

The Wellington Region

Situation analysis 2013: A snapshot

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Background

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Executive Summary

This situation analysis report will discuss the Wellington Region in 2013 at a regional and territorial authority level. It will also identify potential areas of economic growth based on our assessment of the current economic environment and past trends. This analysis will inform our forecasting assumptions.

In quantifying and assessing the potential for economic growth in the Wellington Region, our final report will provide:

- A situational analysis that discusses the Wellington Region in 2013 at a regional and territorial authority level, and identifies potential areas of economic growth based on our assessment of the current economic environment and past trends.
- Economic forecasts at a regional and territorial authority level for the Wellington Region in 2021, 2031, and 2041 using the BERL Computable General Equilibrium (CGE) model. These forecasts will include three scenarios of alternative growth trajectories based on current and past trends identified in the situational analysis and areas of focus identified by the Wellington Regional Council.

The Wellington Region's economy

In 2013:

- The Wellington Region was the third largest region in New Zealand with 471,315 people living in the Region. This equates to 11 percent of New Zealand's population.
- There were 226,800 FTEs in the Region, which equates to 12 percent of New Zealand's workforce. Employment in the social services sector accounted for a third of all employment (73,860 FTEs) in the Region.
- GDP in the Wellington Region in 2013 was an estimated \$26 billion and accounted for 12 percent of overall GDP in New Zealand.
- Labour productivity in the Wellington Region was high at \$101,515 compared to \$98,029 nationally. This is largely due to the high proportion of people employed in the business services sector in the Region and that this sector has high productivity levels.

Between 2003 and 2013:

- Employment in the Wellington Region grew by an average of 1.5 percent per annum. This was the same rate as employment growth nationally. Employment growth in the social services sector was stronger in this region than nationally, but weaker in the manufacturing and business services sectors.
- GDP growth in the Wellington Region was weaker than GDP growth nationally (1.5 percent growth per annum compared to 2.1 percent nationally). This was largely a result of strong employment growth in the social services sector in the Wellington Region. This sector has relatively lower levels of productivity compared to others.
- Labour productivity in the Wellington Region remained unchanged compared to average per annum growth of 0.7 percent nationally. Strong employment growth in the Region in the social services sector, a lower productivity sector, was counteracted by weak growth in the business services sector and negative employment growth in the manufacturing sectors. The business services and manufacturing sectors have higher levels of productivity.

Key performance indicators, 2003-2013

Key Performance Indicators	%pa for 2013 year	
	Wellington Region	New Zealand
Resident population growth	0.5	0.8
GDP growth	2.1	2.7
GDP per capita growth	1.5	1.8
Employment growth	0.2	0.2
Labour productivity growth	2.0	2.7
Business units growth	0.4	0.7
Business size growth	-0.1	-0.5

Source: BERL Regional Database, 2013

The economy in the TLAs in the Wellington Region

The following table summarises changes in the key economic performance indicators for the TLAs in the Wellington Region, the Wellington Region, and New Zealand between 2003 and 2013.

Key performance indicators, Wellington Region and New Zealand, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013									Wellington Region	New Zealand
	Wellington City	Lower Hutt City	Upper Hutt City	Porirua City	Kapiti Coast District	Masterton District	Carterton District	South Wairarapa District			
Resident population growth	1.1	0.2	0.8	0.7	1.1	0.3	1.7	0.8		0.8	0.9
GDP growth	2.2	-0.1	-1.3	1.7	1.9	0.7	2.8	2.7		1.5	2.1
GDP per capita growth	1.0	-0.3	-2.0	1.0	0.7	0.5	1.0	1.9		0.7	1.2
Employment growth	1.9	0.5	0.9	2.0	1.0	0.0	1.0	1.8		1.5	1.5
Labour productivity growth	0.2	-0.8	-2.9	-0.2	0.8	0.6	1.7	1.1		0.0	0.7
Business units growth	1.9	1.7	1.8	2.9	2.0	1.5	1.8	0.9		1.9	1.8
Business size growth	0.0	-1.1	-0.8	-0.9	-1.0	-1.4	-0.7	0.9		-0.4	-0.3

Source: BERL Regional Database, 2013

Wellington City

Wellington City is the largest TLA in the Wellington Region. In 2013:

- Employment in Wellington City accounted for 59 percent (134,840 FTEs) of all employment in the Region. The largest sectors in Wellington City were the social services and business services sectors, which collectively accounted for 69 percent of employment in the City.
- GDP in Wellington City was \$16.2 billion and accounted for 62 percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was business services, accounting for 47 percent of overall GDP in Wellington City.
- Labour productivity in Wellington City was high at \$111,036, compared to \$101,515 for the Region. This reflects the higher proportion of people employed in Wellington City in the business services sector, which has high levels of productivity.

Between 2003 and 2013:

- Employment in Wellington City grew by an average of 1.9 percent per annum compared with growth of 1.5 percent per annum regionally. Employment growth in Wellington City was largely driven by strong growth in the social services, construction and business services sectors.
- GDP in Wellington City grew by an average of 2.2 percent per annum compared to 1.5 percent regionally. Stronger GDP growth in Wellington City resulted from strong employment growth in the social services and business services sectors.
- Labour productivity in Wellington City grew by an average of 2.3 percent per annum compared to growth of 2.0 percent regionally. This was largely driven by strong employment growth in the business services sector, a high productivity sector.

Lower Hutt City

In 2013:

- Employment in Lower Hutt City accounted for 18 percent (40,650 FTEs) of all employment in the Region. The largest areas of employment in Lower Hutt City were the business services and retail trade and services sectors, each accounting for just under 20 percent of all FTEs in the City.
- GDP in Lower Hutt City was \$4.3 billion and accounted for 17 percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was business services, accounting for 21 percent of overall GDP in Lower Hutt City.

Between 2003 and 2013:

- Employment growth in Lower Hutt City, at 0.5 percent per annum, was lower than the regional average of 1.5 percent. This was largely due to a decline in employment in the wholesale and distribution and business services sectors during this period.
- GDP in Lower Hutt City fell by an average of 0.1 percent per annum over the 10 year period compared to growth of 1.5 percent regionally. Again, this was large due to a decline in employment in the wholesale and distribution and business services sectors.

Upper Hutt City

In 2013:

- Employment in Upper Hutt City accounted for five percent (10,650 FTEs) of total employment in the Region. The largest area of employment in Upper Hutt City was the social services sector, which accounted for 46 percent (or 4,880 FTEs) of all FTEs.
- GDP in Upper Hutt City was \$1.2 billion and accounted for five percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was also the social services sector, accounting for 27 percent of overall GDP.

Between 2003 and 2013:

- Employment growth in Upper Hutt City, at an average of 0.9 percent per annum, was weaker than regional employment growth of 1.5 percent per annum. Upper Hutt City had strong employment growth in the social services sector, but the manufacturing, retail trade and services, and business services sectors all experienced a decline in employment.

- GDP in Upper Hutt City fell by an average of 1.3 percent per annum compared to growth of 1.5 percent regionally. Again, this was largely due to declines in employment in the manufacturing and business services sectors.

Porirua City

In 2013:

- Employment in Porirua City accounted for six percent (14,265 FTEs) of all employment in the Region. The largest sector in terms of employment in Porirua City was the social services sector, which accounted for 36 percent of all FTEs.
- GDP in Porirua City was \$1.5 billion and accounted for six percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was also the social services sector, accounting for 24 percent of overall GDP in Porirua City.

Between 2003 and 2013:

- Employment in Porirua City grew at a faster rate than the regional average, at 2.0 percent per annum compared with 1.5 percent regionally. Strong employment growth in Porirua City was driven by the construction sector, which grew by an average of 9.8 percent per annum over the period. Regionally, this sector grew by three percent per annum.
- GDP in Porirua City increased by an average of 1.7 percent per annum compared to growth of 1.5 percent regionally. This growth was driven by strong employment growth.

Kapiti Coast District

In 2013:

- Employment in the Kapiti Coast District accounted for five percent (10,630 FTEs) of all employment in the Region. The largest sectors in terms of employment were the social services and retail trade and services sector.
- GDP in the Kapiti Coast District was \$1.2 billion and accounted for five percent of overall GDP in the Wellington Region in 2013. The largest sectors in terms of contribution to GDP were also the social services and retail trade and services sector, each accounting for around 17 percent of overall GDP in the District.

Between 2003 and 2013:

- Employment growth in the Kapiti Coast District averaged 1.0 percent per annum, lower than average regional employment growth of 1.5 percent per annum. The District experienced weaker employment growth relative to the Region in the business services, construction and manufacturing sectors.
- GDP growth in the Kapiti Coast District averaged 1.7 percent per annum compared to growth of 1.5 percent regionally. This was largely driven by stronger labour productivity growth in the Kapiti Coast District compared to the wider region.

Masterton District

In 2013:

- Employment in the Masterton District accounted for four percent (9,640 FTEs) of all employment in the Region. The largest sectors in terms of employment were the social services and retail trade and services sector.
- GDP in the Masterton District was \$950 million accounted for four percent of overall GDP in the Wellington Region in 2013. The largest sectors in terms of contribution to GDP were the social services and retail trade and services sectors, accounting for 28 percent and 23 percent of overall GDP in the District.

Between 2003 and 2013:

- Employment remained relatively unchanged over this period. Regionally, employment grew by 1.5 percent per annum. Large declines in employment in the retail trade and services and business services sectors in the District were countered by employment growth in all other sectors except manufacturing.
- GDP growth in the Masterton District was 0.7 percent per annum compared to 1.5 percent per annum regionally. A decline in employment in the business services and manufacturing sectors contributed to this weaker GDP growth.

Carterton District

In 2013:

- Employment in the Carterton District accounted for one percent (2,840 FTEs) of all employment in the Region. The largest sectors in terms of employment were the manufacturing (28 percent) and primary sectors (25 percent of all FTEs in the District).
- GDP in the Carterton District was \$360 million and accounted for just over one percent of overall GDP in the Wellington Region in 2013. In terms of contributions to GDP by sector, the manufacturing and primary sectors made-up 37 and 20 percent of overall GDP, respectively, in the District.

Between 2003 and 2013:

- Employment growth in the Carterton District averaged 1.0 percent per annum, lower than the regional average of 1.5 percent per annum. Low employment growth in the primary sector largely explains this trend.
- GDP growth in the Carterton District was strong at 2.8 percent per annum compared to average per annum growth of 1.5 percent regionally. Strong labour productivity in the manufacturing sector was a key contributor to this strong GDP growth.

South Wairarapa District

In 2013:

- Employment in the South Wairarapa District accounted for just over one percent (3,275 FTEs) of all employment in the Region. The largest sectors in terms of employment were the primary (29 percent) and retail trade and services sectors (22 percent of all FTEs in the District).

- GDP in the South Wairarapa District was \$320 million and accounted for just over one percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was the primary sector.

Between 2003 and 2013:

- Employment growth in the South Wairarapa District averaged 1.8 percent per annum, stronger than the regional average of 1.5 percent per annum. Despite a decline in employment in the primary sector over the period, there were strong increases in employment in the construction and retail trade and services sectors.
- GDP growth in the South Wairarapa District was strong at 2.7 percent per annum compared to average per annum growth of 1.5 percent regionally. Strong labour productivity in manufacturing sector the District was a key contributor to the strong GDP growth in the District over the period.

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1 Introduction

This report examines the Wellington Region in 2013, and considers how the region has grown and changed over the last 10 years. As well as looking at the Wellington Region as a whole, the eight TLAs and their economies– the cities of Porirua, Lower Hutt, Upper Hutt and Wellington and the districts of Kapiti Coast, South Wairarapa, Carterton and Masterson – are also examined.

The key areas that are examined in this situational analysis are:

- Demographic and socio-economic trends
- Labour market outcomes trends
- Economic trends.

Based on the analysis of the above areas, potential areas of future economic growth will then be identified and modelled as part of the second stage of our research.

2 The Wellington Region

The Wellington Region is the third largest region in New Zealand, behind the Auckland and Canterbury regions.

In 2013:

- 471,315 people lived in the Wellington Region. This equates to 11 percent of New Zealand's population.
- There were 226,800 Full-Time Equivalent (FTE) employees in the Wellington Region. This equates to 12 percent of all FTEs in New Zealand. The largest area of employment was the social services sector, accounting for 73,860 FTEs or 33 percent of all FTEs in the Wellington Region.
- GDP in the Wellington Region was \$26.0 billion. GDP in the Wellington Region accounted for 12 percent of overall GDP in New Zealand in 2013. The largest sector in terms of contribution to GDP was the business services sector, accounting for 35 percent of overall GDP in the Wellington Region.

This section considers the Wellington Region in 2013, and between 2003 and 2013. Current and past demographic and economic trends in the Wellington Region are examined, and compared to New Zealand as a whole. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

2.1 Key economic performance indicators

This section looks at key economic performance indicators for the Wellington Region and compares the Region's performance against that of New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Table 2.1 shows the annual percentage change in key indicators for the Wellington Region compared to New Zealand between 2012 and 2013. Overall, it suggests that the Wellington Region experienced weaker economic performance.

- The Region performed worse year-on-year in terms of population growth, GDP growth, labour productivity and business unit growth.
- However, employment growth in the Wellington Region was on par with the country as a whole and business size growth, while negative, was better than for New Zealand overall.

Table 2.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year	
	Wellington Region	New Zealand
Resident population grow th	0.5	0.8
GDP grow th	2.1	2.7
GDP per capita grow th	1.5	1.8
Employment grow th	0.2	0.2
Labour productivity grow th	2.0	2.7
Business units grow th	0.4	0.7
Business size grow th	-0.1	-0.5

Source: BERL Regional Database, 2013

In the 10 years to 2013, the Wellington Region performed worse than the national economy on all indicators except employment growth and business unit growth. While the difference in the indicators for the Wellington Region and New Zealand was marginal, labour productivity growth and GDP growth in the Wellington Region were notably lower than for the country as a whole.

Table 2.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013	
	Wellington Region	New Zealand
Resident population grow th	0.8	0.9
GDP grow th	1.5	2.1
GDP per capita grow th	0.7	1.2
Employment grow th	1.5	1.5
Labour productivity grow th	0.0	0.7
Business units grow th	1.9	1.8
Business size grow th	-0.4	-0.3

Source: BERL Regional Database, 2013

2.2 The resident population

At the 2013 Census, the usually resident population of the Wellington Region was 471,315 people. This equates to 11 percent of New Zealand's overall population. The Wellington Region is the third largest region in New Zealand, behind Auckland (33 percent) and Canterbury (13 percent).

Table 2.3 shows that overall population growth in the Wellington Region since the 2001 Census has been lower than the national average.

Population growth between the two most recent censuses, 2006 and 2013, however tells a slightly different story with population growth in the Wellington Region similar to national population growth (5.0 percent growth in Wellington Region compared with 5.3 percent nationally).

Table 2.3 Resident population, Wellington Region & NZ, 2001, 2006 & 2013

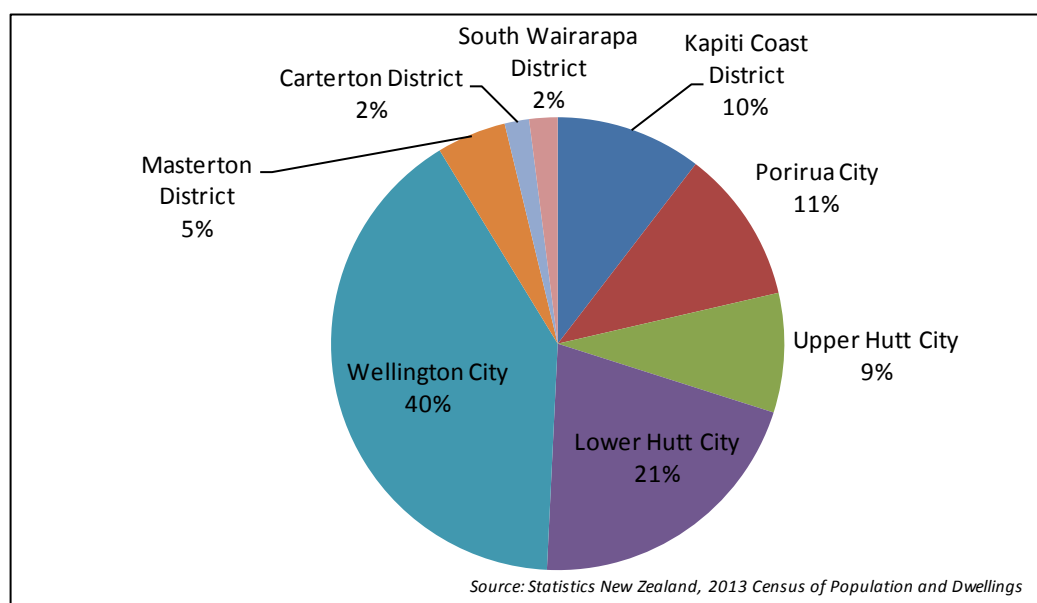
	2001	2006	2013	% Change		
				2001-2006	2006-2013	2001-2013
Kapiti Coast District	42,447	46,197	49,104	8.8	6.3	15.7
Porirua City	47,367	48,546	51,717	2.5	6.5	9.2
Upper Hutt City	36,369	38,415	40,179	5.6	4.6	10.5
Lower Hutt City	95,487	97,701	98,238	2.3	0.5	2.9
Wellington City	163,824	179,466	190,959	9.5	6.4	16.6
Masterton District	22,617	22,623	23,352	0.0	3.2	3.2
Carterton District	6,849	7,098	8,232	3.6	16.0	20.2
South Wairarapa District	8,742	8,889	9,525	1.7	7.2	9.0
Wellington Region	423,765	448,956	471,315	5.9	5.0	11.2
New Zealand	3,737,280	4,027,947	4,242,048	7.8	5.3	13.5

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses

The Wellington Region is made up of eight territorial authorities – the cities of Porirua, Lower Hutt, Upper Hutt, and Wellington, and the districts of Kapiti, South Wairarapa, Carterton, and Masterton. Within the Region, the population is largely concentrated in Wellington City, which makes up 40 percent of the Region's population, and Lower Hutt City, which makes up a further 20 percent of the Region's population.

The population grew in each of the eight authorities in the Wellington Region between 2001 and 2006, and 2006 and 2013. Between 2006 and 2013, population growth was greater than the national average in five of the eight authorities in the region. At 16.0 percent, Carterton District, which made up two percent of the Region's population in 2013, had the largest population growth in the Region. Conversely, Lower Hutt City experienced population growth of just 0.5 percent.

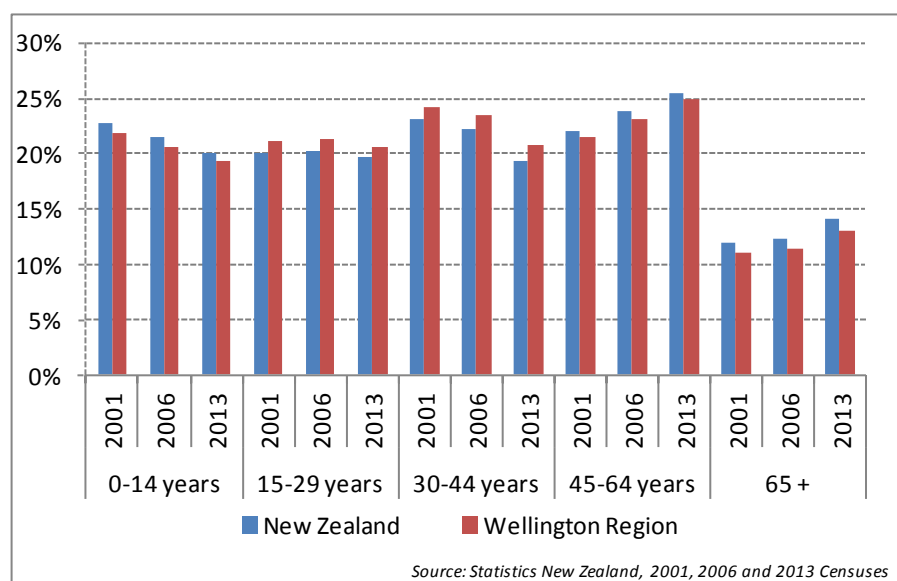
Figure 2.1 Resident population, Wellington Region by District, 2013



2.2.1 Age

Age is an important factor in the ability of people to work and contribute to the economy. The age structure of New Zealand is changing. Older people are making up a larger share of the population while younger people are a smaller share. Between the 2001 and 2013 Censuses, the share of the population aged 45 years old and older increased from 34 to 40 percent. Over the same period, the share of people under the age of 15 fell from 23 to 20 percent.

Figure 2.2 Resident population by age, Wellington Region & NZ, 2001, 2006 & 2013



The median age in the Wellington Region in 2013 was 37.2 years. The median age nationally was 38.0 years. The Wellington Region has a smaller share of its population under the age of 15 compared to the national average. Conversely, people of prime working age, 15 to 64 years, make-up a larger proportion of the population in the Wellington Region compared to the national average, while those over 65 are a smaller share of the population in the Wellington Region compared to nationally.

Sex

Nationally, females make up 51 percent of the population with males making up the other 49 percent. The composition of the Wellington Region by sex reflects the national composition.

Table 2.4 Resident population by sex, Wellington Region & NZ, 2001, 2006 & 2013

	2001		2006		2013	
	Male	Female	Male	Female	Male	Female
Wellington Region	48.6%	51.4%	48.5%	51.5%	48.3%	51.7%
New Zealand	48.8%	51.2%	48.8%	51.2%	48.7%	51.3%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses

2.2.2 Ethnicity

Diverse ethnic groups can be a key driver of creativity and innovation. For this to occur, regions need to know how to harness the unique contributions of different ethnic groups in a way that contributes to economic growth.

Seventy percent of New Zealand's population identify themselves as European. Despite this, New Zealand's population is becoming more ethnically diverse. Between the 2006 and 2013 censuses, the share of the population who identified themselves as Māori, Pacific Peoples and Asian grew, while the share of the population identifying themselves as European declined.

A higher proportion of the population in the Wellington Region identify themselves as European or Pacific Peoples than the national average. With the exception of Pacific Peoples, the percentage of Wellington's population that identified themselves in each broad ethnic group grew between the 2006 and 2013 Censuses.

Table 2.5 Resident population by ethnicity, Wellington Region & NZ, 2006 & 2013

	Number				Percentage			
	Wellington Region		New Zealand		Wellington Region		New Zealand	
	2006	2013	2006	2013	2006	2013	2006	2013
European	302,973	345,180	2,609,589	2,969,391	67.5%	73.2%	64.8%	70.0%
Māori	55,434	58,338	565,329	598,602	12.3%	12.4%	14.0%	14.1%
Pacific Peoples	34,752	36,105	265,974	295,941	7.7%	7.7%	6.6%	7.0%
Asian	36,477	47,235	354,549	471,708	8.1%	10.0%	8.8%	11.1%
Other Ethnicities*	5,346	6,576	34,746	46,956	1.2%	1.4%	0.9%	1.1%

* Excludes 'New Zealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand 2006 and 2013 Censuses

2.2.3 The overseas born population

A population that has different experiences and backgrounds can drive economic growth and innovation. For this to occur, regions need to facilitate and enable migrants, especially recent migrants, to be active participants in the labour market and economy.

Table 2.6 Resident population born overseas, Wellington Region & NZ, 2006 & 2013

	NZ Born		Overseas Born		% Overseas Born by years since arrival in New Zealand*					
					0-4 years		5-9 years		10+ years	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Wellington Region	352,449	362,277	96,507	109,038	27%	22%	13%	18%	60%	60%
New Zealand	3,186,585	3,279,006	841,362	963,042	32%	23%	17%	20%	51%	57%

* Excludes unspecified arrival times

Source: Statistics New Zealand, 2006 and 2013 Censuses

In the 2013 Census, 23 percent of the population indicated they were born overseas. Of the population born overseas, 23 percent arrived in New Zealand within the past four years while 57 percent have been in New Zealand for 10 years or more. The percentage of the population in the Wellington Region born overseas reflects national trends.

2.3 The labour market

In 2013 there were 404,100 people in the Working Age Population (WAP) in the Wellington Region. People in the WAP made up 86 percent of people living in the Wellington Region in 2013. In New Zealand, people in the WAP made up 83 percent of the population.

The composition of the labour force (employment, unemployment, not in the labour force) has a significant impact on the economic outcomes of a region. For example, regions with low unemployment, high employment and high participation levels have higher levels of regional GDP.

Between 2006 and 2013, the national WAP grew by eight percent with people who were employed growing by seven percent (191,625 people), people who were unemployed growing by 75 percent (64,000 people), and people not in the labour force growing by eight percent (83,850 people).

Over the same period, the WAP in the Wellington Region declined by two percent. This decline was driven by a fall in the number of people not in the labour force (down 10 percent). Employment levels remained relative unchanged over the period, while the number of people unemployed in the Region increased by 31 percent.

Table 2.7 outlines the make-up of the labour force in the Wellington Region using annual data from the Household Labour Force Survey.

Table 2.7 Composition of the labour force, Wellington Region & NZ, 2006 & 2013

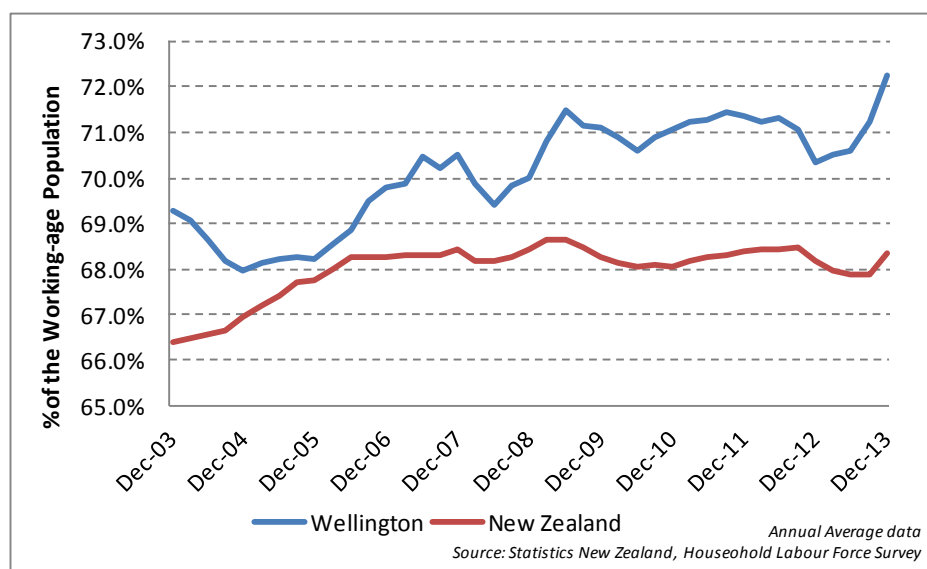
	Wellington Region		New Zealand	
	2006	2013	2006	2013
Employed	272,425	273,500	2,134,700	2,262,325
Unemployed	14,125	18,450	85,450	149,450
Labour Force	286,550	291,950	2,220,150	2,411,775
Not in the Labour Force	123,975	112,150	1,032,250	1,116,100
Working Age Population	410,525	404,100	3,252,400	3,527,875

Annual Average data for the year ended December

Source: Statistics New Zealand, HLFS

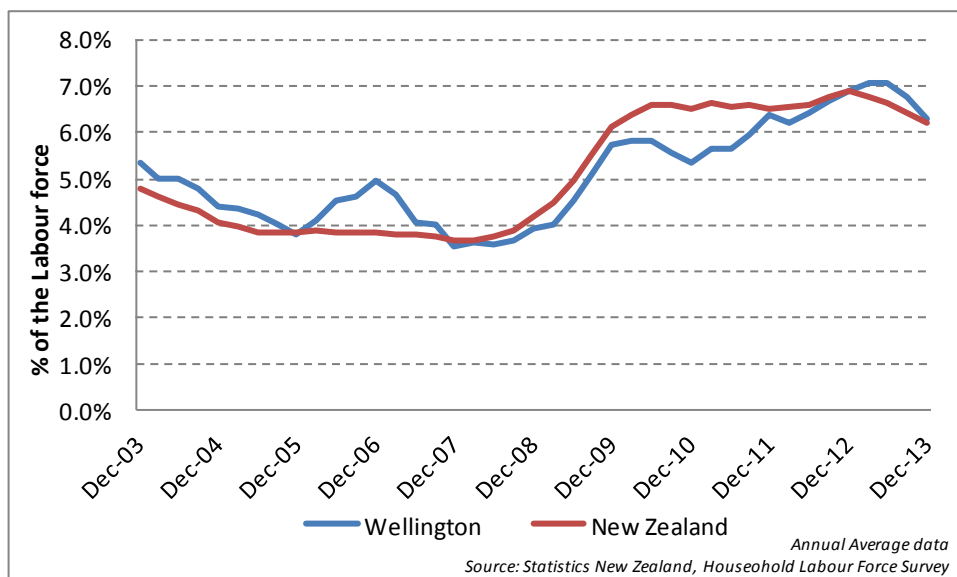
In the 2013 year, the Wellington labour force participation rate (LFPR) reached a historical high of 72.3 percent, up from 70.3 percent in the 2012 year. For the past decade the LFPR in the Wellington Region has been above the national average, which has been at or around 68 percent since 2005.

Figure 2.3 LFPR, Wellington Region & NZ, 2003-2013



The unemployment rate in the Wellington Region broadly followed the same trend as the national unemployment rate over the period 2003 to 2013. In 2013, the unemployment rate in the Wellington Region was 6.3 percent, just above the national unemployment rate of 6.2 percent.

Figure 2.4 Unemployment rate, Wellington Region & NZ, 2003-2013



The WAP in the Wellington Region had a higher level of qualifications in 2013 than the national average. In 2013, 16 percent of people in the WAP in the Wellington Region had no qualifications (55,080 people) compared to 20.9 percent nationally. A higher proportion of people in the Wellington Region also had a Bachelor degree or higher (28 percent or 96,530 people) compared to the national average (20 percent).

Census data indicates that the WAP is becoming more highly qualified. Between the 2006 and 2013 censuses, the proportion of the WAP nationally and in the Wellington Region with no qualifications fell, while the proportion of the WAP with a Bachelor degree or higher increased.

Table 2.8 Highest qualification held, WAP, Wellington Region & NZ, 2006 & 2013

	Number				Percentage			
	Wellington Region		New Zealand		Wellington Region		New Zealand	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	64,614	55,083	708,429	628,377	19.8%	16.0%	25.0%	20.9%
Level 1 Certificate	39,228	37,284	394,593	389,910	12.0%	10.8%	13.9%	13.0%
Level 2 Certificate	36,063	36,330	306,327	320,388	11.0%	10.6%	10.8%	10.7%
Level 3 Certificate	32,601	38,241	247,674	289,062	10.0%	11.1%	8.7%	9.6%
Level 4 Certificate	29,679	29,766	286,599	291,975	9.1%	8.7%	10.1%	9.7%
Overseas Secondary School Qualification	17,973	19,650	172,590	201,519	5.5%	5.7%	6.1%	6.7%
Level 5 or Level 6 Diploma	31,263	30,843	268,362	278,091	9.6%	9.0%	9.5%	9.3%
Bachelor Degree and Level 7 Qualification	50,367	60,717	315,846	408,444	15.4%	17.7%	11.2%	13.6%
Post-graduate, Honours Degrees and Higher	24,900	35,814	131,937	192,864	7.6%	10.4%	4.7%	6.4%

Source: Statistics New Zealand 2006 and 2013 Censuses

2.4 Employment

2.4.1 Employment by industry

The Wellington Region had an estimated 226,710 FTEs in 2013. This was down on the 2012 number, but around 30,000 more than in 2003. Over the 10 year period, employment in the Region grew by 1.5 percent per annum, similar to the national average over the same period. Table 2.9 provides a summary of employment in the Wellington Region broken down by eight sectors.

Table 2.9 Employment by sector, Wellington Region

Sector	Employment Number FTEs				%pa change		
	2003	2011	2012	2013	2012	2013	2003 to 2013
Primary	4,319	4,030	4,172	4,176	3.5	0.1	-0.3
Manufacturing	17,056	13,628	13,554	12,942	-0.5	-4.5	-2.7
Construction	12,575	18,403	17,110	16,880	-7.0	-1.3	3.0
Wholesale and Distribution	17,277	16,859	16,687	16,353	-1.0	-2.0	-0.5
Retail Trade and Services	39,056	38,749	39,083	39,164	0.9	0.2	0.0
Business Services	48,495	58,056	58,471	58,546	0.7	0.1	1.9
Arts and Recreation Services	3,923	5,239	4,981	4,882	-4.9	-2.0	2.2
Social Services	53,332	71,790	72,140	73,764	0.5	2.3	3.3
Wellington Region	196,033	226,754	226,198	226,708	-0.2	0.2	1.5
New Zealand	1,625,492	1,860,767	1,878,583	1,883,050	1.0	0.2	1.5

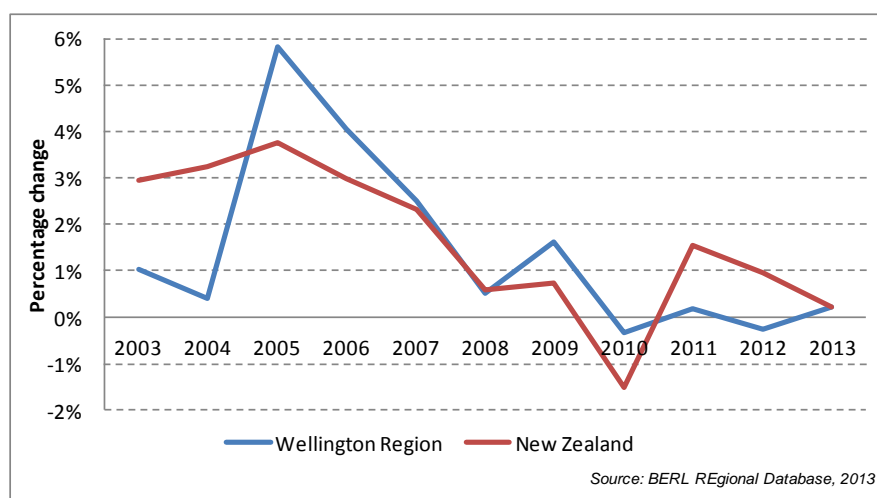
Source: BERL Regional Database, 2013

In 2013, 22 percent of employment in the Wellington Region was in the social services sector, which includes education, health and central and local government services. This compares to 24 percent of employment in this sector nationally. The presence of central government in Wellington City contributes to the higher proportion of employees in this sector in the Wellington Region.

Other sectors that made a large contribution to overall employment in the Wellington Region in 2013 were business services (accounting for 26 percent of overall employment) and retail trade and services (17 percent).

Employment performance over the last 10 years

Regional employment peaked in 2009 at around 227,000 FTEs. The Region's strong employment gains prior to the 2008 economic slowdown helped keep its overall per annum growth at 1.5 percent over the last 10 years. Employment levels in 2013 were just below those of the peak in 2009.

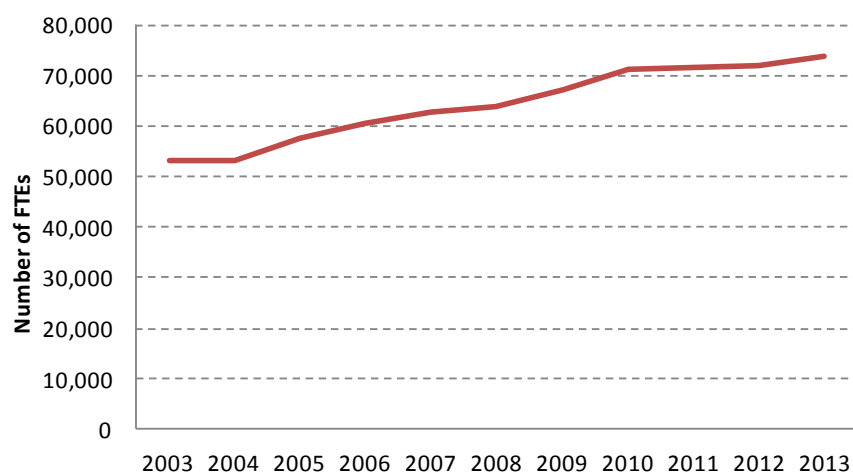
Figure 2.5 Employment growth, Wellington Region & NZ, 2003-2013

In the 10 years to 2013, sectors that experienced the largest employment growth in the Wellington Region were social services (up 38 percent or 20,300 FTEs), construction (34 percent or 4,300 FTEs), arts and recreation services (up 24 percent or 1,000 FTEs), and business services (up 21 percent or 10,100 FTEs). Sectors that experienced a decline in employment over this period were manufacturing (down 24 percent or 4,100 FTEs), wholesale and distribution (down five percent or 900 FTEs), and the primary sector (down three percent or 100 FTEs).

The social services sector

The social services sector is the largest employer in the Wellington Region. In 2013, the sector employed around 74,000 FTEs and made up a third of all FTEs in the Region. Figure 2.6 shows that employment in the social services sector has increased by around 20,000 FTEs since 2003.

Figure 2.6 Social services sector, employment, Wellington Region, 2003-2013



Source: BERL Regional Database, 2013

The largest industries in the social services sector in terms of employment in 2013 were:

- Public administration¹ (22,400 FTEs)
- Preschool and school education (10,600 FTEs)
- Public order, safety and regulatory services² (8,700 FTEs)
- Hospitals (7,300 FTEs).

With the exception of adult and community education, all industries within the social services sector experienced employment growth greater than 25 percent between 2003 and 2013. Notably, employment in public administration grew by 53 percent (7,700 FTEs) over the decade in spite of government efforts to constrain public sector employment growth. Some of this growth could be explained by Government agencies rationalising regional offices and centralising these activities in the Wellington Region and other main centres.

¹ Public administration includes all units primarily engaged in Central Government administration, Local Government administration, justice (the administration of judicial authorities or commissions), and Government representation (domestic and international Government representation).

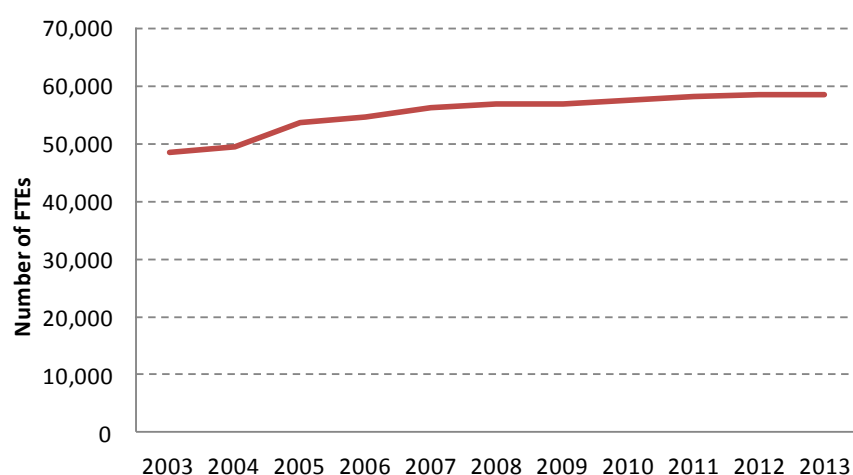
² Public order, safety and regulatory services includes units mainly engaged in criminal and civil law enforcement and other activities related to the enforcement of law and the preservation of order. Primary activities in this industry are intelligence service operation, policing operations and traffic policing.

