / broad band
• Costs of maintaining local facilities (how much can the local community absorb? – i.e. community based take over of pools / health facilities etc.)
Typologies of Small Towns

1) **Rural Services centres** - depend on their hinterland:
   - dairy / niche agriculture / traditional agric
   - changing labour / service requirements

2) **Resource towns** – forestry, mining, fishing
   – boom & bust experience, effects of closures e.g. Pate

3) **Lifestyle towns** – retirement, 2nd homes, tourism

4) **Commuting towns** - Selwyn

5) **Industrial towns**

6) **Planned towns** – hydro / industry

7) **Multi-focused settlements**
RESPONSES TO STRUCTURAL CHANGE

1) Leave to market forces.
2) State driven responses e.g. EU
   (NZ – rediscovery of the regions – PGF)
   (NZ – long term role of DIA & social agencies)
3) Endogenous development:
   - council
   - community
   - business / local champions
   - partnerships
Local Potential

- **Recreation / tourism potential** – is selective
- **Re-use of buildings / facilities**
- **Potential strength of communities / institutional thickness / volunteerism** – esp. in farming communities / local leaders
- **Importance of local capacity** for self-organization
- **New rural lifestyle / economic opportunities**
- **External support** – government / EDAs
- **Challenge** for communities with high levels of welfare dependence & low levels of innovation
Selective Responses – Market Driven or Local Action?
Endogenous Responses: Community Led Promotion / Youth Retention - NEET / Housing
Community Based Provision of Infrastructure and Services – Lawrence – role of the farming community
Engagement with Economic Opportunities – Pio Pio
Role of Councils - Kawerau

Welcome to Kawerau

A small place making a big change

KEA
Kawerau Enterprise Agency
Future Issues

- Economic and demographic change, ageing and reduced youth population
- Rural services – provision and affordability
- Changes in local government / Well-Being budget
- Climate change
- Housing – affordability/shortage/service & agric workers
- Path dependence vs. new path formation?
- Provincial Growth Fund? Selective benefit?
- Challenge of selective small town growth & decline
- Need both smart growth & decline
Conclusion:

- **Spectrum of challenges from rapid growth to decline** – demographic (& ageing) & economic changes – looming challenges

- **Social challenges and opportunities:**
  - voluntarism, community driven social provision – health & recreation

- **Changes in farming:** migrant workers

- **Local responses:** Council, Community, PGF?/Govt. have potential

- **Uneven geographical development** perpetuated

- Path dependence/ need new path formation