

Perfect Storm, Serendipity or a Brief Reprieve: The localised impacts of a decline in coal mining, global oil crisis, "Think Big", and the development of New Zealand's largest power station

National publicly-funded infrastructure projects have been associated with macroeconomic policy across time, and in a variety of international examples. Current global examples include the development of large scale infrastructure in China, supporting GDP growth, and most recently, the infrastructure projects proposed by the new Trump Administration in the United States. In New Zealand, the mid-1970s to early 1980s is a period synonymous with the 'Think Big' political agenda – originally coined to describe a series of energy sector projects, but more broadly used to describe the approach of governments of the time to the development of large-scale public infrastructure projects to support both projected future demand, and Keynesian full employment strategy¹. One such example was the development of New Zealand's largest power station, the Huntly Power Station, approved by the New Zealand government in 1973, and full operational in 1983.

The approval and development of the project coincided with a series of events which might be seen as somewhat serendipitous for the town of Huntly, the localised workforce, and the wider mining industry. This case explores the links between national macro-economic agenda, industry policy and localised workforces from the 1970s-present, through the example of the development and decline of the Huntly power station. The paper revisits an example of state infrastructure investment as a response to economic and industry conditions, perhaps typified during the late Keynesian period, but equally seen in current international examples. Although New Zealand's 'Think Big' projects are largely assessed as a failure, resulting only in an increase in government debt, the case of the development of the Huntly Power Station shows that the project intersected with a number of causes and impacts. For the declining mining community of Huntly, the project provided not only employment opportunities, but renewed the demand for coal, and a (temporary) reprieve from decline¹. (Fookes 1979a, Taylor and Mackay 2016). However, the project would likely have not gone ahead without the particular global and national economic conditions, the success of other large resource-based industrial plants, and the previous decline of coal mining in the area.

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References

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¹ Goldfinch, Shaun, and Daniel Malpass. 2007. "The Polish Shipyard: Myth, Economic History and Economic Policy Reform in New Zealand." *Australian Journal of Politics & History* no. 53 (1):118-137.