Employment in adult and community education remained steady for most of the decade, but declined by 7.8 percent (just under 200 FTEs) between 2012 and 2013, presumably due to changes in adult education funding.

The business services sector

The business services sector employed more than 58,000 FTEs or about 26 percent of the FTEs in the Wellington Region in 2013. These people were employed across 26,100 businesses. Figure 2.7 shows the change in employment in this sector between 2003 and 2013.

Figure 2.7 Business services sector, employment, Wellington Region, 2003-2013



Source: BERL Regional Database, 2013

The largest industries in the business services sector in terms of employment in 2013 were:

- Professional, scientific and technical services (19,500 FTEs)
- Administrative services (8,300 FTEs)
- Finance (7,300 FTEs)
- Computer system design and related services (7,100 FTEs).

The following industries within the business services sector experienced large employment growth between 2003 and 2013:

- Professional, scientific and technical services (up 44 percent or 6,000 FTEs)
- Computer system design and related services (up 83 percent or 3,200 FTEs)
- Administrative services (up 34 percent or 2,100 FTEs) and
- Finance (up 16 percent or 1,000 FTEs).

Over the same period, the following industries experienced noticeable declines in employment:

- Publishing (down 66 percent or 1,700 FTEs)
- Internet service providers, web search portals, and data processing services (down 65 percent or 1,300 FTEs).

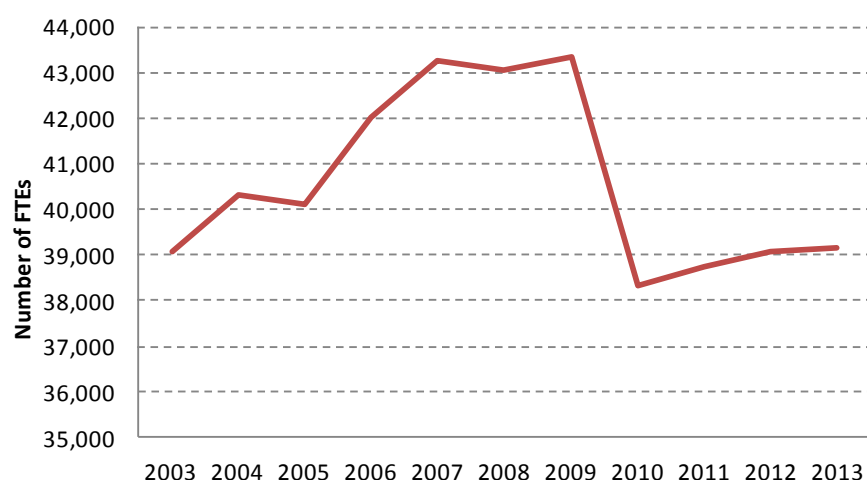
The retail trade and services sector

The retail trade and services sector employed 39,000 FTEs in 2013, or 17 percent of all FTEs in the Wellington Region.

The largest industries within the retail trade and services sector in terms of employment in 2013 were food and beverage services (10,900 FTEs) and other store-based retailing (10,000 FTEs). Between 2003 and 2013 the food and beverage services industry grew by 2,600 FTEs (31 percent), while employment in other store-based retailing fell by 1,800 FTEs (15 percent).

Figure 2.8 shows the change in employment in this sector from 2003 to 2013. While 2013 employment levels were similar to those in 2003, employment in the sector has changed significantly over the period. Between 2003 and 2007 there was strong employment growth in the sector, with the number of FTEs growing by 4,300 FTEs (11 percent). Between 2009 and 2010, this growth was more than reversed, with the number of FTEs in the sector falling by 5,000 (12 percent). Since 2010 employment in the sector has increased.

Figure 2.8 Retail trade and services sector, employment, Wellington Region, 2003-2013



Source: BERL Regional Database, 2013

2.4.2 Employment by occupation

A higher proportion of people employed in the Wellington Region are in highly skilled jobs (managers and professionals) compared to the national average. In 2013, 48 percent of people employed in the Wellington Region were either managers or professionals (106,575 people) compared to 41 percent nationally.

Table 2.10 shows employment by broad occupation group in 2006 and 2013. The occupation group with the highest level of employment in the Wellington Region in 2013 was professionals with 426,700 people employed, or 30 percent. Professionals also made up the largest share of occupational employment nationally in 2013, at 22 percent.

Between 2006 and 2013, the number of people employed as professionals increased by 12 percent, or 6,970 people, while the number of people employed as community and professional services workers increased by 11 percent, or 1,940 people. This aligns with growth in the social services sector in the Wellington Region, where a large proportion of people in these occupations are employed, which increased by an average of 3.3 percent per annum between 2003 and 2013.

The number of people employed as machinery operators and drivers in the Wellington Region declined during this period by 16 percent, or 1,500 people, while the number of technicians and trades workers also declined by nine percent, or 2,150 people. This aligns with a decline in employment in the manufacturing and wholesale and distribution sectors, which declined on average by 2.7 percent and 0.5 percent respectively.

Table 2.10 Employment by occupation, Wellington Region & NZ, 2006 & 2013

	Number				Percentage			
	Wellington Region		New Zealand		Wellington Region		New Zealand	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	37,767	39,264	340,530	356,079	17%	18%	18%	19%
Professionals	60,345	67,311	374,328	426,699	27%	30%	20%	22%
Technicians and Trades Workers	24,861	22,707	241,857	227,814	11%	10%	13%	12%
Community and Personal Service Workers	18,258	20,196	156,468	171,036	8%	9%	8%	9%
Clerical and Administrative Workers	33,498	30,285	240,813	227,994	15%	14%	13%	12%
Sales Workers	21,486	19,863	186,060	176,817	10%	9%	10%	9%
Machinery Operators and Drivers	9,468	7,971	114,324	103,575	4%	4%	6%	5%
Labourers	16,665	15,717	218,991	210,588	7%	7%	12%	11%
Total people stated	222,345	223,317	1,873,374	1,900,602	100%	100%	100%	100%

Source: Statistics New Zealand 2006 and 2013 Censuses

2.5 GDP growth

Gross Domestic Product (GDP) measures the value added in an economy from the production of goods and services. GDP in the Wellington Region was estimated to be \$26.0 billion or 12 percent of New Zealand's overall GDP in 2013. GDP in the Wellington Region grew by 2.1 percent in the year to March 2013, while national GDP grew by 2.7 percent.

Table 2.11 GDP contribution by sector, Wellington Region

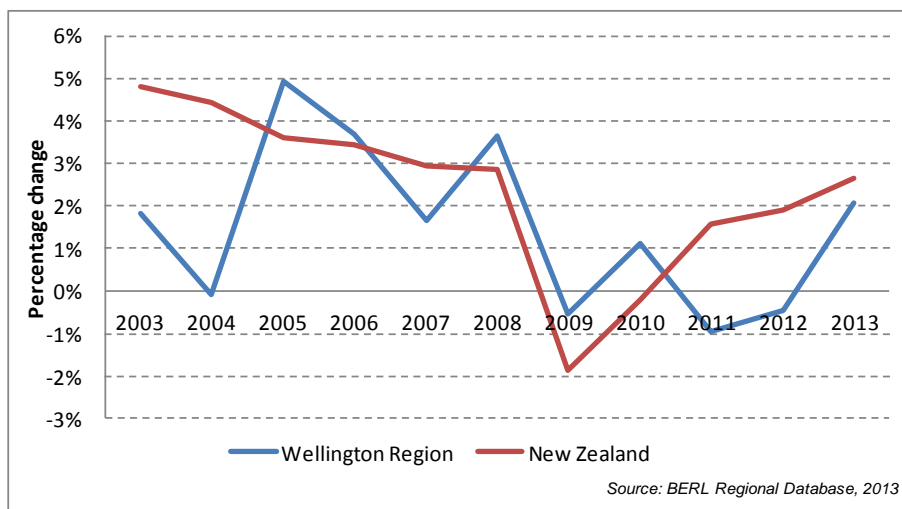
Sector	Value Added or GDP (2013\$m)				%pa change		
	2003	2011	2012	2013	2012	2013	2003 to 2013
Primary	479	647	761	801	17.6	5.3	5.3
Manufacturing	2,209	1,791	1,796	1,865	0.3	3.9	-1.7
Construction	864	1,184	1,016	1,130	-14.2	11.2	2.7
Wholesale and Distribution	2,075	2,204	2,169	2,156	-1.6	-0.6	0.4
Retail Trade and Services	1,695	2,025	2,104	2,130	3.9	1.2	2.3
Business Services	8,623	9,178	9,099	9,212	-0.9	1.2	0.7
Arts and Recreation Services	301	369	341	341	-7.7	0.0	1.3
Social Services	3,688	5,270	5,221	5,385	-0.9	3.1	3.9
Owner-Occupied Dwellings (O.O.D)	2,518	2,941	2,990	3,005	1.7	0.5	1.8
Wellington Regional Council	22,452	25,610	25,497	26,024	-0.4	2.1	1.5
New Zealand	171,495	202,272	206,148	211,639	1.9	2.7	2.1

Source: BERL Regional Database, 2013

The fastest growing sector in terms of contribution to GDP in the year to March 2013 was construction, up 11.2 percent, after a 14.2 percent decline in the year to March 2012. Over the last 10 years, this sector has increased its contribution to regional GDP by 2.7 percent per annum.

Between 2003 and 2013, GDP in the Wellington Region grew by 1.5 percent per annum, while the national economy grew by 2.1 percent per annum. However, Figure 2.9 shows that GDP in the Wellington Region was particularly volatile between 2009 and 2012.

Figure 2.9 GDP growth, Wellington Region & NZ, 2003–2013



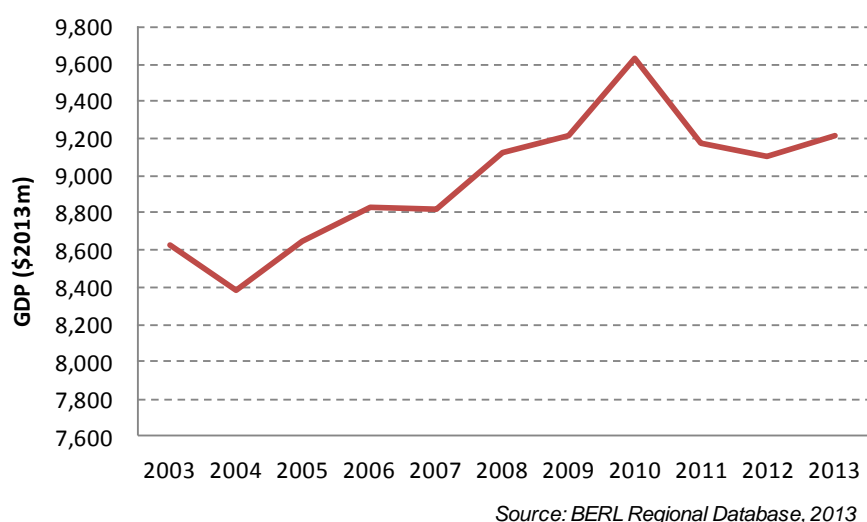
2.5.1 The business services sector

Of the eight main sectors, the business services sector is the largest contributor to GDP in the Wellington Region. In 2013, the business services sector contributed approximately \$9.21 billion to GDP, accounting for about 35 percent of the Region's economy.

The largest industry contributors to GDP in the business services sector in 2013 were:

- Telecommunications services (\$2.41 billion)
- Professional scientific and technical services (\$1.83 billion)
- Finance (\$1.20 billion).

Figure 2.10 GDP in the business services sector, Wellington Region, 2003-2013



Leading contributors to the sector's GDP growth over the past 10 years were:

- Auxiliary finance and insurance services³ (up an average of 4.8 percent per annum)
- Computer system design and related services (up an average of 4.7 percent per annum)
- Finance (up an average of 3.5 percent per annum).

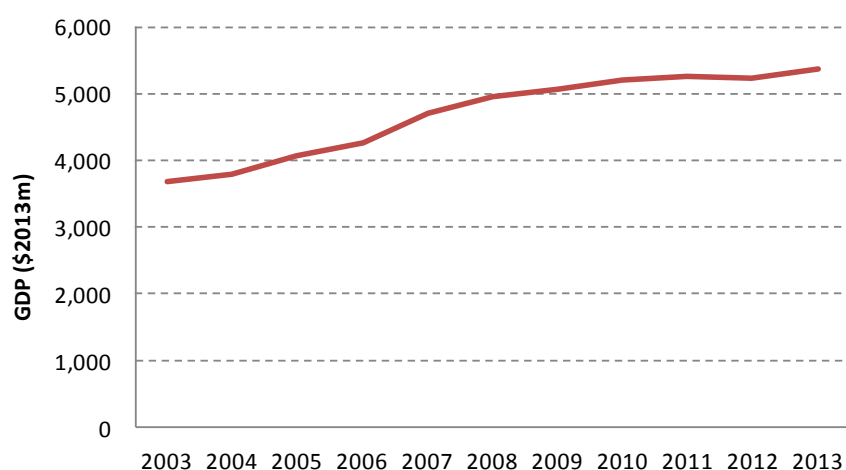
Over the same period, the following industries within the business services sector experienced large declines in GDP:

- Internet service providers, web search portals, and data processing services (down an average of 9.3 percent per annum)
- Publishing (down an average of 8.3 percent per annum).

2.5.2 The social services sector

The social services sector was the second largest contributor to GDP in the Wellington Region in 2013, contributing \$5.39 billion or 21 percent of the Region's economy. Figure 2.11 shows that GDP has steadily increased from \$3.69 billion in 2003.

Figure 2.11 GDP in the social services sector, Wellington Region, 2003-2013



Source: BERL Regional Database, 2013

The largest contributor to GDP in the social services sector is public administration⁴. In 2013, the public administration industry contributed towards 38 percent of the GDP in the social services sector.

With the exception of adult and community education, all industries within the social services sector experienced growth between 2003 and 2013. Growth was particularly strong in:

- Defence (up an average of 5.8 percent per annum)
- Public administration (up an average of 5.6 percent per annum)
- Public order safety and regulatory services⁵ (up an average of 5.1 percent per annum).

³ Auxiliary finance and insurance services includes financial asset broking services and auxiliary finance and insurance services (business units mainly engaged in units mainly engaged in providing nominee, trustee, investment management or advisory services, arranging home loans for others).

⁴ The public administration industry includes Central Government, Local Government, justice and Government representation (domestic and international).

⁵ The public order safety and regulatory services industry consists of units engaged in criminal and civil law enforcement and other activities related to the enforcement of law and the preservation of order.

GDP from the adult and community education sector remained steady for most of the decade, but declined by 19.2 percent between 2011 and 2013, with a decline in employment.

2.6 The number and size of businesses

A business unit is a single unit operating in one, or predominantly one, kind of economic activity from a single physical location. The number of business units and business unit growth in a region are a key indicator of a region's ability to sustain and drive economic growth.

In 2013 there were 52,050 business units in the Wellington Region. These business units made up 10 percent of all businesses in New Zealand. Business units in the business services sector make-up half of all businesses in the Wellington Region.

Table 2.12 Business units in the Wellington Region

Sector	Business Units (number)				%pa change		
	2003	2011	2012	2013	2012	2013	2003 to 2013
Primary	3,098	2,598	2,557	2,459	-1.6	-3.8	-2.3
Manufacturing	1,890	1,753	1,743	1,726	-0.6	-1.0	-0.9
Construction	4,795	5,469	5,378	5,280	-1.7	-1.8	1.0
Wholesale and Distribution	3,437	3,422	3,385	3,299	-1.1	-2.5	-0.4
Retail Trade and Services	7,209	7,922	7,947	7,952	0.3	0.1	1.0
Business Services	18,179	25,161	25,611	26,108	1.8	1.9	3.7
Arts and Recreation Services	1,133	1,243	1,289	1,252	3.7	-2.9	1.0
Social Services	3,427	3,914	3,951	3,978	0.9	0.7	1.5
Wellington Regional Council	43,168	51,482	51,861	52,054	0.7	0.4	1.9
New Zealand	425,589	505,194	504,381	507,908	-0.2	0.7	1.8

Source: BERL Regional Database, 2013

The number of businesses in the Wellington Region grew steadily between 2003 and 2009 (from 41,170 to 52,640), and have been at 52,000 since 2010.

Table 2.13 shows business size (the number of FTEs per business unit) by sector in the Wellington Region. In 2013 there were 4.4 FTEs per business in the Wellington Region. This compares with 3.7 FTEs per business nationally.

Table 2.13 Business size in the Wellington Region, 2003-2013

Sector	Business Size (FTEs per unit)				%pa change		
	2003	2011	2012	2013	2012	2013	2003 to 2013
Primary	1.4	1.6	1.6	1.7	5.2	4.1	2.0
Manufacturing	9.0	7.8	7.8	7.5	0.0	-3.6	-1.8
Construction	2.6	3.4	3.2	3.2	-5.5	0.5	2.0
Wholesale and Distribution	5.0	4.9	4.9	5.0	0.1	0.6	-0.1
Retail Trade and Services	5.4	4.9	4.9	4.9	0.5	0.1	-0.9
Business Services	2.7	2.3	2.3	2.2	-1.1	-1.8	-1.7
Arts and Recreation Services	3.5	4.2	3.9	3.9	-8.3	0.9	1.2
Social Services	15.6	18.3	18.3	18.5	-0.5	1.6	1.8
Wellington Regional Council	4.5	4.4	4.4	4.4	-1.0	-0.1	-0.4
New Zealand	3.8	3.7	3.7	3.7	1.1	-0.5	-0.3

Source: BERL Regional Database, 2013

The social services sector has the largest business size in the Wellington Region, with 18.5 FTEs per business unit. This reflects the large number of FTEs working in public sector and education organisations within the Region.

2.7 Income

People can receive income from a number of sources, such as wages and salaries, interest or investments, and social welfare benefits. This said the majority of incomes come from wages and salaries. Wages typically reflect labour productivity and the supply, or lack thereof, of alternative skilled labour.

Household income

Median household income in the Wellington Region in 2013 was \$74,300, while the median household income nationally was \$63,800.

Table 2.14 shows the distribution of household income from the three most recent censuses. Over this period household incomes have increased. In 2013, a larger share of households in the Wellington Region had an income over \$100,000 compared to New Zealand, 35 percent of households in the Wellington Region compared to 28 percent of households nationally).

Table 2.14 Household income, Wellington Region & NZ, 2001, 2006, & 2013

	Wellington Region			New Zealand		
	2001	2006	2013	2001	2006	2013
\$20,000 or Less	20%	14%	9%	24%	16%	11%
\$20,001–\$30,000	13%	11%	9%	15%	13%	11%
\$30,001–\$50,000	20%	18%	15%	21%	20%	18%
\$50,001–\$70,000	17%	15%	13%	16%	16%	15%
\$70,001–\$100,000	14%	16%	18%	11%	16%	18%
\$100,001 or More	17%	26%	35%	12%	19%	28%
Total households stated	130,806	143,541	152,652	1,095,636	1,218,117	1,316,013
Median household income	\$47,600	\$59,700	\$74,300	\$39,600	\$51,400	\$63,800

Source: Statistics New Zealand 2001, 2006 and 2013 Censuses

Personal income

Table 2.15 shows that around 60 percent of the WAP receive some form of their income from wages and salaries. Around 40 percent receive some of their income from entrepreneurial and dividend income, while a further 36 percent receive income from social security and assistance benefits.

A slightly larger share of the WAP in the Wellington Region receive income from their wages and salaries compared to nationally, 62 percent compared to 58 percent, while a slightly smaller share receive income from social security and assistance benefits, 32 percent compared to 34 percent nationally.

Table 2.15 Sources of personal income, WAP, Wellington Region & NZ, 2006 & 2013

	Wages and salaries		Entrepreneurial and dividend income		Interest, pension fund earnings and insurance		Social security and assistance benefits		Other sources of income	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Wellington Region	64.2%	62.1%	42.2%	38.2%	5.3%	4.6%	29.7%	32.3%	2.7%	2.4%
New Zealand	59.9%	57.7%	40.7%	36.3%	4.3%	3.8%	31.4%	34.4%	2.2%	1.9%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100
Source: Statistics New Zealand 2006 and 2013 Censuses

The personal income of the WAP in the Wellington Region was higher than national personal income levels. In 2013, 26 percent of the Wellington Region population aged 15 years and over earned over \$50,000 compared with 21 percent nationally. Furthermore, seven percent of the WAP in the Wellington Region have an income over \$100,000 compared to five percent nationally. Consequently, the median personal income level in the Wellington region in 2013 was \$32,700 compared with \$28,500 nationally.

Table 2.16 Personal income, WAP, Wellington Region & NZ, 2006 & 2013

	Under 20K *		20-40K		40-50K		50-70K		70-100K		100K +	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Wellington Region	39%	35%	28%	23%	10%	9%	11%	14%	6%	10%	6%	9%
New Zealand	43%	38%	30%	26%	9%	10%	10%	13%	4%	8%	4%	6%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

2.8 Labour productivity

Labour productivity is the value of output obtained by one unit of input. The Wellington Region had an overall labour productivity (i.e. GDP per FTE) of \$101,500 in 2013. Labour productivity was about four percent higher in this Region compared to nationally. In 2013, productivity levels in the Wellington Region were high in the primary, business services, manufacturing, and wholesale and distribution sectors. These sectors typically have higher productivity levels and generated higher levels of productivity nationally in 2013.

Table 2.17 Labour productivity, Wellington Region

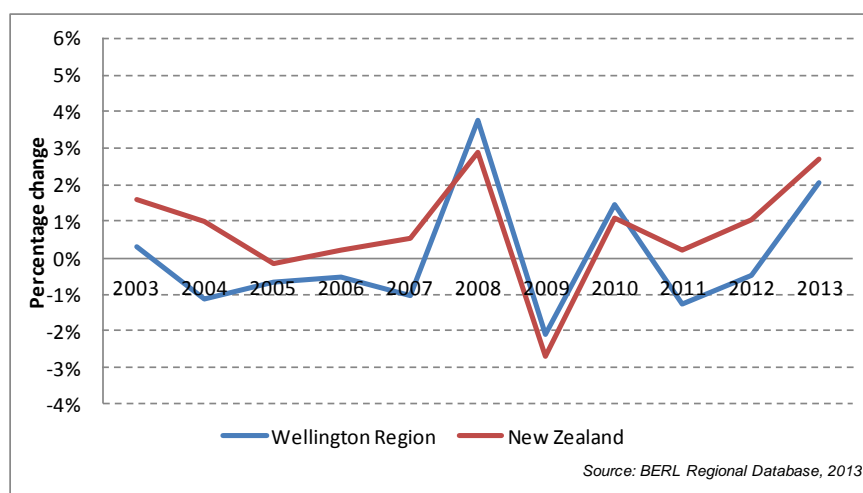
Sector	Productivity (2013\$ per FTE)				%pa change		
	2003	2011	2012	2013	2012	2013	2003 to 2013
Primary	111,014	160,565	182,483	191,895	13.7	5.2	5.6
Manufacturing	129,504	131,413	132,484	144,121	0.8	8.8	1.1
Construction	68,739	64,332	59,378	66,955	-7.7	12.8	-0.3
Wholesale and Distribution	120,076	130,754	129,996	131,823	-0.6	1.4	0.9
Retail Trade and Services	43,407	52,246	53,831	54,376	3.0	1.0	2.3
Business Services #	177,816	158,089	155,617	157,340	-1.6	1.1	-1.2
Arts and Recreation Services	76,634	70,456	68,400	69,754	-2.9	2.0	-0.9
Social Services	69,153	73,416	72,377	72,998	-1.4	0.9	0.5
Wellington Regional Council	101,689	99,969	99,502	101,536	-0.5	2.0	0.0
New Zealand	91,705	94,457	95,459	98,029	1.1	2.7	0.7

excl owner-occupied dwellings sector

Source: BERL Regional Database, 2013

Labour productivity in the Wellington Region fell by a 0.2 percent between 2003 and 2013. National labour productivity increased by 6.9 percent over the same period. While growth in labour productivity in the primary sector was large between 2003 and 2013 it is important to note that employment and GDP levels in the primary sector are low relative to other sectors in the Region, meaning that small changes can have a large impact on productivity levels.

Labour productivity levels in the Wellington Region peaked in 2008 at \$102,000. Productivity levels in 2013 are \$500 lower than the 2008 peak. Figure 2.12 shows that annual labour productivity in the Wellington Region has typically been lower than that of the country as a whole for the past decade. For most of this period labour productivity has been negative.

Figure 2.12 Labour productivity, Wellington Region & NZ, 2003-2013

3 Wellington City

Wellington City is the largest territorial authority in the Wellington Region.

In 2013:

- 190,960 people lived in Wellington City. This equates to 40 percent of the overall population in the Wellington Region.
- There were 134,840 FTEs in Wellington City. This equates to 59 percent of all FTEs in the Wellington Region. The largest area of employment in Wellington City was the social services sector, accounting for 46,750 FTEs or 35 percent of all FTEs in Wellington City.
- GDP in Wellington City was \$16.2 billion. GDP in Wellington City accounted for 62 percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was business services, accounting for 47 percent of overall GDP in Wellington City.

This section of the report considers Wellington City in 2013. Current and past demographic and economic trends in Wellington City are examined, and compared to the Wellington Region as a whole. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

3.1 Key economic performance indicators

This section looks at key economic performance indicators for Wellington City and compares the City's performance against the performance of Wellington Region and that of New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Table 3.1 shows the annual percentage change in key indicators for Wellington City compared to the Wellington Region and New Zealand between 2012 and 2013. Overall, it suggests that Wellington City had slightly stronger or similar growth to that of the Wellington Region across the key performance indicators.

Table 3.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year		
	Wellington City	Wellington Region	New Zealand
Resident population growth	0.9	0.5	0.8
GDP growth	2.6	2.3	2.7
GDP per capita growth	1.7	1.8	1.8
Employment growth	0.4	0.2	0.2
Labour productivity growth	2.3	2.0	2.7
Business units growth	0.3	0.4	0.7
Business size growth	0.1	-0.1	-0.5

Source: BERL Regional Database, 2013

Table 3.2 shows that the economic performance of Wellington City in the 10 years to 2013 was stronger than the economic performance of the Wellington Region across most of the key performance indicators. Employment growth in Wellington City grew by an average of 1.9 percent per annum over the period compared to 1.5 percent per annum regionally. This growth was largely driven by strong growth in the social services, construction and business services sectors.

GDP in Wellington City grew by 2.2 percent per annum between 2003 and 2013 compared to 1.4 percent regionally. GDP growth in Wellington City over the period was driven by strong GDP growth in the social services sector. Business unit growth in Wellington City (1.9 percent per annum) was similar to that of the wider Wellington Region (1.8 percent per annum) over the decade.

In 2013, the WAP in Wellington City made up 41 percent of the overall WAP in the Region. GDP in Wellington City accounted for 62 percent of overall GDP in the Region. Given the significant economic contribution Wellington City makes to the Wellington Region, it is not surprising that the economic performance of Wellington City drives the economic performance of the Region.

Table 3.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013		
	Wellington City	Wellington Region	New Zealand
Resident population growth	1.1	0.8	0.9
GDP growth	2.2	1.4	2.1
GDP per capita growth	1.0	0.7	1.2
Employment growth	1.9	1.5	1.5
Labour productivity growth	0.2	0.0	0.7
Business units growth	1.9	1.9	1.8
Business size growth	0.0	-0.4	-0.3

Source: BERL Regional Database, 2013

3.2 The resident population

Wellington City is the largest authority in the Wellington Region. In 2013, the usually resident population in Wellington City was 190,960 people or 41 percent of the population in Wellington Region.

Wellington City's population between 2001 and 2013 grew at a faster rate than regional population growth. As a result, the percentage of the Region's population living in Wellington City grew from 39 percent in 2001, to 41 percent in 2013.

Table 3.3 Resident population, Wellington City, Wellington Region & NZ, 2001, 2006 & 2013

	Number			% Change		
	2001	2006	2013	2001-2006	2006-2013	2001-2013
Wellington City	163,824	179,466	190,959	9.5%	6.4%	16.6%
Wellington Region	423,765	448,956	471,315	5.9%	5.0%	11.2%
New Zealand	3,737,280	4,027,947	4,242,048	7.8%	5.3%	13.5%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

3.2.1 Age

The share of Wellington City's population aged 15 to 44 years old is notably larger than that of the Wellington Region. In 2013, this age group made up 49 percent of Wellington City's population, compared to 42 percent in the Wellington Region. The number of people under 15 in Wellington City increased between 2006 and 2013, and declined in other parts of the Region.

Nationally, the population is ageing. This is also the case in Wellington City, but the population in the City is ageing at a slower rate than the Wellington Region.

Table 3.4 Resident population by age, Wellington City & Wellington Region, 2006 & 2013

	Number				Percentage			
	Wellington City		Wellington Region		Wellington City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
0-14 years	31,773	32,967	92,445	92,004	17.7%	17.3%	20.6%	19.5%
15-29 years	47,913	50,307	95,754	98,733	26.7%	26.3%	21.3%	20.9%
30-44 years	46,500	44,526	105,147	98,898	25.9%	23.3%	23.4%	21.0%
45-64 years	38,244	44,934	104,205	119,409	21.3%	23.5%	23.2%	25.3%
65 years +	15,030	18,216	51,411	62,268	8.4%	9.5%	11.5%	13.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Wellington City has a lower median age than the Wellington Region. In 2013, the median age in Wellington City was 33.9 years compared with 37.2 in the Wellington Region. Between 2006 and 2013, the median age in Wellington City increased by 0.8 years. Over the same period the median age in the Wellington Region increased by 1.9 years.

Sex

The make-up of Wellington City's population by sex has been similar to that of the Wellington Region since 2001.

Table 3.5 Resident population by sex, Wellington City & Wellington Region, 2001, 2006 & 2013

	Number				Percentage			
	Wellington City		Wellington Region		Wellington City		Wellington Region	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	79,251	84,573	205,869	217,899	48.4%	51.6%	48.6%	51.4%
2006	86,934	92,532	217,653	231,303	48.4%	51.6%	48.5%	51.5%
2013	92,478	98,481	227,559	243,756	48.4%	51.6%	48.3%	51.7%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

3.2.2 Ethnicity

Table 3.6 shows that a larger share of the people in Wellington City identify as Asian compared to the Wellington Region as a whole. Conversely, a smaller share of people in Wellington City identify as Māori and Pacific Peoples.

Table 3.6 Resident population by ethnicity, Wellington City & Wellington Region, 2006 & 2013

	Number				Percentage			
	Wellington City		Wellington Region		Wellington City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
European	121,293	139,107	302,973	345,180	67.6%	72.8%	67.5%	73.2%
Māori	13,335	14,433	55,434	58,338	7.4%	7.6%	12.3%	12.4%
Pacific Peoples	8,931	8,928	34,752	36,105	5.0%	4.7%	7.7%	7.7%
Asian	22,854	28,542	36,477	47,235	12.7%	14.9%	8.1%	10.0%
Other Ethnicities*	3,687	4,602	5,346	6,576	2.1%	2.4%	1.2%	1.4%

*Excludes 'New Zealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

3.3 The labour market

The WAP in Wellington City was 151,000 people in 2013. This equates to 45 percent of the WAP in the Wellington Region. Between the 2006 and 2013 Censuses, the WAP in Wellington City grew by six percent. Over the same period the WAP in the Wellington Region grew by five percent. Table 3.7 outlines the make-up of the labour force in Wellington City using data from the 2006 and 2013 Censuses.

Table 3.7 Composition of the labour force, Wellington City & Wellington Region, 2006 & 2013

	Wellington City		Wellington Region	
	2006	2013	2006	2013
Employed	102,630	105,240	233,616	235,605
Unemployed	5,211	7,368	12,756	18,312
Labour Force	107,844	112,611	246,369	253,917
Not in the Labour Force	35,217	38,625	100,725	108,855
Working Age Population	143,061	151,236	347,094	362,772
Labour Force Participation rate	75.4%	74.5%	71.0%	70.0%
Unemployment rate	4.8%	6.5%	5.2%	7.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Wellington City has a lower labour force participation rate and a lower unemployment rate than the wider Wellington Region. This can be partially explained by the large number of people undertaking tertiary study in Wellington City.

Table 3.8 shows people in the WAP in Wellington City are more likely to have a qualification than the wider Wellington Region. Further, those who have a qualification in Wellington City are more likely to have a degree qualification or higher, with 40.6 percent having a degree or higher compared to 28.1 percent in the Wellington Region.

Table 3.8 Highest qualification held, WAP, Wellington City & Wellington Region, 2006 & 2013

	Wellington City		Wellington Region		Wellington City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	15,447	12,972	64,614	55,083	11.2%	8.9%	19.8%	16.0%
Level 1 Certificate	11,529	10,176	39,228	37,284	8.4%	7.0%	12.0%	10.8%
Level 2 Certificate	13,632	12,852	36,063	36,330	9.9%	8.8%	11.0%	10.6%
Level 3 Certificate	17,427	20,430	32,601	38,241	12.7%	14.0%	10.0%	11.1%
Overseas Secondary School Qualification	8,409	9,093	17,973	19,650	6.1%	6.2%	5.5%	5.7%
Level 4 Certificate	9,483	8,823	29,679	29,766	6.9%	6.0%	9.1%	8.7%
Level 5 or Level 6 Diploma	13,071	12,462	31,263	30,843	9.5%	8.5%	9.6%	9.0%
Bachelor Degree and Level 7 Qualification	31,773	36,021	50,367	60,717	23.1%	24.7%	15.4%	17.7%
Post-graduate, Honours Degrees and Higher	16,752	23,244	24,900	35,814	12.2%	15.9%	7.6%	10.4%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

3.4 Employment

3.4.1 Employment by industry

There were approximately 134,840 FTEs in Wellington City in 2013. Approximately 59 percent of all FTEs in the Wellington Region are employed in Wellington City. Table 3.9 provides a summary of employment in Wellington City broken down by eight sectors.

Table 3.9 Employment by sector, Wellington City

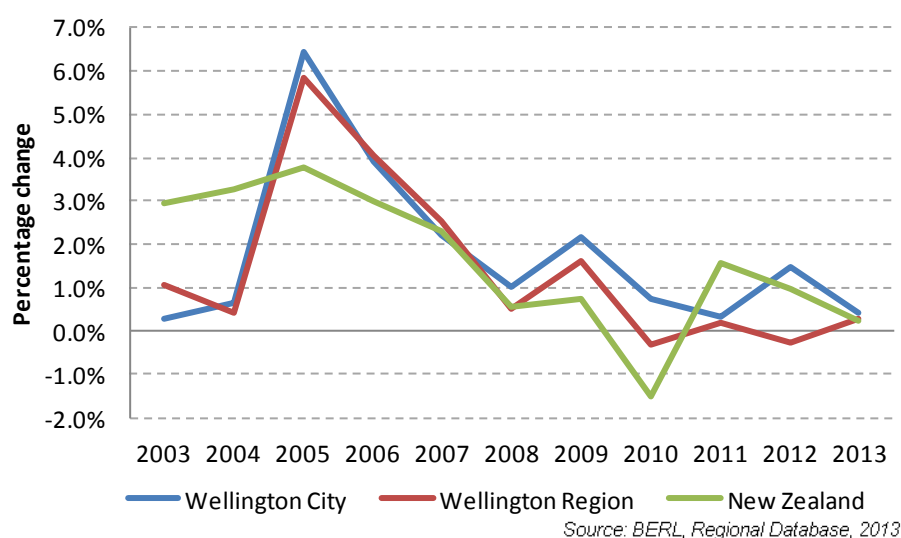
Sector	Employment Number FTEs			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	222	362	388	7.1	5.7
Manufacturing	5,555	3,987	3,974	-0.3	-3.3
Construction	4,367	6,116	5,680	-7.1	2.7
Wholesale and Distribution	9,246	8,573	8,664	1.1	-0.6
Retail Trade and Services	20,280	20,704	20,382	-1.6	0.1
Business Services	36,121	45,201	45,730	1.2	2.4
Arts and Recreation Services	2,412	3,261	3,272	0.3	3.1
Social Services	33,246	46,068	46,746	1.5	3.5
Wellington City	111,450	134,272	134,837	0.4	1.9
Wellington Region	196,033	226,198	226,800	0.3	1.5
New Zealand	1,625,492	1,878,583	1,883,050	0.2	1.5

Source: BERL Regional Database, 2013

Employment performance over the last 10 years

Employment in Wellington City grew by an average of 1.9 percent per annum between 2003 and 2013. This was higher than the average per annum growth of employment in the Wellington Region.

Figure 3.2 shows that the number of FTEs in Wellington City grew each year between 2003 and 2013. Over this period, employment growth in Wellington City was strongest in 2005 to 2009. While this was also the case for the Wellington Region, the Region did experience a decline in employment in 2010 and 2012.

Figure 3.1 Employment growth, Wellington City, Wellington Region & NZ, 2003-2013

Employment by sector in Wellington City

The social services and business services sectors accounted for 35 percent and 34 percent of employment respectively in Wellington City in 2013. The retail trade and services sector accounted for a further 15 percent.

There were 46,750 FTEs employed in the social services sector in Wellington City in 2013. Employment in this sector grew every year between 2003 and 2013, and was up 13,500 FTEs or 41 percent over the period.

All industries within the social services sector experienced growth. Growth was notable in the public administration industry, which made up 41 percent of all FTEs in the social services sector in 2013 and grew by 6,700 FTEs or 53 percent between 2003 and 2013. The number of FTEs in the public administration industry, with the exception of 2010 to 2011, grew each year during this period despite government targets to constrain employment growth in this industry.

In 2013, there were 45,730 FTEs employed in the business services sector. The number of FTEs grew each year between 2003 and 2013, albeit at a slower rate than growth in the social services sector. This growth was largely driven by growth in the professional, scientific and technical services, and computer system design and related services industries. These industries made up 33 percent and 13 percent of the business services sector respectively in 2013.

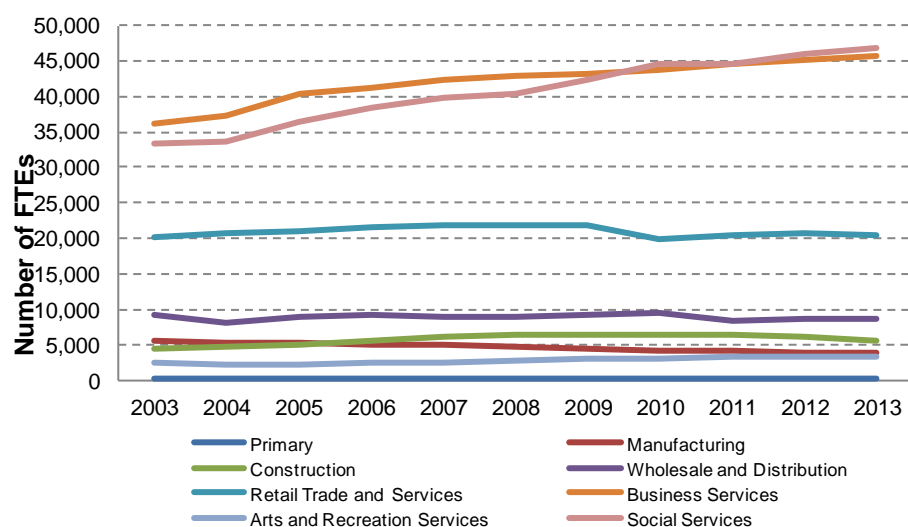
Notable changes in FTEs between 2003 and 2013 were:

- Professional Scientific and Technical Services (up 5,500 FTEs or 53 percent)
- Computer System Design and Related Services (up 2,900 FTEs, or 94 percent)
- Publishing (down 1,000 FTEs or 64 percent).

