



ANNUAL ECONOMIC PROFILE

Wellington Region

 **Infometrics**

Economics put simply

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ECONOMY

The New Zealand economy in 2016

The New Zealand economy grew by 2.5% over the year to March 2016, following rapid growth of 3.4% the previous year.

Rental, hiring and Real Estate Services was the biggest contributor to growth, with value-added lifting 4.4%. The sector has benefited not only from higher levels of property sales, but population growth and better conditions for businesses have also pushed up property and machinery rentals. In a similar vein, GDP for the construction sector rose 3.6% lift over the March 2016 year.

A range of service-based industries experienced strong growth over the past year. An expanding population, coupled with better job prospects, pushed up value-added by retail trade by 5.6%. Professional, scientific and technical services (3.0%) and finance and insurance series (3.1%) also experienced rapid growth.

Another record-breaking year for domestic and international visitor spending saw GDP for accommodation and food services increase 5.2%.

Valued-added from agriculture, forestry and fishing climbed 2.8%, despite challenging conditions for dairy farmers. The standout performer in the primary sector was agriculture and fruit growing (6.8%), while sheep, beef cattle and grain farming (3.6%) also grew strongly. Some of this additional activity flowed through to rural contractors, with value-added from agricultural support services and hunting climbing 7.5%.

How fast has Wellington Region's economy grown?

This section measures economic performance in Wellington Region during the year to March 2016 and previous years. All GDP estimates are measured in constant 2010 prices.

- GDP in Wellington Region measured \$29,925m in the year to March 2016, up 1.6% from a year earlier. New Zealand's GDP increased by 2.5% over the same period.
- Economic growth in Wellington Region averaged 1.5%pa over the last 10 years compared with an average of 1.8%pa in the national economy.
- Growth in Wellington Region reached a high of 4.0% in 2007 and a low of -0.4% in 2009.
- Wellington Region accounted for 13.4% of national GDP in 2016.

Figure 1: GDP growth (year to Mar 2016)

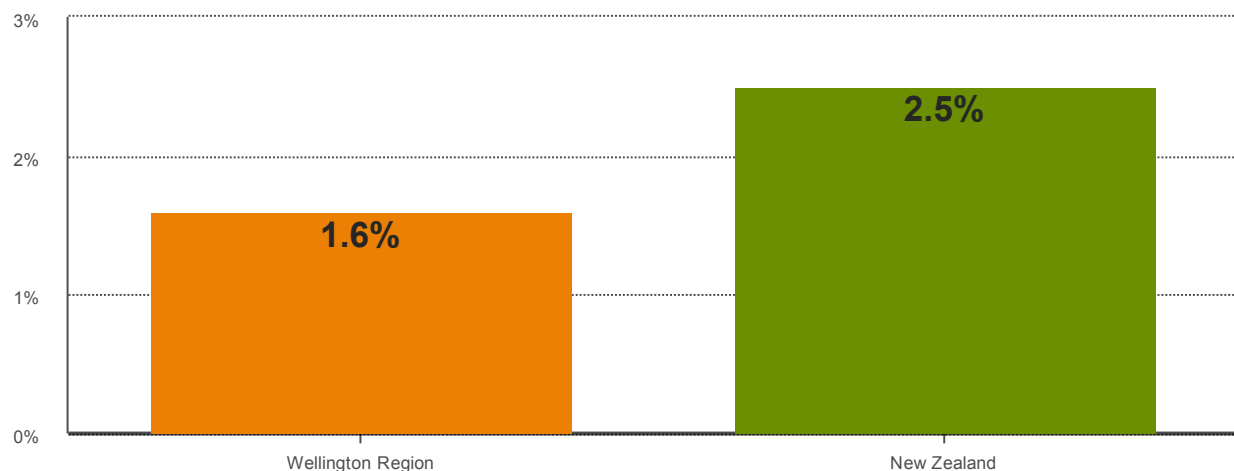


Figure 2: Annual average GDP growth (2000-2016)

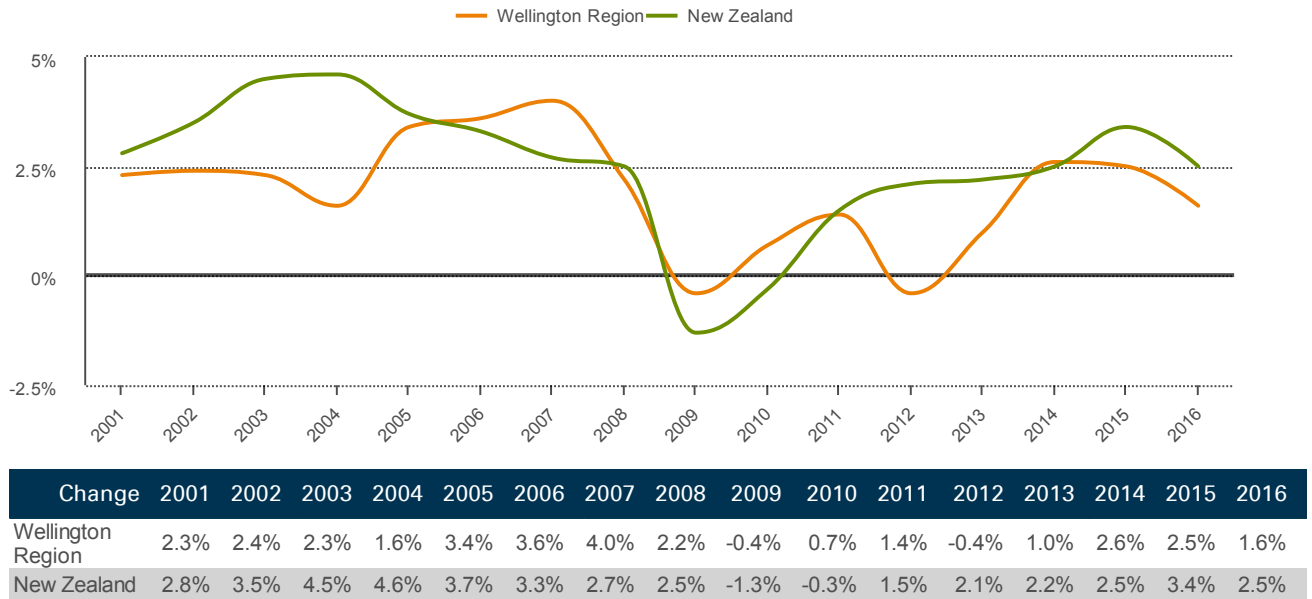
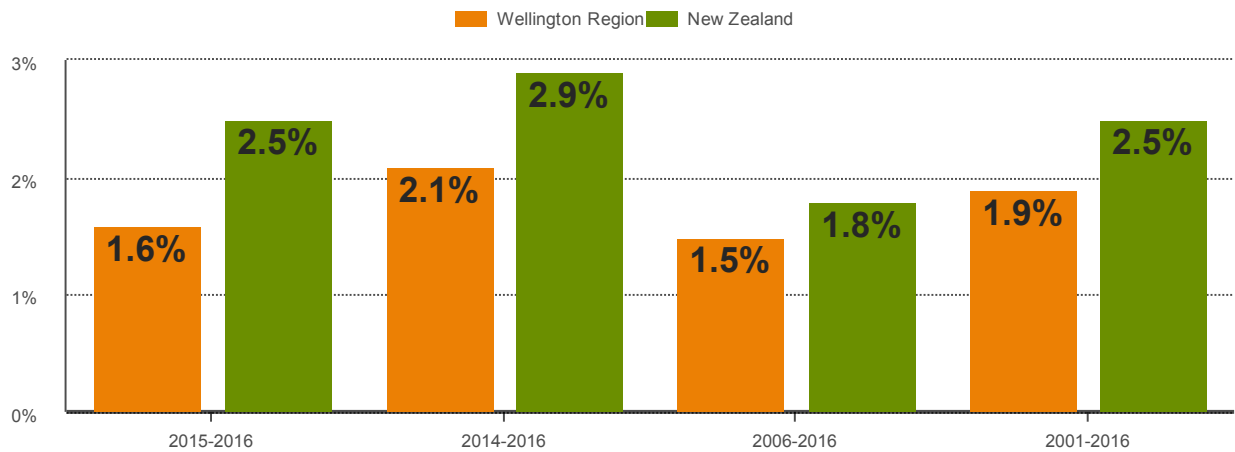


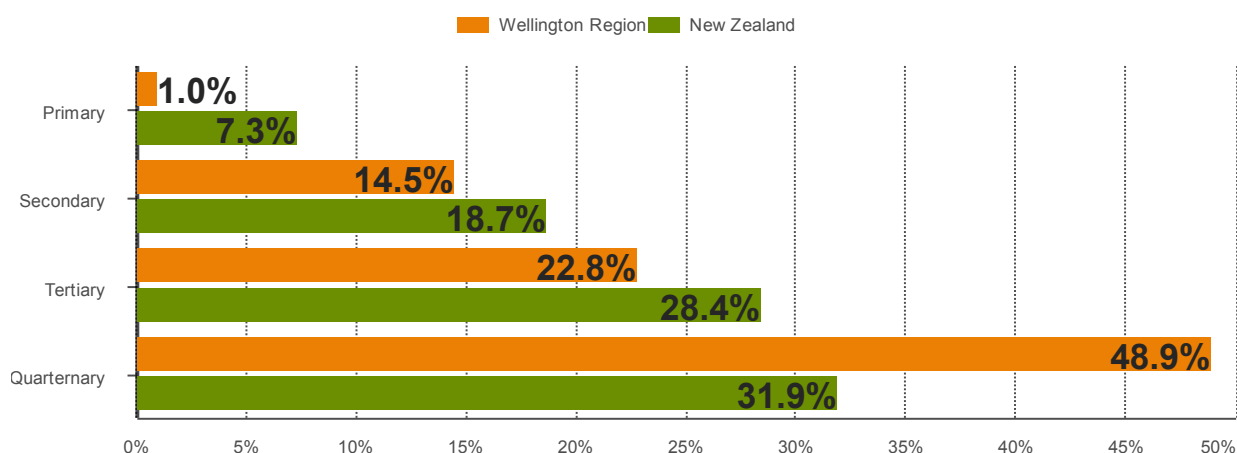
Figure 3: GDP growth over various time periods



What is the industrial structure of Wellington Region's economy?

This section describes the structure of the economy in terms of the broad sectors: primary, secondary, tertiary and quaternary. The primary sector makes direct use of natural resources. It extracts or harvests products from the earth. The secondary sector produces manufactured and other processed goods. The tertiary sector includes the lower value-adding service industries while the quaternary sector includes the higher value-adding, knowledge-based service industries. A full definition of the sectors is given in the technical appendix.