The retail trade and services sector in Wellington City experienced employment growth between 2003 and 2013, with the exception of 2008 to 2010. The Global Financial Crisis had a negative impact on employment in the retail trade and services sector during this period.

Figure 3.2 outlines how employment has changed in each of the main sectors in Wellington City over the past decade.

Figure 3.2 Employment by sector, Wellington City, 2003-2013



Source: BERL, Regional Database, 2013

3.4.2 Employment by occupation

Table 3.10 shows a larger proportion of people who live in Wellington City are employed as professionals compared to the wider Wellington Region. The proportion of people working in lower skilled occupations, such as machinery operators, drivers and labourers is smaller in Wellington City compared to the Wellington Region.

The high proportion of people employed in Wellington City as professionals is likely explained by the large number of company head/regional offices and public sector organisations located in the City.

Table 3.10 Employment by occupation, Wellington City & Wellington Region, 2006 & 2013

	Wellington City		Wellington Region		Wellington City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	17,031	17,472	37,767	39,264	17%	18%	17%	18%
Professionals	34,764	37,881	60,345	67,311	35%	38%	27%	30%
Technicians and Trades Workers	8,634	8,076	24,861	22,707	9%	8%	11%	10%
Community and Personal Service Workers	7,365	8,220	18,258	20,196	7%	8%	8%	9%
Clerical and Administrative Workers	14,511	13,182	33,498	30,285	15%	13%	15%	14%
Sales Workers	8,841	8,274	21,486	19,863	9%	8%	10%	9%
Machinery Operators and Drivers	2,385	2,130	9,468	7,971	2%	2%	4%	4%
Labourers	4,770	4,554	16,665	15,717	5%	5%	7%	7%
Total people stated	98,304	99,792	222,345	223,317	100%	100%	100%	100%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Between 2006 and 2013 the number of people employed as professionals grew by nine percent, or 3,120 people, while the number of people employed as clerical and administrative workers fell by nine percent or 1,330 people. The increase in professionals aligns with growth in the social services industry, which increased by an average of 3.5 percent per annum between 2003 and 2013. The decline in clerical and administrative workers in Wellington City could be partially explained by the Government's cap on public sector employment and focusing on frontline services rather than back-office functions.

3.5 The number and size of businesses

There were 25,160 businesses in Wellington City in 2013. Approximately 48 percent of all businesses in the Wellington Region were located in Wellington City in 2013. Businesses in the business services sector make-up approximately 60 percent of all businesses in Wellington City.

Table 3.11 shows that the number of businesses in Wellington City grew by an average of 1.9 percent per annum between 2003 and 2013. Most of this growth occurred between 2003 and 2008, with the number of businesses in Wellington City remaining flat in recent years.

Table 3.11 Business units in Wellington City, 2003-2013

Sector	Business Units (number)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	254	194	168	-13.4	-4.0
Manufacturing	632	530	521	-1.7	-1.9
Construction	1,605	1,678	1,649	-1.7	0.3
Wholesale and Distribution	1,400	1,406	1,393	-0.9	-0.1
Retail Trade and Services	3,385	3,679	3,682	0.1	0.8
Business Services	11,093	14,863	15,022	1.1	3.1
Arts and Recreation Services	651	712	686	-3.7	0.5
Social Services	1,736	2,024	2,042	0.9	1.6
Wellington City	20,756	25,086	25,163	0.3	1.9
Wellington Region	43,168	51,861	52,054	0.4	1.9
New Zealand	425,589	504,381	507,908	0.7	1.8

Source: BERL Regional Database, 2013

Business size (the number of FTEs per business unit) is higher in Wellington City than the Wellington Region and nationally. Business size has remained steady between 2003 and 2013.

Table 3.12 shows that the social services sector has the largest business size in the City, with 22.9 FTEs per business unit in 2013. This reflects the large number of FTEs working in central government.

Table 3.12 Business size in Wellington City, 2003-2013

Sector	Business Size (FTEs per unit)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	0.9	1.9	2.3	23.7	10.2
Manufacturing	8.8	7.5	7.6	1.4	-1.4
Construction	2.7	3.6	3.4	-5.5	2.4
Wholesale and Distribution	6.6	6.1	6.2	2.0	-0.6
Retail Trade and Services	6.0	5.6	5.5	-1.6	-0.8
Business Services	3.3	3.0	3.0	0.1	-0.7
Arts and Recreation Services	3.7	4.6	4.8	4.1	2.6
Social Services	19.2	22.8	22.9	0.6	1.8
Wellington City	5.4	5.4	5.4	0.1	0.0
Wellington Region	4.5	4.4	4.4	-0.1	-0.4
New Zealand	3.8	3.7	3.7	-0.5	-0.3

Source: BERL Regional Database, 2013

3.6 GDP growth

In 2013, GDP in Wellington City was estimated to be \$16.2 billion or 62 percent of overall GDP in the Wellington Region. Table 3.13 shows that in the year to March 2013, GDP in Wellington City grew faster than the wider Wellington Region (2.6 percent compared with 2.1 percent). The business services sector (up \$200 million) accounted for 46 percent of the growth in GDP in Wellington City in the year to March 2013.

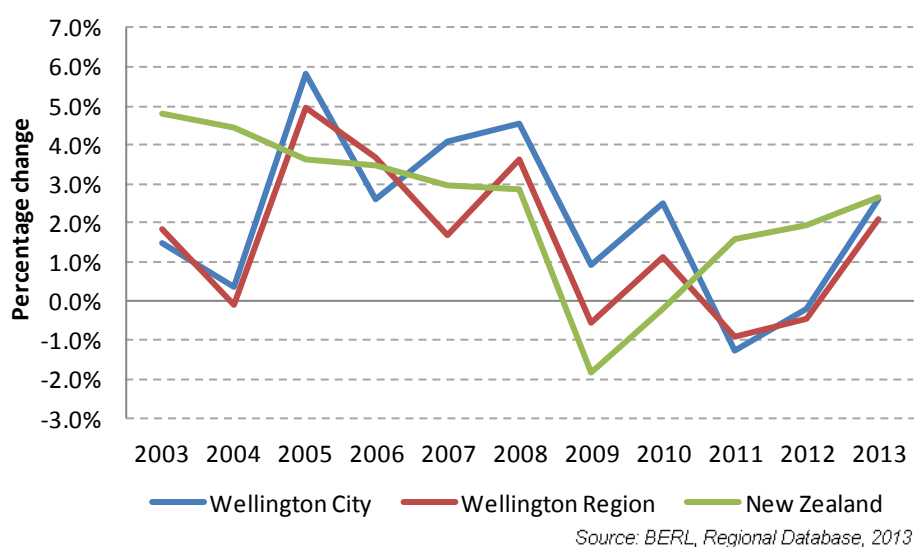
Table 3.13 GDP contribution by sector, Wellington City

Sector	Value Added or GDP (2013\$m)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	127	358	387	8.1	11.8
Manufacturing	650	516	565	9.5	-1.4
Construction	300	363	380	4.7	2.4
Wholesale and Distribution	1,115	1,130	1,159	2.6	0.4
Retail Trade and Services	874	1,056	1,055	-0.1	1.9
Business Services	6,439	7,437	7,633	2.6	1.7
Arts and Recreation Services	195	223	234	4.6	1.8
Social Services	2,369	3,490	3,558	1.9	4.1
<i>Owner-Occupied Dwellings (O.O.D)</i>	988	1,207	1,217	0.9	2.1
Wellington City	13,058	15,781	16,189	2.6	2.2
Wellington Region	22,452	25,497	26,028	2.1	1.5
New Zealand	171,495	206,148	211,639	2.7	2.1

Source: BERL Regional Database, 2013

Between 2003 and 2013, GDP in Wellington City grew by an average of 2.2 percent per annum, while the Wellington Region economy grew by an average of 1.5 percent per annum. Figure 3.3 shows that GDP grew in Wellington City in all years except 2010 and 2011. The business services and social services sectors were largely responsible for this. The drop in GDP in Wellington City between 2010 and 2011 was driven by declines in GDP in the business services sector, affected by the global financial crisis, and the wholesale and distribution sector.

Figure 3.3 GDP growth, Wellington City, Wellington Region & NZ, 2003–2013



3.6.1 GDP by sector

In terms of GDP, the business services sector is the largest contributor in Wellington City. In 2013, this sector contributed \$7.63 billion to the economy and accounted for 21 percent of overall GDP in Wellington City. Within this sector, industries that made a large contribution were:

- Telecommunication services⁶ (worth \$2.33 billion or 31 percent of GDP in this sector in Wellington City).
- Professional, scientific and technical services⁷ (worth \$1.41 billion or 19 percent of GDP in this sector in Wellington City)
- Finance⁸ (worth \$1.06 billion or 14 percent of GDP in this sector in Wellington City).

GDP in this sector grew steady from 2003 to 2010, peaking at \$7.83 billion in 2010, before declining to \$7.44 billion in 2012. This decline was largely driven by a decline in the telecommunication services industry, which fell in value by \$550 million or 20 percent between 2010 and 2012.

GDP in the business services sector rebounded to be worth \$7.63 billion in 2013 on the back of strong growth in the finance industry, up \$116 million or 12 percent, and the telecommunication Services industry, up \$75 million or three percent.

The social services sector is the second largest sector in terms of GDP in Wellington City and made up 22 percent of Wellington City's GDP in 2013. Between 2003 and 2013, the value of this sector grew steadily from \$12.07 billion to \$14.97 billion. The public administration and public order safety and regulatory services industries were responsible for a large portion of this growth.

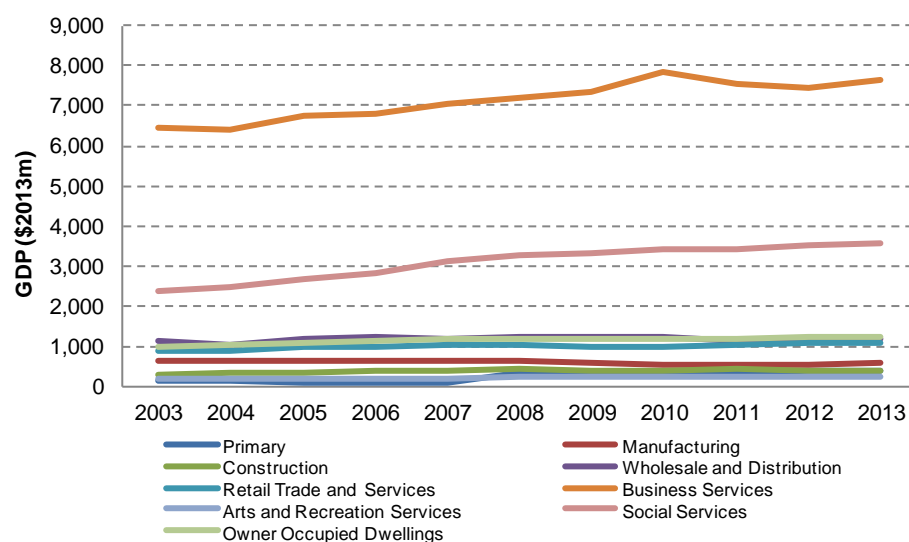
⁶ Includes wired telecommunications network operation, other telecommunications network operation (mobile, satellite, wireless) and activities such as telecommunication reselling.

⁷ Includes scientific research services; architectural, engineering and technical services; legal and accounting services; advertising services; market research and statistical services; management and related consulting services; veterinary services; and computer system design and related services.

⁸ Includes finance (central banking; depository intermediary intermediation; non-deposit banking; finance asset investing); insurance and superannuation funds; and auxiliary finance and insurance services.

The public administration industry, worth \$1.78 billion or half of all GDP in the social services sector, grew by over \$700 million or 72 percent over the period. The public order safety and regulatory services industry, worth \$500 million or 14 percent of GDP in the social services sector, grew by \$200 million or 90 percent between 2003 and 2013.

Figure 3.4 GDP by sector, Wellington City, 2003-2013



Source: BERL, Regional Database, 2013

Figure 3.4 shows how GDP has changed in broad sectors in Wellington City over the past decade. With the exception of the manufacturing sector, all other sectors in Wellington City recorded increases in GDP between 2003 and 2013. The manufacturing sector decreased by \$85 million or 1.3 percent per annum over the period. Within manufacturing, the fabricated metal product manufacturing industry⁹ declined by \$85 million over the period, with data indicating that this was the result of a large firm in this industry closing/leaving the City.

3.7 Income

Personal income

Table 3.14 shows that a larger proportion of people in the WAP in Wellington City receive wages and salaries than the wider Wellington Region. People in Wellington City are more likely to receive dividend and entrepreneurial income and less likely to receive social security and assistance benefits than people in the wider Wellington Region.

⁹ Includes iron steel forging; structural metal product manufacturing; metal container manufacturing; sheet metal manufacturing; and other fabricated metal product manufacturing.

Table 3.14 Sources of personal income, WAP, Wellington City & Wellington Region, 2006 & 2013

	Number				Percentage			
	Wellington City		Wellington Region		Wellington City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Wages and salaries	98,286	101,691	217,404	220,920	70%	68%	64%	62%
Entrepreneurial and dividend income	66,690	63,504	142,965	135,981	48%	43%	42%	38%
Interest, pension fund earnings and insurance receipts	6,150	5,847	17,904	16,395	4%	4%	5%	5%
Social security and assistance benefits	33,867	38,928	100,485	114,801	24%	26%	30%	32%
Other sources of income	5,265	5,061	9,021	8,505	4%	3%	3%	2%
Total Stated	140,361	149,034	338,511	355,926	100%	100%	100%	100%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

People in the WAP in Wellington City have higher personal incomes than the WAP in the wider Wellington Region. In 2013 the median personal income in Wellington City was \$37,900 compared to \$32,700 in the Wellington Region.

Higher personal income levels in Wellington City are explained by a number of factors including: a higher proportion of the WAP receiving wages and salaries, a larger proportion of the City's WAP having higher qualification levels, and a larger share of the WAP working as professionals.

Table 3.15 Personal income, WAP, Wellington City & Wellington Region, 2006 & 2013

	Under 20K *		20-40K		40-50K		50-70K		70-100K		100K +	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Wellington City	35%	33%	24%	19%	10%	9%	13%	14%	9%	12%	8%	13%
Wellington Region	39%	35%	28%	23%	10%	9%	11%	14%	6%	10%	6%	9%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

3.8 Labour productivity

Table 3.16 shows that labour productivity (i.e. GDP per FTE) in Wellington City was \$111,000 in 2013 or nine percent higher than regional labour productivity. In 2013, productivity levels were high in Wellington City in the business services, manufacturing, and wholesale and distribution sectors. Labour productivity was very high in the primary sector in Wellington City because there are very few FTEs employed in this sector.

Table 3.16 Labour productivity, Wellington City

Sector	Productivity (2013\$ per FTE)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	569,429	989,032	998,036	0.9	5.8
Manufacturing	116,963	129,376	142,155	9.9	2.0
Construction	68,739	59,378	66,955	12.8	-0.3
Wholesale and Distribution	120,631	131,786	133,800	1.5	1.0
Retail Trade and Services	43,085	51,005	51,784	1.5	1.9
Business Services #	178,276	164,529	166,913	1.4	-0.7
Arts and Recreation Services	80,972	68,523	71,461	4.3	-1.2
Social Services	71,267	75,766	76,107	0.4	0.7
Wellington City	108,298	108,538	111,036	2.3	0.2
Wellington Region	101,689	99,502	101,515	2.0	0.0
New Zealand	91,705	95,459	98,029	2.7	0.7

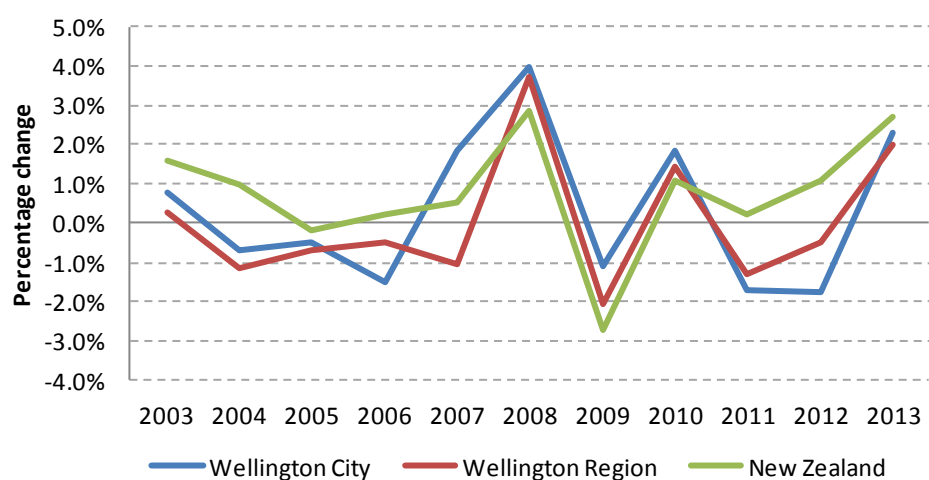
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Source: BERL Regional Database, 2013

Labour productivity in Wellington City increased by an average of 0.2 percent per annum between 2003 and 2013. In comparison, labour productivity in the Wellington Region remained unchanged over the period. Over the decade, labour productivity in Wellington City increased strongly in the manufacturing and primary sectors.

Labour productivity in Wellington City peaked at \$112,400 in 2010. Figure 3.5 shows that labour productivity in Wellington City has, despite increasing overall over the period, gone through periods of negative growth between 2003 and 2013.

Figure 3.5 Labour productivity, Wellington City, Wellington Region & NZ, 2003-2013



Source: BERL, Regional Database, 2013

4 Lower Hutt City

Lower Hutt City is the second largest territorial authority in the Wellington Region.

In 2013:

- 98,240 people lived in Lower Hutt City. This equates to 21 percent of the overall population in the Wellington Region.
- There were 40,650 FTEs in Lower Hutt City. This equates to 18 percent of all FTEs in the Wellington Region. The largest areas of employment in Lower Hutt City were the business services (7,800 people) and retail trade and services (7,300 people) sectors, each accounting for just under 20 percent of all FTEs in Lower Hutt City.
- GDP in Lower Hutt City was \$4.3 billion. GDP in Lower Hutt City accounted for 17 percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was business services, accounting for 21 percent of overall GDP in Lower Hutt City.

This section of the report considers Lower Hutt City in 2013. Current and past demographic and economic trends in Lower Hutt City are examined, and compared to the Wellington Region and New Zealand as a whole. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

4.1 Key economic performance indicators

This section looks at key economic performance indicators for Lower Hutt City and compares the City's performance against the performance of Wellington Region and that of New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Table 4.1 shows across the key performance indicators the economy of Lower Hutt City performed poorly compared to the Wellington Region and New Zealand.

Table 4.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year		
	Lower Hutt City	Wellington Region	New Zealand
Resident population growth	0.2	0.5	0.8
GDP growth	-0.6	2.3	2.7
GDP per capita growth	-0.8	1.8	1.8
Employment growth	-1.2	0.2	0.2
Labour productivity growth	0.6	2.0	2.7
Business units growth	0.9	0.4	0.7
Business size growth	-2.1	-0.1	-0.5

Source: BERL Regional Database, 2013

The economy of Lower Hutt City was weak in the 10 years to 2013. Table 4.2 shows that all key performance indicators were weaker in Lower Hutt City compared to the Wellington Region and New Zealand over the decade. Employment in Lower Hutt City grew at 0.5 percent per annum over the decade compared to employment growth of 1.5 percent per annum in the Region. GDP in Lower Hutt City declined by 0.1 percent per annum over the decade despite annual GDP growth of 1.4 percent per annum in the Wellington Region. Declines in employment and GDP in the manufacturing sector in Lower Hutt were key contributors to the weak economic performance over the period.

Table 4.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013		
	Lower Hutt City	Wellington Region	New Zealand
Resident population growth	0.2	0.8	0.9
GDP growth	-0.1	1.4	2.1
GDP per capita growth	-0.3	0.7	1.2
Employment growth	0.5	1.5	1.5
Labour productivity growth	-0.8	0.0	0.7
Business units growth	1.7	1.9	1.8
Business size growth	-1.1	-0.4	-0.3

Source: BERL Regional Database, 2013

4.2 The resident population

In 2013 the usually resident population of Lower Hutt City was 98,240. This equates to 20 percent of the population in the Wellington Region. Table 4.3 shows that the population of Lower Hutt City grew by 2.9 percent between 2001 and 2013 (2,750 people). Population growth was lower in Lower Hutt City than growth in the Wellington Region over this period (11.2 percent).

Table 4.3 Resident population, Lower Hutt City, Wellington Region & NZ, 2001, 2006 & 2013

	Number			% Change		
	2001	2006	2013	2001-2006	2006-2013	2001-2013
Lower Hutt City	95,487	97,701	98,238	2.3%	0.5%	2.9%
Wellington Region	423,765	448,956	471,315	5.9%	5.0%	11.2%
New Zealand	3,737,280	4,027,947	4,242,048	7.8%	5.3%	13.5%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

4.2.1 Age

Lower Hutt City has a slightly higher proportion of young people than the Wellington Region. In 2013, 23 percent of people in the Wellington Region under the age of 15 lived in Lower Hutt City.

Table 4.4 Resident population by age, Lower Hutt City & Wellington Region, 2006, & 2013

	Number				Percentage			
	Lower Hutt City		Wellington Region		Lower Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
0-14 years	22,350	20,997	92,445	92,004	22.9%	21.4%	20.6%	19.5%
15-29 years	19,317	18,915	95,754	98,733	19.8%	19.3%	21.3%	20.9%
30-44 years	22,497	20,421	105,147	98,898	23.0%	20.8%	23.4%	21.0%
45-64 years	22,902	25,308	104,205	119,409	23.4%	25.8%	23.2%	25.3%
65 years +	10,641	12,600	51,411	62,268	10.9%	12.8%	11.5%	13.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

The median age in Lower Hutt City was 37.2 years in 2013, the same median age as the Wellington Region. Between 2006 and 2013 the median age in Lower Hutt City increased by 2.1 years. Over the same period the median age in the Wellington Region increased by 1.9 years.

Sex

Females make-up a larger proportion of the population in Lower Hutt City than men. This is the case across the Wellington Region.

Table 4.5 Resident population by sex, Lower Hutt City & Wellington Region, 2001, 2006 & 2013

	Number				Percentage			
	Lower Hutt City		Wellington Region		Lower Hutt City		Wellington Region	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	46,659	48,831	205,869	217,899	48.9%	51.1%	48.6%	51.4%
2006	47,703	50,001	217,653	231,303	48.8%	52.4%	48.5%	51.5%
2013	47,556	50,685	227,559	243,756	48.4%	51.6%	48.3%	51.7%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

4.2.2 Ethnicity

Lower Hutt City has a more ethnically diverse population than the Wellington Region. In 2013, a larger proportion of the population in Lower Hutt City identified as Māori, Pacific Peoples and Asian than the wider Wellington Region. Conversely, a smaller proportion of people in Lower Hutt City identified themselves as European.

Table 4.6 Resident population by ethnicity, Lower Hutt City & Wellington Region, 2006 & 2013

	Number				Percentage			
	Lower Hutt City		Wellington Region		Lower Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
European	61,896	66,051	302,973	345,180	63.4%	67.2%	67.5%	73.2%
Māori	16,281	15,879	55,434	58,338	16.7%	16.2%	12.3%	12.4%
Pacific Peoples	10,095	10,257	34,752	36,105	10.3%	10.4%	7.7%	7.7%
Asian	8,361	10,896	36,477	47,235	8.6%	11.1%	8.1%	10.0%
Other Ethnicities*	1,077	1,113	5,346	6,576	1.1%	1.1%	1.2%	1.4%

* Excludes 'New Zealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

4.3 The labour market

The WAP in Lower Hutt City in 2013 was 74,000 people. Between the 2006 and 2013 Census, the WAP in Lower Hutt City fell by five percent. Over the same period the WAP in Wellington Region grew by five percent.

Lower Hutt City has a lower labour force participation rate and a higher unemployment rate than the Wellington Region. Table 4.7 outlines the make-up of the labour force in Lower Hutt City using data from the 2006 and 2013 Censuses.

Table 4.7 Composition of the labour force, Lower Hutt City & Wellington Region, 2006 & 2013

	Lower Hutt City		Wellington Region	
	2006	2013	2006	2013
Employed	49,398	46,824	233,616	235,605
Unemployed	2,991	4,050	12,756	18,312
Labour Force	52,389	50,874	246,369	253,917
Not in the Labour Force	21,798	22,674	100,725	108,855
Working Age Population	74,187	73,548	347,094	362,772
Labour Force Participation rate	70.6%	69.2%	71.0%	70.0%
Unemployment rate	5.7%	8.0%	5.2%	7.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Skills utilisation

Table 4.8 shows that a larger proportion of people in the WAP in Lower Hutt City have no or low qualifications compared to the WAP of the Wellington Region. Conversely, a lower proportion of the WAP in Lower Hutt City have a bachelor degree or higher qualification when compared to the WAP of the Wellington Region.

Table 4.8 Highest qualification held, WAP, Lower Hutt City & Wellington Region, 2006 & 2013

	Lower Hutt City		Wellington Region		Lower Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	17,073	14,163	64,614	55,083	24.8%	20.5%	19.8%	16.0%
Level 1 Certificate	9,726	8,775	39,228	37,284	14.1%	12.7%	12.0%	10.8%
Level 2 Certificate	8,034	7,821	36,063	36,330	11.7%	11.3%	11.0%	10.6%
Level 3 Certificate	6,033	6,744	32,601	38,241	8.8%	9.8%	10.0%	11.1%
Overseas Secondary School Qualification	3,750	3,906	17,973	19,650	5.4%	5.7%	5.5%	5.7%
Level 4 Certificate	6,975	6,954	29,679	29,766	10.1%	10.1%	9.1%	8.7%
Level 5 or Level 6 Diploma	6,195	6,060	31,263	30,843	9.0%	8.8%	9.6%	9.0%
Bachelor Degree and Level 7 Qualification	7,671	9,645	50,367	60,717	11.1%	14.0%	15.4%	17.7%
Post-graduate, Honours Degrees and Higher	3,462	4,878	24,900	35,814	5.0%	7.1%	7.6%	10.4%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

4.4 Employment

4.4.1 Employment by industry

Approximately 40,650 FTEs were employed in Lower Hutt City in 2013. This was down slightly from 2012, but up around 2,000 FTEs from 2003. The largest areas of employment were the social services and business services sectors.

Over the 10 year period, average per annum employment growth in Lower Hutt City was lower than average per annum employment growth in the Wellington Region. Table 4.9 provides a summary of employment in Lower Hutt City broken down by eight sectors.

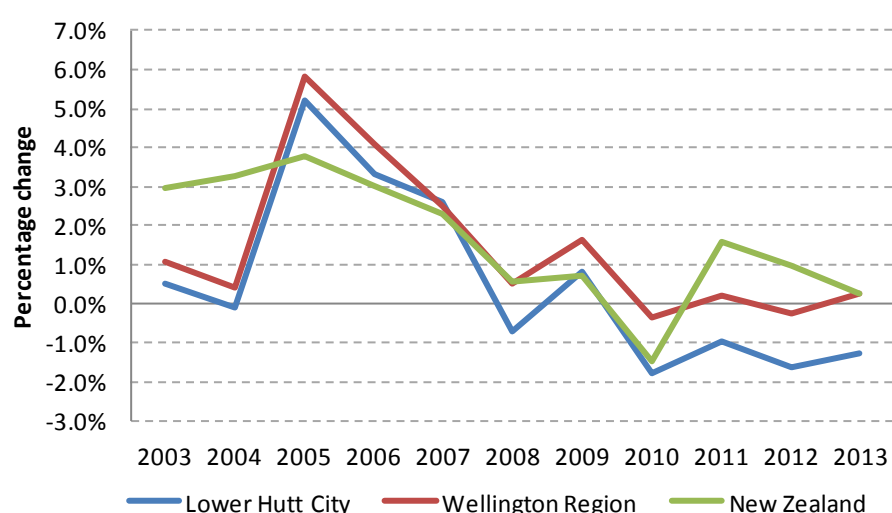
Table 4.9 Employment by sector, Lower Hutt City

Sector	Employment Number FTEs			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	118	86	84	-3.1	-3.4
Manufacturing	6,490	5,297	4,759	-10.2	-3.1
Construction	4,157	5,274	5,043	-4.4	2.0
Wholesale and Distribution	5,378	4,928	4,676	-5.1	-1.4
Retail Trade and Services	6,852	6,925	7,322	5.7	0.7
Business Services	6,876	8,096	7,804	-3.6	1.3
Arts and Recreation Services	861	799	780	-2.4	-1.0
Social Services	7,865	9,760	10,180	4.3	2.6
Lower Hutt City	38,598	41,165	40,648	-1.3	0.5
Wellington Region	196,033	226,198	226,800	0.3	1.5
New Zealand	1,625,492	1,878,583	1,883,050	0.2	1.5

Source: BERL Regional Database, 2013

Employment performance over the last 10 years

Between 2003 and 2013, the number of FTEs employed in Lower Hutt City grew by an average of 0.5 percent per annum, while employment in the Wellington Region grew by an average of 1.5 percent per annum. Figure 4.1 shows that while the overall number of FTEs grew over the decade, most of this growth occurred between 2004 and 2007. Employment in Lower Hutt City peaked at 43,000 FTEs in 2009 and has since declined.

Figure 4.1 Employment growth, Lower Hutt City, Wellington Region & NZ, 2003-2013

Source: BERL, Regional Database, 2013

Employment by sector in Lower Hutt City

The social services sector is the largest area of employment in Lower Hutt City. In 2013 there were approximately 10,180 FTEs employed in this sector in Lower Hutt City, with the sector making up 25 percent of all employment in Lower Hutt.

Within the social services sector, FTEs are largely concentrated in the following industries:

- Preschool and school education (2,400 FTEs or 23 percent of all FTEs in the sector)
- Hospitals (1,600 FTEs or 16 percent of all FTEs in the sector)
- Medical and other care services (1,500 FTEs or 15 percent of all FTEs in the sector).

Employment in the social services sector grew each year between 2003 and 2013, with the number of FTEs growing by 2,000 or 29 percent. Industries that made notable contributions to this employment growth were:

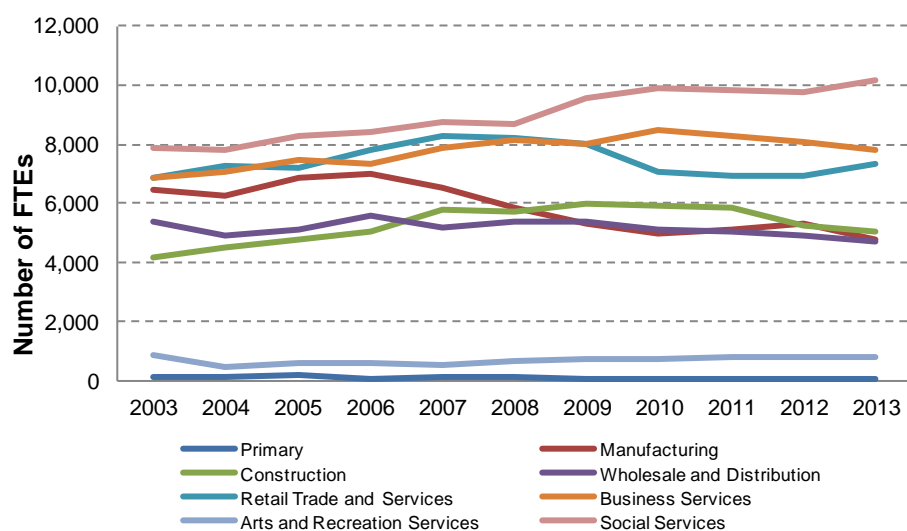
- Medical and other health care services (up 700 FTEs or 86 percent)
- Public administration (up 500 FTEs or 61 percent)
- Preschool and school education (up 500 FTEs or 28 percent)
- Residential care services (up 500 FTEs or 82 percent).

The business services sector was the second largest area of employment in Lower Hutt City. In 2013, there were 7,800 FTEs employed in the business services sector, down from 8,500 FTEs in 2010. This decline was largely driven by a decline of 900 FTEs in the administrative services industry¹⁰. The number of businesses in this industry decreased from 195 to 168 businesses between 2009 and 2011.

The retail trade and services sector employed approximately 7,320 FTEs in Lower Hutt City in 2013. Between 2009 and 2010, the number of FTEs in this sector decreased from 8,000 to 7,000 FTEs. This was largely driven by declines in employment in other store-based retailing (a broad industry that includes hardware, electrical, department stores, and pharmaceutical retailing), down 600 FTEs, and food retailing and other store-based retailing, down 300 FTEs or 25 percent.

Figure 4.2 outlines how employment has changed in the each of the main sectors in Lower Hutt City over the past decade.

Figure 4.2 Employment by sector, Lower Hutt City, 2003-2013



Source: BERL, Regional Database, 2013

Employment declined by 1,700 FTEs in the manufacturing sector between 2003 and 2013. Most of this decline occurred between 2006 and 2010.

¹⁰ This industry includes employment services; travel agency and tour arrangement services; and other administrative services (such as call centre operation and document preparation services).

Employment in most industries in the manufacturing sector declined between 2003 and 2013. Notable declines occurred in the food product manufacturing and basic chemical and chemical product manufacturing industries, both down by 400 FTEs during this period. This was due to a small number of large employers within these industries either closing or downsizing their operations in Lower Hutt City.

4.4.2 Employment by occupation

Table 4.10 shows employment by broad occupation group in 2006 and 2013. It shows that 42 percent (18,490 people) of people living in Lower Hutt City work as managers and professionals. This compares to 42 percent of people in employment in the wider Wellington Region. The large proportion of people working as managers and professionals aligns with the large share of people employed in the business services and social services sectors in Lower Hutt City.

Table 4.10 Employment by occupation, Lower Hutt City & Wellington Region, 2006 & 2013

	Lower Hutt City		Wellington Region		Lower Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	7,179	7,209	37,767	39,264	15%	16%	17%	18%
Professionals	10,122	11,277	60,345	67,311	22%	25%	27%	30%
Technicians and Trades Workers	6,075	5,265	24,861	22,707	13%	12%	11%	10%
Community and Personal Service Workers	3,693	3,777	18,258	20,196	8%	9%	8%	9%
Clerical and Administrative Workers	7,818	6,672	33,498	30,285	17%	15%	15%	14%
Sales Workers	4,935	4,224	21,486	19,863	11%	10%	10%	9%
Machinery Operators and Drivers	2,958	2,337	9,468	7,971	6%	5%	4%	4%
Labourers	3,909	3,477	16,665	15,717	8%	8%	7%	7%
Total people stated	46,698	44,235	222,345	223,317	100%	100%	100%	100%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Between 2006 and 2013, the number of people employed as professionals grew by 11 percent (1,560 people). This can be partially explained by growth in the business services and social services sectors, where a number of people living in Lower Hutt City are employed in, between 2003 and 2013. The number of people employed as clerical and personal support workers declined by 15 percent (1,150 people) between 2006 and 2013.

4.5 The number and size of businesses

Business units in Lower Hutt City made up 18 percent of all businesses in the Wellington Region in 2013. Businesses in the business services sector were 45 percent of all businesses in Lower Hutt City. This relates to the number of small firms that operate in this sector, with just under two FTEs per business services business in 2013. The number of businesses in Lower Hutt City grew steadily between 2003 and 2009, but has fluctuated since. The number of businesses in Lower Hutt City peaked at just over 9,500 in 2013.

Table 4.11 Business units in the Lower Hutt City

Sector	Business Units (number)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	94	70	60	-14.3	-4.4
Manufacturing	554	495	490	-1.0	-1.2
Construction	1,146	1,251	1,244	-0.6	0.8
Wholesale and Distribution	1,045	970	943	-2.8	-1.0
Retail Trade and Services	1,476	1,639	1,651	0.7	1.1
Business Services	2,976	4,146	4,287	3.4	3.7
Arts and Recreation Services	165	193	179	-7.3	0.8
Social Services	640	692	688	-0.6	0.7
Lower Hutt City	8,096	9,456	9,542	0.9	1.7
Wellington Region	43,168	51,861	52,054	0.4	1.9
New Zealand	425,589	504,381	507,908	0.7	1.8

Source: BERL Regional Database, 2013

Table 4.12 shows that business size (the number of FTEs per business unit) in Lower Hutt City, at 4.3 FTEs per business unit, is similar to business size in the Wellington Region. Between 2003 and 2013 the decline in business size in Lower Hutt City was greater than the decline in business size in the Wellington Region. Employment declined over this period, and many businesses downsized.

Table 4.12 Business size in Lower Hutt City

Sector	Business Size (FTEs per unit)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	1.3	1.2	1.4	13.1	1.1
Manufacturing	11.7	10.7	9.7	-9.2	-1.9
Construction	3.6	4.2	4.1	-3.8	1.1
Wholesale and Distribution	5.1	5.1	5.0	-2.4	-0.4
Retail Trade and Services	4.6	4.2	4.4	5.0	-0.5
Business Services	2.3	2.0	1.8	-6.8	-2.4
Arts and Recreation Services	5.2	4.1	4.4	5.2	-1.8
Social Services	12.3	14.1	14.8	4.9	1.9
Lower Hutt City	4.8	4.4	4.3	-2.1	-1.1
Wellington Region	4.5	4.4	4.4	-0.1	-0.4
New Zealand	3.8	3.7	3.7	-0.5	-0.3

Source: BERL Regional Database, 2013

The social services sector has the largest business size in Lower Hutt City, with 14.8 FTEs per business unit in 2013. This reflects the large number of FTEs working in education and health organisations within the City. The business size in the social services sector increased between 2003 and 2013 despite overall business sizes decreasing over the period.

4.6 GDP growth

In 2013, GDP in Lower Hutt City was estimated to be \$4.3 billion or 17 percent of overall GDP in the Wellington Region. In the year to March 2013, GDP in Lower Hutt City fell by 0.6 percent compared to GDP growth of 2.1 percent across the Wellington Region.

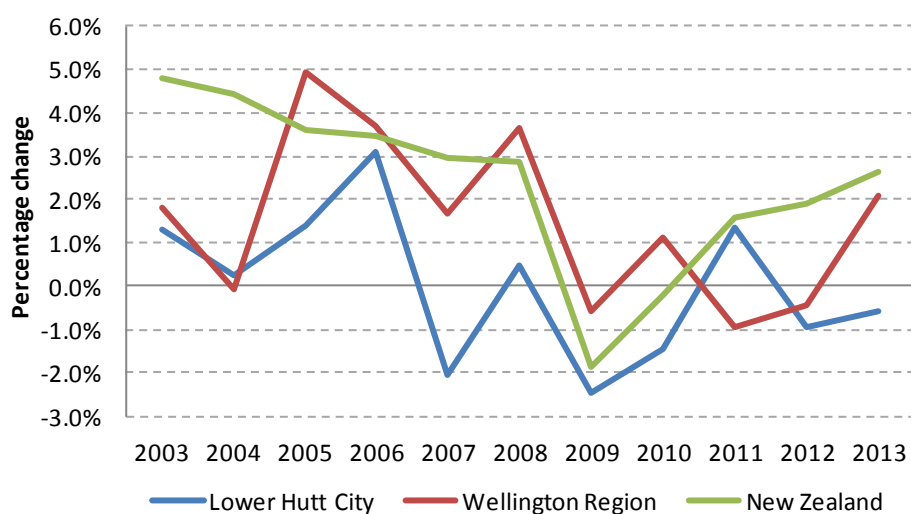
Table 4.13 GDP contribution by sector, Lower Hutt City

Sector	Value Added or GDP (2013\$m)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	14	8	7	-13.4	-7.5
Manufacturing	853	683	670	-1.9	-2.4
Construction	286	313	338	7.8	1.7
Wholesale and Distribution	643	631	605	-4.1	-0.6
Retail Trade and Services	304	399	415	4.2	3.2
Business Services	1,115	964	904	-6.2	-2.1
Arts and Recreation Services	54	55	48	-12.0	-1.2
Social Services	522	657	697	6.0	2.9
<i>Owner-Occupied Dwellings (O.O.D)</i>	559	625	626	0.2	1.1
Lower Hutt City	4,352	4,335	4,310	-0.6	-0.1
Wellington Region	22,452	25,497	26,028	2.1	1.5
New Zealand	171,495	206,148	211,639	2.7	2.1

Source: BERL Regional Database, 2013

Between 2003 and 2013, GDP in Lower Hutt City shrank by an average of 0.1 percent per annum, while the Wellington Region economy grew by an average of 1.5 percent per annum. Figure 4.3 shows that while overall GDP in Lower Hutt declined over the decade, the City did experience periods of strong economic growth. GDP in Lower Hutt City peaked at \$4.56 billion in 2006.

Figure 4.3 GDP growth, Lower Hutt City, Wellington Region & NZ, 2003–2013

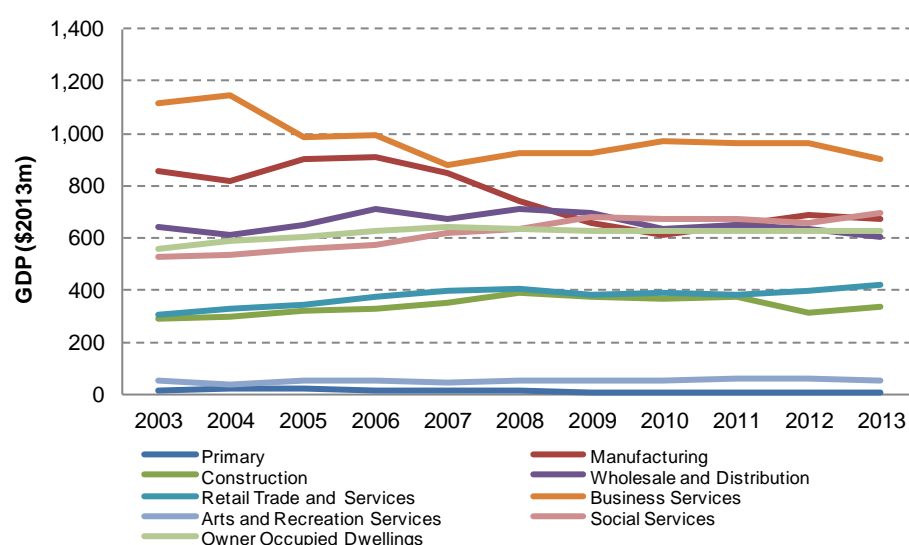


4.6.1 GDP by sector

The business services sector is the largest sector in terms of contribution to GDP in Lower Hutt City. In 2013 this sector contributed \$904 million to the economy and accounted for 21 percent of the City's economy.

The professional, scientific and technical services¹¹ industry is the largest contributor to GDP in this sector in Lower Hutt City. In 2013 this industry generated \$253 million or 28 percent of the GDP of this sector. Waste collection treatment and disposal services¹² made the second largest contribution to GDP, with \$101 million or 11 percent of the GDP from this sector. Figure 4.4 shows how GDP has changed in broad sectors in Lower Hutt City over the past decade.

Figure 4.4 GDP by sector, Lower Hutt City, 2003-2013



Source: BERL, Regional Database, 2013

GDP in the business services sector fell by \$211 million or 19 percent between 2003 and 2013. Most of this decline occurred between 2004 and 2007, and was driven by large declines in GDP in the internet service providers, web search portals, and data processing services industry and the internet publishing and broadcasting industry.

Between 2003 and 2013, GDP in the internet service providers, web search portals, and data processing services industry fell by \$186 million or 88 percent, while GDP in the internet publishing and broadcasting industry fell by \$169 million or 71 percent. This decline was largely due to the closure of Saturn in Lower Hutt City in 2007.

The manufacturing sector in Lower Hutt City was the second largest in Lower Hutt City in terms of GDP in 2003 and accounted for 20 percent of the City's economy. By 2013, this was not the case, with the manufacturing and social services sectors each contributing 16 percent towards the City's economy.

Between 2003 and 2013, GDP from the manufacturing sector declined by \$181 million or 21 percent. Much of this decline was due to a decline in output from the basic chemical and chemical product

¹¹ Includes scientific research services; architectural, engineering and technical services; legal and accounting services; advertising services; market research and statistical services; management and related consulting services; veterinary services; and computer system design and related services.

¹² Includes waste collection services (solid and other); waste treatment and disposal services; and waste remediation and materials recovery services.

manufacturing industry. GDP from this industry fell by \$84 million or 82 percent between 2007 and 2008. The number of businesses in this industry declined from 17 to 14 over this period.

4.7 Income

Personal income

Table 4.14 shows that a similar proportion of people in the WAP in Lower Hutt City receive wages and salaries as the wider Wellington Region. People in Lower Hutt City are less likely to receive dividend and entrepreneurial income and more likely to receive social security and assistance benefits than people in the wider Wellington Region.

Table 4.14 Sources of personal income, WAP, Lower Hutt City & Wellington, 2006 & 2013

	Number				Percentage			
	Lower Hutt City		Wellington Region		Lower Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Wages and salaries	46,023	43,860	217,404	220,920	64%	61%	64%	62%
Entrepreneurial and dividend income	25,680	23,304	142,965	135,981	36%	32%	42%	38%
Interest, pension fund earnings and insurance receipts	3,663	3,075	17,904	16,395	5%	4%	5%	5%
Social security and assistance benefits	21,870	24,201	100,485	114,801	30%	34%	30%	32%
Other sources of income	1,368	1,203	9,021	8,505	2%	2%	3%	2%
Total Stated	71,940	71,937	338,511	355,926	100%	100%	100%	100%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 4.15 shows that the personal income levels in Lower Hutt City are slightly lower than the wider Wellington Region. In 2013 the median personal income in Lower Hutt City was \$31,500, compared to \$32,700 in the Wellington Region. Lower personal incomes in Lower Hutt City could be explained by the City's younger age profile, a larger proportion of the WAP in Lower Hutt City having lower qualification levels, and a smaller percentage of the WAP receiving entrepreneurial and dividend income.

Table 4.15 Personal income, WAP, Lower Hutt City and Wellington Region, 2006 and 2013

	Under 20K *		20-40K		40-50K		50-70K		70-100K		100K +	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Lower Hutt City	39%	36%	31%	25%	10%	10%	11%	14%	5%	9%	4%	7%
Wellington Region	39%	35%	28%	23%	10%	9%	11%	14%	6%	10%	6%	9%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

4.8 Labour productivity

Labour productivity (i.e. GDP per FTE) in Lower Hutt City was \$90,600 in 2013, or 11 percent lower than the regional average. In 2013, productivity levels in Lower Hutt City were high in the manufacturing, wholesale and distribution, and business services sectors. These sectors typically have high levels of productivity and had the highest levels of productivity nationally in 2013.

Table 4.16 Labour productivity, Lower Hutt City

Sector	Productivity (2013\$ per FTE)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	121,403	88,007	78,617	-10.7	-4.3
Manufacturing	131,448	128,993	140,803	9.2	0.7
Construction	68,739	59,378	66,955	12.8	-0.3
Wholesale and Distribution	119,639	127,950	129,286	1.0	0.8
Retail Trade and Services	44,438	57,595	56,743	-1.5	2.5
Business Services #	162,188	119,053	115,853	-2.7	-3.3
Arts and Recreation Services	63,127	68,707	61,990	-9.8	-0.2
Social Services	66,401	67,342	68,446	1.6	0.3
Lower Hutt City	98,268	90,110	90,622	0.6	-0.8
Wellington Region	101,689	99,502	101,515	2.0	0.0
New Zealand	91,705	95,459	98,029	2.7	0.7

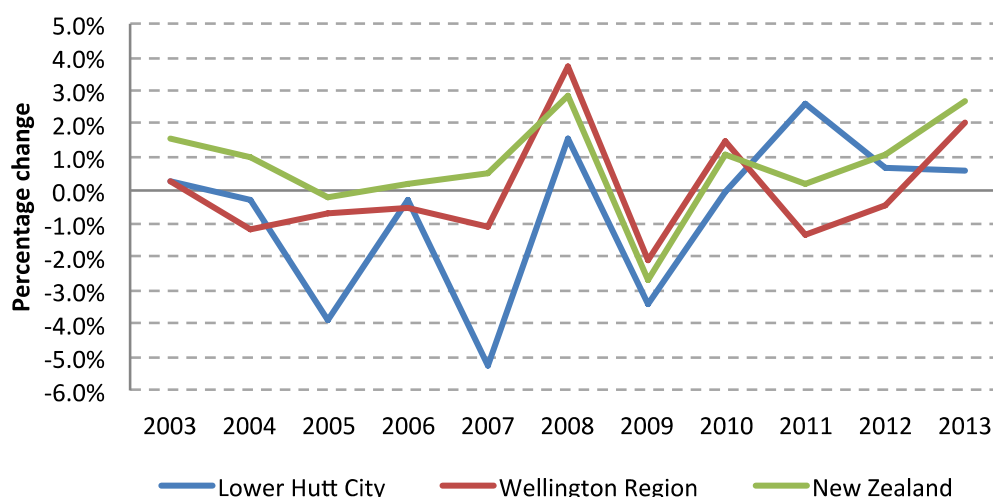
excl owner-occupied dwellings sector

Source: BERL Regional Database, 2013

Labour productivity in Lower Hutt City fell by an average of 0.8 percent per annum between 2003 and 2013. In comparison, labour productivity in the Wellington Region remained unchanged over the period. Over the decade, labour productivity in Lower Hutt City fell in the business services sector, down \$46,300 or 29 percent, and the primary sector, down \$42,800 or 35 percent. These sectors had noticeable declines in employment during this period, which impacted on productivity levels.

Over the past decade, labour productivity in Lower Hutt City peaked at \$98,300 in 2003. Figure 4.5 shows that labour productivity in the Lower Hutt City has, despite decreasing overall between 2003 and 2013, increased in recent years.

Figure 4.5 Labour productivity, Lower Hutt City, Wellington Region & NZ, 2003-2013



5 Upper Hutt City

In 2013:

- 40,180 people lived in Upper Hutt City. This equates to nine percent of the population of the Wellington Region.
- There were 10,650 FTEs in Upper Hutt City. This equates to five percent of all FTEs in the Wellington Region. The largest area of employment was the social services sector, accounting for 46 percent of all FTEs in Lower Hutt City.
- GDP in Upper Hutt City was \$1.2 billion. GDP in Upper Hutt City accounted for five percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was social services, accounting for 27 percent of overall GDP in Upper Hutt City.

This section of our report considers Upper Hutt City in 2013. Current and past demographic and economic trends in Upper Hutt City are examined, and compared to the Wellington Region. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

5.1 Key economic performance indicators

This section looks at key economic performance indicators for Upper Hutt City and compares these against the performance of the Wellington Region and New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Overall, Upper Hutt City experienced greater labour productivity growth than the Wellington Region, but a weaker economic performance across the other key indicators.

Table 5.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year		
	Upper Hutt City	Wellington Regional Council	New Zealand
Resident population growth	0.2	0.5	0.8
GDP growth	0.9	2.3	2.7
GDP per capita growth	0.7	1.8	1.8
Employment growth	-1.4	0.3	0.2
Labour productivity growth	2.6	2.0	2.7
Business units growth	-0.4	0.4	0.7
Business size growth	-0.9	-0.1	-0.5

Source: BERL Regional Database, 2013

The economic performance of Upper Hutt City in the 10 years to 2013 was, with the exception of residential population growth and business unit growth, also weaker than that of the Wellington Region and New Zealand. Resident population and business unit growth in Upper Hutt City over the 10 year period was similar to regional and national averages.

Notably over the 10 year period, GDP and labour productivity declined in Upper Hutt City, declined despite increasing at a national level.

Table 5.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013		
	Upper Hutt City	Wellington Regional Council	New Zealand
Resident population growth	0.8	0.8	0.9
GDP growth	-1.3	1.5	2.1
GDP per capita growth	-2.0	0.7	1.2
Employment growth	0.9	1.5	1.5
Labour productivity growth	-2.9	0.0	0.7
Business units growth	1.8	1.9	1.8
Business size growth	-0.8	-0.4	-0.3

Source: BERL Regional Database, 2013

5.2 The resident population

At the 2013 Census, the usually resident population of Upper Hutt City was approximately 40,180 people. This equates to nine percent of the population of the Wellington Region, or around one percent of New Zealand's overall population. **Error! Reference source not found.** shows that overall population growth in Upper Hutt City between 2001 and 2013 was just below that of the wider Wellington Region, and lower than the national average.

Table 5.3 Resident population, Upper Hutt City, Wellington Region & NZ, 2001, 2006 & 2013

	Number			% Change		
	2001	2006	2013	2001-2006	2006-2013	2001-2013
Upper Hutt City	36,369	38,415	40,179	5.6%	4.6%	10.5%
Wellington Region	423,765	448,956	471,315	5.9%	5.0%	11.2%
New Zealand	3,737,280	4,027,947	4,242,048	7.8%	5.3%	13.5%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

5.2.1 Age

Upper Hutt City has a slightly older population than the Wellington Region. In 2013, 15 percent of the City's population was 65 years or older compared to 13 percent in the Wellington Region. New Zealand's age profile is changing with older people making up a larger share of the population and younger people making up a smaller share. **Error! Reference source not found.** shows that the population in Upper Hutt City and the wider Wellington Region is also ageing.

Table 5.4 Resident population by age, Upper Hutt, Wellington Region & NZ, 2006 & 2013

	Number				Percentage			
	Upper Hutt City		Wellington Region		Upper Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
0-14 years	8,493	8,160	92,445	92,004	22.1%	20.3%	20.6%	19.5%
15-29 years	7,032	7,134	95,754	98,733	18.3%	17.8%	21.3%	20.9%
30-44 years	8,727	8,280	105,147	98,898	22.7%	20.6%	23.4%	21.0%
45-64 years	9,342	10,773	104,205	119,409	24.3%	26.8%	23.2%	25.3%
65 years +	4,812	5,835	51,411	62,268	12.5%	14.5%	11.5%	13.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

The median age in Upper Hutt City was 39.7 years in 2013. The median age in the Wellington Region was 37.2 years. The difference in the median age between Upper Hutt City and the Wellington Region increased from 0.9 years to 1.7 years between 2006 and 2013.

Sex

Males and females are a similar share of the population in Upper Hutt City. This has been the case for the past three Censuses.

Table 5.5 Resident population by sex, Upper Hutt City & Wellington Region, 2001, 2006 & 2013

	Number				Percentage			
	Upper Hutt City		Wellington Region		Upper Hutt City		Wellington Region	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	18,117	18,255	205,869	217,899	49.8%	50.2%	48.6%	51.4%
2006	19,098	19,320	217,653	231,303	49.7%	50.3%	48.5%	51.5%
2013	19,773	20,409	227,559	243,756	49.2%	50.8%	48.3%	51.7%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

5.2.2 Ethnicity

A larger share of the population in Upper Hutt City identify as European than the wider Wellington Region. A smaller proportion of Upper Hutt City's population identify as Pacific Peoples and Asian ethnicities.

Table 5.6 Resident population by ethnicity, Upper Hutt City & Wellington Region, 2006 & 2013

	Number				Percentage			
	Upper Hutt City		Wellington Region		Upper Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
European	28,287	32,172	302,973	345,180	73.6%	80.1%	67.5%	73.2%
Māori	5,199	5,334	55,434	58,338	13.5%	13.3%	12.3%	12.4%
Pacific Peoples	1,650	1,857	34,752	36,105	4.3%	4.6%	7.7%	7.7%
Asian	1,521	2,286	36,477	47,235	4.0%	5.7%	8.1%	10.0%
Other Ethnicities*	264	387	5,346	6,576	0.7%	1.0%	1.2%	1.4%

*Excludes 'NewZealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

5.3 The labour market

The WAP in Upper Hutt City was 31,000 people in 2013. Between the 2006 and 2013 Census, the WAP in Upper Hutt grew by four percent.

Upper Hutt City has a lower labour force participation rate and lower unemployment rate than the wider Wellington Region. Table 5.7 outlines the make-up of the labour force in Upper Hutt City using data from the 2006 and 2013 Censuses.

Table 5.7 Composition of the labour force, Upper Hutt City & Wellington Region, 2006 & 2013

	Upper Hutt City		Wellington Region	
	2006	2013	2006	2013
Employed	19,479	19,503	233,616	235,605
Unemployed	1,017	1,419	12,756	18,312
Labour Force	20,496	20,922	246,369	253,917
Not in the Labour Force	8,967	9,708	100,725	108,855
Working Age Population	29,463	30,630	347,094	362,772
Labour Force Participation rate	69.6%	68.3%	71.0%	70.0%
Unemployment rate	5.0%	6.8%	5.2%	7.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 5.8 shows that a large proportion of people in the WAP in Upper Hutt City have no or low qualifications. In 2013, 13,750 people or 48 percent of the WAP in Upper Hutt City had either no qualification or their highest qualification was a Level 2 Certificate or lower. In the Wellington Region, 38 percent of the WAP had either no qualification or their highest qualification was a Level 2 Certificate or lower.

Table 5.8 also shows that a smaller share of the WAP in Upper Hutt City have higher qualification levels compared to the Wellington Region. In 2013, 16 percent of the WAP in Upper Hutt City had a bachelor degree or higher (4,690 people), compared to 28 percent in the Wellington Region.

Table 5.8 Highest qualification held, WAP, Upper Hutt City & Wellington Region, 2006 & 2013

	Upper Hutt City		Wellington Region		Upper Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	6,900	5,985	64,614	55,083	25.3%	20.8%	19.8%	16.0%
Level 1 Certificate	4,224	4,116	39,228	37,284	15.5%	14.3%	12.0%	10.8%
Level 2 Certificate	3,474	3,645	36,063	36,330	12.7%	12.7%	11.0%	10.6%
Level 3 Certificate	2,178	2,739	32,601	38,241	8.0%	9.5%	10.0%	11.1%
Overseas Secondary School Qualification	1,368	1,500	17,973	19,650	5.0%	5.2%	5.5%	5.7%
Level 4 Certificate	3,243	3,402	29,679	29,766	11.9%	11.8%	9.1%	8.7%
Level 5 or Level 6 Diploma	2,583	2,700	31,263	30,843	9.5%	9.4%	9.6%	9.0%
Bachelor Degree and Level 7 Qualification	2,328	3,087	50,367	60,717	8.5%	10.7%	15.4%	17.7%
Post-graduate, Honours Degrees and Higher	993	1,605	24,900	35,814	3.6%	5.6%	7.6%	10.4%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

5.4 Employment

5.4.1 Employment by industry

Approximately 11,000 FTEs were employed in Upper Hutt City in 2013. This was fractionally down on the 2012 number, but up around 1,000 FTEs from 2003. Over the 10 year period, average per annum employment growth in Upper Hutt City was lower than average per annum employment growth in the Wellington Region. Table 5.9 provides a summary of employment in Upper Hutt City broken down by eight sectors.

Table 5.9 Employment by sector, Upper Hutt City

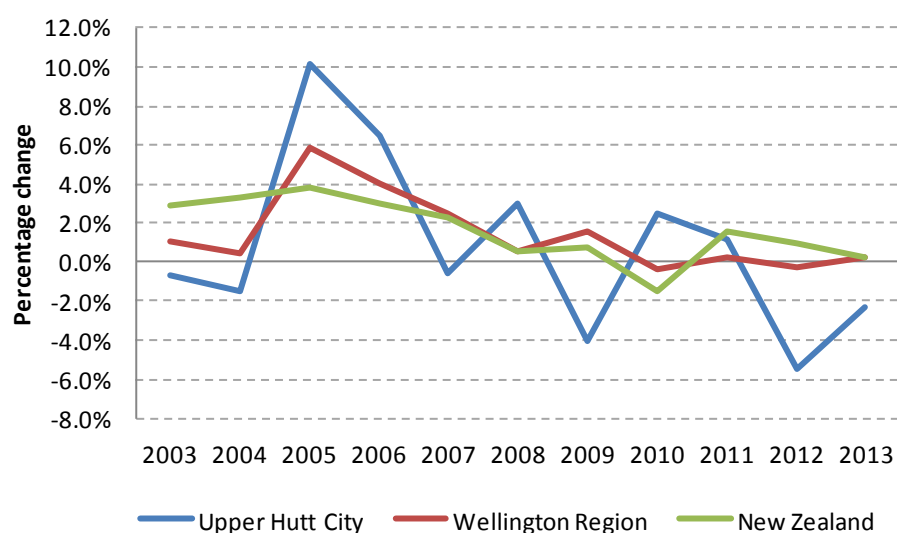
Sector	Employment Number FTEs			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	54	58	68	16.6	2.4
Manufacturing	1,337	980	997	1.8	-2.9
Construction	773	1,081	946	-12.5	2.0
Wholesale and Distribution	787	805	784	-2.6	0.0
Retail Trade and Services	2,268	2,006	1,958	-2.4	-1.5
Business Services	1,126	784	801	2.1	-3.3
Arts and Recreation Services	172	214	222	3.6	2.6
Social Services	3,183	4,875	4,878	0.1	4.4
Upper Hutt City	9,699	10,805	10,654	-1.4	0.9
Wellington Region	196,033	226,198	226,800	0.3	1.5
New Zealand	1,625,492	1,878,583	1,883,050	0.2	1.5

Source: BERL Regional Database, 2013

The social services and retail trade and services sectors are the largest areas of employment in Upper Hutt City.

Employment performance over the last 10 years

Between 2003 and 2013, the number of FTEs in Upper Hutt City grew by an average of 0.9 percent per annum. Figure 5.1 shows that while the overall number of FTEs grew over the decade, the City did experience periods of declining employment. Employment in Upper Hutt City peaked at just over 11,000 FTEs in 2011, but FTEs levels have since declined.

Figure 5.1 Employment growth, Upper Hutt City, Wellington Region & NZ, 2003-2013

Employment by sector in Upper Hutt City

The social services sector is the largest area of employment in Upper Hutt City. In 2013, there were approximately 4,880 FTEs employed in this sector in Upper Hutt, up 53 percent from 2003. This sector employs approximately 46 percent of all FTEs in Upper Hutt City, up from 33 percent in 2003.

Within the social services sector, FTEs are largely concentrated in the following industries:

- Defence (1,500 FTEs or 32 percent of all FTEs in this sector)
- Preschool and school education (1,000 FTEs or 27 percent of all FTEs in this sector)
- Public order, safety and regulatory services (800 FTEs or 17 percent of all FTEs in this sector)
- Public administration (700 FTEs or 14 percent of all FTEs in this sector).

The following industries drove employment in the social services sector between 2003 and 2013:

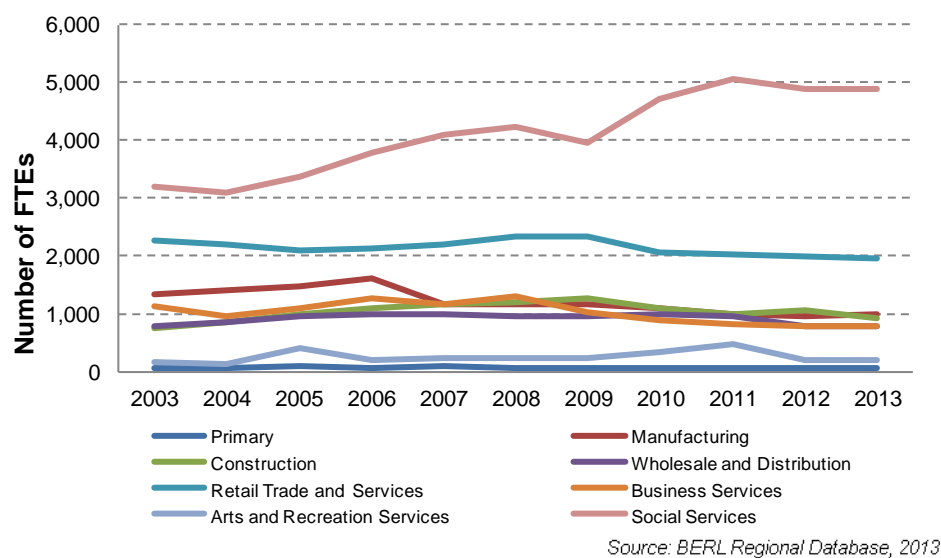
- Defence (up 800 FTEs or 102 percent).
- Public order, safety and regulatory services (up 400 FTEs or 74 percent). The number of FTEs per business in this industry increased from 21.8 FTEs in 2003, to 44.0 in 2013.
- Public administration (up 300 FTEs or 99 percent).

Employment noticeably declined between 2003 and 2013 in:

- Retail trade and services (down 300 FTEs or 29 percent)
- Manufacturing (down 300 FTEs or 25 percent)
- Business services (down 300 FTEs or 14 percent).

Figure 5.2 outlines how employment has changed in the each of the sectors in Upper Hutt City over the past decade.

Figure 5.2 Employment by sector, Upper Hutt City, 2003-2013



5.4.2 Employment by occupation

Table 5.10 shows employment by broad occupation group in 2006 and 2013. In 2013, a higher proportion of people were employed in Upper Hutt City as technical and trade workers, community and personal services workers, and clerical and administrative workers than regionally.

Table 5.10 Employment by occupation, Upper Hutt City & Wellington Region, 2006 & 2013

	Upper Hutt City		Wellington Region		Upper Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	2,814	3,030	37,767	39,264	15%	16%	17%	18%
Professionals	3,522	4,083	60,345	67,311	19%	22%	27%	30%
Technicians and Trades Workers	2,643	2,391	24,861	22,707	14%	13%	11%	10%
Community and Personal Service Workers	1,887	2,094	18,258	20,196	10%	11%	8%	9%
Clerical and Administrative Workers	3,258	2,952	33,498	30,285	18%	16%	15%	14%
Sales Workers	1,860	1,824	21,486	19,863	10%	10%	10%	9%
Machinery Operators and Drivers	1,128	861	9,468	7,971	6%	5%	4%	4%
Labourers	1,398	1,344	16,665	15,717	8%	7%	7%	7%
Total people stated	18,513	18,579	222,345	223,317	100%	100%	100%	100%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Between 2006 and 2013, the number of people employed as professionals increased by 560 people or 16 percent. This was largely a result of increased employment in the social services sector, where a large number of professionals are employed in Upper Hutt City.

5.5 The number and size of businesses

In 2013, businesses in Upper Hutt City made up six percent of all businesses in the Wellington Region. The business services sector has 40 percent of all businesses in Upper Hutt City. The number of businesses in Upper Hutt City grew steadily between 2003 and 2008, where the number of businesses peaked at over 2,400. Since 2009, the number of businesses in Upper Hutt City has declined.

Table 5.11 Business units in the Upper Hutt City

Sector	Business Units (number)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	172	135	127	-5.9	-3.0
Manufacturing	152	135	147	8.9	-0.3
Construction	450	487	483	-0.8	0.7
Wholesale and Distribution	230	237	219	-7.6	-0.5
Retail Trade and Services	421	468	454	-3.0	0.8
Business Services	696	1,131	1,159	2.5	5.2
Arts and Recreation Services	68	61	60	-1.6	-1.2
Social Services	224	235	227	-3.4	0.1
Upper Hutt City	2,413	2,889	2,876	-0.4	1.8
Wellington Region	43,168	51,861	52,054	0.4	1.9
New Zealand	425,589	504,381	507,908	0.7	1.8

Source: BERL Regional Database, 2013

Table 5.12 shows business size (the number of FTEs per business) by sector in Upper Hutt City. In 2013 there were 3.7 FTEs per business in Upper Hutt City, the same number of FTEs per business unit as there was nationally. Business size in Upper Hutt City was lower than business size in the Wellington Region.

The social services sector has the largest business size in Upper Hutt City, with 25.5 FTEs per business unit in 2013. This reflects the large number of FTEs working in the Defence Force and education organisations within the City.

Table 5.12 Business size in Upper Hutt City

Sector	Business Size (FTEs per unit)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	0.3	0.4	0.5	23.9	5.6
Manufacturing	8.8	7.3	6.8	-6.5	-2.6
Construction	1.7	2.2	2.0	-11.8	1.3
Wholesale and Distribution	3.4	3.4	3.6	5.4	0.5
Retail Trade and Services	5.4	4.3	4.3	0.6	-2.2
Business Services	1.6	0.7	0.7	-0.4	-8.2
Arts and Recreation Services	2.5	3.5	3.7	5.3	3.9
Social Services	14.2	20.7	21.5	3.6	4.2
Upper Hutt City	4.0	3.7	3.7	-0.9	-0.8
Wellington Region	4.5	4.4	4.4	-0.1	-0.4
New Zealand	3.8	3.7	3.7	-0.5	-0.3

Source: BERL Regional Database, 2013

5.6 GDP growth

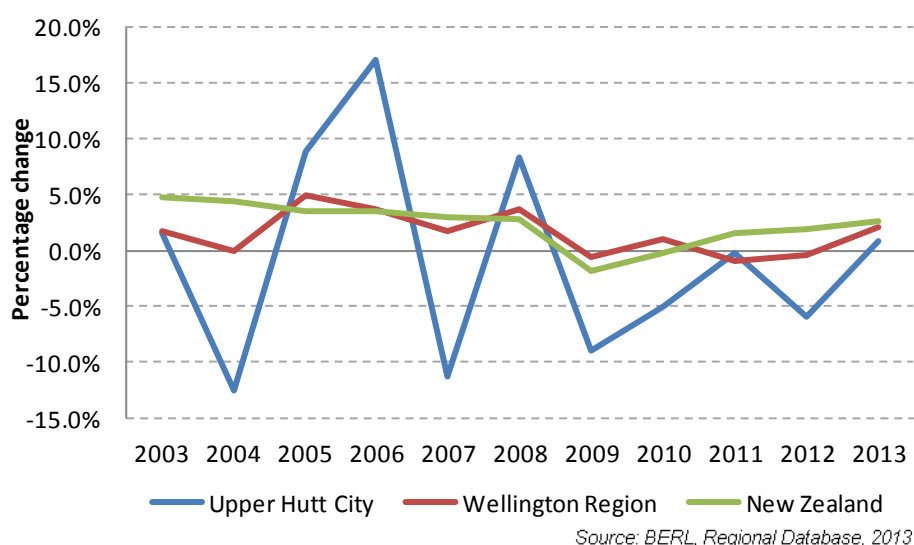
GDP in Upper Hutt City was estimated to be \$1.2 billion or five percent of Wellington Region's overall GDP in 2013. GDP growth in Upper Hutt City in the year to March 2013 was 0.9 percent, lower than the regional average.

Table 5.13 GDP contribution by sector, Upper Hutt City

Sector	Value Added or GDP (2013\$m)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	7	20	21	5.2	11.7
Manufacturing	233	148	162	9.6	-3.6
Construction	53	64	63	-1.4	1.8
Wholesale and Distribution	91	101	100	-0.8	0.9
Retail Trade and Services	97	112	111	-0.7	1.3
Business Services	498	183	174	-5.2	-10.0
Arts and Recreation Services	12	14	15	7.5	2.1
Social Services	209	335	341	2.0	5.0
<i>Owner-Occupied Dwellings (O.O.D)</i>	215	256	256	0.2	1.8
Upper Hutt City	1,416	1,232	1,244	0.9	-1.3
Wellington Region	22,452	25,497	26,028	2.1	1.5
New Zealand	171,495	206,148	211,639	2.7	2.1

Source: BERL Regional Database, 2013

Between 2003 and 2013, GDP in Upper Hutt City shrank by an average of 1.3 percent per annum, while the Wellington Region economy grew by an average of 1.5 percent per annum. Figure 5.3 shows that while overall GDP in Upper Hutt declined over the decade, the City did experience periods of strong economic growth. GDP in Upper Hutt City peaked at \$1.58 billion in 2006.

Figure 5.3 GDP growth, Upper Hutt City, Wellington Region & NZ, 2003–2013

5.6.1 GDP by sector

The social services sector is the largest sector in Upper Hutt City in terms of contribution to GDP. In 2013, this sector contributed \$321 million to the economy and accounted for 27 percent of the City's economy. Defence is the largest contributor to GDP in this sector in Upper Hutt City, at \$111 million or one-third of GDP in this sector. Between 2003 and 2013, GDP in the Defence industry grew by \$62 million (126 percent). The Trentham Army Base is located in Upper Hutt City.

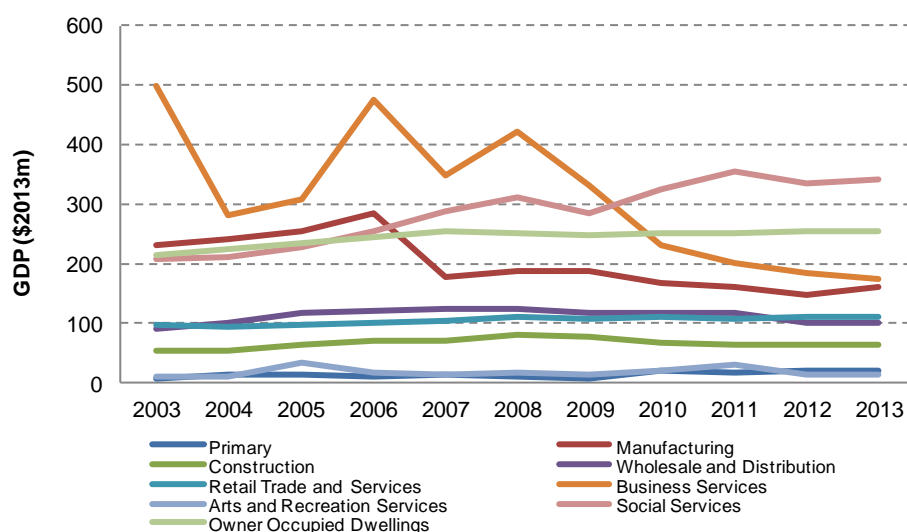
Other industries to show large GDP growth over the period were public administration, up \$35 million or 125 percent, and public order, safety and regulatory Services, up \$29 million or 97 percent. This sector includes correctional and detention services. The Rimutaka Prison is located in Upper Hutt City.

GDP in the business services sector in Upper Hutt City fell sharply between 2003 and 2013. In 2003 this sector contributed \$498 million to the economy and accounted for 35 percent of the City's GDP. By 2013, this had dropped by \$174 million and accounted for 14 percent of the City's GDP. Internet service providers, web search portals, and data processing services was responsible for the majority of the decline in GDP in this sector, with GDP declining from \$419 million in 2003 to \$87 million in 2013. A decline in employment in these industries over this period (down 340 FTEs) and businesses (down from seven to four) explains a lot of this decline.

The manufacturing sector in Upper Hutt City experienced a sharp decline in GDP between 2006 and 2007, with GDP declining by 75 percent, from \$286 million to \$178 million. This decline was driven by a decline in the polymer product and rubber product manufacturing industry, where GDP fell by 86 percent, from \$144 million in 2006 to \$25 million in 2007. This decline is explained by the 2007 closure of South Pacific Types in Upper Hutt City.

Figure 5.4 shows how GDP has changed across the broad sectors over the past decade.

Figure 5.4 GDP by sector, Upper Hutt City, 2003-2013



Source: BERL, Regional Database, 2013

5.7 Income

Personal income

Table 5.14 shows that a similar proportion of the WAP in Upper Hutt City receive wages and salaries as the wider Wellington Region. People in Upper Hutt City are less likely to receive dividend and entrepreneurial income than people in the Wellington Region.

Table 5.14 Sources of personal income, WAP, Upper Hutt City & Wellington, 2006 & 2013

	Number				Percentage			
	Upper Hutt City		Wellington Region		Upper Hutt City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Wages and salaries	18,267	18,483	217,404	220,920	64%	62%	64%	62%
Entrepreneurial and dividend income	10,011	9,426	142,965	135,981	35%	31%	42%	38%
Interest, pension fund earnings and insurance receipts	1,740	1,479	17,904	16,395	6%	5%	5%	5%
Social security and assistance benefits	8,679	10,071	100,485	114,801	30%	34%	30%	32%
Other sources of income	567	531	9,021	8,505	2%	2%	3%	2%
Total Stated	28,575	30,048	338,511	355,926	137%	133%	144%	140%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Personal income levels in Upper Hutt City are slightly lower than the wider Wellington Region. In 2013, the median personal income in Upper Hutt City was \$32,000 compared to \$32,700 in the Wellington Region.

Lower personal income levels in Upper Hutt City are largely explained by a larger proportion of the WAP in Upper Hutt City having lower qualification levels and working in low and semi-skilled occupations compared to the wider Wellington Region.

Table 5.15 Personal income, WAP, Upper Hutt City & Wellington Region, 2006 & 2013

	Under 20K *		20-40K		40-50K		50-70K		70-100K		100K +	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Upper Hutt City	40%	35%	30%	24%	10%	10%	12%	15%	5%	10%	3%	6%
Wellington Region	39%	35%	28%	23%	10%	9%	11%	14%	6%	10%	6%	9%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

5.8 Labour productivity

Table 5.16 shows that labour productivity (i.e. GDP per FTE) in Upper Hutt City was \$92,700 in 2013. Labour productivity was nine percent lower in Upper Hutt City compared to the Wellington Region. In 2013, productivity levels in Upper Hutt City were high in the primary, business services, and wholesale and distribution sectors. While productivity levels were high in the primary sector in Upper Hutt City, there were few FTEs employed in this sector.