Figure 4: Share of total GDP (2016)



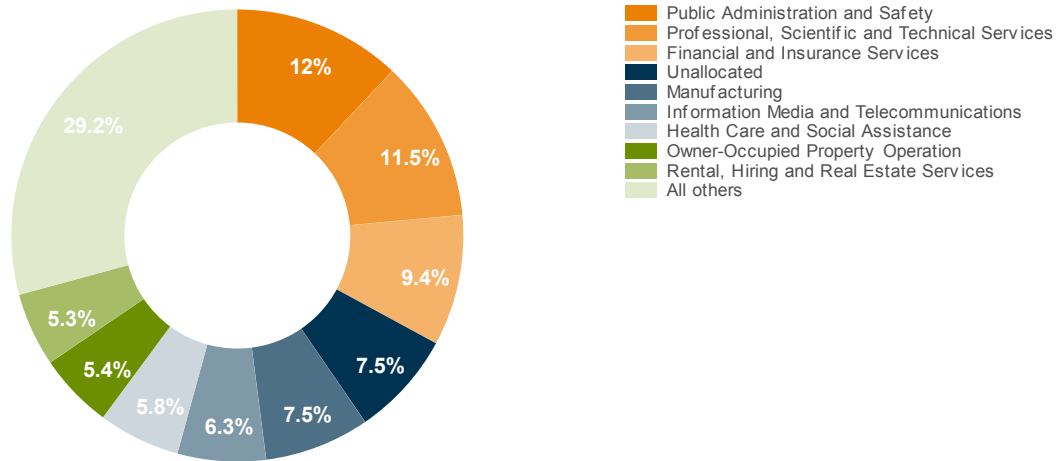
- Primary industries accounted for the smallest proportion in Wellington Region: 1.0% compared with 7.3% in the national economy.
- Secondary industries accounted for 14.5% compared with 18.7% in the national economy.
- Tertiary industries accounted for 22.8% compared with 28.4% in the national economy.
- Quarternary industries accounted for the largest proportion of GDP (48.9%) in Wellington Region, which is higher than in the national economy (31.9%).

Table 1: GDP by 1-digit industry (2016)

Industry	Wellington Region		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	\$254m	0.9%	\$12,811m	5.7%
Mining	\$46.7m	0.2%	\$3,522m	1.6%
Manufacturing	\$2,252m	7.5%	\$22,521m	10.1%
Electricity, Gas, Water and Waste Services	\$1,001m	3.3%	\$6,471m	2.9%
Construction	\$1,072m	3.6%	\$12,808m	5.7%
Wholesale Trade	\$946m	3.2%	\$11,488m	5.1%
Retail Trade	\$1,002m	3.3%	\$10,630m	4.8%
Accommodation and Food Services	\$547m	1.8%	\$4,736m	2.1%
Transport, Postal and Warehousing	\$1,019m	3.4%	\$9,397m	4.2%
Information Media and Telecommunications	\$1,891m	6.3%	\$7,904m	3.5%
Financial and Insurance Services	\$2,800m	9.4%	\$13,220m	5.9%
Rental, Hiring and Real Estate Services	\$1,575m	5.3%	\$15,991m	7.2%
Professional, Scientific and Technical Services	\$3,451m	11.5%	\$18,018m	8.1%
Administrative and Support Services	\$513m	1.7%	\$4,564m	2.0%
Public Administration and Safety	\$3,598m	12.0%	\$9,612m	4.3%
Education and Training	\$1,133m	3.8%	\$9,365m	4.2%
Health Care and Social Assistance	\$1,746m	5.8%	\$13,259m	5.9%
Arts and Recreation Services	\$580m	1.9%	\$2,918m	1.3%
Other Services	\$626m	2.1%	\$3,794m	1.7%
Owner-Occupied Property Operation	\$1,617m	5.4%	\$13,628m	6.1%
Unallocated	\$2,252m	7.5%	\$16,826m	7.5%
Total	\$29,925m	100%	\$223,483m	100%

- Among broad industries Public Administration and Safety was the largest in Wellington Region in 2016 accounting for 12.0% of total.
- The second largest was Professional, Scientific and Technical Services (11.5%) followed by Financial and Insurance Services (9.4%)

Figure 5: Share of total GDP (2016)



The table on the following page shows 54 industries ranked according to their contribution to GDP. These industry categories are used by Statistics New Zealand in the national accounts. They are a mix of various levels of industries on the ANZSIC-06 classification. Further information about the industrial classification is given in the Technical Notes at the end of the document.

- Among detailed industries Professional, Scientific & Tech Services was the largest in Wellington Region in 2016 accounting for 11.5% of total.
- The second largest was Central Gov Admin, Defence & Safety (11.5%) followed by Finance (6.8%)

Table 2: GDP by 54 industries (2016)

Industry	Wellington Region		New Zealand	
	Level	Share of total	Level	Share of total
Horticulture & Fruit Growing	\$23.4m	0.1%	\$1,141m	0.5%
Sheep, Beef Cattle & Grain Farming	\$84.2m	0.3%	\$2,709m	1.2%
Dairy Cattle Farming	\$63.2m	0.2%	\$5,230m	2.3%
Poultry, Deer & Other Livestock Farming	\$14.0m	0.0%	\$316m	0.1%
Forestry & Logging	\$25.9m	0.1%	\$1,391m	0.6%
Fishing & Aquaculture	\$10.1m	0.0%	\$345m	0.2%
Agric Support Services & Hunting	\$33.6m	0.1%	\$1,679m	0.8%
Mining	\$46.7m	0.2%	\$3,522m	1.6%
Meat & Meat Product Manufacturing	\$170m	0.6%	\$1,786m	0.8%
Seafood Processing	\$8.66m	0.0%	\$408m	0.2%
Dairy Product Manufacturing	\$14.7m	0.0%	\$1,304m	0.6%
Fruit, Cereal & Other Food Product Manu	\$255m	0.9%	\$1,994m	0.9%
Beverage & Tobacco Product Manu	\$211m	0.7%	\$1,904m	0.9%
Textile, Leather, Clothing, Footwear Manu	\$56.5m	0.2%	\$672m	0.3%
Wood Product Manufacturing	\$129m	0.4%	\$1,321m	0.6%
Pulp & Paper Product Manufacturing	\$59.2m	0.2%	\$689m	0.3%
Printing	\$90.5m	0.3%	\$565m	0.3%
Petroleum & Coal Product Manufacturing	\$427m	1.4%	\$1,067m	0.5%
Basic Chemical & Chemical Product Manu	\$120m	0.4%	\$1,387m	0.6%
Polymer Product & Rubber Product Manu	\$195m	0.7%	\$1,346m	0.6%
Non-Metallic Mineral Product Manu	\$109m	0.4%	\$1,142m	0.5%
Primary Metal & Metal Product Manu	\$20.7m	0.1%	\$586m	0.3%
Fabricated Metal Product Manufacturing	\$124m	0.4%	\$1,861m	0.8%
Transport Equipment Manufacturing	\$52.3m	0.2%	\$1,067m	0.5%
Machinery & Other Equipment Manu	\$155m	0.5%	\$2,805m	1.3%
Furniture & Other Manufacturing	\$56.3m	0.2%	\$617m	0.3%
Electricity & Gas Supply	\$837m	2.8%	\$5,373m	2.4%
Water, Sewerage & Waste Services	\$164m	0.5%	\$1,098m	0.5%
Building Construction	\$216m	0.7%	\$2,636m	1.2%
Heavy & Civil Engineering Construction	\$244m	0.8%	\$3,639m	1.6%
Construction Services	\$611m	2.0%	\$6,533m	2.9%
Wholesale Trade	\$946m	3.2%	\$11,488m	5.1%
Motor Vehicle, Parts & Fuel Retailing	\$120m	0.4%	\$1,526m	0.7%
Supermarket & Specialised Food Retailing	\$316m	1.1%	\$3,102m	1.4%
Other Store & Non Store Retailing	\$567m	1.9%	\$6,002m	2.7%
Accommodation & Food Services	\$547m	1.8%	\$4,736m	2.1%
Road Transport	\$328m	1.1%	\$3,281m	1.5%
Rail, Water, Air & Other Transport	\$262m	0.9%	\$1,930m	0.9%
Postal, Courier & Warehousing Services	\$429m	1.4%	\$4,186m	1.9%
Information Media Services	\$471m	1.6%	\$2,197m	1.0%
Telecomms, Internet & Library Services	\$1,420m	4.7%	\$5,707m	2.6%
Finance	\$2,027m	6.8%	\$8,733m	3.9%
Insurance & Superannuation Funds	\$413m	1.4%	\$2,466m	1.1%
Auxiliary Finance & Insurance Services	\$360m	1.2%	\$2,020m	0.9%
Rental & Hiring Services	\$199m	0.7%	\$2,533m	1.1%
Property Operators & Real Estate Services	\$1,376m	4.6%	\$13,458m	6.0%
Professional, Scientific & Tech Services	\$3,451m	11.5%	\$18,018m	8.1%
Administrative & Support Services	\$513m	1.7%	\$4,564m	2.0%
Local Government Administration	\$169m	0.6%	\$1,146m	0.5%
Central Gov Admin, Defence & Safety	\$3,428m	11.5%	\$8,466m	3.8%
Education & Training	\$1,133m	3.8%	\$9,365m	4.2%
Health Care & Social Assistance	\$1,746m	5.8%	\$13,259m	5.9%
Arts & Recreation Services	\$580m	1.9%	\$2,918m	1.3%
Other Services	\$626m	2.1%	\$3,794m	1.7%
Owner-Occupied Property Operation	\$1,617m	5.4%	\$13,628m	6.1%
Unallocated	\$2,252m	7.5%	\$16,826m	7.5%
Total	\$29,925m	100%	\$223,483m	100%

Which broad industries made the largest contribution to economic growth?

Although an industry may be growing rapidly, if it is small relative to a region's total economy its contribution to overall GDP growth may also be small. This section therefore investigates which broad industries made the largest contribution to the overall growth of Wellington Region's economy taking into account their relative sizes.

- Financial and Insurance Services made the largest contribution to overall growth in Wellington Region between 2015 and 2016. The industry grew by 5.4% over the year and contributed 0.48 percentage points to the district's total growth of 1.6%.
- The next largest contributor was professional, scientific and technical services (0.28 percentage points) followed by public administration and safety (0.21 percentage points).
- The largest detractor from growth over the year was Manufacturing which declined by 2.2% and contributed -0.17 percentage points to the total growth of 1.6%. Wholesale Trade (-0.14 percentage points) was the next largest detractor.

Table 3: 1-digit industries ranked by % point contribution to GDP growth

Industry	2015	2016	% point contribution to growth	Annual Growth
Financial and Insurance Services	2,657.5	2,800.3	0.5%	5.4%
Professional, Scientific and Technical Services	3,369.2	3,450.7	0.3%	2.4%
Public Administration and Safety	3,536.8	3,597.6	0.2%	1.7%
Electricity, Gas, Water and Waste Services	946.8	1,001.5	0.2%	5.8%
Rental, Hiring and Real Estate Services	1,528.6	1,575.0	0.2%	3.0%
Health Care and Social Assistance	1,702.0	1,745.6	0.1%	2.6%
Construction	1,038.6	1,071.8	0.1%	3.2%
Retail Trade	974.3	1,002.1	0.1%	2.9%
Information Media and Telecommunications	1,868.6	1,891.2	0.1%	1.2%
Accommodation and Food Services	535.2	547.5	0.0%	2.3%
Education and Training	1,123.9	1,133.0	0.0%	0.8%
Mining	45.3	46.7	0.0%	3.1%
Agriculture, Forestry and Fishing	254.9	254.4	0.0%	-0.2%
Administrative and Support Services	517.3	513.4	0.0%	-0.8%
Transport, Postal and Warehousing	1,026.7	1,019.1	0.0%	-0.7%
Other Services	636.3	626.1	0.0%	-1.6%
Arts and Recreation Services	605.7	580.4	-0.1%	-4.2%
Wholesale Trade	987.5	946.4	-0.1%	-4.2%
Manufacturing	2,302.8	2,252.1	-0.2%	-2.2%
Owner-Occupied Property Operation	1,610.1	1,617.4	0.0%	0.5%
Unallocated	2,184.2	2,252.5	0.2%	3.1%
Total	29,452	29,925	1.6%	1.6%

Which detailed industries made the largest contribution to economic growth?

The following table shows a ranking of the detailed industries by their contribution to economic growth over the past year.

- Finance made the largest contribution to overall growth in Wellington Region between 2015 and 2016. The industry grew by 6.5% over the year and contributed 0.42 percentage points to the district's total growth of 1.6%.
- The next largest contributor was professional, scientific & tech services (0.28 percentage points) followed by central gov admin, defence & safety (0.20 percentage points).
- The largest detractor from growth over the year was Petroleum & Coal Product Manufacturing which declined by 13% and contributed -0.22 percentage points to the total growth of 1.6%. Wholesale Trade (-0.14 percentage points) was the next largest detractor.

Table 4: 54 industries ranked by percentage point contribution to growth

Industry	2015	2016	% point contribution to growth	Annual Growth
Finance	1,902.4	2,026.8	0.4%	6.5%
Professional, Scientific & Tech Services	3,369.2	3,450.7	0.3%	2.4%
Central Gov Admin, Defence & Safety	3,368.8	3,428.2	0.2%	1.8%
Property Operators & Real Estate Services	1,329.8	1,376.4	0.2%	3.5%
Health Care & Social Assistance	1,702.0	1,745.6	0.1%	2.6%
Electricity & Gas Supply	800.1	837.4	0.1%	4.7%
Beverage & Tobacco Product Manu	183.3	210.6	0.1%	14.9%
Water, Sewerage & Waste Services	146.7	164.1	0.1%	11.9%
Construction Services	594.6	611.2	0.1%	2.8%
Telecomms, Internet & Library Services	1,404.5	1,419.9	0.1%	1.1%
Accommodation & Food Services	535.2	547.5	0.0%	2.3%
Supermarket & Specialised Food Retailing	303.4	315.5	0.0%	4.0%
Heavy & Civil Engineering Construction	232.3	244.2	0.0%	5.1%
Other Store & Non Store Retailing	555.9	567.0	0.0%	2.0%
Auxiliary Finance & Insurance Services	350.2	360.1	0.0%	2.8%
Education & Training	1,123.9	1,133.0	0.0%	0.8%
Insurance & Superannuation Funds	404.9	413.4	0.0%	2.1%
Information Media Services	464.1	471.3	0.0%	1.6%
Motor Vehicle, Parts & Fuel Retailing	114.9	119.6	0.0%	4.1%
Building Construction	211.8	216.4	0.0%	2.2%
Fruit, Cereal & Other Food Product Manu	252.2	255.3	0.0%	1.2%
Polymer Product & Rubber Product Manu	192.5	195.0	0.0%	1.3%
Agric Support Services & Hunting	31.5	33.6	0.0%	6.8%
Machinery & Other Equipment Manu	152.5	154.6	0.0%	1.4%
Meat & Meat Product Manufacturing	167.5	169.5	0.0%	1.2%
Basic Chemical & Chemical Product Manu	117.8	119.8	0.0%	1.6%
Sheep, Beef Cattle & Grain Farming	82.3	84.2	0.0%	2.2%
Textile, Leather, Clothing, Footwear Manu	54.8	56.5	0.0%	3.1%
Mining	45.3	46.7	0.0%	3.1%
Local Government Administration	168.0	169.4	0.0%	0.8%
Furniture & Other Manufacturing	55.4	56.3	0.0%	1.6%
Poultry, Deer & Other Livestock Farming	13.2	14.0	0.0%	6.2%
Dairy Product Manufacturing	13.9	14.7	0.0%	5.6%
Fabricated Metal Product Manufacturing	123.1	123.6	0.0%	0.4%
Horticulture & Fruit Growing	23.0	23.4	0.0%	1.6%
Transport Equipment Manufacturing	52.1	52.3	0.0%	0.4%
Seafood Processing	8.7	8.7	0.0%	-0.5%
Rental & Hiring Services	198.8	198.7	0.0%	-0.1%
Non-Metallic Mineral Product Manu	109.0	108.8	0.0%	-0.1%
Fishing & Aquaculture	10.4	10.1	0.0%	-2.6%
Primary Metal & Metal Product Manu	21.2	20.7	0.0%	-2.2%
Road Transport	329.0	328.2	0.0%	-0.2%
Postal, Courier & Warehousing Services	429.8	428.6	0.0%	-0.3%
Dairy Cattle Farming	64.7	63.2	0.0%	-2.4%
Forestry & Logging	29.6	25.9	0.0%	-12.5%
Administrative & Support Services	517.3	513.4	0.0%	-0.8%
Wood Product Manufacturing	134.1	128.7	0.0%	-4.0%
Rail, Water, Air & Other Transport	267.9	262.3	0.0%	-2.1%
Printing	100.1	90.5	0.0%	-9.6%
Other Services	636.3	626.1	0.0%	-1.6%
Pulp & Paper Product Manufacturing	72.2	59.2	0.0%	-18.0%
Arts & Recreation Services	605.7	580.4	-0.1%	-4.2%
Wholesale Trade	987.5	946.4	-0.1%	-4.2%
Petroleum & Coal Product Manufacturing	492.4	427.3	-0.2%	-13.2%
Owner-Occupied Property Operation	1,610.1	1,617.4	0.0%	0.5%
Unallocated	2,184.2	2,252.5	0.2%	3.1%
Total	29,452	29,925	1.6%	1.6%

In which industries does Wellington Region have a comparative advantage?

A high concentration of certain industries in a region may be indicative of that region having a comparative advantage in those industries. This may be due to its natural endowments, location, skills of its labour force or other reasons. The location quotient indicates in which industries a region has comparative advantage. A region has a location quotient larger (smaller) than one when the share of that industry in the regional economy is greater (less) than the share of the same industry in the national economy.

The following table shows a ranking of 54 industries by their location quotients.

- The industries in which Wellington Region has the largest comparative advantages are Central Gov Admin, Defence & Safety (location quotient = 3.0), Petroleum & Coal Product Manufacturing (3.0), and Telecomms, Internet & Library Services (1.9).

Table 5: Location Quotient 2016

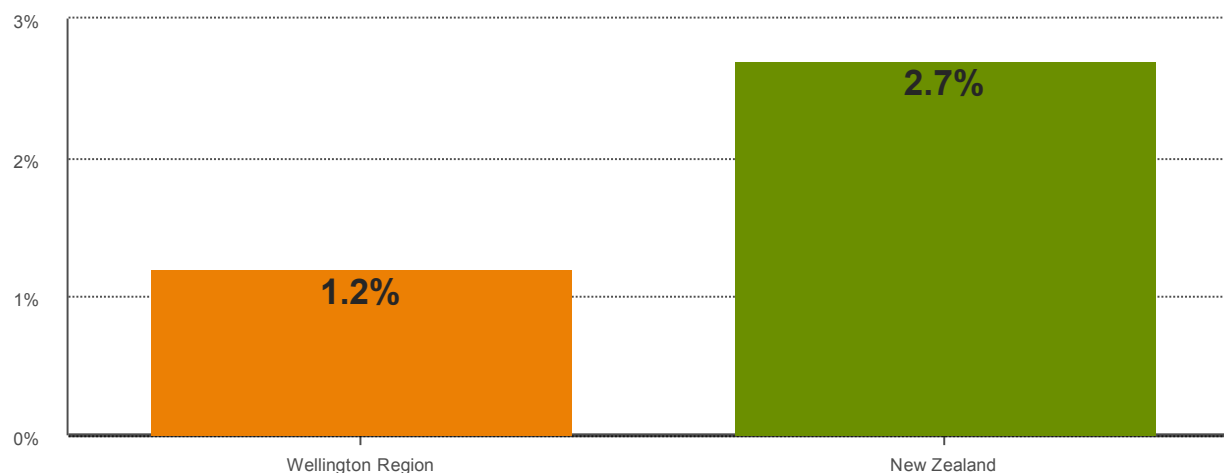
Industry	Wellington Region		New Zealand
	Location Quotient	Share of total GDP	Share of total GDP
Central Gov Admin, Defence & Safety	3.0	11.5%	3.8%
Petroleum & Coal Product Manufacturing	3.0	1.4%	0.5%
Telecomms, Internet & Library Services	1.9	4.7%	2.6%
Finance	1.7	6.8%	3.9%
Information Media Services	1.6	1.6%	1.0%
Arts & Recreation Services	1.5	1.9%	1.3%
Professional, Scientific & Tech Services	1.4	11.5%	8.1%
Auxiliary Finance & Insurance Services	1.3	1.2%	0.9%
Insurance & Superannuation Funds	1.3	1.4%	1.1%
Other Services	1.2	2.1%	1.7%
Printing	1.2	0.3%	0.3%
Electricity & Gas Supply	1.2	2.8%	2.4%
Water, Sewerage & Waste Services	1.1	0.5%	0.5%
Local Government Administration	1.1	0.6%	0.5%
Polymer Product & Rubber Product Manu	1.1	0.7%	0.6%
Rail, Water, Air & Other Transport	1.0	0.9%	0.9%
Health Care & Social Assistance	1.0	5.8%	5.9%
Fruit, Cereal & Other Food Product Manu	1.0	0.9%	0.9%
Education & Training	0.9	3.8%	4.2%
Accommodation & Food Services	0.9	1.8%	2.1%
Administrative & Support Services	0.8	1.7%	2.0%
Beverage & Tobacco Product Manu	0.8	0.7%	0.9%
Postal, Courier & Warehousing Services	0.8	1.4%	1.9%
Property Operators & Real Estate Services	0.8	4.6%	6.0%
Supermarket & Specialised Food Retailing	0.8	1.1%	1.4%
Road Transport	0.7	1.1%	1.5%
Wood Product Manufacturing	0.7	0.4%	0.6%
Non-Metallic Mineral Product Manu	0.7	0.4%	0.5%
Meat & Meat Product Manufacturing	0.7	0.6%	0.8%
Other Store & Non Store Retailing	0.7	1.9%	2.7%
Construction Services	0.7	2.0%	2.9%
Furniture & Other Manufacturing	0.7	0.2%	0.3%
Basic Chemical & Chemical Product Manu	0.6	0.4%	0.6%
Pulp & Paper Product Manufacturing	0.6	0.2%	0.3%
Textile, Leather, Clothing, Footwear Manu	0.6	0.2%	0.3%
Wholesale Trade	0.6	3.2%	5.1%
Building Construction	0.6	0.7%	1.2%
Rental & Hiring Services	0.6	0.7%	1.1%
Motor Vehicle, Parts & Fuel Retailing	0.6	0.4%	0.7%
Heavy & Civil Engineering Construction	0.5	0.8%	1.6%
Fabricated Metal Product Manufacturing	0.5	0.4%	0.8%
Machinery & Other Equipment Manu	0.4	0.5%	1.3%
Transport Equipment Manufacturing	0.4	0.2%	0.5%
Poultry, Deer & Other Livestock Farming	0.3	0.0%	0.1%
Primary Metal & Metal Product Manu	0.3	0.1%	0.3%
Sheep, Beef Cattle & Grain Farming	0.2	0.3%	1.2%
Fishing & Aquaculture	0.2	0.0%	0.2%
Seafood Processing	0.2	0.0%	0.2%
Horticulture & Fruit Growing	0.2	0.1%	0.5%
Agric Support Services & Hunting	0.1	0.1%	0.8%
Forestry & Logging	0.1	0.1%	0.6%
Mining	0.1	0.2%	1.6%
Dairy Cattle Farming	0.1	0.2%	2.3%
Dairy Product Manufacturing	0.1	0.0%	0.6%

EMPLOYMENT

How fast has employment grown in Wellington Region?