Table 5.16 Labour productivity, Upper Hutt City

Sector	Productivity (2013\$ per FTE)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	129,370	343,010	309,671	-9.7	9.1
Manufacturing	174,038	150,962	162,554	7.7	-0.7
Construction	68,739	59,378	66,955	12.8	-0.3
Wholesale and Distribution	116,315	124,978	127,353	1.9	0.9
Retail Trade and Services	42,895	55,764	56,756	1.8	2.8
Business Services #	442,462	233,907	217,280	-7.1	-6.9
Arts and Recreation Services	69,663	63,888	66,303	3.8	-0.5
Social Services	65,643	68,629	69,941	1.9	0.6
Upper Hutt City	123,784	90,369	92,677	2.6	-2.9
Wellington Region	101,689	99,502	101,515	2.0	0.0
New Zealand	91,705	95,459	98,029	2.7	0.7

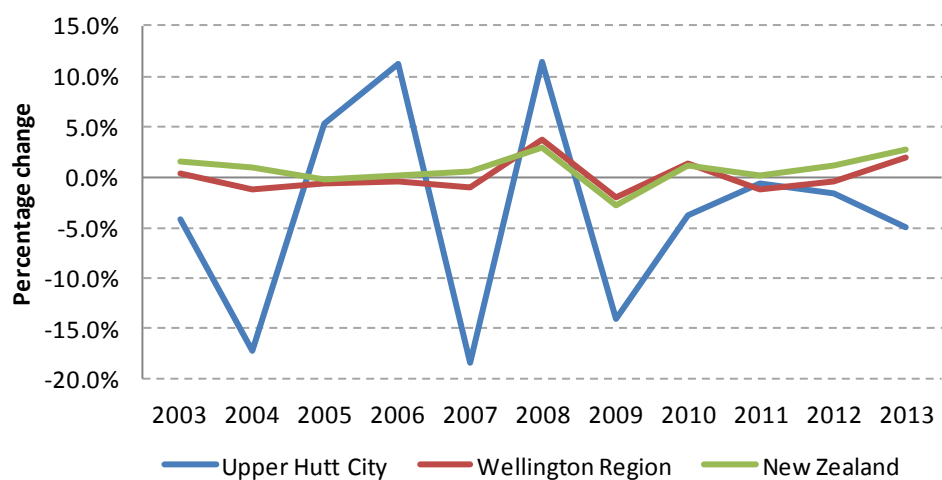
excl owner-occupied dwellings sector

Source: BERL Regional Database, 2013

Labour productivity in Upper Hutt City fell by an average of 2.9 percent per annum between 2003 and 2013. Labour productivity levels in the Wellington Region remained unchanged over the period. Over the decade, labour productivity in Upper Hutt City in the business services sector, which accounts for eight percent of FTEs in the City, shrank by 51 percent.

Labour productivity in Upper Hutt City was at its highest level in 2003, at \$123,800. While labour productivity in Upper Hutt City declined between 2003 and 2013, there were periods of labour productivity growth. Figure 5.5 shows the annual change in labour productivity in Upper Hutt City over the decade.

Figure 5.5 Labour productivity, Upper Hutt City, Wellington Region & NZ, 2003-2013



Source: BERL, Regional Database, 2013

6 Porirua City

In 2013:

- 51,720 people lived in Porirua City. This equates to 11 percent of the overall population in the Wellington Region.
- There were 14,265 FTEs employed in Porirua City. This equates to six percent of all FTEs in the Wellington Region. The largest area of employment was the social services sector, accounting for 5,425 FTEs or 38 percent of all FTEs in Porirua City.
- GDP in the Porirua City was \$1.5 billion. GDP in Porirua City accounted for six percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was social services, accounting for 24 percent of overall GDP in Porirua City.

This section of the report considers Porirua City in 2013. Current and past demographic and economic trends in Porirua City are examined, and compared to the wider Wellington Region. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

6.1 Key economic performance indicators

This section looks at key economic performance indicators for Porirua City and compares these against the performance of the Wellington Region and New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Table 6.1 shows that Porirua City experienced stronger economic growth across all key indicators except business unit growth between 2012 and 2013. Strong employment and GDP growth in the construction and social services sectors were key drivers behind the strong economic growth in Porirua City.

Table 6.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year		
	Porirua City	Wellington Region	New Zealand
Resident population growth	0.6	0.5	0.8
GDP growth	6.7	2.3	2.7
GDP per capita growth	6.1	1.8	1.8
Employment growth	6.5	0.2	0.2
Labour productivity growth	2.0	2.0	2.7
Business units growth	-0.2	0.4	0.7
Business size growth	6.7	-0.1	-0.5

Source: BERL Regional Database, 2013

Porirua City has also had strong economic growth over the 10 years to 2013. Table 6.2 shows that economic growth in Porirua City was stronger than that of the Wellington Region across all key indicators except labour productivity and business size growth. Porirua City experienced negative growth in these areas over the decade.

Table 6.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013		
	Porirua City	Wellington Region	New Zealand
Resident population growth	0.7	0.8	0.9
GDP growth	1.7	1.4	2.1
GDP per capita growth	1.0	0.7	1.2
Employment growth	2.0	1.5	1.5
Labour productivity growth	-0.2	0.0	0.7
Business units growth	2.9	1.9	1.8
Business size growth	-0.9	-0.4	-0.3

Source: BERL Regional Database, 2013

6.2 The resident population

The usually resident population of Porirua City was approximately 51,720 in 2013. This equates to 11 percent of the total population of the Wellington Region. Table 6.3 shows that the population of Porirua City grew at a faster rate than the Wellington Region between 2006 and 2013. Over the 2001 to 2013 period, however, the population of Porirua City grew at a slower rate.

Table 6.3 Resident population, Porirua City, Wellington Region & NZ, 2001, 2006 & 2013

	Number			% Change		
	2001	2006	2013	2001-2006	2006-2013	2001-2013
Porirua City	47,367	48,546	51,717	2.5%	6.5%	9.2%
Wellington Region	423,765	448,956	471,315	5.9%	5.0%	11.2%
New Zealand	3,737,280	4,027,947	4,242,048	7.8%	5.3%	13.5%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

6.2.1 Age

Table 6.4 indicates that one in four people in Porirua City are under the age of 15 as opposed to one in five people in the Wellington Region. Nationally and regionally the population is ageing. This changing age structure was also evident in Porirua City between 2006 and 2013, with the proportion of the population over the age of 45 growing.

Table 6.4 Resident population by age, Porirua City & Wellington Region, 2006 & 2013

	Number				Percentage			
	Porirua City		Wellington Region		Porirua City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
0-14 years	12,735	12,672	92,445	92,004	26.2%	24.5%	20.6%	19.5%
15-29 years	9,777	9,897	95,754	98,733	20.1%	19.1%	21.3%	20.9%
30-44 years	11,172	10,818	105,147	98,898	23.0%	20.9%	23.4%	21.0%
45-64 years	11,013	12,996	104,205	119,409	22.7%	25.1%	23.2%	25.3%
65 years +	3,861	5,349	51,411	62,268	8.0%	10.3%	11.5%	13.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

In 2013 the median age in Porirua City was 35.2 years. The median age in the Wellington Region was 37.2 years. The difference in the median age in Porirua City and the Wellington Region fell from 3.2 years to 2.8 years between 2006 and 2013.

Sex

Table 6.5 shows that the female population in Porirua City grew at a faster rate than the male population between 2001 and 2013. As a result the share of females increased to be similar to that of the wider Wellington Region in 2013.

Table 6.5 Resident population by sex, Porirua City & Wellington Region, 2001, 2006 & 2013

	Number				Percentage			
	Porirua City		Wellington Region		Porirua City		Wellington Region	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	23,241	24,126	205,869	217,899	49.1%	50.9%	48.6%	51.4%
2006	23,634	24,912	217,653	231,303	48.7%	51.3%	48.5%	51.5%
2013	24,903	26,811	227,559	243,756	48.2%	51.8%	48.3%	51.7%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

6.2.2 Ethnicity

Table 6.6 shows that 44 percent people in Porirua City identified themselves as Māori and Pacific Peoples in 2013. This compares with 20 percent in the Wellington Region. Between 2006 and 2013, the number of people in Porirua City identifying themselves as European and Asian grew, while the number of people identifying themselves as Māori or Pacific Peoples declined.

Table 6.6 Resident population by ethnicity, Porirua City & Wellington Region, 2006 & 2013

	Number				Percentage			
	Porirua City		Wellington Region		Porirua City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
European	26,199	31,047	302,973	345,180	54.0%	60.0%	67.5%	73.2%
Māori	9,645	10,131	55,434	58,338	19.9%	19.6%	12.3%	12.4%
Pacific Peoples	12,267	12,738	34,752	36,105	25.3%	24.6%	7.7%	7.7%
Asian	2,085	3,117	36,477	47,235	4.3%	6.0%	8.1%	10.0%
Other Ethnicities*	249	384	5,346	6,576	0.5%	0.7%	1.2%	1.4%

*Excludes 'New Zealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

6.3 The labour market

In 2013 the WAP in Porirua City was 37,000 people. This equates to 10 percent of the WAP in Wellington Region. Between the 2006 and 2013 Census, the WAP in Porirua City grew by seven percent. Over the same period the WAP in Wellington Region grew by five percent.

Table 6.7 outlines the make-up of the labour force in Porirua City using data from the 2006 and 2013 Censuses. It shows that Porirua City has a higher unemployment rate than the Wellington Region and a lower labour force participation rate. Between 2006 and 2013, the number of people not in the labour force has grown in Porirua City, this may be due to more people staying at home to look after family members, choosing to take early retirement, or undertaking study.

Table 6.7 Composition of the labour force, Porirua City & Wellington Region, 2006 & 2013

	Porirua City		Wellington Region	
	2006	2013	2006	2013
Employed	22,545	23,247	233,616	235,605
Unemployed	1,698	2,379	12,756	18,312
Labour Force	24,243	25,626	246,369	253,917
Not in the Labour Force	10,095	11,253	100,725	108,855
Working Age Population	34,338	36,879	347,094	362,772
Labour Force Participation rate	70.6%	69.5%	71.0%	70.0%
Unemployment rate	7.0%	9.3%	5.2%	7.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 6.8 shows that a larger proportion of people in the WAP in Porirua City have no or low qualifications compared to the wider Wellington Region. Conversely, a lower proportion of the WAP in Porirua City have a bachelor degree or higher qualification when compared to the WAP of the Wellington Region.

Table 6.8 Highest qualification held, WAP, Porirua City & Wellington Region, 2006 & 2013

	Porirua City		Wellington Region		Porirua City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	8,151	7,131	64,614	55,083	25.9%	20.9%	19.8%	16.0%
Level 1 Certificate	4,569	4,554	39,228	37,284	14.5%	13.3%	12.0%	10.8%
Level 2 Certificate	3,906	4,182	36,063	36,330	12.4%	12.2%	11.0%	10.6%
Level 3 Certificate	2,775	3,411	32,601	38,241	8.8%	10.0%	10.0%	11.1%
Overseas Secondary School Qualification	1,599	1,866	17,973	19,650	5.1%	5.5%	5.5%	5.7%
Level 4 Certificate	2,850	3,135	29,679	29,766	9.0%	9.2%	9.1%	8.7%
Level 5 or Level 6 Diploma	3,027	3,042	31,263	30,843	9.6%	8.9%	9.6%	9.0%
Bachelor Degree and Level 7 Qualification	3,252	4,638	50,367	60,717	10.3%	13.6%	15.4%	17.7%
Post-graduate, Honours Degrees and Higher	1,374	2,229	24,900	35,814	4.4%	6.5%	7.6%	10.4%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

6.4 Employment

6.4.1 Employment by industry

In 2013 there were approximately 14,265 FTEs employed in Porirua City. Employment in Porirua City grew by 6.5 percent between 2012 and 2013. This large employment growth was driven by employment increases in the construction and social services sectors. Employment in the construction sector was driven by job growth in the heavy and civil engineering construction industry and construction services. Within the social services sector, employment growth was in the hospitals industry. Table 6.9 provides a summary of employment in Porirua City broken down by eight sectors.

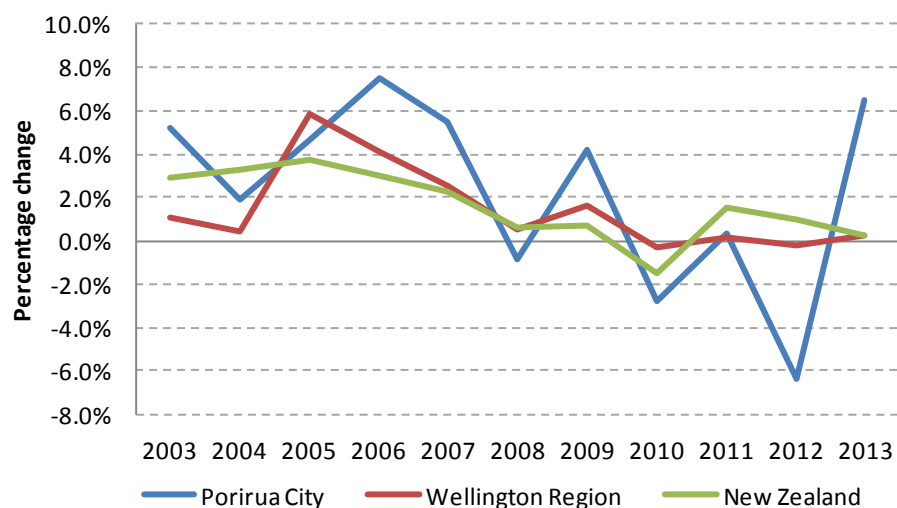
Table 6.9 Employment by sector, Porirua City

Sector	Employment Number FTEs			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	81	84	86	2.1	0.6
Manufacturing	1,011	851	855	0.4	-1.7
Construction	889	1,889	2,273	20.4	9.8
Wholesale and Distribution	678	969	884	-8.8	2.7
Retail Trade and Services	3,371	3,121	3,039	-2.6	-1.0
Business Services	1,465	1,508	1,474	-2.2	0.1
Arts and Recreation Services	190	247	230	-7.0	1.9
Social Services	4,056	4,728	5,425	14.7	3.0
Porirua City	11,740	13,396	14,265	6.5	2.0
Wellington Region	196,033	226,198	226,800	0.3	1.5
New Zealand	1,625,492	1,878,583	1,883,050	0.2	1.5

Source: BERL Regional Database, 2013

Employment performance over the last 10 years

The number of FTEs in Porirua City grew by an average of 2.0 percent per annum between 2003 and 2013. This growth rate was faster than the regional and national average of 1.5 percent per annum, and was driven by strong growth in the construction (9.8 percent per annum) and social services (3.0 percent per annum) sectors.

Figure 6.1 Employment growth, Porirua City, Wellington Region & NZ, 2003-2013

Source: BERL, Regional Database, 2013

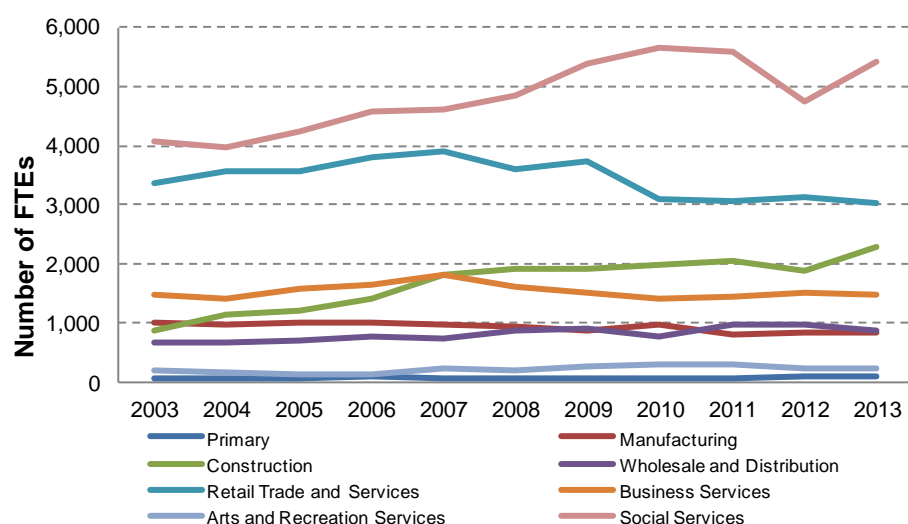
Employment by sector in Porirua City

The social services sector is the largest area of employment in Porirua City. In 2013, there were approximately 5,425 FTEs employed in this sector, or 38 percent of all employment in Porirua City.

Within the sector, preschool education and school education made up 23 percent of all employment, while hospitals made up a further 21 percent. Kenepuru Hospital and Whitireia Polytechnic are likely to explain a large part of this employment.

Figure 6.2 shows that employment grew in the social services sector between 2004 and 2010, but declined sharply in 2011 before rebounding in 2012. The decline between 2010 and 2011 was largely driven by a decline in FTEs in the hospitals and adult education industries.

Figure 6.2 Employment by sector, Porirua City, 2003-2013



Source: BERL, Regional Database, 2013

The retail trade and services sector is the second largest area of employment in Porirua City. After a sharp decline in the number of FTEs in this sector between 2007 and 2010, influenced by the Global Financial Crisis, employment in this sector has remained at around 3,000 FTEs since 2010.

The number of FTEs in the construction sector in Porirua City increased by 1,400 or 156 percent between 2003 and 2013, with a sharp increase between 2012 and 2013. While FTEs increased in all industries within the construction sector over the decade, the heavy and civil engineering construction industry accounted for over half (53 percent) of this growth. The number of heavy and civil engineering construction businesses doubled over this period, and the number of FTEs per business also increased significantly, from 7.9 FTEs per business in 2003, to 30.4 FTEs per business in 2013.

6.4.2 Employment by occupation

Table 6.10 shows that the largest occupations in Porirua City in 2013 were professional (5,620 people or 27 percent) and managers (3,780 people or 17 percent).

Table 6.10 Employment by occupation, Porirua City & Wellington Region, 2006 & 2013

	Porirua City		Wellington Region		Porirua City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	3,414	3,777	37,767	39,264	16%	17%	17%	18%
Professionals	4,752	5,616	60,345	67,311	22%	26%	27%	30%
Technicians and Trades Workers	2,433	2,244	24,861	22,707	11%	10%	11%	10%
Community and Personal Service Workers	1,974	2,268	18,258	20,196	9%	10%	8%	9%
Clerical and Administrative Workers	3,300	3,066	33,498	30,285	16%	14%	15%	14%
Sales Workers	2,121	1,932	21,486	19,863	10%	9%	10%	9%
Machinery Operators and Drivers	1,218	1,017	9,468	7,971	6%	5%	4%	4%
Labourers	1,980	1,911	16,665	15,717	9%	9%	7%	7%
Total people stated	21,198	21,831	222,345	223,317	100%	100%	100%	100%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Between 2006 and 2013, the number of people employed as professionals and living in Porirua City increased by 860 people or 18 percent. During the same period the number of people employed as sales workers decreased by 560 people or six percent. The decline in employment in the retail trade and services industry (down by 1.0 percent per annum between 2003 and 2013) could partly explain this trend.

6.5 The number and size of businesses

Businesses in Porirua City made up eight percent of all businesses in the Wellington Region in 2013. The business services sector had the largest number of businesses, at 43 percent of all businesses in Porirua City. There was strong growth in business units in the business services sector in Porirua City between 2003 and 2013, due to business growth in the professional, scientific and technical services industry.

Table 6.11 Business units in Porirua City

Sector	Business Units (number)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	130	98	94	-4.1	-3.2
Manufacturing	119	146	141	-3.4	1.7
Construction	497	663	633	-4.5	2.4
Wholesale and Distribution	297	289	268	-7.3	-1.0
Retail Trade and Services	562	633	635	0.3	1.2
Business Services	994	1,685	1,719	2.0	5.6
Arts and Recreation Services	72	94	99	5.3	3.2
Social Services	296	351	363	3.4	2.1
Porirua City	2,967	3,959	3,952	-0.2	2.9
Wellington Region	43,168	51,861	52,054	0.4	1.9
New Zealand	425,589	504,381	507,908	0.7	1.8

Source: BERL Regional Database, 2013

The social services sector has the largest business size in Porirua City, with 14.9 FTEs per business unit in 2013. This reflects the large number of FTEs working in education and medical organisations within the City.

Table 6.12 shows that business size (the number of FTEs per business unit) in Porirua City, at 3.6 FTEs per business unit in 2013, is lower than business size in the Wellington Region at 4.4 FTEs per business unit.

Between 2003 and 2013, the reduction in business size in Porirua City was larger than the reduction in business size regionally and nationally. The decline in business size in the manufacturing and business services sector was greater in Porirua City than across the wider Wellington Region during this period.

Table 6.12 Business size in Porirua City

Sector	Business Size (FTEs per unit)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	0.6	0.9	0.9	6.4	4.0
Manufacturing	8.5	5.8	6.1	4.0	-3.3
Construction	1.8	2.8	3.6	26.1	7.2
Wholesale and Distribution	2.3	3.4	3.3	-1.6	3.7
Retail Trade and Services	6.0	4.9	4.8	-2.9	-2.2
Business Services	1.5	0.9	0.9	-4.1	-5.3
Arts and Recreation Services	2.6	2.6	2.3	-11.6	-1.3
Social Services	13.7	13.5	14.9	10.9	0.9
Porirua City	4.0	3.4	3.6	6.7	-0.9
Wellington Region	4.5	4.4	4.4	-0.1	-0.4
New Zealand	3.8	3.7	3.7	-0.5	-0.3

Source: BERL Regional Database, 2013

6.6 GDP growth

In 2013, GDP in Porirua City was estimated to be \$1.47 billion or six percent of overall GDP in the Wellington Region. In the year to March 2013, GDP growth in Porirua City was more than three times that of GDP growth in the wider Wellington Region. Growth in the year to March 2013 was driven by strong GDP growth in the social services (up 18.3 percent), construction (up 35.7 percent), and manufacturing (up 11.6 percent) sectors.

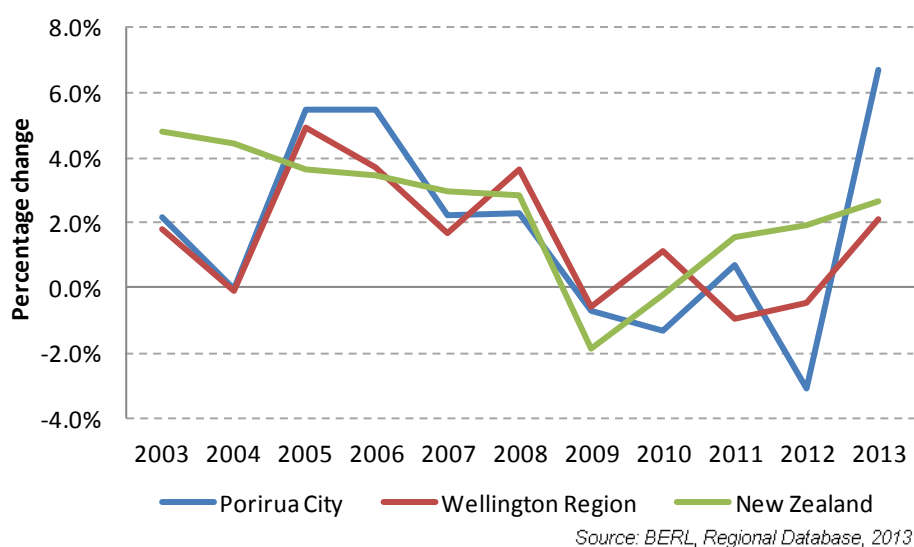
Table 6.13 GDP contribution by sector, Porirua City

Sector	Value Added or GDP (2013\$m)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	6	9	8	-4.9	3.8
Manufacturing	158	125	139	11.6	-1.2
Construction	61	112	152	35.7	9.6
Wholesale and Distribution	80	124	114	-8.2	3.6
Retail Trade and Services	147	184	182	-1.2	2.1
Business Services	232	181	176	-2.8	-2.7
Arts and Recreation Services	15	17	17	-2.9	0.8
Social Services	262	300	355	18.3	3.1
<i>Owner-Occupied Dwellings (O.O.D)</i>	279	328	330	0.6	1.7
Porirua City	1,240	1,380	1,473	6.7	1.7
Wellington Region	22,452	25,497	26,028	2.1	1.5
New Zealand	171,495	206,148	211,639	2.7	2.1

Source: BERL Regional Database, 2013

Between 2003 and 2013, GDP in Porirua City grew by an average of 1.7 percent per annum. This was higher than average per annum growth in the Wellington Region over the same period. Figure 6.3 shows overall GDP growth in Porirua City over the past decade.

Figure 6.3 GDP growth, Porirua City, Wellington Region & NZ, 2003–2013

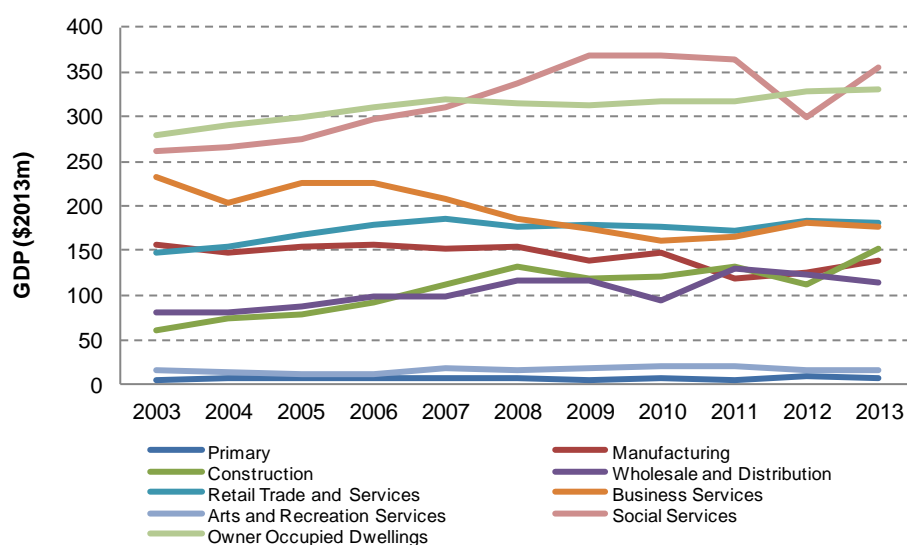


6.6.1 GDP by sector

The social services sector is the largest contributor to GDP in Porirua City. In 2013, this sector contributed \$350 million to the economy and accounted for 24 percent of the overall GDP generated by the economy of Porirua City.

Figure 6.4 shows that between 2011 and 2013 GDP fluctuated in the social service sector in Porirua City. The hospitals industry accounted for most of this fluctuation; hospitals are the largest industry within the social services sector. In 2013, this industry contributed towards 25 percent of the GDP from the social services sector in Porirua City.

Figure 6.4 GDP by sector, Porirua City, 2003-2013



6.7 Income

Personal income

Table 6.14 shows that a similar proportion of people in the WAP in Porirua City receive wages and salaries as the wider Wellington Region. People in Porirua City are less likely to receive dividend and entrepreneurial income than people in the wider Wellington Region.

Table 6.14 Sources of personal income, WAP, Porirua City & Wellington, 2006 & 2013

	Number				Percentage			
	Porirua City		Wellington Region		Porirua City		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Wages and salaries	20,907	21,564	217,404	220,920	63%	61%	64%	62%
Entrepreneurial and dividend income	10,554	10,656	142,965	135,981	32%	30%	42%	38%
Interest, pension fund earnings and insurance receipts	1,407	1,464	17,904	16,395	4%	4%	5%	5%
Social security and assistance benefits	10,137	11,721	100,485	114,801	31%	33%	30%	32%
Other sources of income	612	555	9,021	8,505	2%	2%	3%	2%
Total Stated	32,988	35,625	338,511	355,926	100%	100%	100%	100%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100
Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 6.15 shows that people in Porirua City have lower personal incomes than the wider Wellington Region. In 2013 the median personal income in Porirua City was \$31,400 compared to \$32,700 in the Wellington Region.

Lower personal income levels in Porirua City could be explained by the City's younger age profile, a larger proportion of the WAP in the City having lower qualification levels and/or working in semi-skilled and low skilled occupations, and a smaller percentage of the WAP receiving income from entrepreneurial activities or dividends.

Table 6.15 Personal income, WAP, Porirua City & Wellington Region, 2006 & 2013

	Under 20K *		20-40K		40-50K		50-70K		70-100K		100K +	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Porirua City	40%	36%	30%	23%	9%	9%	10%	14%	6%	9%	5%	8%
Wellington Region	39%	35%	28%	23%	10%	9%	11%	14%	6%	10%	6%	9%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

6.8 Labour productivity

Labour productivity (i.e. GDP per FTE) in Porirua City was \$80,100 in 2013 or 21 percent lower than regional labour productivity. In 2013, productivity levels in the Porirua City were high in the manufacturing, wholesale and distribution, and business services sectors. These sectors also had the highest levels of labour productivity nationally.

Table 6.16 Labour productivity, Porirua City

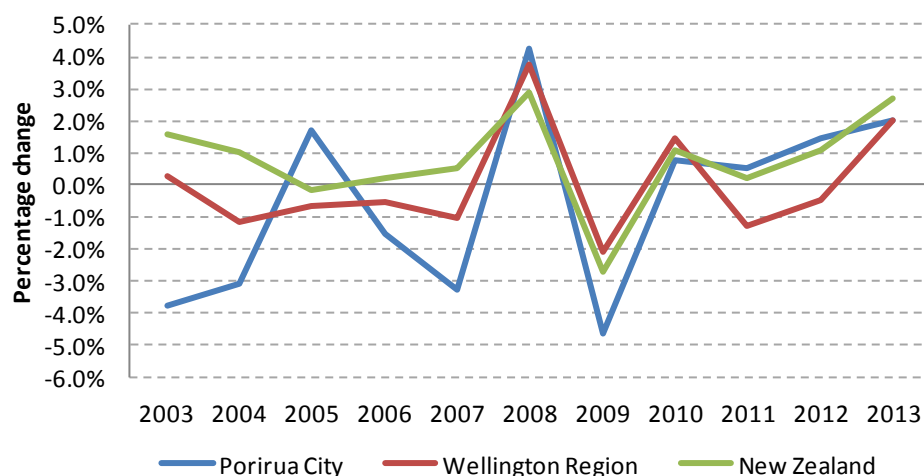
Sector	Productivity (2013\$ per FTE)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	69,991	102,241	95,265	-6.8	3.1
Manufacturing	155,963	146,514	162,829	11.1	0.4
Construction	68,739	59,378	66,955	12.8	-0.3
Wholesale and Distribution	118,073	128,239	128,981	0.6	0.9
Retail Trade and Services	43,687	59,051	59,916	1.5	3.2
Business Services #	158,615	120,031	119,293	-0.6	-2.8
Arts and Recreation Services	80,786	69,259	72,271	4.3	-1.1
Social Services	64,535	63,402	65,377	3.1	0.1
Porirua City	81,868	78,516	80,108	2.0	-0.2
Wellington Region	101,689	99,502	101,515	2.0	0.0
New Zealand	91,705	95,459	98,029	2.7	0.7

excl owner-occupied dwellings sector

Source: BERL Regional Database, 2013

Labour productivity in Porirua City declined by an average of 0.2 percent per annum between 2003 and 2013 while productivity levels in the Wellington Region remained unchanged. Over the decade, labour productivity in Porirua City increased strongly in the primary and retail trade and services sectors and declined strongly in the business services sector.

Figure 6.5 shows annual labour productivity growth in Porirua City over the past decade.

Figure 6.5 Labour productivity, Porirua City, Wellington Region & NZ, 2003-2013

Source: BERL, Regional Database, 2013

7 Kapiti Coast District

In 2013:

- 49,100 people lived in the Kapiti Coast District. This equates to 10 percent of the overall population of the Wellington Region.
- There were 10,630 FTEs employed in the Kapiti Coast District. This equates to five percent of all FTEs in the Wellington Region. The largest areas of employment were the retail trade and services (3,210 people) and social services (3,080 people) sectors. Together, these sectors accounted for around 30 percent of all FTEs in the District.
- GDP in the Kapiti Coast District was \$1.2 billion. GDP in the District accounted for five percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to was the social services sector, accounting for 17 percent of overall GDP in the District.

This section of the report considers the Kapiti Coast District in 2013. Current and past demographic and economic trends in the Kapiti Coast District are examined, and compared to the wider Wellington Region. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

7.1 Key economic performance indicators

This section looks at key economic performance indicators for the Kapiti Coast District compared to the Wellington Region and New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Table 7.1 shows that the Kapiti Coast District experienced greater labour productivity growth and steady business unit growth between 2012 and 2013, but a weaker economic performance across the other key economic indicators.

Table 7.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year		
	Kapiti Coast District	Wellington Region	New Zealand
Resident population growth	0.2	0.5	0.8
GDP growth	-0.5	2.3	2.7
GDP per capita growth	-0.7	1.8	1.8
Employment growth	-3.3	0.2	0.2
Labour productivity growth	2.6	2.0	2.7
Business units growth	0.5	0.4	0.7
Business size growth	-3.7	-0.1	-0.5

Source: BERL Regional Database, 2013

Declines in employment and GDP in the manufacturing, construction and business services industries in the Kapiti Coast District largely explain the weak economic performance between 2012 and 2013.

The economic performance of the Kapiti Coast District in the 10 years to 2013 was slightly stronger across most key economic indicators compared to the Wellington Region. GDP in the District grew at a faster rate than the regional average (1.9 percent compared to 1.4 percent per annum), while employment growth was slightly slower (1.0 percent compared to 1.5 percent). Population and business unit growth in the District was also higher than the regional average.

Table 7.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013		
	Kapiti Coast District	Wellington Region	New Zealand
Resident population growth	1.1	0.8	0.9
GDP growth	1.9	1.4	2.1
GDP per capita growth	0.7	0.7	1.2
Employment growth	1.0	1.5	1.5
Labour productivity growth	0.8	0.0	0.7
Business units growth	2.0	1.9	1.8
Business size growth	-1.0	-0.4	-0.3

Source: BERL Regional Database, 2013

7.2 The resident population

The usually resident population of the Kapiti Coast District was approximately 49,100 people in 2013. This equates to nine percent of the population in the Wellington Region. Table 7.3 shows that the resident population of the Kapiti Coast District grew at a faster rate than the resident population of the Wellington Region between 2001 and 2013.

Table 7.3 Resident population, Kapiti Coast, Wellington Region & NZ, 2001, 2006 & 2013

	Number			% Change		
	2001	2006	2013	2001-2006	2006-2013	2001-2013
Kapiti Coast District	42,447	46,197	49,104	8.8%	6.3%	15.7%
Wellington Region	423,765	448,956	471,315	5.9%	5.0%	11.2%
New Zealand	3,737,280	4,027,947	4,242,048	7.8%	5.3%	13.5%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

7.2.1 Age

The Kapiti Coast District has one of the largest shares of people aged 65 years and over in the country. Table 7.4 shows that the Kapiti Coast District has an older age profile than the Wellington Region. In 2013, 53 percent of people in the Kapiti Coast District were aged 45 or over compared to 38 percent in the Wellington Region.

Table 7.4 Resident population by age, Kapiti Coast & Wellington Region, 2006 & 2013

	Number				Percentage			
	Kapiti Coast District		Wellington Region		Kapiti Coast District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
0-14 years	8,943	9,048	92,445	92,004	19.4%	18.4%	20.6%	19.5%
15-29 years	5,856	6,270	95,754	98,733	12.7%	12.8%	21.3%	20.9%
30-44 years	8,793	7,881	105,147	98,898	19.0%	16.1%	23.4%	21.0%
45-64 years	11,865	13,476	104,205	119,409	25.7%	27.4%	23.2%	25.3%
65 years +	10,746	12,423	51,411	62,268	23.3%	25.3%	11.5%	13.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

In 2013 the median age in the Kapiti Coast District was 46.9 years. This is 9.7 years older than the median age in the Wellington Region. The difference in the median age between the Kapiti Coast District and the Wellington Region increased from 9.0 years to 9.7 years between 2006 and 2013.

Sex

The Kapiti Coast District has a larger share of females than the Wellington Region. This could be due to the larger share of older people in the District. Older age groups have larger proportions of females.

Table 7.5 Resident population by sex, Kapiti Coast & Wellington Region, 2001, 2006 & 2013

	Number				Percentage			
	Kapiti Coast District		Wellington Region		Kapiti Coast District		Wellington Region	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	19,908	22,539	205,869	217,899	46.9%	53.1%	48.6%	51.4%
2006	21,486	24,711	217,653	231,303	46.5%	53.5%	48.5%	51.5%
2013	22,893	26,211	227,559	243,756	46.6%	53.4%	48.3%	51.7%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

7.2.2 Ethnicity

Table 7.6 shows that the Kapiti Coast District has a larger share of people who identify as European and a smaller share of people who identify as Pacific Peoples and Asian. Once again, this could be due to the larger share of older people in the District. Older age groups have larger proportions of people who identify as European.

Table 7.6 Resident population by ethnicity, Kapiti Coast & Wellington Region, 2006 & 2013

	Number				Percentage			
	Kapiti Coast District		Wellington Region		Kapiti Coast District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
European	35,517	41,889	302,973	345,180	76.9%	85.3%	67.5%	73.2%
Māori	5,481	6,198	55,434	58,338	11.9%	12.6%	12.3%	12.4%
Pacific Peoples	963	1,263	34,752	36,105	2.1%	2.6%	7.7%	7.7%
Asian	1,071	1,551	36,477	47,235	2.3%	3.2%	8.1%	10.0%
Other Ethnicities*	108	207	5,346	6,576	0.2%	0.4%	1.2%	1.4%

*Excludes 'New Zealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

7.3 The labour market

The WAP in the Kapiti Coast District was approximately 38,630 people in 2013. Between the 2006 and 2013 Census, the WAP in the Kapiti Coast District grew by seven percent, which was greater than regional WAP growth of five percent.

The Kapiti Coast District has a lower labour force participation rate than the Wellington Region. The District also has a high unemployment rate relative to the wider Wellington Region. These differences could be explained by the older age profile in the District.

Table 7.7 Composition of the labour force, Kapiti Coast & Wellington Region, 2006 & 2013

	Kapiti Coast District		Wellington Region	
	2006	2013	2006	2013
Employed	20,445	21,108	233,616	235,605
Unemployed	1,023	1,743	12,756	18,312
Labour Force	21,468	22,848	246,369	253,917
Not in the Labour Force	14,787	15,786	100,725	108,855
Working Age Population	36,255	38,634	347,094	362,772
Labour Force Participation rate	59.2%	59.1%	71.0%	70.0%
Unemployment rate	4.8%	7.6%	5.2%	7.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 7.8 shows that that a larger proportion of the WAP in the Kapiti Coast District have no qualifications (19.5 percent) compared to the wider Wellington Region (16.0 percent). Fewer people in the District also had a bachelor degree or higher qualification (19.3 percent compared to 28.1 percent).

Table 7.8 Highest qualification held, WAP, Kapiti Coast & Wellington Region, 2006 & 2013

	Kapiti Coast District		Wellington Region		Kapiti Coast District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	8,268	7,050	64,614	55,083	24.4%	19.5%	19.8%	16.0%
Level 1 Certificate	4,935	5,142	39,228	37,284	14.6%	14.2%	12.0%	10.8%
Level 2 Certificate	3,930	4,263	36,063	36,330	11.6%	11.8%	11.0%	10.6%
Level 3 Certificate	2,310	2,649	32,601	38,241	6.8%	7.3%	10.0%	11.1%
Overseas Secondary School Qualification	1,971	2,250	17,973	19,650	5.8%	6.2%	5.5%	5.7%
Level 4 Certificate	3,900	3,969	29,679	29,766	11.5%	11.0%	9.1%	8.7%
Level 5 or Level 6 Diploma	3,729	3,846	31,263	30,843	11.0%	10.6%	9.6%	9.0%
Bachelor Degree and Level 7 Qualification	3,240	4,410	50,367	60,717	9.6%	12.2%	15.4%	17.7%
Post-graduate, Honours Degrees and Higher	1,536	2,565	24,900	35,814	4.5%	7.1%	7.6%	10.4%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

7.4 Employment

7.4.1 Employment by industry

In 2013, approximately 10,630 FTEs were employed in the Kapiti Coast District. This was down 3.3 percent from 2012. Over the same period the number of FTEs in the Wellington Region increased by 0.2 percent. Table 7.9 provides a summary of employment in the Kapiti Coast District broken down by eight sectors. The largest areas of employment are the retail trade and services sector, and the social services sector. The construction sector and business services are also large areas of employment.

Table 7.9 Employment by sector, Kapiti Coast District

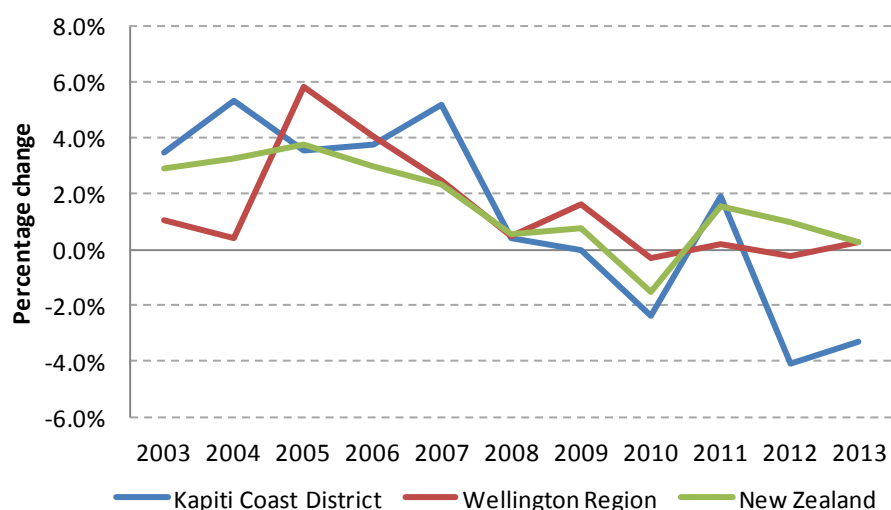
Sector	Employment Number FTEs			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	523	456	431	-5.3	-1.9
Manufacturing	837	837	660	-21.2	-2.4
Construction	1,299	1,452	1,357	-6.6	0.4
Wholesale and Distribution	434	487	450	-7.7	0.4
Retail Trade and Services	3,079	3,146	3,209	2.0	0.4
Business Services	1,125	1,301	1,263	-2.9	1.2
Arts and Recreation Services	142	262	188	-28.4	2.8
Social Services	2,205	3,057	3,077	0.6	3.4
Kapiti Coast District	9,645	10,998	10,634	-3.3	1.0
Wellington Region	196,033	226,198	226,800	0.3	1.5
New Zealand	1,625,492	1,878,583	1,883,050	0.2	1.5

Source: BERL Regional Database, 2013

Employment performance over the last 10 years

The number of FTEs in the Kapiti Coast District grew by an average of 1.0 percent per annum between 2003 and 2013, slower than the regional average of 1.5 percent over the same period. Figure 7.1 shows that the Kapiti Coast District has, with the exception of 2011, experienced employment decline since 2009. Declines in employment in the retail trade and services sector (down by 410 FTEs or 11 percent between 2009 and 2013) and construction sector (down by 400 FTEs or 23 percent) largely explain these trends.

Figure 7.1 Employment growth, Kapiti Coast, Wellington Region & NZ, 2003-2013



Source: BERL, Regional Database, 2013

Employment by sector in Kapiti Coast District

In 2013, the retail trade and services sector accounted for 30 percent of employment in the Kapiti Coast District. A further 29 percent of people were employed in the social services sector.

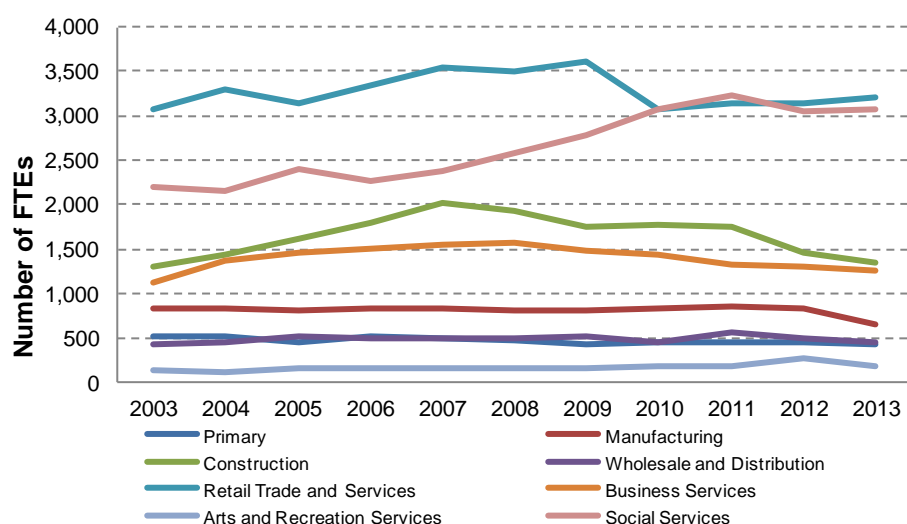
Employment in the retail trade and services sector in the Kapiti Coast District peaked at 3,600 FTEs in 2009, before declining as a result of the Global Financial Crisis. Employment in this sector has remained flat since 2010.

- Within this sector, employment in the food and beverages industry increased by over 300 FTEs between 2003 and 2013, while employment in almost all other industries declined. This growth was driven by a strong increase in the number of food and beverage businesses in the District.

Approximately 3,100 FTEs were employed in the social services sector on the Kapiti Coast in 2013. Figure 7.2 shows that employment in this sector increased markedly between 2006 and 2011, before declining in recent years.

- Within the social services sector, the residential care services¹³ and social assistance services¹⁴ industries accounted for half of the FTE growth between 2006 and 2011. Growth in residential care services was driven by increased demand for these services in the District. Growth in social assistance services was driven by an increase in the number of businesses offering these services in the District.

Figure 7.2 Employment by sector, Kapiti Coast District, 2003-2013



Source: BERL, Regional Database, 2013

Employment in the construction sector on the Kapiti Coast has declined since 2007, when it peaked at 2,000 FTEs. The building construction and construction services industries accounted for 93 percent of the decline in employment in the construction sector in the Kapiti Coast between 2007 and 2013.

7.4.2 Employment by occupation

Table 7.10 shows that a smaller proportion of people living in the Kapiti Coast District in 2013 were employed as professionals (19 percent or 3,870 people) compared to the wider Wellington Region (18 percent). In turn, a larger proportion of the population were employed as technicians and trades workers, and community and personal support workers compared to the wider region.

¹³ Includes aged care services

¹⁴ Includes child care services

Table 7.10 Employment by occupation, Kapiti Coast & Wellington Region, 2006 & 2013

	Kapiti Coast District		Wellington Region		Kapiti Coast District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	3,711	3,870	37,767	39,264	19%	19%	17%	18%
Professionals	4,218	4,986	60,345	67,311	22%	25%	27%	30%
Technicians and Trades Workers	2,676	2,478	24,861	22,707	14%	12%	11%	10%
Community and Personal Service Workers	1,806	2,073	18,258	20,196	9%	10%	8%	9%
Clerical and Administrative Workers	2,586	2,475	33,498	30,285	13%	12%	15%	14%
Sales Workers	2,142	2,010	21,486	19,863	11%	10%	10%	9%
Machinery Operators and Drivers	687	651	9,468	7,971	4%	3%	4%	4%
Labourers	1,659	1,584	16,665	15,717	9%	8%	7%	7%
Total people stated	19,485	20,124	222,345	223,317	100%	100%	100%	100%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Between 2006 and 2013, the number of professionals in the Kapiti Coast District grew by 15 percent. This growth could be explained by an increasing share of professionals who work in Wellington City moving to live in the Kapiti Coast District.

7.5 The number and size of businesses

In 2013, businesses in the Kapiti Coast District made up nine percent of all businesses in the Wellington Region. Business units in the business services sector were 43 percent of all businesses in the District. There was strong growth in the number of business units in the business services sector in the Kapiti Coast District between 2003 and 2013.

Table 7.11 Business units in Kapiti Coast District

Sector	Business Units (number)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	459	313	301	-3.8	-4.1
Manufacturing	209	225	225	0.0	0.7
Construction	728	782	745	-4.7	0.2
Wholesale and Distribution	256	245	242	-1.2	-0.6
Retail Trade and Services	664	766	765	-0.1	1.4
Business Services	1,256	1,989	2,058	3.5	5.1
Arts and Recreation Services	96	115	117	1.7	2.0
Social Services	277	344	348	1.2	2.3
Kapiti Coast District	3,945	4,779	4,801	0.5	2.0
Wellington Region	43,168	51,861	52,054	0.4	1.9
New Zealand	425,589	504,381	507,908	0.7	1.8

Source: BERL Regional Database, 2013

Table 7.12 shows that business size in the Kapiti Coast District, at 2.2 FTEs per business unit in 2013, is smaller than the regional or national average. The social services sector had the largest business size in the Kapiti Coast District, with 8.8 FTEs per business unit in 2013. This reflects the large number of FTEs working in education and residential care organisations within the District. Business size in the manufacturing sector in the Kapiti Coast District declined between 2003 and 2013, from 4.0 FTEs per business unit to 2.9.

Table 7.12 Business size in Kapiti Coast District

Sector	Business Size (FTEs per unit)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	1.1	1.5	1.4	-1.5	2.3
Manufacturing	4.0	3.7	2.9	-21.2	-3.1
Construction	1.8	1.9	1.8	-1.9	0.2
Wholesale and Distribution	1.7	2.0	1.9	-6.6	0.9
Retail Trade and Services	4.6	4.1	4.2	2.1	-1.0
Business Services	0.9	0.7	0.6	-6.2	-3.7
Arts and Recreation Services	1.5	2.3	1.6	-29.7	0.8
Social Services	8.0	8.9	8.8	-0.5	1.1
Kapiti Coast District	2.4	2.3	2.2	-3.8	-1.0
Wellington Region	4.5	4.4	4.4	-0.1	-0.4
New Zealand	3.8	3.7	3.7	-0.5	-0.3

Source: BERL Regional Database, 2013

7.6 GDP growth

In 2013, GDP in the Kapiti Coast District was estimated to be \$1.18 billion or eight percent of overall GDP generated in the Wellington Region. In the year to March 2013, GDP in the Kapiti Coast District shrank by 0.5 percent while GDP in the Wellington Region grew by 2.1 percent.

The decline in GDP between 2012 and 2013 was largely driven by a decline in output from the manufacturing sector, down \$16 million or 15 percent. GDP generated by the wholesale and distribution and arts and recreation services sectors also declined, but these declines were off a smaller base.

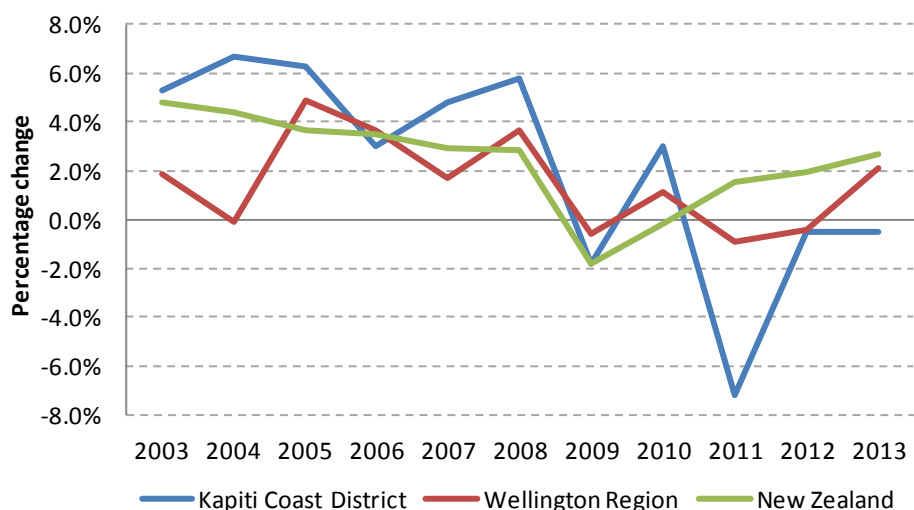
Table 7.13 GDP contribution by sector, Kapiti Coast District

Sector	Value Added or GDP (2013\$m)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	39	48	52	8.0	2.8
Manufacturing	105	108	92	-14.8	-1.3
Construction	89	86	91	5.3	0.2
Wholesale and Distribution	53	65	61	-5.7	1.5
Retail Trade and Services	134	177	184	3.6	3.2
Business Services	153	169	168	-0.4	1.0
Arts and Recreation Services	12	18	13	-25.6	1.4
Social Services	140	198	201	1.7	3.7
<i>Owner-Occupied Dwellings (O.O.D)</i>	254	312	313	0.2	2.1
Kapiti Coast District	978	1,182	1,176	-0.5	1.9
Wellington Region	22,452	25,497	26,028	2.1	1.5
New Zealand	171,495	206,148	211,639	2.7	2.1

Source: BERL Regional Database, 2013

GDP in the Kapiti Coast District peaked in 2010 at \$1.28 billion and has fallen since. Figure 7.3 shows annual GDP growth in the Kapiti Coast District, Wellington Region, and New Zealand between 2003 and 2013.

Figure 7.3 GDP growth, Kapiti Coast, Wellington Region & NZ, 2003–2013

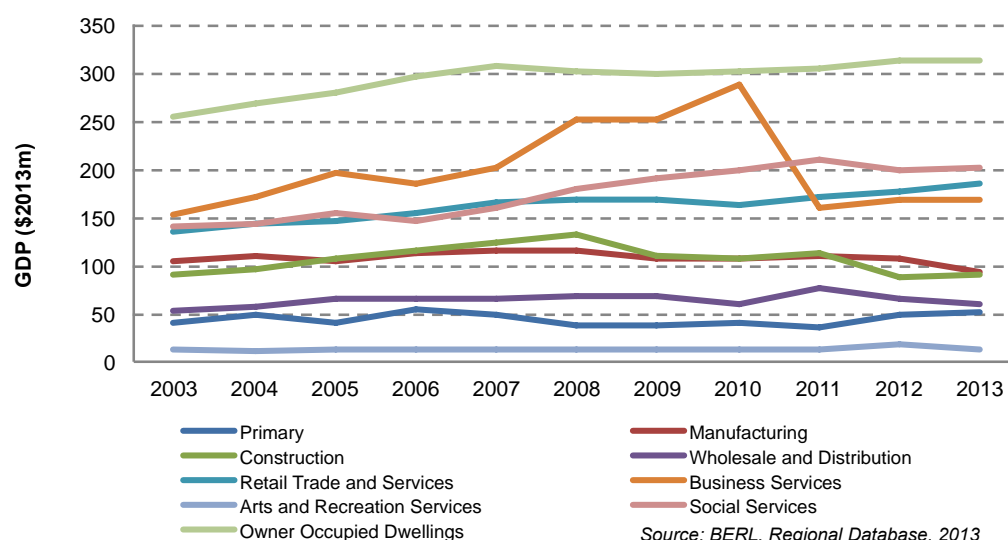


Source: BERL, Regional Database, 2013

7.6.1 GDP by sector

GDP from the business services sector declined significantly between 2010 and 2011. This decline was largely driven by a decline in employment and output from the internet service providers, web search portals, and data processing services industry. GDP from this industry declined by just over \$100 million or 97 percent between 2010 and 2011 due to TelstraClear no longer operating their Kapiti office.

Figure 7.4 GDP by sector, Kapiti Coast District, 2003-2013



Source: BERL, Regional Database, 2013

Between 2003 and 2013, GDP from the social services sector increased by 44 percent in the Kapiti Coast District. The medical and other health care services¹⁵ and residential care services industries accounted for 65 percent of this growth.

The retail trade and services sector also increased its contribution to GDP by 37 percent between 2003 and 2013. Food retailing and other store-based retailing accounted for 78 percent of this growth. This growth could partially be explained by the upgrade/expansion of the Coastlands mall and an increased number of fast food outlets in the District.

7.7 Income

Personal income

Table 7.14 shows that a smaller proportion of people in the WAP in the Kapiti Coast District receive wages and salaries than the wider Wellington Region. People in the Kapiti Coast District are more likely to receive dividend and entrepreneurial income, and social security and assistance benefits than people in the wider Wellington Region.

Table 7.14 Sources of personal income, WAP, Kapiti Coast & Wellington Region, 2006 & 2013

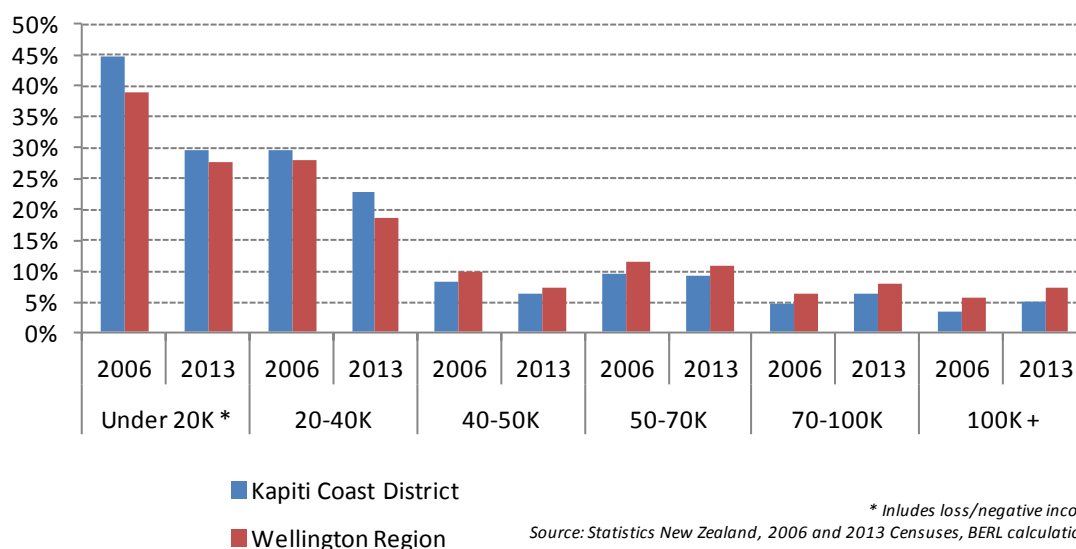
	Number				Percentage			
	Kapiti Coast District		Wellington Region		Kapiti Coast District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Wages and salaries	17,709	18,420	217,404	220,920	50%	48%	64%	62%
Entrepreneurial and dividend income	16,953	16,314	142,965	135,981	48%	43%	42%	38%
Interest, pension fund earnings and insurance receipts	3,309	2,985	17,904	16,395	9%	8%	5%	5%
Social security and assistance benefits	15,381	17,241	100,485	114,801	43%	45%	30%	32%
Other sources of income	648	672	9,021	8,505	2%	2%	3%	2%
Total Stated	35,493	38,004	338,511	355,926	100%	100%	100%	100%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

The WAP in the Kapiti Coast District has lower personal income levels than the WAP in the wider Wellington Region. In 2013, the median personal income in the Kapiti Coast District City was \$26,900 compared to \$32,700 in the Wellington Region.

Figure 7.5 Personal income, WAP, Kapiti Coast & Wellington Region, 2006 & 2013



¹⁵ Includes GP and specialist services; allied health; and ambulance services.

7.8 Labour productivity

Table 7.15 shows that labour productivity (i.e. GDP per FTE) in the Kapiti Coast District was \$81,200 in 2013, or 20 percent lower than the regional average. This is largely due to the high proportion of people employed in the construction, retail trade and services, and social services industries, all of which have low levels of labour productivity.

Table 7.15 Labour productivity, Kapiti Coast District

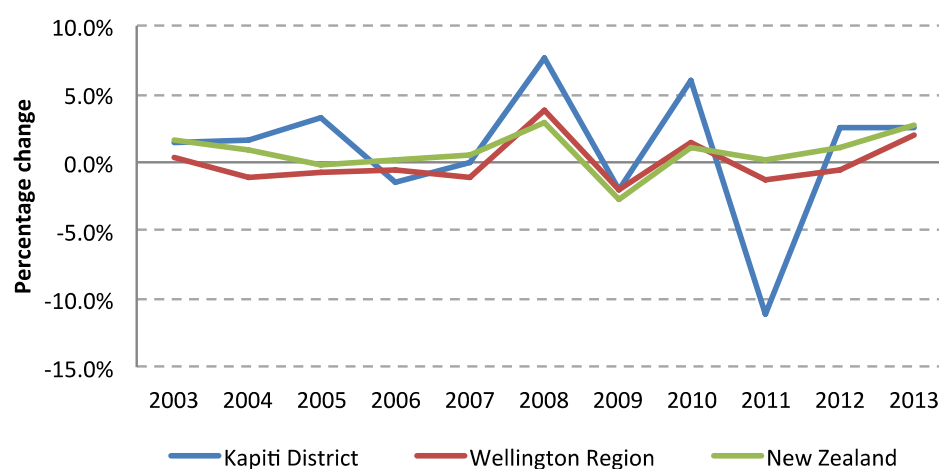
Sector	Productivity (2013\$ per FTE)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	75,445	105,978	120,860	14.0	4.8
Manufacturing	124,978	129,388	139,747	8.0	1.1
Construction	68,739	59,378	66,955	12.8	-0.3
Wholesale and Distribution	121,614	133,097	136,028	2.2	1.1
Retail Trade and Services	43,588	56,366	57,253	1.6	2.8
Business Services #	135,716	129,955	133,384	2.6	-0.2
Arts and Recreation Services	81,873	68,820	71,565	4.0	-1.3
Social Services	63,427	64,748	65,421	1.0	0.3
Kapiti Coast District	75,127	79,106	81,177	2.6	0.8
Wellington Region	101,689	99,502	101,515	2.0	0.0
New Zealand	91,705	95,459	98,029	2.7	0.7

excl owner-occupied dwellings sector

Source: BERL Regional Database, 2013

Labour productivity in the Kapiti Coast District increased by an average of 0.8 percent per annum between 2003 and 2013. Labour productivity in the Wellington Region remained unchanged over the period. Labour productivity in the Kapiti Coast District peaked at \$86,900 in 2010. Figure 7.6 shows annual labour productivity growth in the Kapiti Coast District over the past decade.

Figure 7.6 Labour productivity, Kapiti Coast, Wellington Region & NZ, 2003-2013



8 Masterton District

In 2013:

- 23,350 people lived in the Masterton District. This equates to five percent of the overall population of the Wellington Region.
- There were 9,640 FTEs employed in the Masterton District. This equates to four percent of all FTEs in the Wellington Region. The largest area of employment in Masterton District was the social services sector, accounting for around 28 percent of all FTEs.
- GDP in the Masterton District was \$950 million. GDP in the District accounted for four percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was the social services sector, accounting for 19 percent of overall GDP in the District.

This section of the report considers the Masterton District in 2013. Current and past demographic and economic trends in Masterton District are examined and compared to the Wellington Region and New Zealand. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

8.1 Key economic performance indicators

This section looks at key economic performance indicators for the Masterton District and compares the performance of the District against the Wellington Region and New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Table 8.1 shows that the Masterton District had a weaker economic performance between 2012 and 2013 compared to the Wellington Region across all key economic performance indicators except labour productivity growth and business unit growth.

Table 8.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year		
	Masterton District	Wellington Region	New Zealand
Resident population growth	-0.4	0.5	0.8
GDP growth	-1.2	2.3	2.7
GDP per capita growth	-0.8	1.8	1.8
Employment growth	-3.6	0.2	0.2
Labour productivity growth	2.3	2.0	2.7
Business units growth	1.0	0.4	0.7
Business size growth	-4.6	-0.1	-0.5

Source: BERL Regional Database, 2013

The weaker economic performance of the Masterton District between 2012 and 2013 was largely driven by declines in employment and GDP in the manufacturing and social services sectors.

The Masterton District economy stalled in the 10 years to 2013. The District's economic performance was, with the exception of labour productivity growth, weaker than that of the Wellington Region and New Zealand. Labour productivity growth in Masterton District was stronger than labour productivity growth regionally over the decade. This was due to employment in the District remaining flat, and the District experiencing modest economic growth.

Table 8.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013		
	Masterton District	Wellington Region	New Zealand
Resident population growth	0.3	0.8	0.9
GDP growth	0.7	1.4	2.1
GDP per capita growth	0.5	0.7	1.2
Employment growth	0.0	1.5	1.5
Labour productivity growth	0.6	0.0	0.7
Business units growth	1.5	1.9	1.8
Business size growth	-1.4	-0.4	-0.3

Source: BERL Regional Database, 2013

8.2 The resident population

In 2013, the usually resident population of the Masterton District was 23,350 people. This equates to five percent of the population of the Wellington Region. Table 8.3 shows that between 2001 and 2006 the population in Masterton District did not change compared to overall population growth of 5.0 percent regionally.

Table 8.3 Resident population, Masterton, Wellington Region & NZ, 2001, 2006 & 2013

	Number			% Change		
	2001	2006	2013	2001-2006	2006-2013	2001-2013
Masterton District	22,617	22,623	23,352	0.0%	3.2%	3.2%
Wellington Region	423,765	448,956	471,315	5.9%	5.0%	11.2%
New Zealand	3,737,280	4,027,947	4,242,048	7.8%	5.3%	13.5%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

Between 2006 and 2013 the population of the Masterton District grew, but at a slower rate than overall regional population growth (3.2 percent compared to 5.3 percent regionally).

8.2.1 Age

Table 8.4 shows that Masterton District has an older age profile than the Wellington Region. Looking at the data, it appears that young people, couples and families are leaving the District due to a lack of employment opportunities.

Nationally, and regionally, the population is ageing. The ageing of the population was also evident in the Masterton District between 2006 and 2013.

Table 8.4 Resident population by age, Masterton, Wellington Region & NZ, 2006 & 2013

	Number				Percentage			
	Masterton District		Wellington Region		Masterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
0-14 years	4,809	4,665	92,445	92,004	21.3%	20.0%	20.6%	19.5%
15-29 years	3,780	3,843	95,754	98,733	16.7%	16.5%	21.3%	20.9%
30-44 years	4,185	3,867	105,147	98,898	18.5%	16.6%	23.4%	21.0%
45-64 years	6,036	6,522	104,205	119,409	26.7%	27.9%	23.2%	25.3%
65 years +	3,816	4,452	51,411	62,268	16.9%	19.1%	11.5%	13.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

The median age in the Masterton District was 42.8 years in 2013. The median age in the Wellington Region was 37.2 years. The difference in the median age between Masterton District and the Wellington Region increased from 5.1 years to 5.6 years between 2006 and 2013.

Sex

Table 8.5 shows that the sex profile of Masterton District is similar to that of the Wellington Region.

Table 8.5 Resident population by sex, Masterton & Wellington Region, 2001, 2006 & 2013

	Number				Percentage			
	Masterton District		Wellington Region		Masterton District		Wellington Region	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	10,962	11,655	205,869	217,899	48.5%	51.5%	48.6%	51.4%
2006	10,872	11,751	217,653	231,303	48.1%	51.9%	48.5%	51.5%
2013	11,226	12,123	227,559	243,756	48.1%	51.9%	48.3%	51.7%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

8.2.2 Ethnicity

Error! Reference source not found. shows that a larger proportion of people in the Masterton District identify as European and Māori than people in the Wellington Region. Conversely a smaller proportion of people in the District identify as Pacific Peoples and Asian.

Table 8.6 Resident population by ethnicity, Masterton & the Wellington Region, 2006 & 2013

	Number				Percentage			
	Masterton District		Wellington Region		Masterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
European	17,169	19,440	302,973	345,180	75.9%	83.2%	67.5%	73.2%
Māori	3,726	4,170	55,434	58,338	16.5%	17.9%	12.3%	12.4%
Pacific Peoples	600	735	34,752	36,105	2.7%	3.1%	7.7%	7.7%
Asian	366	546	36,477	47,235	1.6%	2.3%	8.1%	10.0%
Other Ethnicities*	69	66	5,346	6,576	0.3%	0.3%	1.2%	1.4%

* Excludes 'New Zealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

8.3 The labour market

The Masterton District had a WAP of approximately 18,000 people in 2013. Between the 2006 and 2013 Census, the WAP in the Masterton District grew by three percent. Over the same period, the WAP in the Wellington Region grew by five percent.

Masterton District has a lower labour force participation rate than the Wellington Region. This could be explained by the older age profile in the District relative to the Wellington Region.

Table 8.7 outlines the make-up of the labour force in the Masterton District using data from the 2006 and 2013 Censuses.

Table 8.7 Composition of the labour force, Masterton & Wellington Region, 2006 & 2013

	Masterton District		Wellington Region	
	2006	2013	2006	2013
Employed	10,938	10,836	233,616	235,605
Unemployed	546	849	12,756	18,312
Labour Force	11,481	11,685	246,369	253,917
Not in the Labour Force	6,018	6,390	100,725	108,855
Working Age Population	17,499	18,075	347,094	362,772
Labour Force Participation rate	65.6%	64.6%	71.0%	70.0%
Unemployment rate	4.8%	7.3%	5.2%	7.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 8.8 shows that a larger proportion of people in the WAP in Masterton District have no or low qualifications compared to the wider Wellington Region. Conversely, a lower proportion of the WAP in Masterton District have a bachelor degree or higher qualification compared to the rest of the Region.

Table 8.8 Highest qualification held, WAP, Masterton & Wellington Region, 2006 & 2013

	Masterton District		Wellington Region		Masterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	5,298	4,635	64,614	55,083	32.8%	27.9%	19.8%	16.0%
Level 1 Certificate	2,508	2,604	39,228	37,284	15.5%	15.6%	12.0%	10.8%
Level 2 Certificate	1,824	2,079	36,063	36,330	11.3%	12.5%	11.0%	10.6%
Level 3 Certificate	1,092	1,269	32,601	38,241	6.8%	7.6%	10.0%	11.1%
Overseas Secondary School Qualification	471	501	17,973	19,650	2.9%	3.0%	5.5%	5.7%
Level 4 Certificate	1,899	1,968	29,679	29,766	11.7%	11.8%	9.1%	8.7%
Level 5 or Level 6 Diploma	1,542	1,527	31,263	30,843	9.5%	9.2%	9.6%	9.0%
Bachelor Degree and Level 7 Qualification	1,134	1,506	50,367	60,717	7.0%	9.0%	15.4%	17.7%
Post-graduate, Honours Degrees and Higher	408	552	24,900	35,814	2.5%	3.3%	7.6%	10.4%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

8.4 Employment

8.4.1 Employment by industry

There were approximately 9,640 FTEs employed in the Masterton District in 2013. Employment declined by 3.6 percent between 2012 and 2013. Over the same period, the number of FTEs in the Wellington Region increased by 0.3 percent. Table 8.9 provides a summary of employment in Masterton District by eight sectors, and shows that between 2012 and 2013 employment declined in six of the eight sectors.

Table 8.9 Employment by sector, Masterton District

Sector	Employment Number FTEs			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	1,399	1,493	1,447	-3.1	0.3
Manufacturing	729	658	657	-0.1	-1.0
Construction	735	821	830	1.2	1.2
Wholesale and Distribution	571	620	592	-4.5	0.4
Retail Trade and Services	2,380	2,198	2,200	0.1	-0.8
Business Services	1,445	1,139	1,026	-9.8	-3.4
Arts and Recreation Services	96	163	151	-7.2	4.7
Social Services	2,249	2,914	2,738	-6.0	2.0
Masterton District	9,603	10,006	9,642	-3.6	0.0
Wellington Region	196,033	226,198	226,800	0.3	1.5
New Zealand	1,625,492	1,878,583	1,883,050	0.2	1.5

Source: BERL Regional Database, 2013

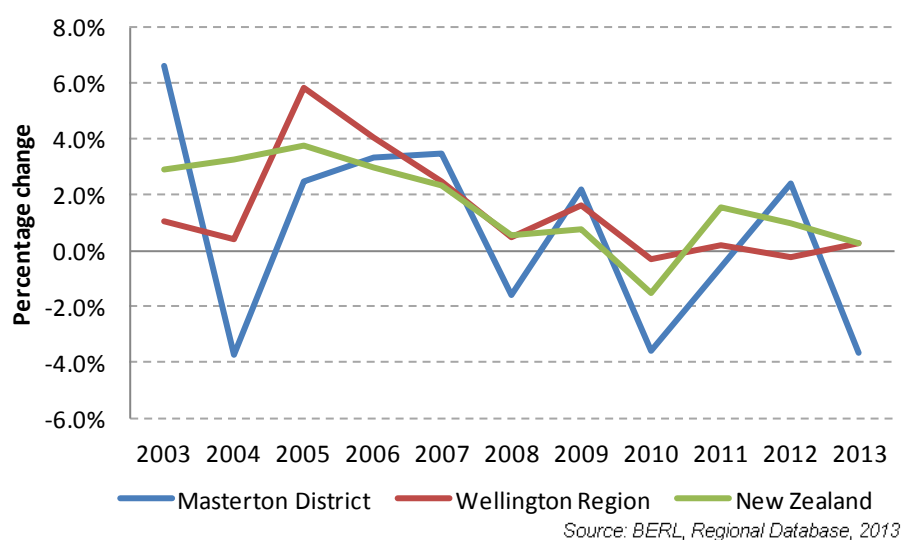
Employment performance over the last 10 years

The number of FTEs employed in the Masterton District remained relatively unchanged between 2003 and 2013. This was despite employment fluctuations over the period, and employment peaking in 2009 at just under 10,200 FTEs. Between 2003 and 2013 employment in the District declined in the business services, manufacturing and retail trade and services sectors.

- The number of FTEs employed in the business services sector fell by an average of 3.4 percent per annum (420 FTEs in total). This was driven by a large decline in the number of FTEs employed in the publishing industry (excluding internet and music publishing) between 2003 and 2004, where employment fell by 480 FTEs (95 percent). The number of businesses in this industry remained steady between 2003 and 2004, indicating that a business in the District restructured or downsized in 2004.
- The number of FTEs employed in the manufacturing sector fell by an average of 1.0 percent per annum (70 people in total). The number of FTEs in this sector fell each year between 2008 and 2013 and was largely driven by a decline in employment in the wood product manufacturing industry, where the number of businesses in the District declined from 19 to five.
- The number of FTEs in the retail trade and services sector fell by an average of 0.8 percent per annum (180 people in total). This decline in employment was felt across all industries within the sector, but largely occurred between 2009 and 2010.

Figure 8.1 shows the annual growth in FTEs in the Masterton District over the past decade.

Figure 8.1 Employment growth, Masterton, Wellington Region & NZ, 2003-2013



Employment by sector in Masterton District

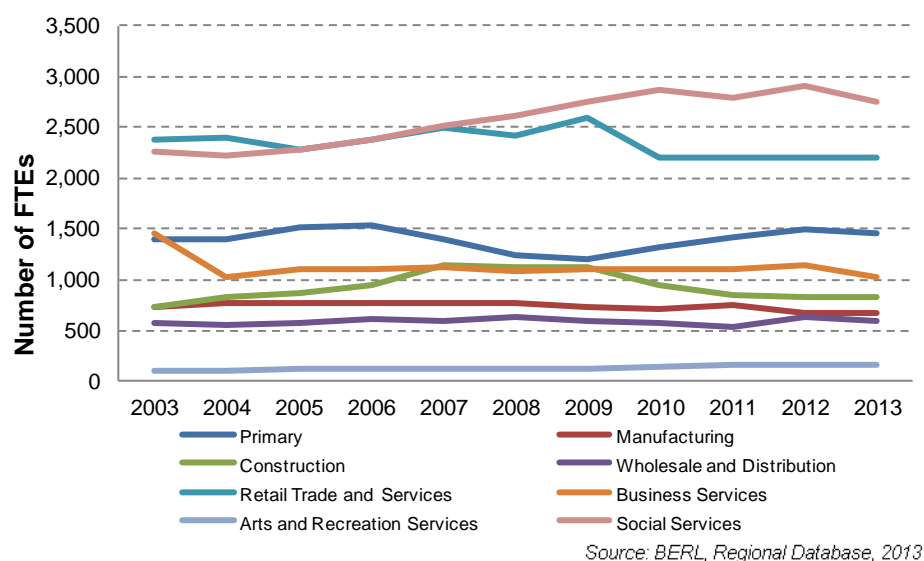
The social services sector was the largest area of employment in the Masterton District in 2013, with 28 percent of all FTEs. While employment has fluctuated in this sector over the last couple of years, the sector experienced steady employment growth between 2004 and 2010. This growth was largely driven by:

- The public order, safety and regulatory services industry, up 200 FTEs
- The hospitals industry, up 200 FTEs
- The residential care services industry, up 100 FTEs.

Employment in the retail trade and services sector accounts for 23 percent of all FTEs in the Masterton District. Employment in this sector has been declining following the Global Financial Crisis.

Despite a slight decline between 2012 and 2013, employment in the primary sector has grown overall. Since 2009, employment has increased by over 200 FTEs, or 20 percent. The main driver behind this growth has been the agriculture industry, up 200 FTEs or 24 percent between 2009 and 2013.

Figure 8.2 shows how employment has changed in each of the main sectors in the Masterton District over the past decade.

Figure 8.2 Employment by sector, Masterton District, 2003-2013

8.4.2 Employment by occupation

A larger proportion of people in Masterton District are employed as labourers compared to the wider Wellington Region. Conversely, a smaller proportion of people are employed as professionals. This reflects the higher proportion of FTEs in the Masterton District that are employed in the primary sector.