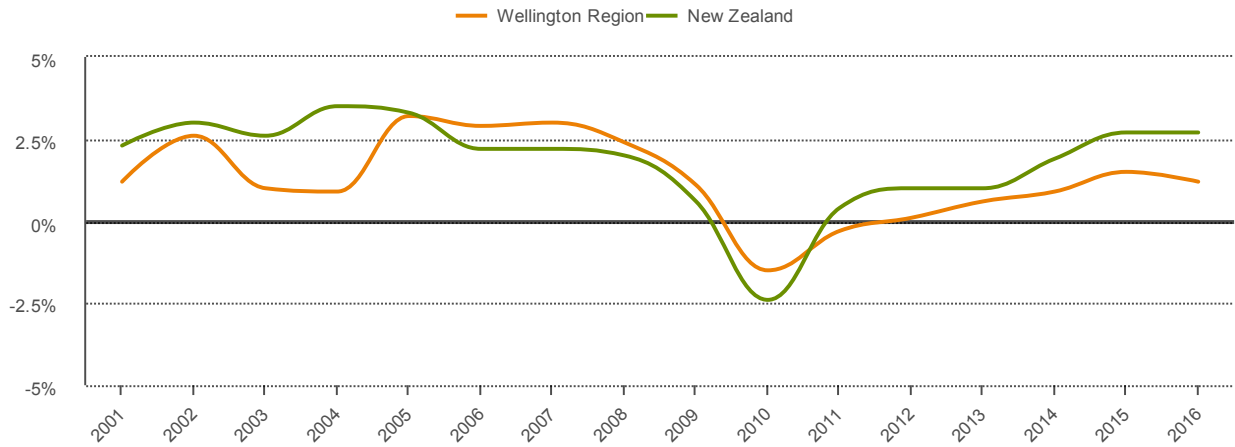
Employment growth provides new opportunities for the region's population to earn income and contribute to the region's economy. This section contrasts Wellington Region's recent performance in creating jobs with other regions in the country.

Figure 6: Employment growth (year to Mar 2016)



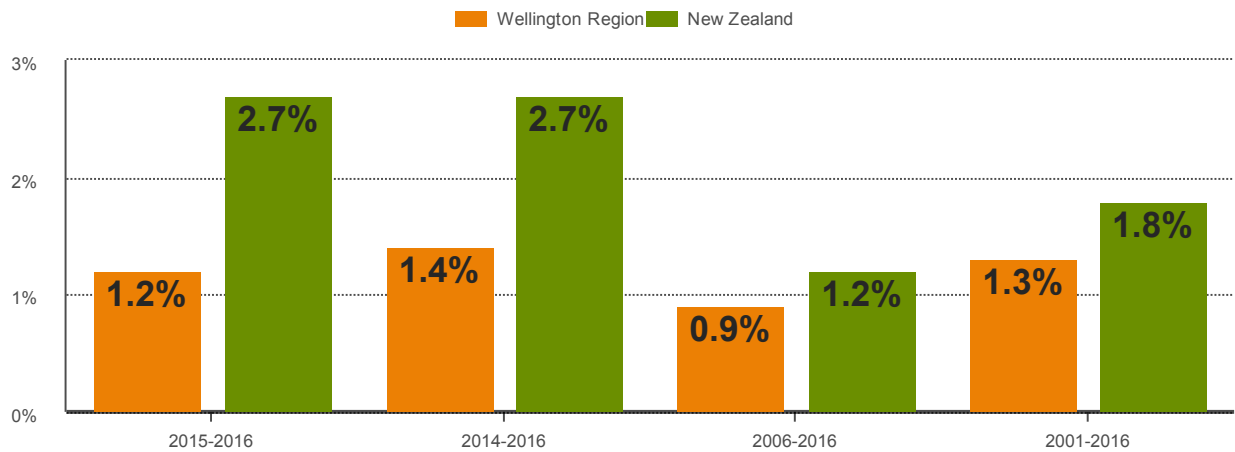
- Total employment in Wellington Region averaged 273,590 in the year to March 2016, up 1.2% from a year earlier. Employment in New Zealand increased by 2.7% over the same period.
- Employment growth in Wellington Region averaged 0.9%pa over the last 10 years compared with 1.2%pa in the national economy.
- Employment growth in Wellington Region reached a high of 3.2% in 2005 and a low of -1.5% in 2010.

Figure 7: Annual average employment growth



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Wellington Region	1.2%	2.6%	1.0%	0.9%	3.2%	2.9%	3.0%	2.4%	1.1%	-1.5%	-0.3%	0.1%	0.6%	0.9%	1.5%	1.2%
New Zealand	2.3%	3.0%	2.6%	3.5%	3.3%	2.2%	2.2%	2.0%	0.6%	-2.4%	0.4%	1.0%	1.0%	1.9%	2.7%	2.7%

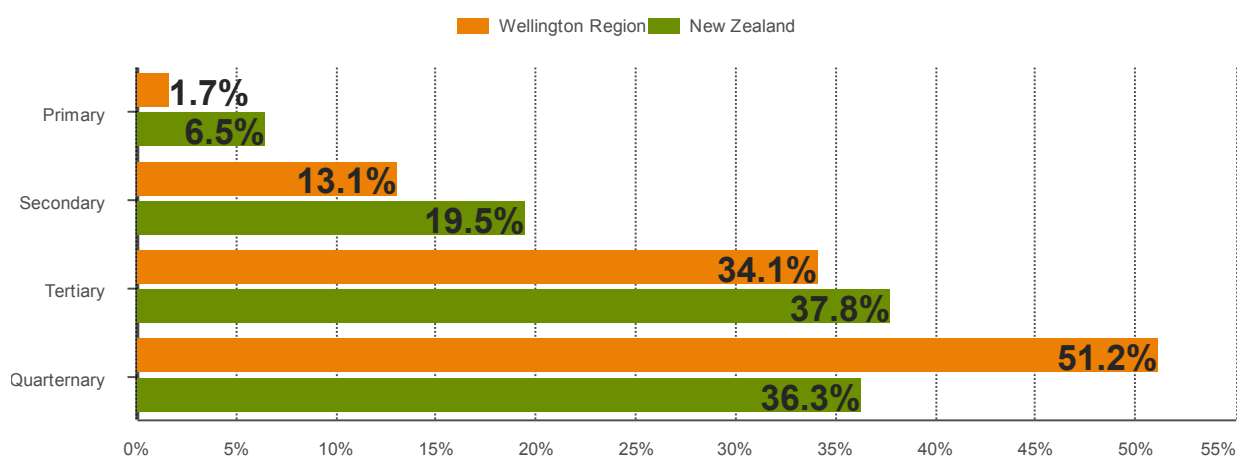
Figure 8: Employment growth over various time periods



What is the industrial structure of employment in Wellington Region?

This section describes the structure of the labour market in terms of the primary, secondary, tertiary and quaternary categories and the industries that fall within these categories. The primary sector makes direct use of natural resources. It extracts or harvests products from the earth. The secondary sector produces manufactured and other processed goods. The tertiary sector produces manufactured and other processed goods. The tertiary sector includes the lower value-adding service industries while the quaternary sector includes the higher value-adding, knowledge-based service industries. A list of industries making up the quaternary sector is given in the technical appendix.

Figure 9: Employment by broad sector (2016)



- Primary accounted for 1.7% in Wellington Region compared with 6.5% in New Zealand.
- Secondary accounted for 13.1% in Wellington Region compared with 19.5% in New Zealand.
- Tertiary accounted for 34.1% in Wellington Region compared with 37.8% in New Zealand.
- Quaternary industries accounted for the largest proportion of employment (51.2%) in Wellington Region, which is higher than in New Zealand (36.3%).

Which are the largest employing industries in Wellington Region?

This section identifies the broad industries that make the largest contribution to employment in Wellington Region.

Table 6: 1-digit industries ranked by size of employment (2016)

Industry	Wellington Region		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	4,190	1.5%	147,492	6.2%
Mining	455	0.2%	5,617	0.2%
Manufacturing	14,059	5.1%	232,854	9.9%
Electricity, Gas, Water and Waste Services	1,974	0.7%	15,119	0.6%
Construction	19,735	7.2%	211,736	9.0%
Wholesale Trade	8,942	3.3%	117,974	5.0%
Retail Trade	21,979	8.0%	216,652	9.2%
Accommodation and Food Services	17,864	6.5%	151,807	6.4%
Transport, Postal and Warehousing	9,142	3.3%	98,676	4.2%
Information Media and Telecommunications	7,733	2.8%	40,929	1.7%
Financial and Insurance Services	12,427	4.5%	65,093	2.8%
Rental, Hiring and Real Estate Services	4,820	1.8%	55,532	2.3%
Professional, Scientific and Technical Services	38,772	14.2%	223,950	9.5%
Administrative and Support Services	13,213	4.8%	118,732	5.0%
Public Administration and Safety	31,012	11.3%	111,039	4.7%
Education and Training	23,062	8.4%	184,124	7.8%
Health Care and Social Assistance	26,955	9.9%	233,191	9.9%
Arts and Recreation Services	6,536	2.4%	44,519	1.9%
Other Services	10,718	3.9%	88,390	3.7%
Total	273,590	100%	2,363,428	100%

- Among broad industries Professional, Scientific and Technical Services was the largest in Wellington Region in 2016 accounting for 14.2% of total.
- The second largest was Public Administration and Safety (11.3%) followed by Health Care and Social Assistance (9.9%)

The table on the following page shows the 50 detailed industries among the approximately 500 7-digit ANZSIC industry categories which employ the highest number of people in Wellington Region.

- Professional, Scientific and Technical Services was the largest 7-digit industry in Wellington Region in 2016 employing 38,772 persons and accounting for 14.2% of total employment in the district. By contrast this industry accounted for 9.5% of total employment in New Zealand.
- The second largest employing industries were public administration and safety (31,012) followed by health care and social assistance (26,955).

Table 7: 50 largest employing 7-digit ANZSIC industries (2016)

Rank	Industry	Wellington Region		New Zealand
		Jobs	% of total	% of total
1	Central Government Administration	16,018	5.9%	1.3%
2	Computer Systems Design and Related Services	10,855	4.0%	1.7%
3	Cafes and Restaurants	7,735	2.8%	2.8%
4	Hospitals (except Psychiatric Hospitals)	7,568	2.8%	2.9%
5	Banking	6,706	2.5%	1.0%
6	Management Advice and Other Consulting Services	6,672	2.4%	1.6%
7	Supermarket and Grocery Stores	6,341	2.3%	2.4%
8	Primary Education	5,519	2.0%	2.2%
9	Higher Education	5,441	2.0%	1.5%
10	Corporate Head Office Management Services	4,749	1.7%	1.1%
11	Other Allied Health Services	4,051	1.5%	1.4%
12	Aged Care Residential Services	3,837	1.4%	1.4%
13	Secondary Education	3,502	1.3%	1.5%
14	House Construction	3,477	1.3%	1.7%
15	Takeaway Food Services	3,382	1.2%	1.1%
16	Accounting Services	3,118	1.1%	1.0%
17	Engineering Design and Engineering Consulting Services	3,012	1.1%	1.1%
18	Accommodation	2,964	1.1%	1.3%
19	Other Social Assistance Services	2,887	1.1%	0.8%
20	Buildings Cleaning Services	2,829	1.0%	1.0%
21	Legal Services	2,764	1.0%	0.8%
22	Police Services	2,702	1.0%	0.5%
23	Labour Supply Services	2,692	1.0%	1.2%
24	Defence	2,652	1.0%	0.5%
25	Preschool Education	2,650	1.0%	1.1%
26	Employment Placement and Recruitment Services	2,636	1.0%	0.6%
27	Regulatory Services	2,429	0.9%	0.3%
28	Local Government Administration	2,332	0.9%	1.0%
29	Real Estate Services	2,221	0.8%	1.0%
30	Electrical Services	2,106	0.8%	0.9%
31	Pubs, Taverns and Bars	1,931	0.7%	0.6%
32	Adult, Community and Other Education n.e.c.	1,912	0.7%	0.5%
33	Hairdressing and Beauty Services	1,877	0.7%	0.6%
34	Road Freight Transport	1,872	0.7%	1.3%
35	Other Interest Group Services n.e.c.	1,856	0.7%	0.5%
36	Hardware and Building Supplies Retailing	1,850	0.7%	0.8%
37	Department Stores	1,830	0.7%	0.7%
38	Other Auxiliary Finance and Investment Services	1,816	0.7%	0.4%
39	Clothing Retailing	1,806	0.7%	0.7%
40	Justice	1,790	0.7%	0.2%
41	General Practice Medical Services	1,751	0.6%	0.7%
42	Other Administrative Services n.e.c.	1,738	0.6%	0.5%
43	Child Care Services	1,667	0.6%	0.6%
44	Wired Telecommunications Network Operation	1,582	0.6%	0.3%
45	Other Heavy and Civil Engineering Construction	1,567	0.6%	0.8%
46	Painting and Decorating Services	1,561	0.6%	0.6%
47	Other Residential Care Services	1,490	0.5%	0.6%
48	Technical and Vocational Education and Training	1,469	0.5%	0.4%
49	Scientific Research Services	1,462	0.5%	0.3%
50	Catering Services	1,447	0.5%	0.4%
	All other industries total	103,467	37.8%	49.9%
	Total	273,590	100%	100%

Which industries have created the most jobs?

The section investigates which industries have created and lost the most number of jobs in Wellington Region. The employment numbers differ from those published in Business Demography by Statistics New Zealand. The reasons for these differences are explained in the technical appendix.

Table 8: 1-digit industries ranked by number of jobs created

Industry	2015	2016	Change	Annual Growth
Health Care and Social Assistance	26,023	26,955	932	3.6%
Construction	18,864	19,735	872	4.6%
Professional, Scientific and Technical Services	37,936	38,772	836	2.2%
Financial and Insurance Services	11,854	12,427	573	4.8%
Accommodation and Food Services	17,543	17,864	321	1.8%
Education and Training	22,829	23,062	233	1.0%
Public Administration and Safety	30,817	31,012	195	0.6%
Electricity, Gas, Water and Waste Services	1,783	1,974	191	10.7%
Rental, Hiring and Real Estate Services	4,726	4,820	94	2.0%
Arts and Recreation Services	6,493	6,536	43	0.7%
Manufacturing	14,031	14,059	28	0.2%
Mining	481	455	-26	-5.4%
Transport, Postal and Warehousing	9,169	9,142	-27	-0.3%
Agriculture, Forestry and Fishing	4,249	4,190	-59	-1.4%
Other Services	10,792	10,718	-74	-0.7%
Retail Trade	22,092	21,979	-112	-0.5%
Wholesale Trade	9,126	8,942	-183	-2.0%
Administrative and Support Services	13,428	13,213	-215	-1.6%
Information Media and Telecommunications	8,163	7,733	-430	-5.3%
Total	270,398	273,590	3,192	1.2%

- Health Care and Social Assistance made the largest contribution to employment growth in Wellington Region between 2015 and 2016 with the industry adding 932 jobs.
- The next largest contributor was Construction (872 jobs) followed by Professional, Scientific and Technical Services (836 jobs).
- The largest detractor from growth over the year was Information Media and Telecommunications in which employment declined by 430.

The table on the next page shows the 50 industries (out of a total of approximately 500 industries of the ANZSIC 2006 industry classification¹) that created the most number of jobs over the past year. Table 15 shows the 50 detailed industries that made the lowest contribution to job creation over the same period.

- Central Government Administration was the largest creator of jobs in Wellington Region between 2015 and 2016 generating an additional 713 positions.
- This was followed by Banking, which added 555 jobs over the same period.
- Other Public Order and Safety Services was the largest detractor of jobs in Wellington Region between 2015 and 2016 losing 765 positions.
- This was followed by Wired Telecommunications Network Operation, which lost 266 jobs over the same period.

Table 9: The 50 seven-digit industries that created the most jobs between 2015 and 2016

Rank	Industry	Jobs		Change 2015 - 2016	% of total 2016
		2015	2016		
1	Central Government Administration	15,305	16,018	713	5.9%
2	Banking	6,151	6,706	555	2.5%
3	Hospitals (except Psychiatric Hospitals)	7,018	7,568	549	2.8%
4	Computer Systems Design and Related Services	10,461	10,855	394	4.0%
5	Takeaway Food Services	3,146	3,382	236	1.2%
6	Management Advice and Other Consulting Services	6,441	6,672	231	2.4%
7	Primary Education	5,308	5,519	211	2.0%
8	Justice	1,580	1,790	210	0.7%
9	Cafes and Restaurants	7,535	7,735	200	2.8%
10	Road and Bridge Construction	701	866	165	0.3%
11	Police Services	2,546	2,702	156	1.0%
12	Engineering Design and Engineering Consulting Services	2,862	3,012	150	1.1%
13	Labour Supply Services	2,543	2,692	149	1.0%
14	Higher Education	5,314	5,441	127	2.0%
15	House Construction	3,352	3,477	125	1.3%
16	Other Construction Services n.e.c.	642	764	122	0.3%
17	Architectural Services	1,055	1,174	119	0.4%
18	General Practice Medical Services	1,650	1,751	101	0.6%
19	Electrical Services	2,019	2,106	88	0.8%
20	Sports and Physical Recreation Venues, Grounds and Facilities Operation	716	799	83	0.3%
21	Accounting Services	3,037	3,118	81	1.1%
22	Aged Care Residential Services	3,757	3,837	80	1.4%
23	Other Residential Care Services	1,414	1,490	76	0.5%
24	Pathology and Diagnostic Imaging Services	401	476	75	0.2%
25	General Insurance	663	736	73	0.3%
26	Veterinary Services	438	511	73	0.2%
27	Commission Based Wholesaling	490	563	73	0.2%
28	Other Warehousing and Storage Services	283	355	72	0.1%
29	Libraries and Archives	912	983	71	0.4%
30	Air Conditioning and Heating Services	813	884	71	0.3%
31	Site Preparation Services	770	837	66	0.3%
32	Child Care Services	1,602	1,667	66	0.6%
33	Real Estate Services	2,161	2,221	60	0.8%
34	Other Machinery and Equipment Manufacturing n.e.c.	605	662	57	0.2%
35	Defence	2,596	2,652	56	1.0%
36	Electrical, Electronic and Gas Appliance Retailing	587	643	56	0.2%
37	Other Auxiliary Finance and Investment Services	1,760	1,816	55	0.7%
38	Airport Operations and Other Air Transport Support Services	294	348	54	0.1%
39	Advertising Services	693	747	53	0.3%
40	Correctional and Detention Services	790	843	53	0.3%
41	Physiotherapy Services	248	298	50	0.1%
42	Accommodation	2,915	2,964	49	1.1%
43	Waste Treatment and Disposal Services	130	179	49	0.1%
44	Supermarket and Grocery Stores	6,294	6,341	47	2.3%
45	Water Supply	151	196	46	0.1%
46	On Selling Electricity and Electricity Market Operation	164	209	45	0.1%
47	Plastering and Ceiling Services	580	624	44	0.2%
48	Non-Residential Building Construction	1,227	1,270	43	0.5%
49	Museum Operation	647	686	40	0.3%
50	Nature Reserves and Conservation Parks Operation	776	815	39	0.3%
	All other industries	146,855	143,588	-3,267	52.5%
	Total	270,398	273,590	3,192	100%

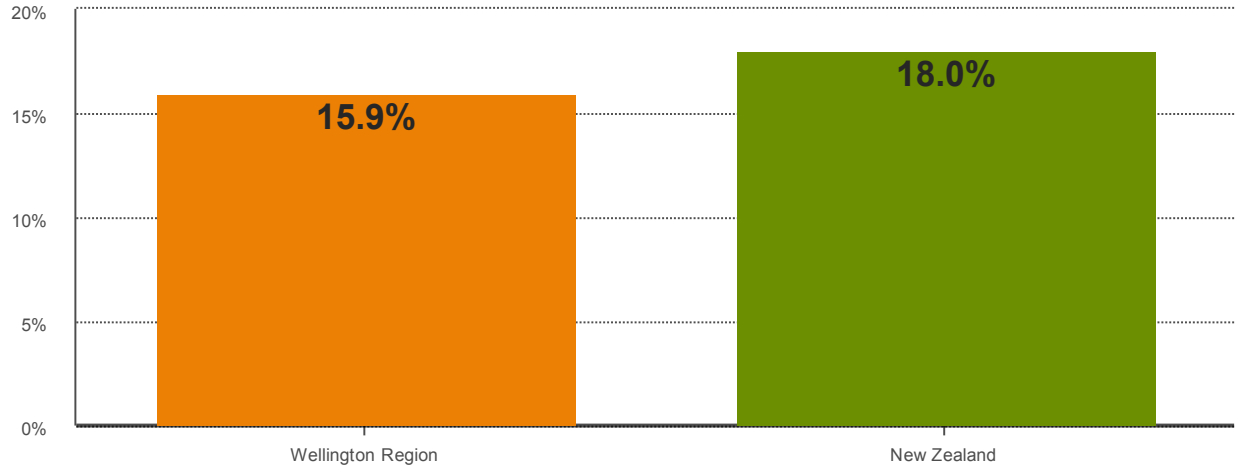
Table 10: The 50 seven-digit industries that lost the most jobs between 2015 and 2016