Table 8.10 Employment by occupation, Masterton District & Wellington Region, 2006 & 2013

	Masterton District		Wellington Region		Masterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	1,716	1,830	37,767	39,264	17%	18%	17%	18%
Professionals	1,749	1,878	60,345	67,311	17%	18%	27%	30%
Technicians and Trades Workers	1,413	1,338	24,861	22,707	14%	13%	11%	10%
Community and Personal Service Workers	927	1,032	18,258	20,196	9%	10%	8%	9%
Clerical and Administrative Workers	1,197	1,053	33,498	30,285	12%	10%	15%	14%
Sales Workers	1,029	993	21,486	19,863	10%	10%	10%	9%
Machinery Operators and Drivers	642	570	9,468	7,971	6%	6%	4%	4%
Labourers	1,716	1,605	16,665	15,717	17%	16%	7%	7%
Total people stated	10,389	10,299	222,345	223,317	100%	100%	100%	100%

8.5 The number and size of businesses

In 2013, Masterton District had six percent of all businesses in the Wellington Region. The business services sector had the largest number of businesses in the District, at 33 percent, while the primary sector had a further 26 percent.

Table 8.11 Business units in Masterton District

Sector	Business Units (number)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	842	806	778	-3.5	-0.8
Manufacturing	118	106	99	-6.6	-1.7
Construction	193	279	281	0.7	3.8
Wholesale and Distribution	139	130	128	-1.5	-0.8
Retail Trade and Services	433	441	444	0.7	0.3
Business Services	657	941	997	6.0	4.3
Arts and Recreation Services	42	64	62	-3.1	4.0
Social Services	167	196	204	4.1	2.0
Masterton District	2,591	2,963	2,993	1.0	1.5
Wellington Region	43,168	51,861	52,054	0.4	1.9
New Zealand	425,589	504,381	507,908	0.7	1.8

Source: BERL Regional Database, 2013

Table 8.12 shows that business size (the number of FTEs per business unit) in the Masterton District is lower than that of the Wellington Region and nationally. This is largely due to the relatively high proportion of FTEs in the agriculture industry and the retail trade and services sector, which typically consist of small businesses.

The social services sector has the largest business size in the Masterton District, with 13.4 FTEs per business unit in 2013. This reflects the large number of FTEs working in education and residential care organisations within the District.

Table 8.12 Business size in Masterton District

Sector	Business Size (FTEs per unit)				
	2003	2012	2013	2013	2003 to 2013
Primary	1.7	1.9	1.9	0.4	1.1
Manufacturing	6.2	6.2	6.6	7.0	0.7
Construction	3.8	2.9	3.0	0.5	-2.5
Wholesale and Distribution	4.1	4.8	4.6	-3.0	1.2
Retail Trade and Services	5.5	5.0	5.0	-0.6	-1.0
Business Services	2.2	1.2	1.0	-14.9	-7.3
Arts and Recreation Services	2.3	2.5	2.4	-4.2	0.7
Social Services	13.5	14.9	13.4	-9.7	0.0
Masterton District	3.7	3.4	3.2	-4.6	-1.4
Wellington Region	4.5	4.4	4.4	-0.1	-0.4
New Zealand	3.8	3.7	3.7	-0.5	-0.3

Source: BERL Regional Database, 2013

8.6 GDP growth

In 2013, GDP in the Masterton District was estimated to be \$950 million or four percent of overall GDP in the Wellington Region. In the year to March 2013, GDP in the Masterton District shrank by 1.2 percent while GDP in the Wellington Region grew by 2.1 percent.

Between 2012 and 2013, GDP declined in five of the eight main sectors in Masterton District: the primary, wholesale and distribution, business services, arts and recreation services, and social services. Employment also declined in these sectors between 2012 and 2013.

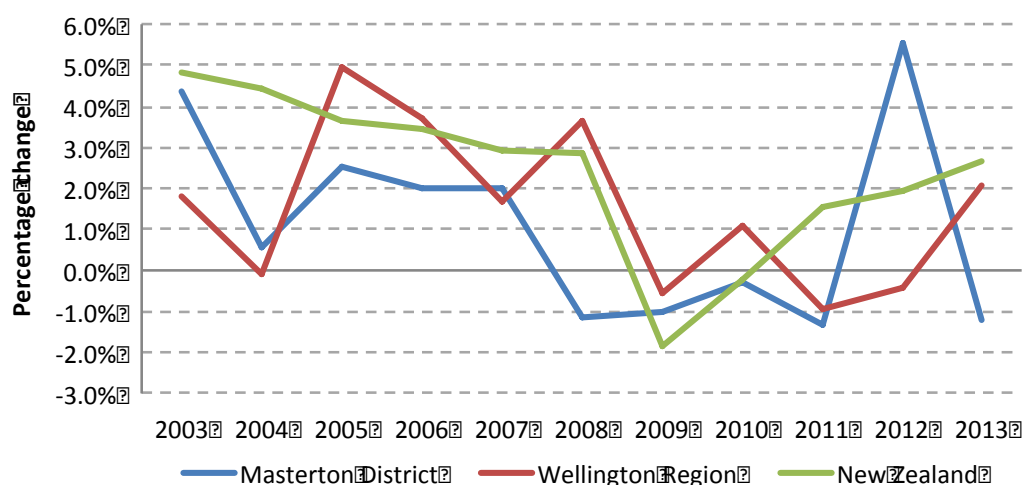
Table 8.13 GDP contribution by sector, Masterton District

Sector	Value Added or GDP (2013\$m)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	145	166	163	-1.4	1.2
Manufacturing	76	68	70	3.2	-0.8
Construction	51	49	56	14.1	1.0
Wholesale and Distribution	69	79	77	-3.3	1.1
Retail Trade and Services	103	125	128	1.8	2.1
Business Services	150	122	114	-7.0	-2.7
Arts and Recreation Services	8	11	11	-2.9	3.2
Social Services	152	194	186	-4.4	2.0
Owner-Occupied Dwellings (O.O.D)	131	150	149	-0.4	1.3
Masterton District	885	964	953	-1.2	0.7
Wellington Region	22,452	25,497	26,028	2.1	1.5
New Zealand	171,495	206,148	211,639	2.7	2.1

Source: BERL Regional Database, 2013

Figure 8.3 shows annual GDP growth in the Masterton District, Wellington Region and New Zealand between 2003 and 2013.

Figure 8.3 GDP growth, Masterton District, Wellington Region & NZ, 2003–2013



8.6.1 GDP by sector

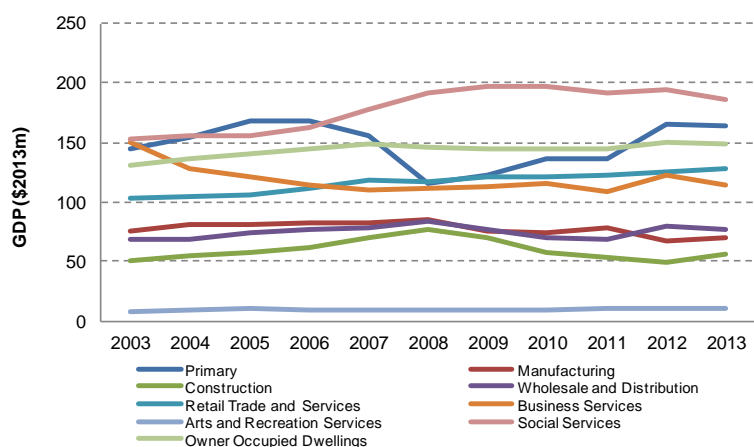
The social services sector is the largest sector in terms of GDP in the Masterton District. In 2013, the social services sector contributed just under \$190 million to the District's economy, or 19 percent. GDP in this sector has remained largely flat in recent years after increasing in the mid-2000s.

Key industries within this sector in Masterton District are hospitals (24 percent of GDP in the sector), preschool and school education (22 percent of GDP), and residential care services (20 percent of GDP), which includes aged care facilities.

Figure 8.4 shows GDP by sector in the Masterton District over the past decade. Between 2003 and 2013:

- GDP growth was strong in the social services sector, up around \$30 million or an average of two percent. This growth was driven by the residential care services and medical and other health care services industries. The residential care services industry, which includes aged care facilities, grew by an average of seven percent per annum over the period. The medical and other health care services industry, which includes medical services and allied health, grew by an average of eight percent per annum between 2003 and 2013. Large GDP growth occurred in this industry between 2003 and 2008, but has declined slightly since.
- GDP in the primary sector increased by around \$20 million (or a total of 13 percent). Between 2006 and 2008, GDP from the primary sector declined by \$59 million due to declines in output and employment in the agriculture and forestry and logging industries. Since 2008, GDP in the primary sector has increased by \$49 million, largely due to growth in the agriculture industry.
- GDP in the business services sector declined by an average of 2.7 percent per annum. The majority of this decline occurred between 2003 and 2007, with GDP falling by \$39 million or a total of 26 percent. A decline in employment and output from the publishing industry (excluding internet and music publishing) was largely responsible for this.

Figure 8.4 GDP by sector, Masterton District, 2003-2013



Source: BERL, Regional Database, 2013

8.7 Income

Personal income

Table 8.14 shows that a smaller proportion of people in the WAP in the Masterton District receive wages and salaries than the wider Wellington Region. People in the Masterton District are more likely to receive dividend and entrepreneurial income, and social security and assistance benefits than people in the wider Wellington Region.

The older age profile of Masterton District could explain the lower proportion of people in the WAP receiving wages and salaries, with many people in older age groups being retired. This could also explain the relatively high proportion of the WAP receiving social security payments (including superannuation/pension payments).

Table 8.14 Sources of personal income, WAP, Masterton & Wellington, 2006 & 2013

	Number				Percentage			
	Masterton District		Wellington Region		Masterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Wages and salaries	9,687	9,639	217,404	220,920	57%	54%	64%	62%
Entrepreneurial and dividend income	7,056	6,459	142,965	135,981	41%	36%	42%	38%
Interest, pension fund earnings and insurance receipts	972	840	17,904	16,395	6%	5%	5%	5%
Social security and assistance benefits	6,558	7,572	100,485	114,801	38%	43%	30%	32%
Other sources of income	363	270	9,021	8,505	2%	2%	3%	2%
Total Stated	17,109	17,718	338,511	355,926	100%	100%	100%	100%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

The WAP in the Masterton District has lower personal income levels than the WAP in the wider Wellington Region. In 2013, the median personal income was \$25,300 in the Masterton District compared to \$32,700 in the Wellington Region.

Lower personal incomes in the Masterton District could be explained by the District's older age profile, with many older residents not working and receiving superannuation and dividend income, and the higher proportion of the District's WAP working in semi or low-skilled occupations.

Table 8.15 Personal income, WAP, Masterton & Wellington Region, 2006 & 2013

	Under 20K *		20-40K		40-50K		50-70K		70-100K		100K +	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Masterton District	47%	39%	33%	32%	8%	9%	7%	11%	3%	5%	2%	3%
Wellington Region	39%	35%	28%	23%	10%	9%	11%	14%	6%	10%	6%	9%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

8.8 Labour productivity

Labour productivity (i.e. GDP per FTE) in the Masterton District was \$83,400 in 2013 or 18 percent lower than regional labour productivity. Table 8.16 shows that labour productivity in the Masterton District was high in the wholesale and distribution, primary, business services and manufacturing sectors.

Table 8.16 Labour productivity, Masterton District

Sector	Productivity (2013\$ per FTE)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	103,411	111,020	112,945	1.7	0.9
Manufacturing	104,437	103,232	106,635	3.3	0.2
Construction	68,739	59,378	66,955	12.8	-0.3
Wholesale and Distribution	120,964	128,100	129,693	1.2	0.7
Retail Trade and Services	43,451	57,085	58,068	1.7	2.9
Business Services #	103,685	107,335	110,668	3.1	0.7
Arts and Recreation Services	82,418	68,200	71,395	4.7	-1.4
Social Services	67,714	66,644	67,805	1.7	0.0
Masterton District	78,491	81,440	83,351	2.3	0.6
Wellington Region	101,689	99,502	101,515	2.0	0.0
New Zealand	91,705	95,459	98,029	2.7	0.7

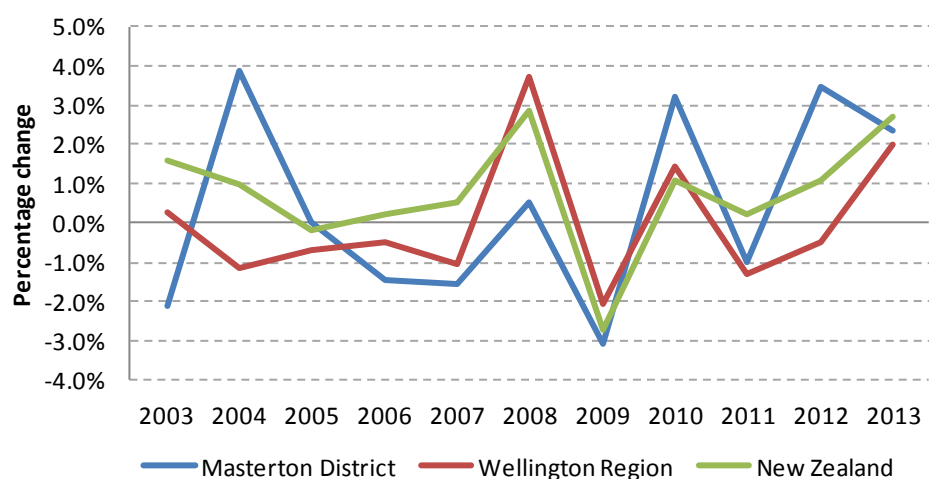
excl ow ner-occupied dw ellings sector

Source: BERL Regional Database, 2013

Labour productivity in the Masterton District declined by an average of 0.6 percent per annum between 2003 and 2013, while labour productivity in the Wellington Region remained unchanged.

Figure 8.5 shows annual labour productivity growth in the Masterton District over the past decade.

Figure 8.5 Labour productivity, Masterton District, Wellington Region & NZ, 2003-2013



Source: BERL, Regional Database, 2013

9 Carterton District

In 2013:

- 8,230 people lived in the Carterton District. This equates to two percent of the overall population of the Wellington Region.
- There were 2,840 FTEs employed in the Carterton District. This equates to one percent of all FTEs in the Wellington Region. The largest area of employment was the manufacturing sector, accounting for around 28 percent of all FTEs (805 people) in the District.
- GDP in the Carterton District was \$360 million. GDP in the District accounted for just over one percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was manufacturing, accounting for 37 percent of overall GDP in the District.

This section of the report considers Carterton District in 2013. Current and past demographic and economic trends in Carterton District are examined, and compared to the wider Wellington Region. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

9.1 Key economic performance indicators

This section looks at key economic performance indicators for the Carterton District and compares the performance of the District to the performance of the Wellington Region and New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Table 9.1 shows that the Carterton District had stronger GDP, labour productivity and business unit growth between 2012 and 2013, compared to the Wellington Region. However, despite these strong increases, employment in the District declined along with business size.

Table 9.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year		
	Carterton District	Wellington Region	New Zealand
Resident population growth	1.2	0.5	0.8
GDP growth	4.5	2.3	2.7
GDP per capita growth	3.3	1.8	1.8
Employment growth	-1.1	0.2	0.2
Labour productivity growth	6.2	2.0	2.7
Business units growth	0.9	0.4	0.7
Business size growth	-2.0	-0.1	-0.5

Source: BERL Regional Database, 2013

In the 10 years to 2013, the population in Carterton District grew by 1.7 percent per annum compared to the regional average of 0.8 percent per annum growth. This resulted in greater WAP growth in this District compared to wider Wellington Region.

Employment in the Carterton District grew at a slower rate than the wider Wellington Region between 2003 and 2013 (1.0 percent compared to 1.5 percent per annum), while GDP growth in the District was strong (2.8 percent compared with 1.4 percent per annum).

A decline in employment occurred in the retail trade and services and business services sectors. However, the wholesale and distribution and social services sectors increased their contribution to GDP, helping the District to have stronger GDP growth than the wider Wellington Region.

Table 9.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013		
	Carterton District	Wellington Region	New Zealand
Resident population growth	1.7	0.8	0.9
GDP growth	2.8	1.4	2.1
GDP per capita growth	1.0	0.7	1.2
Employment growth	1.0	1.5	1.5
Labour productivity growth	1.7	0.0	0.7
Business units growth	1.8	1.9	1.8
Business size growth	-0.7	-0.4	-0.3

Source: BERL Regional Database, 2013

9.2 The resident population

At the 2013 Census, the usually resident population of Carterton District was 8,230 people. This equates to two percent of the population of the Wellington Region. Table 9.3 shows that population growth in Carterton District was greater than population growth in the Wellington Region between 2006 and 2013.

Table 9.3 Resident population, Carterton District, Wellington Region & NZ, 2001, 2006 & 2013

	Number			% Change		
	2001	2006	2013	2001-2006	2006-2013	2001-2013
Carterton District	6,849	7,098	8,232	3.6%	16.0%	20.2%
Wellington Region	423,765	448,956	471,315	5.9%	5.0%	11.2%
New Zealand	3,737,280	4,027,947	4,242,048	7.8%	5.3%	13.5%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

9.2.1 Age

Table 9.4 shows that Carterton District has an older age profile than the wider Wellington Region, with almost 50 percent of people in the District aged over 45 years old.

Table 9.4 Resident population by age, Carterton District & Wellington Region, 2006, & 2013

	Number				Percentage			
	Carterton District		Wellington Region		Carterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
0-14 years	1,497	1,635	92,445	92,004	21.1%	19.9%	20.6%	19.5%
15-29 years	1,008	1,134	95,754	98,733	14.2%	13.8%	21.3%	20.9%
30-44 years	1,422	1,446	105,147	98,898	20.0%	17.6%	23.4%	21.0%
45-64 years	2,115	2,478	104,205	119,409	29.8%	30.1%	23.2%	25.3%
65 years +	1,062	1,542	51,411	62,268	14.9%	18.7%	11.5%	13.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

The median age in Carterton District was 44.3 years in 2013, compared to 37.2 years in the Wellington Region. The difference in the median age between Carterton District and the Wellington Region increased from 6.0 years to 7.1 years between 2006 and 2013.

Sex

Table 9.5 shows that males and females make-up a similar share of the population in Carterton District. This has been the case for the past three Censuses.

Table 9.5 Resident population by sex, Carterton District & Wellington Region, 2001, 2006 & 2013

	Number				Percentage			
	Carterton District		Wellington Region		Carterton District		Wellington Region	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	3,363	3,486	205,869	217,899	49.1%	50.9%	48.6%	51.4%
2006	3,504	3,597	217,653	231,303	49.3%	50.7%	48.5%	51.5%
2013	4,062	4,173	227,559	243,756	49.3%	50.7%	48.3%	51.7%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

9.2.2 Ethnicity

Table 9.6 shows that a smaller proportion of people in Carterton District identify as European and Māori than people in the Wellington Region.

Table 9.6 Resident population by ethnicity, Carterton District & Wellington Region, 2006 & 2013

	Number				Percentage			
	Carterton District		Wellington Region		Carterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
European	5,703	7,227	302,973	345,180	80.3%	87.8%	67.5%	73.2%
Māori	681	933	55,434	58,338	9.6%	11.3%	12.3%	12.4%
Pacific Peoples	108	147	34,752	36,105	1.5%	1.8%	7.7%	7.7%
Asian	78	105	36,477	47,235	1.1%	1.3%	8.1%	10.0%
Other Ethnicities*	24	18	5,346	6,576	0.3%	0.2%	1.2%	1.4%

*Excludes 'New Zealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

9.3 The labour market

In 2013 the Carterton District had a WAP of 6,400 people. Between the 2006 and 2013 Census, the WAP in the District grew by 17 percent, which was considerably greater than regional WAP growth of five percent.

Carterton District has a lower labour force participation rate than the Wellington Region. This could be explained by the older age profile of people in the WAP in the District relative to Wellington Region.

Table 9.7 outlines the make-up of the labour force in Carterton District using data from the 2006 and 2013 Censuses. It shows that Carterton District had a lower unemployment rate than the wider Wellington Region in 2013 (3.4 percent compared to 7.2 percent regionally).

Table 9.7 Composition of the labour force, Carterton District & Wellington Region, 2006 & 2013

	Carterton District		Wellington Region	
	2006	2013	2006	2013
Employed	3,618	4,062	233,616	235,605
Unemployed	126	243	12,756	18,312
Labour Force	3,744	4,305	246,369	253,917
Not in the Labour Force	1,728	2,070	100,725	108,855
Working Age Population	5,472	6,375	347,094	362,772
Labour Force Participation rate	68.4%	67.5%	71.0%	70.0%
Unemployment rate	3.4%	5.6%	5.2%	7.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 9.8 shows in 2013, 29.6 percent of the WAP in Carterton District had no qualification, compared with 16 percent of people in the Wellington Region. A smaller proportion of the WAP in Carterton District had a degree qualification or higher in 2013 (14.0 percent or 840 people) compared to the wider Wellington Region (28.1 percent). This is partially explained by the high proportion of people employed in the primary and manufacturing sectors (see Table 9.9), which typically have a lower proportion of people with higher qualification levels.

Table 9.8 Highest qualification held, WAP, Carterton District & Wellington Region, 2006 & 2013

	Carterton District		Wellington Region		Carterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	1,620	1,554	64,614	55,083	31.8%	25.9%	19.8%	16.0%
Level 1 Certificate	819	909	39,228	37,284	16.1%	15.1%	12.0%	10.8%
Level 2 Certificate	543	693	36,063	36,330	10.7%	11.5%	11.0%	10.6%
Level 3 Certificate	348	474	32,601	38,241	6.8%	7.9%	10.0%	11.1%
Overseas Secondary School Qualification	168	261	17,973	19,650	3.3%	4.3%	5.5%	5.7%
Level 4 Certificate	612	753	29,679	29,766	12.0%	12.5%	9.1%	8.7%
Level 5 or Level 6 Diploma	474	522	31,263	30,843	9.3%	8.7%	9.6%	9.0%
Bachelor Degree and Level 7 Qualification	369	540	50,367	60,717	7.2%	9.0%	15.4%	17.7%
Post-graduate, Honours Degrees and Higher	138	303	24,900	35,814	2.7%	5.0%	7.6%	10.4%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

9.4 Employment

9.4.1 Employment by industry

Approximately 2,840 FTEs were employed in the Carterton District in 2013, down 1.1 percent on 2012 levels. Table 9.9 provides a summary of employment in Carterton District broken down by eight sectors. It shows that between 2012 and 2013 employment declined in six out of the eight broad sectors. Notable employment declines were experienced in the:

- Business services sector, down by around 70 FTEs (22.6 percent). This was largely driven by a decline in the administrative services industry (down by just over 60 FTEs or four percent). This decline occurred despite the number of businesses growing between 2012 and 2013.
- Primary sector, down around 30 FTEs (4.2 percent). This was due to a decline of around 30 FTEs (four percent) in the agriculture industry.

Between 2003 and 2013 there was large employment growth in the construction, social services, and wholesale and distribution sectors.

- Employment in the social services sector increased by 150 FTEs (average growth of five percent per annum over the period). This was driven by growth in tertiary education (up by around 60 FTEs or an average of 12.3 percent per annum), and residential care services (up around by 40 FTEs or an average of 5.2 percent per annum). Taratahi Agricultural Training, based in the Carterton District expanded over this period.
- Employment in the construction sector increased by 120 FTEs (average growth of 7.6 percent per annum over the period). This was driven by growth in the building construction industry (up around 50 FTEs or an average of 10.8 percent per annum over the period), and construction services (up around 50 FTEs or an average of 5.7 percent per annum).
- Employment in the wholesale and distribution sector increased by 70 FTEs (average growth of 6.6 percent per annum over the period). Within this sector, the food product manufacturing industry increased by just under 120 FTEs (an average of 5.9 percent per annum) and was the result of business expansion.
- The large decline in employment in the primary sector between 2003 and 2013 mostly occurred between 2012 and 2013 and was the result of a drop in employment in the agriculture industry.

Table 9.9 Employment by sector, Carterton District

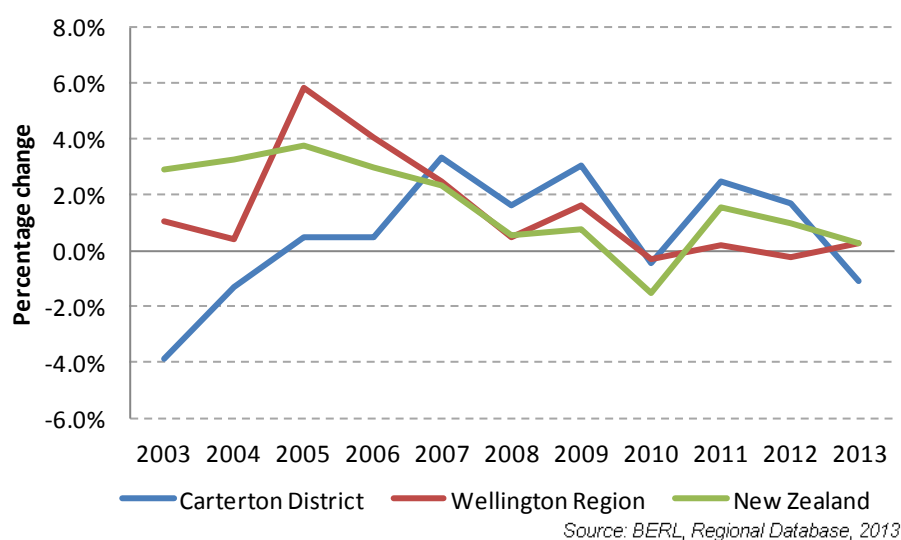
Sector	Employment Number FTEs			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	757	740	710	-4.2	-0.6
Manufacturing	793	734	805	9.7	0.2
Construction	103	218	207	-4.7	7.3
Wholesale and Distribution	81	154	153	-0.4	6.6
Retail Trade and Services	349	346	335	-3.1	-0.4
Business Services	238	298	230	-22.6	-0.3
Arts and Recreation Services	12	23	14	-37.9	1.3
Social Services	238	363	389	7.1	5.0
Carterton District	2,571	2,876	2,844	-1.1	1.0
Wellington Region	196,033	226,198	226,800	0.3	1.5
New Zealand	1,625,492	1,878,583	1,883,050	0.2	1.5

Source: BERL Regional Database, 2013

Employment performance over the last 10 years

Employment in the Carterton District peaked in 2012 at just under 2,900 FTEs. Figure 9.1 shows that employment growth in the Carterton District was stronger than the regional average between 2007 and 2012.

Figure 9.1 Employment growth, Carterton District, Wellington Region & NZ, 2003-2013



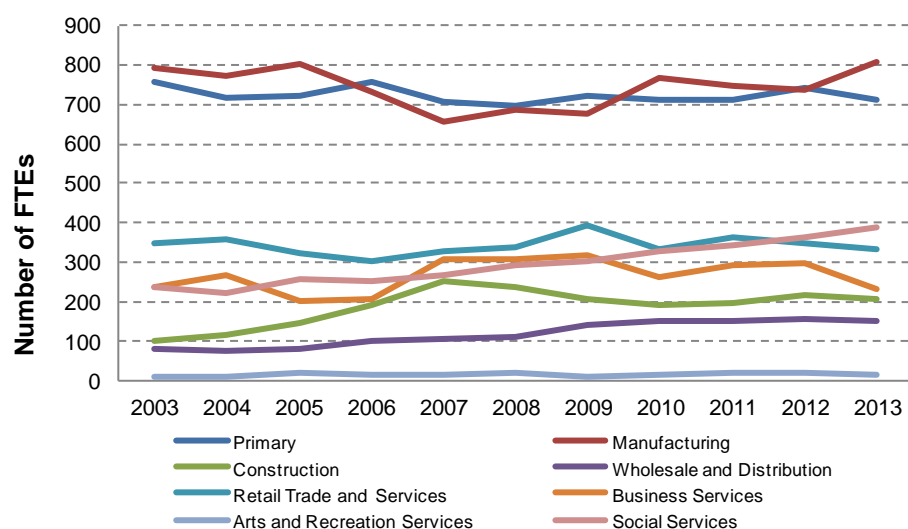
Employment by sector in Carterton District

Two sectors – manufacturing and primary – collectively account for over 50 percent of employment in the Carterton District. The manufacturing sector accounts for 28 percent of all FTEs (800 people) in the Carterton District with employment largely in:

- Wood product manufacturing, accounting for 44 percent of FTEs in the manufacturing sector
- Food product manufacturing, accounting for 36 percent of FTEs in the sector.

The primary sector accounts for 25 percent of all FTEs in the Carterton District. Employment in the agriculture industry accounts for 90 percent of these FTEs.

Employment in the social services sector has increased by just under 200 FTEs or 63 percent between 2003 and 2013. This was largely due to growth in the residential care services and tertiary education industries.

Figure 9.2 Employment by sector, Carterton District, 2003-2013

Source: BERL, Regional Database, 2013

9.4.2 Employment by occupation

Table 9.10 shows that a larger proportion of people in the Carterton District are employed as managers and labourers compared to the wider Wellington Region. The District has a smaller proportion of people working as professionals.

The higher proportion of people in Carterton District employed as labourers is likely due to the relatively high proportion of FTEs in the primary and manufacturing sectors in the District. The larger share of managers in the District could be explained by farm managers in the District, executives who live in Carterton District and commute to Wellington to work, and the prevalence of small businesses in the District.

Table 9.10 Employment by occupation, Carterton District & Wellington Region, 2006 & 2013

	Carterton District		Wellington Region		Carterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	747	873	340,530	356,079	22%	22%	17%	18%
Professionals	519	708	374,328	426,699	15%	18%	27%	30%
Technicians and Trades Workers	453	441	241,857	227,814	13%	11%	11%	10%
Community and Personal Service Workers	279	333	156,468	171,036	8%	9%	8%	9%
Clerical and Administrative Workers	366	426	240,813	227,994	11%	11%	15%	14%
Sales Workers	270	300	186,060	176,817	8%	8%	10%	9%
Machinery Operators and Drivers	228	213	114,324	103,575	7%	5%	4%	4%
Labourers	567	594	218,991	210,588	17%	15%	7%	7%
Total people stated	3,432	3,894	1,873,374	1,900,602	100%	100%	100%	100%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

9.5 The number and size of businesses

The Carterton District had two percent of all businesses in the Wellington Region in 2013. Table 9.11 shows that business units in the primary sector make-up 35 percent of all businesses in the Carterton District, with businesses in the business services sector making up a further 31 percent.

Table 9.11 Business units in Carterton District

Sector	Business Units (number)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	496	405	413	2.0	-1.8
Manufacturing	57	55	51	-7.3	-1.1
Construction	67	117	126	7.7	6.5
Wholesale and Distribution	24	49	47	-4.1	7.0
Retail Trade and Services	98	117	116	-0.9	1.7
Business Services	199	358	359	0.3	6.1
Arts and Recreation Services	10	15	15	0.0	4.1
Social Services	33	45	45	0.0	3.2
Carterton District	984	1,161	1,172	0.9	1.8
Wellington Region	43,168	51,861	52,054	0.4	1.9
New Zealand	425,589	504,381	507,908	0.7	1.8

Source: BERL Regional Database, 2013

Business size (the number of FTEs per business unit) in the Carterton District is lower than business size in the Wellington Region and nationally. This is largely due to the relatively high proportion of FTEs in the agriculture industry and business services sector, which typical have smaller businesses.

The manufacturing sector has the largest business size in the Carterton District, with 15.8 FTEs per business unit in 2013. This is likely to reflect the high proportion of people working in the wood product manufacturing industry in the District.

Table 9.12 Business size in Carterton District

Sector	Business Size (FTEs per unit)				
	2003	2012	2013	2013	2003 to 2013
Primary	1.5	1.8	1.7	-6.0	1.2
Manufacturing	13.9	13.4	15.8	18.3	1.3
Construction	1.5	1.9	1.6	-11.5	0.7
Wholesale and Distribution	3.4	3.1	3.3	3.8	-0.3
Retail Trade and Services	3.6	3.0	2.9	-2.2	-2.1
Business Services	1.2	0.8	0.6	-22.8	-6.0
Arts and Recreation Services	1.2	1.5	0.9	-37.9	-2.7
Social Services	7.2	8.1	8.6	7.1	1.8
Carterton District	2.6	2.5	2.4	-2.0	-0.7
Wellington Region	4.5	4.4	4.4	-0.1	-0.4
New Zealand	3.8	3.7	3.7	-0.5	-0.3

Source: BERL Regional Database, 2013

9.6 GDP growth

In 2013, GDP in Carterton District was estimated to be \$360 million or one percent of the overall GDP generated in the Wellington Region. In the year to March 2013, GDP in the Carterton District grew by 4.5 percent (\$16 million) while GDP in the Wellington Region grew by 2.1 percent. Growth in the manufacturing sector (up \$15 million or 13 percent) accounted for the majority of this annual increase.

Between 2003 and 2013, GDP growth in the manufacturing, construction, social services, and wholesale and distribution sectors was notable:

- GDP in the manufacturing sector increased by just over \$30 million or an average of 2.8 percent per annum over the period. This was driven by increases in GDP from the printing industry (up \$18 million) and the food manufacturing industry (up \$17 million).
- GDP in the construction sector increased by just under \$10 million or an average of seven percent per annum over the period. This was driven by increases in GDP from the building construction and building construction services industries (both up \$3 million).
- GDP in the wholesale and distribution sector increased by just over \$10 million or an average of 7.5 percent per annum over the period. This was driven by increases in GDP from the road transport and basic material manufacturing industries (up \$5 million and \$3 million respectively).
- GDP in the social services sector increased by around \$10 million or an average of 4.7 percent per annum over the period. This was largely driven by increases in GDP from the tertiary education and residential care services industries (both up \$3 million). Employment growth in these industries was strong over the decade.

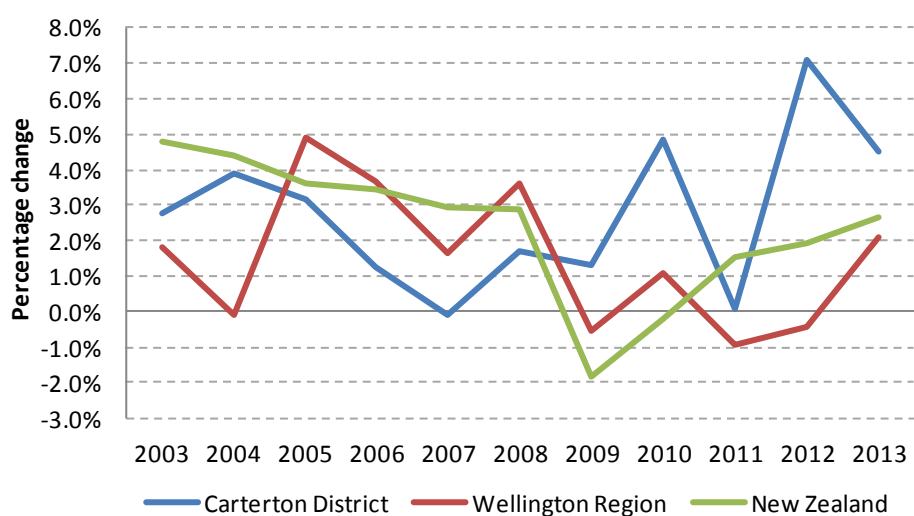
Table 9.13 GDP contribution by sector, Carterton District

Sector	Value Added or GDP (2013\$m)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	59	68	71	3.2	1.8
Manufacturing	102	119	134	13.0	2.8
Construction	7	13	14	7.4	7.0
Wholesale and Distribution	10	20	21	1.8	7.5
Retail Trade and Services	16	20	19	-2.4	1.9
Business Services	25	29	25	-14.5	0.0
Arts and Recreation Services	1	2	1	-35.2	0.0
Social Services	16	23	25	5.5	4.7
<i>Owner-Occupied Dwellings (O.O.D)</i>	40	52	53	1.2	2.7
Carterton District	275	346	361	4.5	2.8
Wellington Region	22,452	25,497	26,028	2.1	1.5
New Zealand	171,495	206,148	211,639	2.7	2.1

Source: BERL Regional Database, 2013

Figure 9.3 shows that GDP growth in the Carterton District has been greater than regional GDP growth since 2009. This was largely due to increases in GDP from the manufacturing, wholesale and distribution, social services and construction sectors.

Figure 9.3 GDP growth, Carterton District, Wellington Region & NZ, 2003–2013



Source: BERL, Regional Database, 2013

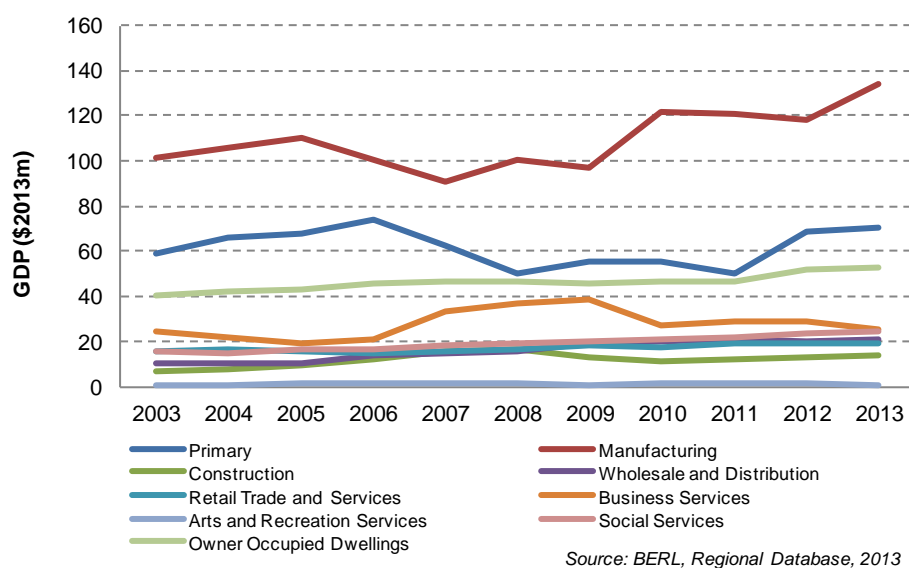
9.6.1 GDP by sector

The manufacturing sector makes the largest contribution to the economy of Carterton District. In 2013, this sector generated \$130 million in GDP, or 37 percent of total GDP in the Carterton District. Figure 9.4 shows that GDP in the manufacturing sector has increased since 2009. This increase was driven by:

- The food product manufacturing industry¹⁶, which increased its contribution to GDP by \$40 million between 2009 and 2013. The food product manufacturing industry in Carterton District consists of less than a dozen businesses.
- The petroleum and coal product manufacturing industry, up \$27 million between 2010 and 2013. This increase was driven by a sharp increase in FTEs in 2010 (from zero in 2009 to just under 100 in 2010), and appears to be the result of a new business starting in the District.

The primary sector is the second largest contributor to GDP in the District. In 2013, the sector generated \$70 million in GDP, accounting for 20 percent of total GDP. After a weak period between 2006 and 2011, GDP in the primary sector grew strongly between 2011 and 2013. This was driven by an increase in GDP from the agriculture industry.

¹⁶ This industry includes an array of food processing industries such as Meat and Meat Product Manufacturing; Seafood Processing; Dairy Product Manufacturing; and Fruit and Vegetable Processing.

Figure 9.4 GDP by sector, Carterton District, 2003-2013

9.7 Income

Personal income

Table 9.14 shows that a smaller proportion of people in the WAP in Carterton District receive wages and salaries than the wider Wellington Region. Conversely, a larger proportion of the WAP in the District receive dividend and entrepreneurial income, and social security and assistance benefits than the WAP in the wider Wellington Region.