Rank	Industry	Jobs		Change 2015 - 2016	% of total 2016
		2015	2016		
1	Other Public Order and Safety Services	887	122	-765	0.0%
2	Wired Telecommunications Network Operation	1,848	1,582	-266	0.6%
3	Corporate Head Office Management Services	4,975	4,749	-225	1.7%
4	Regulatory Services	2,599	2,429	-171	0.9%
5	Call Centre Operation	706	556	-150	0.2%
6	Internet Publishing and Broadcasting	155	43	-111	0.0%
7	Department Stores	1,941	1,830	-110	0.7%
8	Buildings Cleaning Services	2,938	2,829	-109	1.0%
9	Pubs, Taverns and Bars	2,036	1,931	-105	0.7%
10	Telecommunication Goods Wholesaling	417	315	-102	0.1%
11	Postal Services	942	842	-100	0.3%
12	Employment Placement and Recruitment Services	2,725	2,636	-89	1.0%
13	Metal and Mineral Wholesaling	273	186	-88	0.1%
14	Scientific Research Services	1,540	1,462	-79	0.5%
15	Preschool Education	2,727	2,650	-76	1.0%
16	Other Allied Health Services	4,121	4,051	-70	1.5%
17	Other Electrical and Electronic Goods Wholesaling	1,022	958	-64	0.4%
18	Financial Asset Investing	646	582	-63	0.2%
19	Printing	1,343	1,281	-62	0.5%
20	Health and Fitness Centres and Gymnasias Operation	771	709	-62	0.3%
21	Fire Protection and Other Emergency Services (except Ambulance Services)	692	632	-60	0.2%
22	Data Processing and Web Hosting Services	704	647	-57	0.2%
23	Sport and Physical Recreation Clubs and Sports Professionals	560	507	-52	0.2%
24	Clothing Retailing	1,856	1,806	-50	0.7%
25	Office Administrative Services	1,092	1,045	-47	0.4%
26	Horse and Dog Racing Administration and Track Operation	146	99	-46	0.0%
27	Catering Services	1,492	1,447	-46	0.5%
28	Sheep Farming (Specialised)	550	504	-46	0.2%
29	Postproduction Services and Other Motion Picture and Video Activities	1,125	1,080	-45	0.4%
30	Petroleum Refining and Petroleum Fuels Manufacturing	188	147	-41	0.1%
31	Dairy Cattle Farming	769	729	-40	0.3%
32	Secondary Education	3,542	3,502	-40	1.3%
33	Video and Other Electronic Media Rental	158	120	-37	0.0%
34	General Line Groceries Wholesaling	455	419	-35	0.2%
35	Motion Picture and Video Production	948	913	-35	0.3%
36	Other Electronic Equipment Manufacturing	157	127	-30	0.0%
37	Other Converted Paper Product Manufacturing	82	54	-28	0.0%
38	Other Machinery and Equipment Repair and Maintenance	320	292	-28	0.1%
39	Other Social Assistance Services	2,914	2,887	-28	1.1%
40	Other Transport n.e.c.	62	36	-26	0.0%
41	Life Insurance	969	944	-25	0.3%
42	Grape Growing	218	193	-25	0.1%
43	Optometry and Optical Dispensing	267	244	-23	0.1%
44	Other Polymer Product Manufacturing	217	194	-23	0.1%
45	Wooden Structural Fittings and Components Manufacturing	474	452	-22	0.2%
46	Other Construction Material Mining	61	39	-22	0.0%
47	Logging	118	97	-21	0.0%
48	Central Banking	302	281	-21	0.1%
49	Diet and Weight Reduction Centre Operation	107	86	-21	0.0%
50	Fire and Security Alarm Installation Services	446	426	-20	0.2%
	All other industries	214,797	221,893	7,097	81.1%
	Total	270,398	273,590	3,192	100%

What proportion of the workforce is self-employed in Wellington Region?

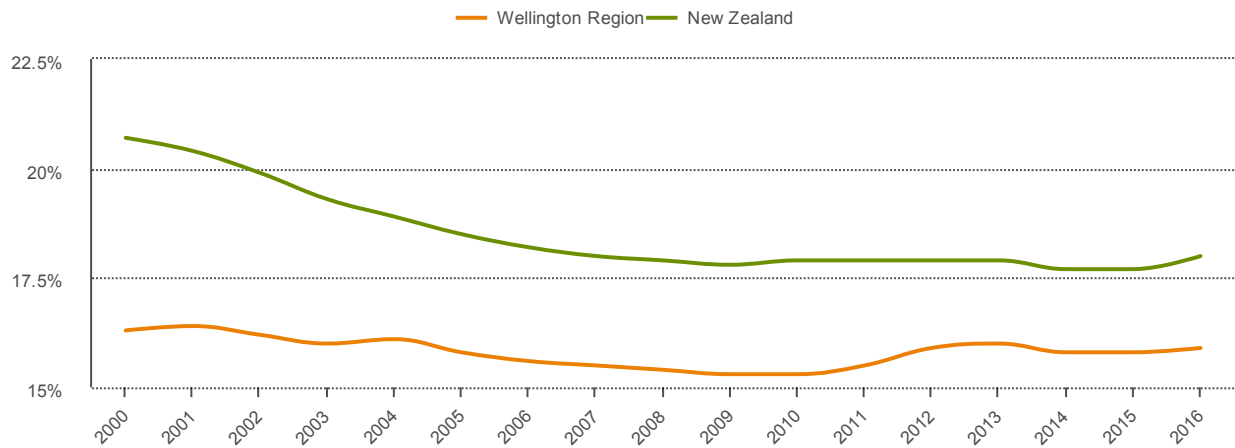
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in Wellington Region with the national economy.

Figure 10: Self employment rate, 2016



- Self-employed workers accounted for 15.9% of the workforce in Wellington Region in 2016, which was a lower rate than in the national economy (18.0%)
- A total of 43,369.2 workers were self-employed in Wellington Region in 2016.

Figure 11: Self employment rate



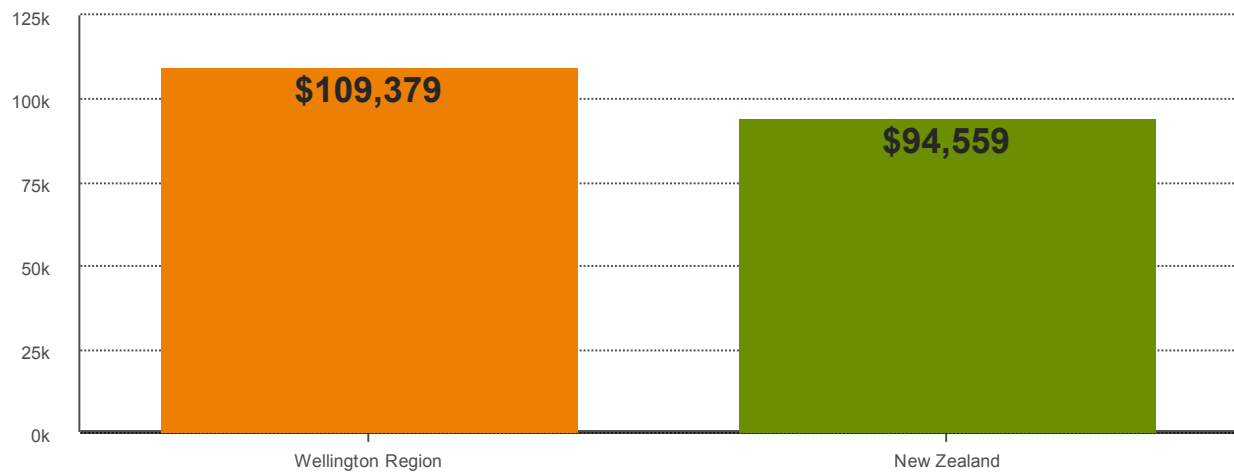
Level	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Wellington Region	16.4%	16.2%	16.0%	16.1%	15.8%	15.6%	15.5%	15.4%	15.3%	15.3%	15.5%	15.9%	16.0%	15.8%	15.8%	15.9%
New Zealand	20.4%	19.9%	19.3%	18.9%	18.5%	18.2%	18.0%	17.9%	17.8%	17.9%	17.9%	17.9%	17.9%	17.7%	17.7%	18.0%

PRODUCTIVITY

Productivity is a way of describing the efficiency of production. In this section, we investigate GDP per employee to determine how much economic activity is generated on average by each employee. When looking at this indicator, one needs to consider that labour is only one input into production. As a result, a comparison of a region's labour productivity growth to its own history or to other districts, implicitly assumes that each worker has the same access to machinery, technology, and land.

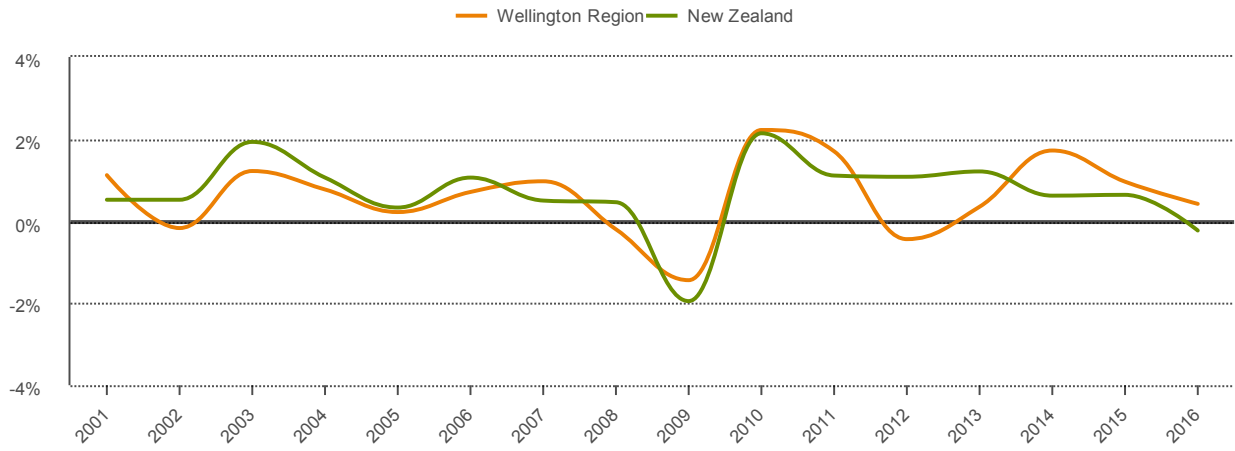
This section describes Wellington Region's productivity level during the year to March 2016 and previous years. Productivity is measured by GDP per employee (in constant 2010 prices).

Figure 12: Productivity 2016



- GDP per employee in Wellington Region measured \$109,379 in the year to March 2016, which was 16% higher than in New Zealand.
- Productivity in Wellington Region increased by 0.4% from a year earlier compared with an decrease of 0.2% in New Zealand).
- Productivity growth in Wellington Region averaged 0.6%pa over the last ten years compared with an average of 0.6%pa in New Zealand.

Figure 13: Productivity growth



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Wellington Region	1.1%	-0.2%	1.2%	0.8%	0.2%	0.7%	1.0%	-0.2%	-1.4%	2.2%	1.7%	-0.4%	0.3%	1.7%	1.0%	0.4%
New Zealand	0.5%	0.5%	1.9%	1.1%	0.3%	1.1%	0.5%	0.5%	-2.0%	2.1%	1.1%	1.1%	1.2%	0.6%	0.6%	-0.2%

What are the most productive industries in Wellington Region

This section ranks industries according to their level of GDP per employee in Wellington Region. The level of GDP per employee may differ between industries because of the skill levels of workers and their inherent efficiency, as well as due to different amounts of machinery, technology, and land being used as production inputs. Table 17 below ranks broad industries by GDP per employee in Wellington Region and shows the corresponding GDP per employee in the national economy. Since the capital intensity of industries is often a significant explainer of productivity we also show the capital intensity of each industry in the table. Capital intensity is measured as the share of GDP which is attributable to capital. Industries with a high proportion are thus highly capital intensive.

Table 11: 1-digit industries ranked by productivity (2016)

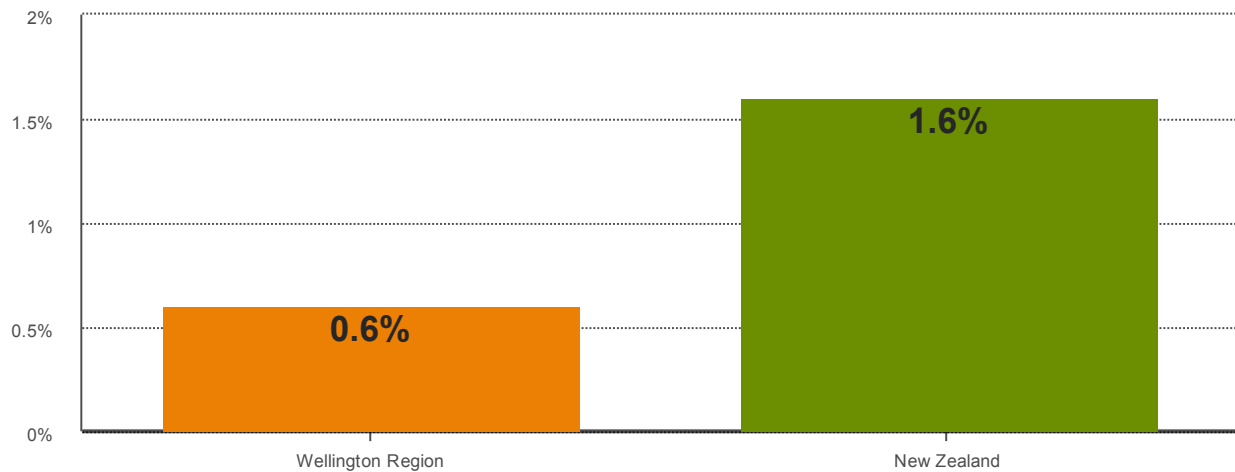
Industry	Productivity		Capital intensity
	Wellington Region	New Zealand	New Zealand
Electricity, Gas, Water and Waste Services	507,273	427,993	-
Rental, Hiring and Real Estate Services	326,775	287,960	-
Information Media and Telecommunications	244,553	193,114	-
Financial and Insurance Services	225,336	203,093	-
Manufacturing	160,189	96,717	-
Public Administration and Safety	116,007	86,564	-
Transport, Postal and Warehousing	111,476	95,231	-
Wholesale Trade	105,836	97,377	-
Mining	102,727	627,003	-
Professional, Scientific and Technical Services	88,999	80,455	-
Arts and Recreation Services	88,792	65,545	-
Health Care and Social Assistance	64,759	56,859	-
Agriculture, Forestry and Fishing	60,723	86,859	-
Other Services	58,410	42,923	-
Construction	54,310	60,490	-
Education and Training	49,131	50,863	-
Retail Trade	45,593	49,065	-
Administrative and Support Services	38,857	38,440	-
Accommodation and Food Services	30,648	31,198	-
Total	109,379	94,559	

BUSINESS GROWTH

How fast did the number of business units grow in Wellington Region?

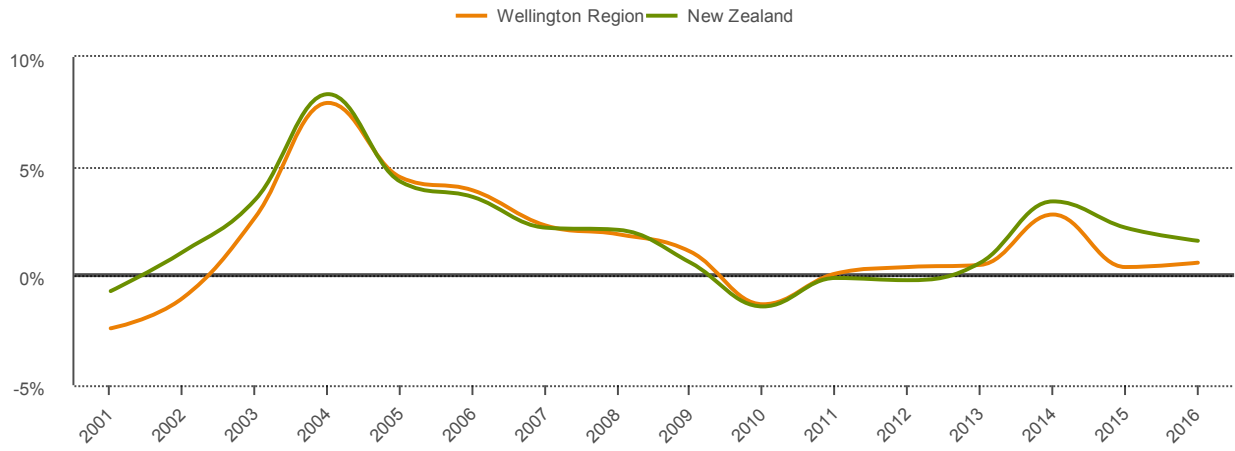
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts Wellington Region's recent performance in business unit growth with other regions in the country.

Figure 14: Business unit growth (year to Mar 2016)



- A total of 54,357 business units were recorded in Wellington Region in 2016, up 0.6% from a year earlier.
- The number of business units in New Zealand increased by 1.6% over the same period.
- Growth in the number of business units in Wellington Region averaged 0.9%pa over the past 10 years compared with 1.1%pa in the national economy.
- Business unit growth in Wellington Region varied from a high of 7.9% in 2004 to a low of -2.4% in 2001.

Figure 15: Annual average business unit growth



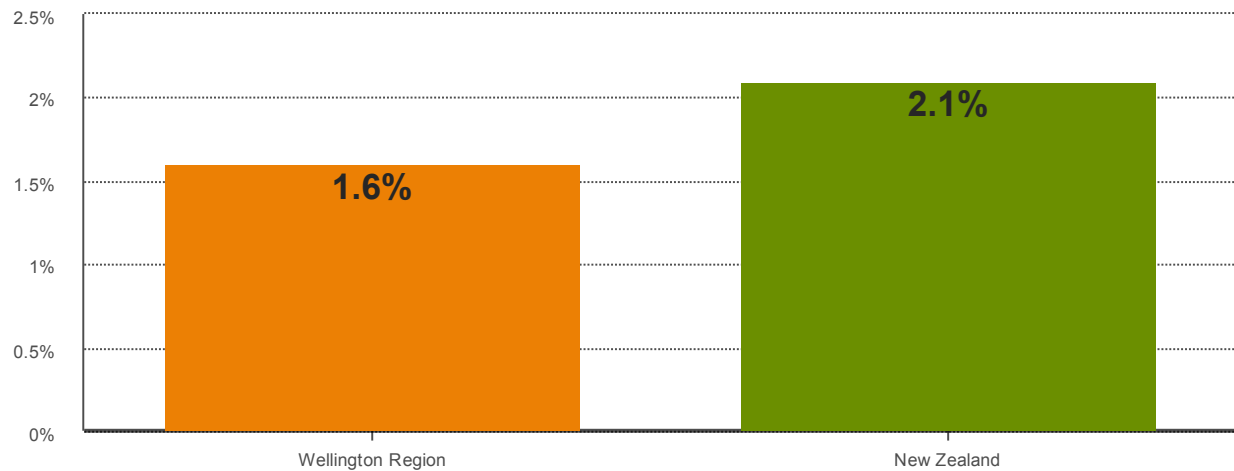
Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Wellington Region	-2.4%	-1.0%	2.7%	7.9%	4.5%	3.9%	2.3%	1.9%	1.1%	-1.3%	0.1%	0.4%	0.5%	2.8%	0.4%	0.6%
New Zealand	-0.7%	1.1%	3.5%	8.3%	4.3%	3.6%	2.2%	2.1%	0.6%	-1.4%	-0.1%	-0.2%	0.6%	3.4%	2.2%	1.6%

POPULATION GROWTH

How fast has Wellington Region's population grown?

Population growth is an indicator of a region's attractiveness as a place to live and work. A strong regional economy with plentiful job opportunities will help a region retain its population and attract new residents from other regions and abroad. This section contrasts Wellington Region's recent population growth with other districts and the country as a whole.

Figure 16: Population growth (year to Jun 2016)



- Wellington Region's population was 504,900 in 2016, up 1.6% from a year earlier. New Zealand's total population grew by 2.1% over the same period.
- Population growth in Wellington Region averaged 0.9%pa over the last 5 years compared with 1.4%pa in New Zealand.
- Since 2000 growth in Wellington Region reached a high of 1.6%pa in 2016 and a low of 0.3%pa in 2013.

Figure 17: Annual population growth

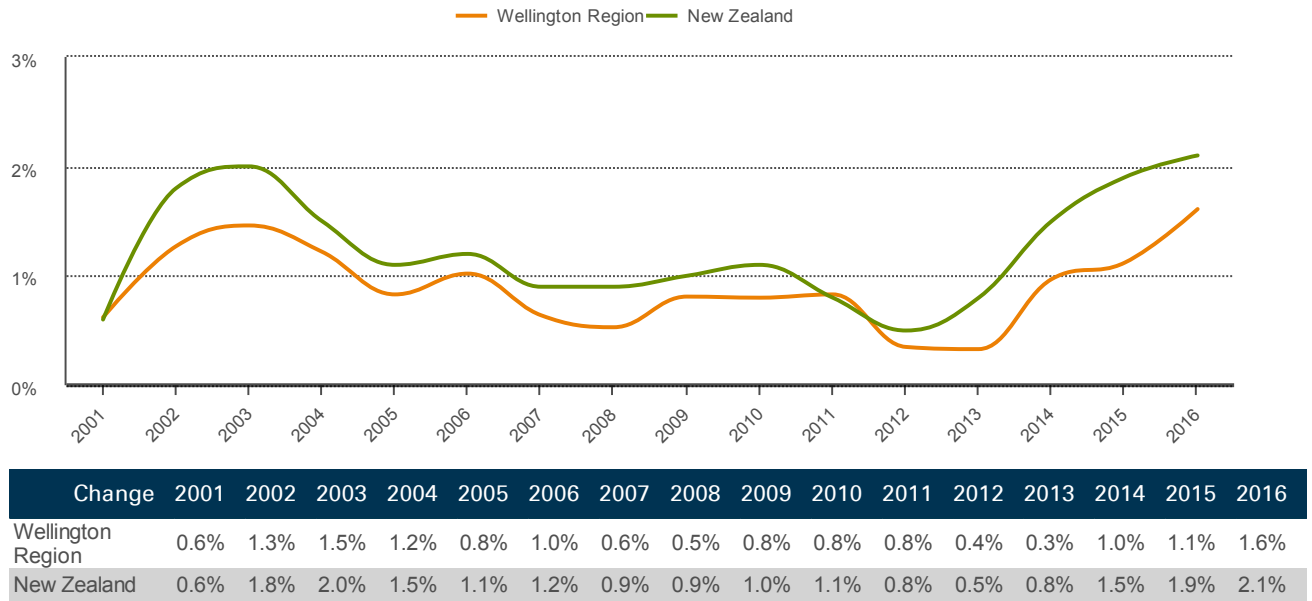
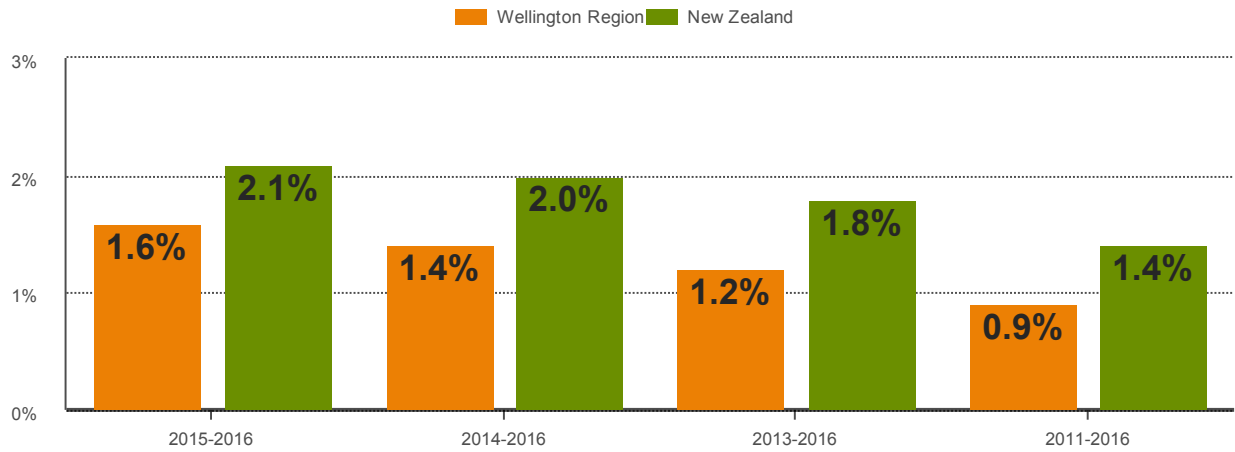