Table 9.14 Sources of personal income, WAP, Carterton District & Wellington, 2006 & 2013

	Number				Percentage			
	Carterton District		Wellington Region		Carterton District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Wages and salaries	2,985	3,432	217,404	220,920	56%	55%	64%	62%
Entrepreneurial and dividend income	2,547	2,763	142,965	135,981	48%	44%	42%	38%
Interest, pension fund earnings and insurance receipts	285	315	17,904	16,395	5%	5%	5%	5%
Social security and assistance benefits	1,731	2,334	100,485	114,801	32%	37%	30%	32%
Other sources of income	84	90	9,021	8,505	2%	1%	3%	2%
Total Stated	5,358	6,294	338,511	355,926	100%	100%	100%	100%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100
Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 9.15 shows that the WAP in Carterton District had a lower personal income than the WAP in the wider Wellington Region. In 2013, median personal income in Carterton District was \$26,700, compared to \$32,700 in the Wellington Region.

Lower personal income levels in Carterton District can be explained by a larger share of the WAP employed as labourers in low wage sectors such as primary and manufacturing; people not receiving wages and salaries; or people having no or low qualifications and/or working in semi and low skilled occupations.

Table 9.15 Personal income, WAP, Carterton District & Wellington Region, 2006 & 2013

	Under 20K *		20-40K		40-50K		50-70K		70-100K		100K +	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
Carterton District	46%	38%	34%	30%	8%	9%	8%	12%	3%	6%	2%	5%
Wellington Region	39%	35%	28%	23%	10%	9%	11%	14%	6%	10%	6%	9%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

9.8 Labour productivity

Table 9.16 shows that labour productivity (i.e. GDP per FTE) in Carterton District was \$108,500 in 2013, seven percent higher than regional labour productivity. Labour productivity in Carterton District was high in the manufacturing, wholesale and distribution, and business services sectors in 2013.

Table 9.16 Labour productivity, Carterton District

Sector	Productivity (2013\$ per FTE)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	77,760	92,316	99,404	7.7	2.5
Manufacturing	128,222	161,428	166,303	3.0	2.6
Construction	68,739	59,378	66,955	12.8	-0.3
Wholesale and Distribution	124,742	131,973	134,941	2.2	0.8
Retail Trade and Services	45,347	56,469	56,837	0.7	2.3
Business Services #	104,498	97,926	108,149	10.4	0.3
Arts and Recreation Services	82,418	69,259	72,271	4.3	-1.3
Social Services	65,152	64,069	63,086	-1.5	-0.3
Carterton District	91,354	102,117	108,489	6.2	1.7
Wellington Region	101,689	99,502	101,515	2.0	0.0
New Zealand	91,705	95,459	98,029	2.7	0.7

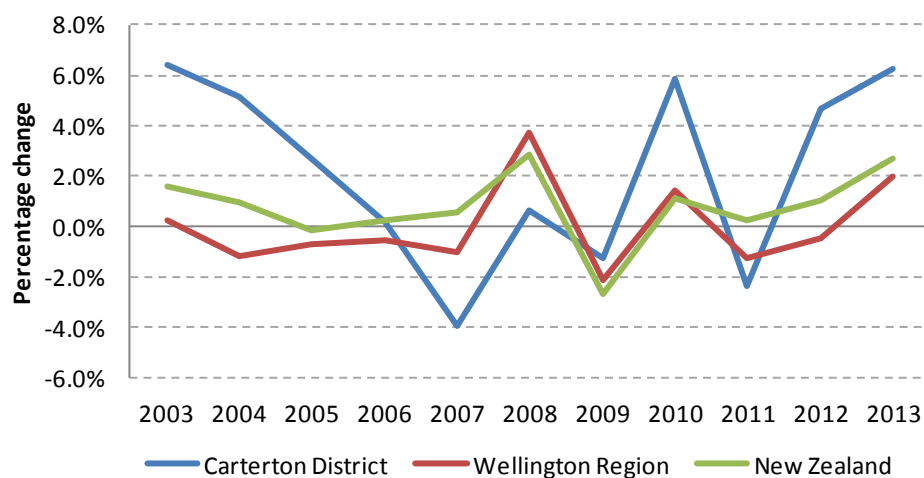
excl owner-occupied dwellings sector

Source: BERL Regional Database, 2013

Labour productivity in the Carterton District increased by an average of 1.7 percent per annum between 2003 and 2013, while labour productivity in the Wellington Region remained unchanged. The primary, manufacturing, and retail trade and services sectors in Carterton District experienced large labour productivity growth between 2003 and 2013. Growth in GDP despite declining employment in the primary and retail trade and services sectors resulted in increased labour productivity. GDP and employment growth positively impacted on labour productivity growth in the manufacturing sectors.

Figure 9.5 shows annual labour productivity growth in the Carterton District over the past decade.

Figure 9.5 Labour productivity, Carterton District, Wellington Region & NZ, 2003-2013



Source: BERL, Regional Database, 2013

10 South Wairarapa District: 2013

In 2013:

- 9,525 people lived in the South Wairarapa District. This equates to two percent of the overall population of the Wellington Region.
- There were 3,275 FTEs employed in the South Wairarapa District. This equates to just over one percent of all FTEs in the Wellington Region. The largest area of employment in the South Wairarapa District was the primary sector, accounting for 29 percent of all FTEs (960 people).
- GDP in the South Wairarapa District was \$320 million. GDP in the District accounted for just over one percent of overall GDP in the Wellington Region in 2013. The largest sector in terms of contribution to GDP was manufacturing, accounting for 29 percent of overall GDP in the District.

This section of the report considers the South Wairarapa District in 2013. Current and past demographic and economic trends in the South Wairarapa District are examined, and compared to the wider Wellington Region. Data used in this section is drawn from the BERL 2013 Regional Database, the Statistics New Zealand 2013 Census of Population and Dwellings as well as the 2006 and, where available, 2001 Censuses.

10.1 Key economic performance indicators

This section looks at key economic performance indicators for the South Wairarapa District, and compares the District's performance against the Wellington Region and that of New Zealand. At its simplest, these indicators reflect the attractiveness of a place to live (population) and its ability to sustain its population (GDP, business units and employment).

Table 10.1 shows that the District had very strong economic growth between 2012 and 2013.

Table 10.1 Key economic performance indicators, 2013

Key Performance Indicators	%pa for 2013 year		
	South Wairarapa District	Wellington Region	New Zealand
Resident population growth	0.3	0.5	0.8
GDP growth	16.3	2.3	2.7
GDP per capita growth	15.9	1.8	1.8
Employment growth	22.1	0.2	0.2
Labour productivity growth	-1.1	2.0	2.7
Business units growth	-0.8	0.4	0.7
Business size growth	23.2	-0.1	-0.5

Source: BERL Regional Database, 2013

Employment in the District grew by 22.3 percent compared, with 0.2 percent across the Wellington Region. GDP in South Wairarapa District grew by 16.3 percent between 2012 and 2013, compared to 2.3 percent in the wider Wellington Region. This strong growth was driven by large increases in employment and GDP in the construction sector. Labour productivity growth in the South Wairarapa District, a by-product of GDP and employment growth, was negative over the period as employment growth outstripped economic growth.

Table 10.2 shows that the economic performance of the South Wairarapa District in the 10 years to 2013 was stronger than that of the Wellington Region across all indicators except business unit growth.

Table 10.2 Key economic performance indicators, 2003-2013

Key Performance Indicators	%pa for 2003 - 2013		
	South Wairarapa District	Wellington Region	New Zealand
Resident population growth	0.8	0.8	0.9
GDP growth	2.7	1.4	2.1
GDP per capita growth	1.9	0.7	1.2
Employment growth	1.8	1.5	1.5
Labour productivity growth	1.1	0.0	0.7
Business units growth	0.9	1.9	1.8
Business size growth	0.9	-0.4	-0.3

Source: BERL Regional Database, 2013

Employment in the South Wairarapa District grew by 1.8 percent per annum over the decade compared to employment growth of 1.5 percent per annum. Similar, GDP in the District was larger than regional GDP growth, 2.7 percent compared to 1.4 percent per annum. Strong employment and GDP growth in the South Wairarapa District over the period was largely driven by strong growth in the construction, wholesale and distribution, retail trade and services, and business services sectors.

10.2 The resident population

In 2013 the resident population of the South Wairarapa District was just under 10,000. This equates to two percent of the population of the Wellington Region. Table 10.3 shows that the population of the South Wairarapa District grew at a slower rate than that of the Wellington Region between 2001 and 2013.

Table 10.3 Resident population, South Wairarapa, Wellington Region & NZ, 2001, 2006 & 2013

	Number			% Change		
	2001	2006	2013	2001-2006	2006-2013	2001-2013
South Wairarapa District	8,742	8,889	9,525	1.7%	7.2%	9.0%
Wellington Region	423,765	448,956	471,315	5.9%	5.0%	11.2%
New Zealand	3,737,280	4,027,947	4,242,048	7.8%	5.3%	13.5%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

10.2.1 Age

Table 10.4 indicates that the South Wairarapa District has a higher proportion of people aged over 45, compared to the Wellington Region.

Table 10.4 Resident population by age, South Wairarapa & Wellington Region, 2006, & 2013

	Number				Percentage			
	South Wairarapa District		Wellington Region		South Wairarapa District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
0-14 years	1,848	1,848	92,445	92,004	20.8%	19.4%	20.6%	19.5%
15-29 years	1,071	1,233	95,754	98,733	12.0%	13.0%	21.3%	20.9%
30-44 years	1,848	1,659	105,147	98,898	20.8%	17.4%	23.4%	21.0%
45-64 years	2,673	2,919	104,205	119,409	30.1%	30.7%	23.2%	25.3%
65 years +	1,449	1,857	51,411	62,268	16.3%	19.5%	11.5%	13.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

The median age in the South Wairarapa District was 45.1 years in 2013, 7.9 years higher than the median age in the Wellington Region. The difference in the median age in the South Wairarapa District and the Wellington Region has remained unchanged between 2001 and 2006.

Sex

Table 10.5 shows that males and females make-up a similar share of the population in the South Wairarapa District. This has been the case for the past three Censuses.

Table 10.5 Resident population by sex, South Wairarapa & Wellington Region, 2001, 2006 & 2013

	Number				Percentage			
	South Wairarapa District		Wellington Region		South Wairarapa District		Wellington Region	
	Male	Female	Male	Female	Male	Female	Male	Female
2001	4,314	4,428	205,869	217,899	49.3%	50.7%	48.6%	51.4%
2006	4,416	4,476	217,653	231,303	49.7%	50.3%	48.5%	51.5%
2013	4,665	4,860	227,559	243,756	49.0%	51.0%	48.3%	51.7%

Source: Statistics New Zealand, 2001, 2006 and 2013 Censuses, BERL Calculations

10.2.2 Ethnicity

Table 10.6 shows that a larger proportion of people in the South Wairarapa District identify as European and Māori than people in the Wellington Region. Conversely a smaller proportion of people in the District identify as Pacific Peoples and Asian.

Table 10.6 Resident population by ethnicity, South Wairarapa & Wellington Region, 2006 & 2013

	Number				Percentage			
	South Wairarapa District		Wellington Region		South Wairarapa District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
European	6,894	8,244	302,973	345,180	77.6%	86.6%	67.5%	73.2%
Māori	1,089	1,257	55,434	58,338	12.3%	13.2%	12.3%	12.4%
Pacific Peoples	141	180	34,752	36,105	1.6%	1.9%	7.7%	7.7%
Asian	138	192	36,477	47,235	1.6%	2.0%	8.1%	10.0%
Other Ethnicities*	21	18	5,346	6,576	0.2%	0.2%	1.2%	1.4%

* Excludes 'New Zealander'

Note: People can identify with more than one ethnicity. Percentages can therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

10.3 The labour market

The South Wairarapa District had a WAP of just over 7,000 people in 2013. Between the 2006 and 2013 Census, the WAP in the South Wairarapa District grew by nine percent while the WAP in the Wellington Region grew by five percent.

The South Wairarapa District has a slightly lower labour force participation rate than the Wellington Region. This could be explained by the older age profile in the District relative to Wellington Region.

Table 10.7 outlines the make-up of the labour force in the South Wairarapa District using data from the 2006 and 2013 Censuses. It shows that the unemployment rate in the District was lower than the wider Wellington Region in 2013, 5.2 percent compared to 7.2 percent.

Table 10.7 Composition of the labour force, South Wairarapa & Wellington Region, 2006 & 2013

	South Wairarapa District		Wellington Region	
	2006	2013	2006	2013
Employed	4,545	4,785	233,616	235,605
Unemployed	141	261	12,756	18,312
Labour Force	4,689	5,046	246,369	253,917
Not in the Labour Force	2,109	2,346	100,725	108,855
Working Age Population	6,798	7,392	347,094	362,772
Labour Force Participation rate	69.0%	68.3%	71.0%	70.0%
Unemployment rate	3.0%	5.2%	5.2%	7.2%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Table 10.8 shows that a smaller proportion of people in the WAP in the South Wairarapa District have no qualification or a qualification at Level 2 or lower (49 percent) compared to the wider Wellington Region (37 percent). This could be explained by the older age profile of the South Wairarapa District and the large proportion of the WAP employed in lower skilled occupations (see Table 10.9).

Table 10.8 Highest qualification held, WAP, South Wairarapa & Wellington Region, 2006 & 2013

	South Wairarapa District		Wellington Region		South Wairarapa District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
No Qualification	1,854	1,590	64,614	55,083	29.2%	22.9%	19.8%	16.0%
Level 1 Certificate	918	1,017	39,228	37,284	14.4%	14.7%	12.0%	10.8%
Level 2 Certificate	720	798	36,063	36,330	11.3%	11.5%	11.0%	10.6%
Level 3 Certificate	432	528	32,601	38,241	6.8%	7.6%	10.0%	11.1%
Overseas Secondary School Qualification	237	276	17,973	19,650	3.7%	4.0%	5.5%	5.7%
Level 4 Certificate	714	753	29,679	29,766	11.2%	10.9%	9.1%	8.7%
Level 5 or Level 6 Diploma	639	681	31,263	30,843	10.1%	9.8%	9.6%	9.0%
Bachelor Degree and Level 7 Qualification	603	864	50,367	60,717	9.5%	12.5%	15.4%	17.7%
Post-graduate, Honours Degrees and Higher	237	429	24,900	35,814	3.7%	6.2%	7.6%	10.4%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

10.4 Employment

10.4.1 Employment by industry

There were just over 3,000 FTEs employed in the South Wairarapa District in 2013. This was up 22.1 percent from 2012. Over the same period the number of FTEs in the Wellington Region increased by 0.2 percent. Table 10.9 provides a summary of employment in the South Wairarapa District broken down by eight sectors.

Between 2012 and 2013 there were large increases in employment across a range of sectors in the South Wairarapa District. Notable increases include:

- Employment in the construction sector increased by 280 FTEs or 109 percent. This was driven by a large increase in employment in the heavy and civil engineering construction industry¹⁷, which increased by 310 FTEs.

¹⁷ This industry includes Road and Bridge Construction and Other Heavy and Civil Engineering Construction.

- Employment in the retail trade and services sector increased by 80 FTEs or 13 percent. This was driven by increased demand and employment in food retailing (up 40 FTEs or 36 percent), and food and beverage services (up 30 FTEs or 12 percent).
- Employment in the business services sector increased by around 70 FTEs or 45 percent. This was driven by an increase in administrative services, up 56 FTEs or over 200 percent over the period.

Between 2003 and 2013 there were large employment increases across the construction, retail trade and services, and social services sectors.

- Employment in the construction sector increased by 290 FTEs (an average of eight percent per annum over the period). This was largely driven by an increase in heavy and civil engineering construction, up 280 FTEs between 2012 and 2013. Heavy and civil engineering construction includes road and bridge construction and it is likely that a roading infrastructure project resulted in this increase.
- FTEs in the retail trade and services sector increased by 240 FTEs (an average of 4.2 percent per annum). This growth was largely driven by increases in employment in the food and beverage services (up 100 FTEs or an average of 5.2 percent per annum over the period) and food retailing industries (up 80 FTEs or an average of 7.8 percent per annum over the period).
- Employment in the social services sector increased by 140 FTEs (an average of 4.1 percent per annum). Increased employment was spread across the industries within this sector, including residential care Services (age care facilities), education, and public administration.
- Employment in the primary sector declined by 200 FTEs (or an average of 1.9 percent per annum) between 2003 and 2013. The agriculture industry accounted for a large proportion of this decline in employment, with the number of FTEs in this industry declining by 160 FTEs over the period. Most of this decline occurred between 2003 and 2009.

Table 10.9 Employment by sector, South Wairarapa District

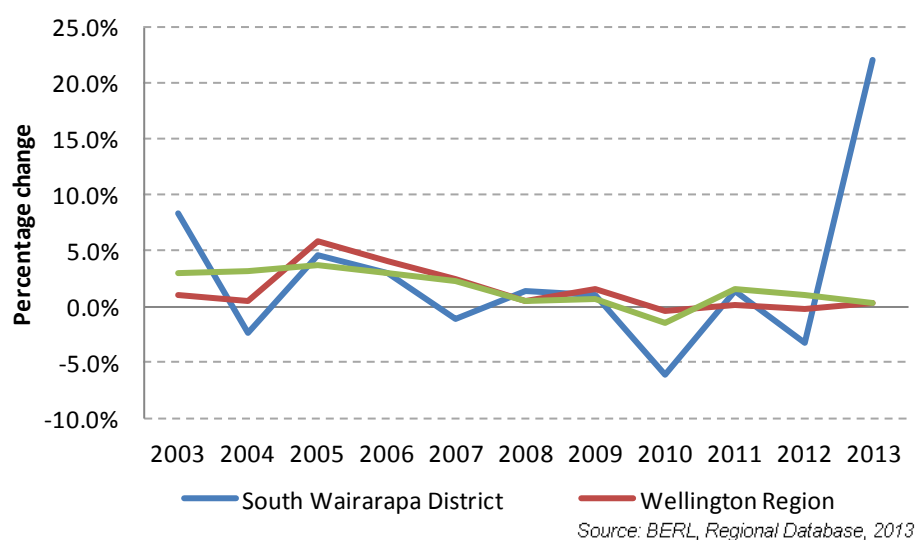
Sector	Employment Number FTEs			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	1,165	891	963	8.0	-1.9
Manufacturing	304	210	234	11.1	-2.6
Construction	252	259	543	109.3	8.0
Wholesale and Distribution	104	151	149	-1.7	3.7
Retail Trade and Services	477	637	719	12.8	4.2
Business Services	100	146	212	45.4	7.8
Arts and Recreation Services	36	10	24	132.9	-4.1
Social Services	290	376	432	15.0	4.1
South Wairarapa District	2,728	2,682	3,275	22.1	1.8
Wellington Region	196,033	2,876	2,844	0.2	1.5
New Zealand	1,625,492	1,878,583	1,883,050	0.2	1.5

Source: BERL Regional Database, 2013

Employment performance over the last 10 years

Figure 10.1 shows that the South Wairarapa District, after experiencing low or negative employment growth between 2007 and 2012, had significant FTE growth between 2012 and 2013.

Figure 10.1 Employment growth, South Wairarapa District, Wellington Region & NZ, 2003-2013

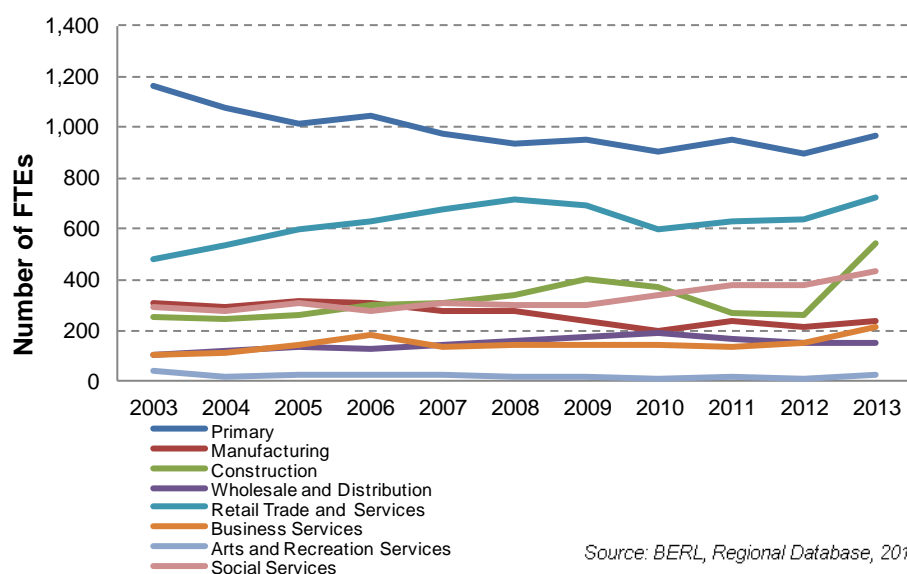


Employment by sector in South Wairarapa District

The primary sector is the largest employer in the South Wairarapa District. In 2013, the sector had just under 1,000 FTEs, down from 1,200 FTEs in 2003. The agriculture industry has the largest number of FTEs in the Primary sector, with over 800 FTEs in 2013 (88 percent of all FTEs in the sector).

The retail trade and services sector is the second largest employer in the District, accounting for 22 percent of all FTEs in 2013. Within this sector, the food and beverage industry accounted for 40 percent of all FTEs, up from 36 percent in 2003.

As discussed earlier, the construction sector experienced large scale employment growth between 2012 and 2013, with the number of FTEs employed increasing by just under 300 FTEs or 109 percent. Figure 10.2 outlines how employment has changed in the each of the main sectors in the South Wairarapa District over the past decade.

Figure 10.2 Employment by sector, South Wairarapa District, 2003-2013

10.4.2 Employment by occupation

Table 10.10 shows that a larger proportion of people in the South Wairarapa District are employed as managers and labourers compared to the wider Wellington Region. Conversely, the District has a smaller proportion of people working as professionals. The higher proportion of people employed as labourers could be due to the relatively high proportion of people employed in the primary and manufacturing sectors in the District.

Table 10.10 Employment by occupation, South Wairarapa & Wellington Region, 2006 & 2013

	South Wairarapa District		Wellington Region		South Wairarapa District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Managers	1,146	1,200	340,530	356,079	27%	26%	17%	18%
Professionals	693	879	374,328	426,699	16%	19%	27%	30%
Technicians and Trades Workers	531	474	241,857	227,814	12%	10%	11%	10%
Community and Personal Service Workers	321	405	156,468	171,036	7%	9%	8%	9%
Clerical and Administrative Workers	456	453	240,813	227,994	11%	10%	15%	14%
Sales Workers	291	312	186,060	176,817	7%	7%	10%	9%
Machinery Operators and Drivers	219	198	114,324	103,575	5%	4%	4%	4%
Labourers	666	645	218,991	210,588	15%	14%	7%	7%
Total people stated	4,317	4,557	1,873,374	1,900,602	100%	100%	100%	100%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

Between 2006 and 2013, the number of people employed as managers and professionals in the South Wairarapa District increased by 25 percent (240 people). This aligns with strong employment growth in the business services and social services sectors. In turn, the number of people employed as machinery operators, drivers and labourers declined by five percent (40 people). This could also align with declines in employment in the primary and manufacturing industries in the District.

10.5 The number and size of businesses

In 2013, the South Wairarapa District had three percent of all businesses in the Wellington Region. Table 10.11 shows that business units in the primary and business services sectors each make-up 33 percent of all businesses in the South Wairarapa District.

Table 10.11 Business units in South Wairarapa District

Sector	Business Units (number)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	651	536	518	-3.4	-2.3
Manufacturing	49	51	52	2.0	0.6
Construction	109	121	119	-1.7	0.9
Wholesale and Distribution	46	59	59	0.0	2.5
Retail Trade and Services	170	204	205	0.5	1.9
Business Services	308	498	507	1.8	5.1
Arts and Recreation Services	29	35	34	-2.9	1.6
Social Services	54	64	61	-4.7	1.2
South Wairarapa District	1,416	1,568	1,555	-0.8	0.9
Wellington Region	43,168	51,861	52,054	0.4	1.9
New Zealand	425,589	504,381	507,908	0.7	1.8

Source: BERL Regional Database, 2013

Business size (the number of FTEs per business unit) in the South Wairarapa District is lower than business size in the Wellington Region, and nationally. This is largely due to the relatively high proportion of FTEs in the agriculture industry and business Services sector, which typical have smaller business sizes. The social services sector has the largest business size in the South Wairarapa District, with 7.1 FTEs per business unit in 2013. This reflects people working in education organisations in the District.

Table 10.12 Business size in South Wairarapa District

Sector	Business Size (FTEs per unit)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	1.8	1.7	1.9	11.7	0.4
Manufacturing	6.2	4.1	4.5	9.0	-3.2
Construction	2.3	2.1	4.6	112.9	7.1
Wholesale and Distribution	2.3	2.6	2.5	-1.7	1.1
Retail Trade and Services	2.8	3.1	3.5	12.2	2.2
Business Services	0.3	0.3	0.4	42.8	2.5
Arts and Recreation Services	1.3	0.3	0.7	139.8	-5.6
Social Services	5.4	5.9	7.1	20.6	2.8
South Wairarapa District	1.9	1.7	2.1	23.1	0.9
Wellington Region	4.5	4.4	4.4	-0.1	-0.4
New Zealand	3.8	3.7	3.7	-0.5	-0.3

Source: BERL Regional Database, 2013

10.6 GDP growth

The South Wairarapa District generated an estimated \$320 million in GDP 2013, or one percent of overall GDP in the Wellington Region. In the year to March 2013, GDP in the South Wairarapa District grew by 16.3 percent, much faster than regional GDP growth of 2.1 percent.

This growth was driven by strong GDP growth in the construction and primary sectors. These sectors had large employment growth between 2012 and 2013.

Between 2003 and 2013, GDP growth in the South Wairarapa District was strong in the construction, retail trade and services, business services and social services sectors. These sectors also experienced large employment growth over the decade. GDP in the primary sector grew at a modest 1.1 percent per annum between 2003 and 2013, despite employment in this industry falling over the period. .

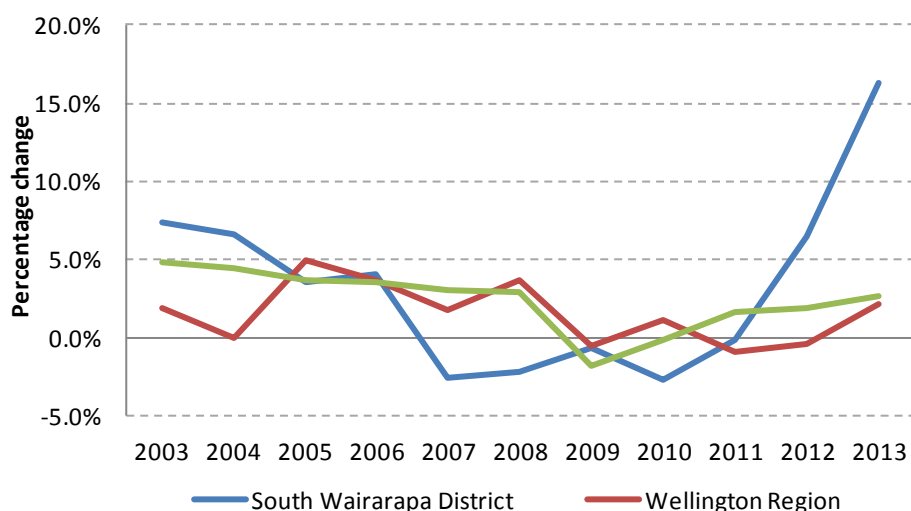
Table 10.13 GDP contribution by sector, South Wairarapa District

Sector	Value Added or GDP (2013\$m)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	83	84	92	9.2	1.1
Manufacturing	33	29	33	11.7	-0.1
Construction	17	15	36	136.1	7.7
Wholesale and Distribution	12	20	19	-0.6	4.5
Retail Trade and Services	19	31	35	14.6	6.3
Business Services	11	14	18	29.4	5.0
Arts and Recreation Services	3	1	2	143.0	-5.3
Social Services	18	24	28	15.0	4.3
<i>Owner-Occupied Dwellings (O.O.D)</i>	51	61	61	0.3	1.8
South Wairarapa District	247	278	323	16.3	2.7
Wellington Region	22,452	25,497	26,028	2.1	1.5
New Zealand	171,495	206,148	211,639	2.7	2.1

Source: BERL Regional Database, 2013

Figure 10.3 shows that the economy of the South Wairarapa District declined between 2007 and 2011, before picking up in 2012 and 2013. GDP in the South Wairarapa District peaked at \$320 million in 2013, on the back of this strong economic growth.

Figure 10.3 GDP growth, South Wairarapa, Wellington Region & NZ, 2003–2013



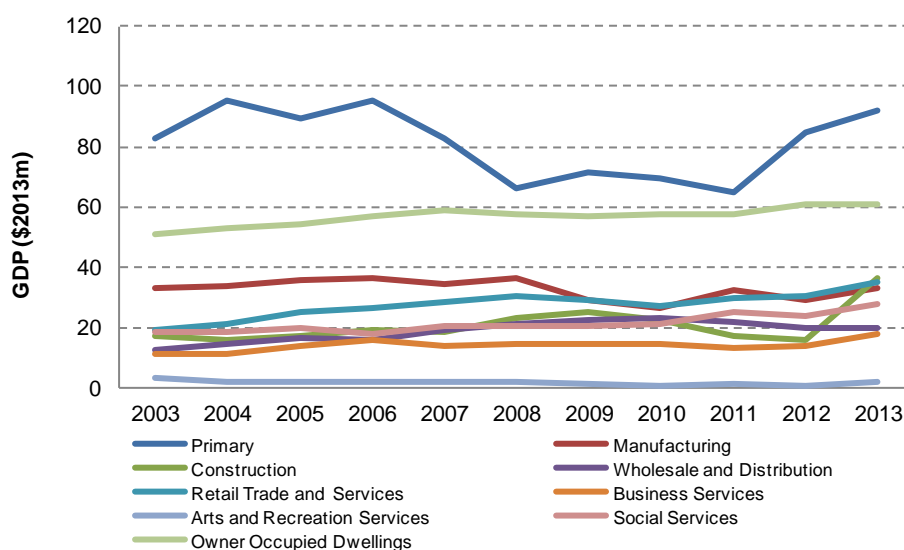
Source: BERL, Regional Database, 2013

10.6.1 GDP by sector

The primary sector makes the largest contribution to GDP in the South Wairarapa District. In 2013, the sector contributed \$90 million to the economy, or 29 percent of overall GDP. The agriculture industry made up 91 percent of GDP in the primary sector in the South Wairarapa District in 2013, and was responsible for the growth in GDP between 2011 and 2013, as shown in Figure 10.4

Figure 10.4 also shows a strong increase in GDP in the construction sector between 2012 and 2013. This increase was solely driven by the heavy and civil engineering construction industry.

Figure 10.4 GDP by sector, South Wairarapa District, 2003-2013



Source: BERL, Regional Database, 2013

10.7 Income

Personal income

A smaller proportion of people in the WAP in the South Wairarapa District receive wages and salaries than the wider Wellington Region. Conversely, a larger proportion of the WAP in the District receive dividend and entrepreneurial income, and social security and assistance benefits than the WAP in the wider Wellington Region.

Table 10.14 Sources of personal income, WAP, South Wairarapa & Wellington, 2006 & 2013

	Number				Percentage			
	South Wairarapa District		Wellington Region		South Wairarapa District		Wellington Region	
	2006	2013	2006	2013	2006	2013	2006	2013
Wages and salaries	3,531	3,825	217,404	220,920	53%	53%	64%	62%
Entrepreneurial and dividend income	3,462	3,543	142,965	135,981	52%	49%	42%	38%
Interest, pension fund earnings and insurance receipts	381	384	17,904	16,395	6%	5%	5%	5%
Social security and assistance benefits	2,262	2,718	100,485	114,801	34%	37%	30%	32%
Other sources of income	114	123	9,021	8,505	2%	2%	3%	2%
Total Stated	6,669	7,263	338,511	355,926	100%	100%	100%	100%

Note: People can receive income from more than one source. Percentages therefore sum to more than 100

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

In 2013 the median personal income of people in the South Wairarapa District was \$28,900, compared to \$32,700 in the Wellington Region.

Table 10.15 Personal income, WAP, South Wairarapa & Wellington Region, 2006 & 2013

	Under 20K *		20-40K		40-50K		50-70K		70-100K		100K +	
	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013	2006	2013
South Wairarapa District	43%	36%	31%	27%	9%	10%	9%	12%	4%	8%	3%	7%
Wellington Region	39%	35%	28%	23%	10%	9%	11%	14%	6%	10%	6%	9%

Source: Statistics New Zealand, 2006 and 2013 Censuses, BERL Calculations

10.8 Labour productivity

Labour productivity (i.e. GDP per FTE) in the South Wairarapa District was \$80,200 in 2013, 21 percent lower than regional labour productivity. Labour productivity in the South Wairarapa District was high in the manufacturing and wholesale and Distribution sectors in 2013.

Table 10.16 Labour productivity, South Wairarapa District

Sector	Productivity (2013\$ per FTE)			%pa change	
	2003	2012	2013	2013	2003 to 2013
Primary	71,164	94,685	95,714	1.1	3.0
Manufacturing	109,142	139,184	139,957	0.6	2.5
Construction	68,739	59,378	66,955	12.8	-0.3
Wholesale and Distribution	119,942	128,944	130,449	1.2	0.8
Retail Trade and Services	39,929	47,942	48,703	1.6	2.0
Business Services #	107,538	93,431	83,182	-11.0	-2.5
Arts and Recreation Services	82,418	69,259	72,271	4.3	-1.3
Social Services	62,615	63,741	63,736	0.0	0.2
South Wairarapa District	72,137	81,078	80,158	-1.1	1.1
Wellington Region	101,689	99,502	101,515	2.0	0.0
New Zealand	91,705	95,459	98,029	2.7	0.7

excl owner-occupied dwellings sector

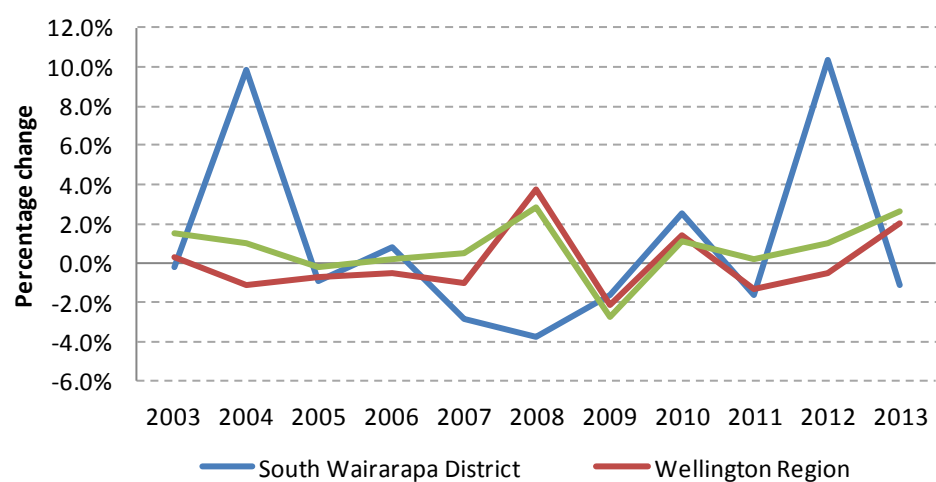
Source: BERL Regional Database, 2013

Labour productivity in the South Wairarapa District increased by 1.1 percent between 2003 and 2013, while overall labour productivity levels remained unchanged in the Wellington Region. Over the decade, labour productivity increased in the primary and manufacturing sectors, but declined in the business services sector.

Strong increases in labour productivity in the primary sector countered the decline in employment over this period, and resulted in modest GDP growth. GDP growth remained steady in the manufacturing sector in South Wairarapa District with increased labour productivity balanced out by a decline in employment.

Labour productivity in the South Wairarapa District peaked at \$81,100 in 2012. Figure 10.5 shows the change in annual labour productivity in the South Wairarapa District over the decade.

Figure 10.5 Labour productivity, South Wairarapa, Wellington Region & NZ, 2003-2013



Source: BERL, Regional Database, 2013

Appendix A Additional data

Table 10.17 shows the number of dwellings in the Wellington Region in 2013, and distinguishes between occupied and unoccupied dwellings. Compared to the country as a whole, the Wellington Region has a slightly larger proportion of occupied dwellings relative to unoccupied dwellings. Almost all of these occupied dwellings were private dwellings.

Table 10.17 Total dwelling count, Wellington Region & NZ, 2013

	Wellington Region		New Zealand	
	Count	Percent	Count	Percent
Occupied Dwellings				
Private dwellings	177,162	91.8%	1,561,956	88.9%
Non-private dwellings	651	0.3%	8,739	0.5%
Total	177,813	92.2%	1,570,695	89.4%
Unoccupied Dwellings				
Residents away	4,938	2.6%	44,082	2.5%
Empty dwelling	10,143	5.3%	141,366	8.0%
Total	15,081	7.8%	185,448	10.6%
Total	192,894	100%	1,756,143	100%

Source: Statistics New Zealand 2013 Census

Table 10.18 shows the growth in occupied dwellings between the 2006 and 2013 Censuses. Between 2006 and 2013, growth in the Wellington Region was largest in the 'other' occupied dwelling type, increasing by 22 percent compared to 7 percent nationally. The 'other' category includes mobile and improvised dwellings, roofless or rough sleepers, and dwellings in a motor camp.

Table 10.18 Occupied dwelling count, Wellington Region & NZ, 2006 & 2013

	Wellington Region			New Zealand		
	2006	2013	Change 06-13	2006	2013	Change 06-13
Separate House	121,524	126,177	4%	1,134,366	1,193,358	5%
Apartment/flat	39,783	41,628	5%	252,966	266,748	5%
Other	459	561	22%	10,083	10,782	7%
Not further defined	7,083	8,799	24%	74,331	91,068	23%
Total	168,849	177,165	5%	1,471,746	1,561,956	6%

Source: Statistics New Zealand 2006 and 2013 Censuses

Error! Reference source not found. shows that the mean household size in the Wellington Region in 2013 was 2.6 people. This is just below the mean national household size of 2.7 people. Household size has remained relatively unchanged over the past decade.

Table 10.19 Number of residents per household, Wellington Region & NZ, 2001, 2006 & 2013

	Wellington Region			New Zealand		
	2001	2006	2013	2001	2006	2013
One Usual Resident	24%	24%	24%	23%	23%	23%
Two Usual Residents	33%	33%	33%	34%	34%	34%
Three Usual Residents	17%	17%	17%	17%	17%	16%
Four Usual Residents	15%	15%	15%	15%	15%	15%
Five or more Usual Residents	11%	11%	10%	12%	12%	11%
Mean Number of Usual Household Members	2.6	2.6	2.6	2.7	2.7	2.7
Total Households	155,841	166,974	176,133	1,344,267	1,454,175	1,549,890

Source: Statistics New Zealand 2001, 2006 and 2013 Censuses