Figure 18: Population growth last 1,2,3 and 5 years

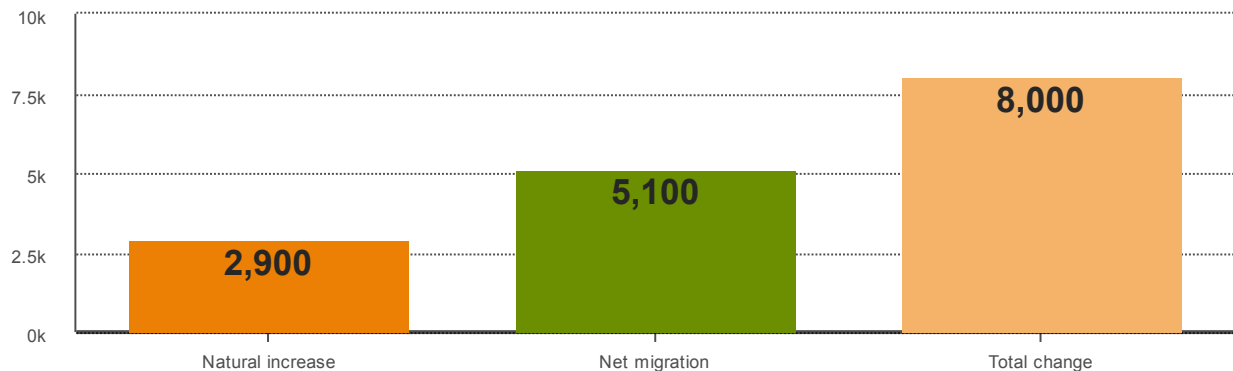


What is the source of Wellington Region's population growth?

A region's population can grow through natural growth (births less deaths) and net migration (arrivals less departures). This section describes the relative contributions of these two sources to population growth in Wellington Region.

- Wellington Region's population increased by 8,000 people in the year to June 2016. This net increase was made up of net migration of 5,100 and natural increase of 2,900.

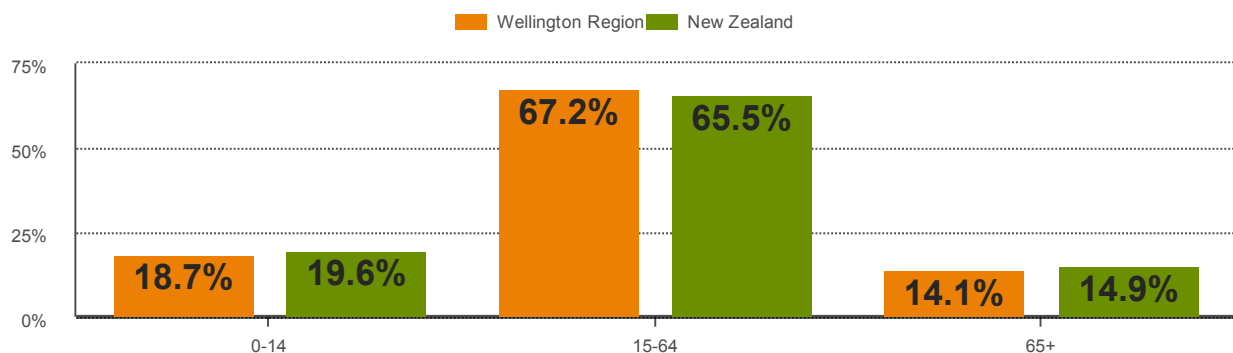
Figure 19: Source of population growth (year to June 2016)



What is the age structure of Wellington Region's population?

- In 2016, 67.2% of Wellington Region's population was of working age (15-64). This was significantly higher than the proportion of the national population (65.5%).
- Wellington Region had a slightly lower proportion (18.7%) of young people (0-14) than the country as a whole (19.6%) and a significantly lower proportion (14.1%) of people 65 years and older compared with New Zealand (14.9%).
- Overall the dependency ratio in Wellington Region (48.8%) was lower than in the national economy (52.7%). The dependency ratio expresses the number of persons outside of the working age as a proportion of the number of persons of working age (15 to 64 years).

Figure 20: Age composition of the population (year to June 2016)



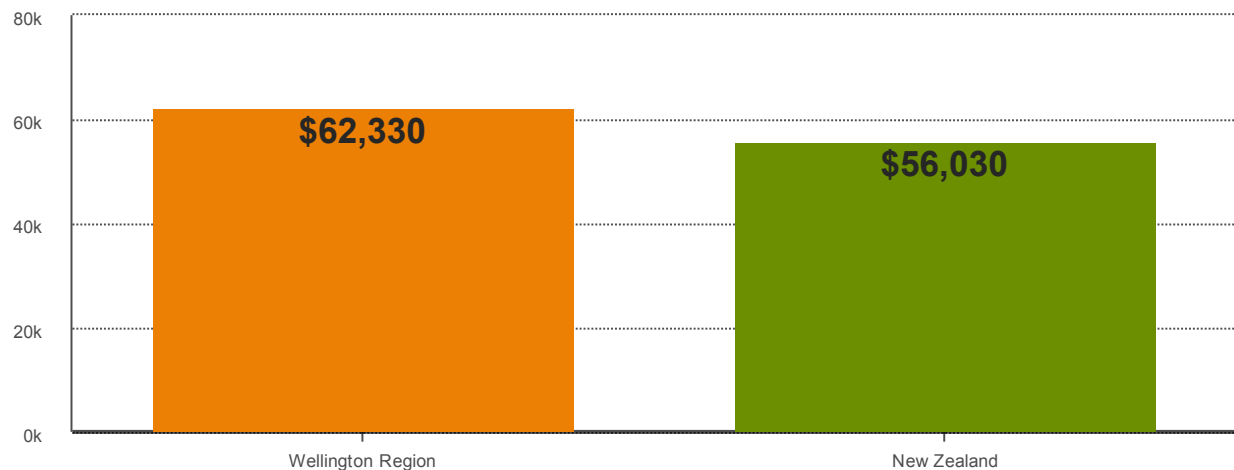
STANDARD OF LIVING

This section describes a few indicators of economic standard of living. It investigates average earnings, house prices and housing affordability. Note that due to data constraints earnings data are provided for the year to March 2015.

What are the mean earnings in Wellington Region?

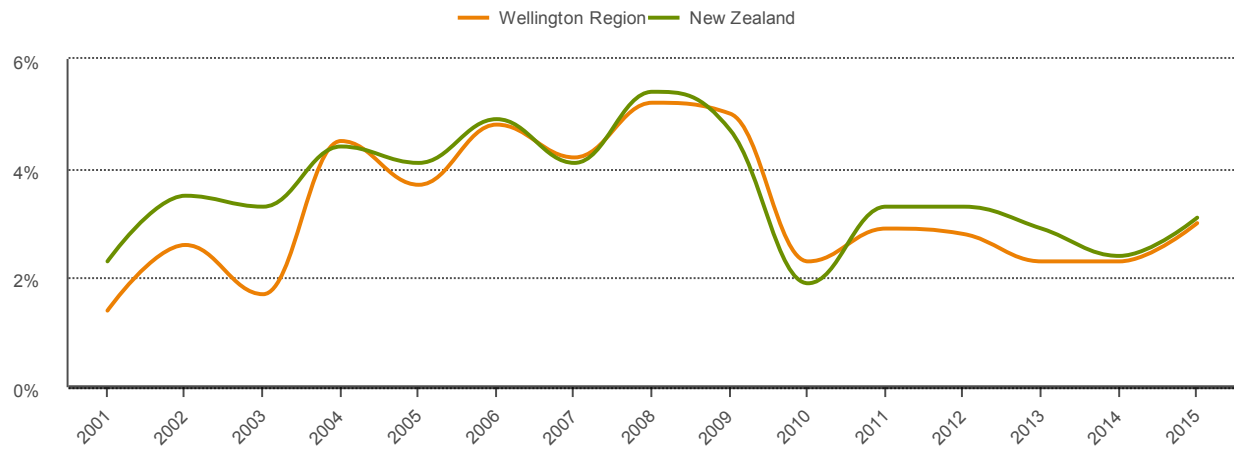
Income earned in the labour market is an important source of household income. This section contrasts Wellington Region's mean annual earnings with the country as a whole.

Figure 21: Earnings, 2015



- Mean annual earnings in Wellington Region was \$62,330 in the year to March 2015, which was higher than the New Zealand mean of \$56,030.
- Mean earnings in Wellington Region increased by 3.0% over the year to March 2015 compared with an increase of 3.1% in New Zealand.
- Over the last ten years earnings growth in Wellington Region reached a maximum of 5.2% in 2008 and a minimum of 1.4% in 2001.

Figure 22: Annual earnings growth



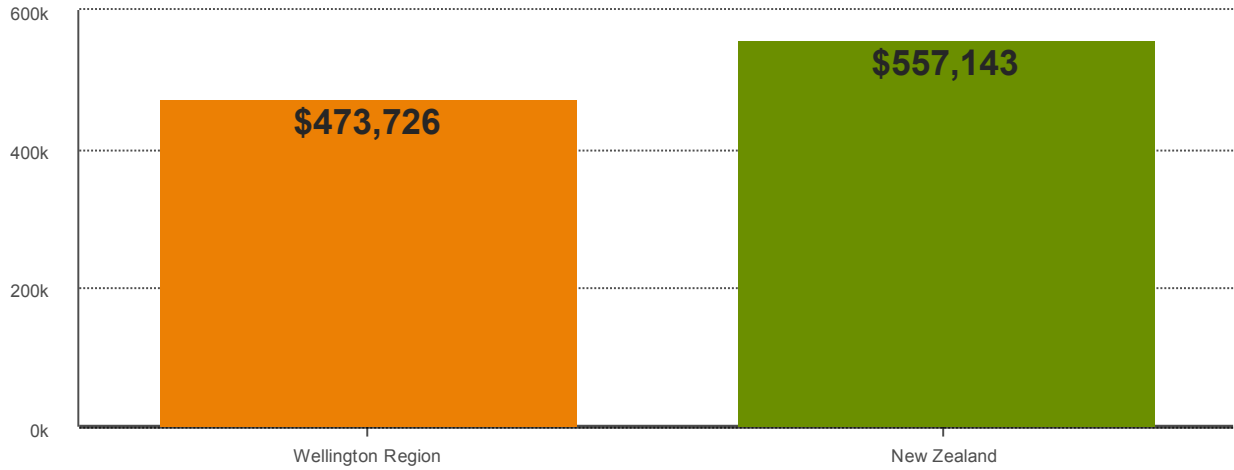
Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wellington Region	1.4%	2.6%	1.7%	4.5%	3.7%	4.8%	4.2%	5.2%	5.0%	2.3%	2.9%	2.8%	2.3%	2.3%	3.0%
New Zealand	2.3%	3.5%	3.3%	4.4%	4.1%	4.9%	4.1%	5.4%	4.7%	1.9%	3.3%	3.3%	2.9%	2.4%	3.1%

- Mean annual earnings in Wellington Region was \$62,330 in the year to March 2015, which was higher than the New Zealand mean of \$56,030.
- Mean earnings in Wellington Region increased by 3.0% over the year to March 2015 compared with an increase of 3.1% in New Zealand.
- Over the last ten years earnings growth in Wellington Region reached a maximum of 5.2% in 2008 and a minimum of 1.4% in 2001.

How do house prices in Wellington Region compare?

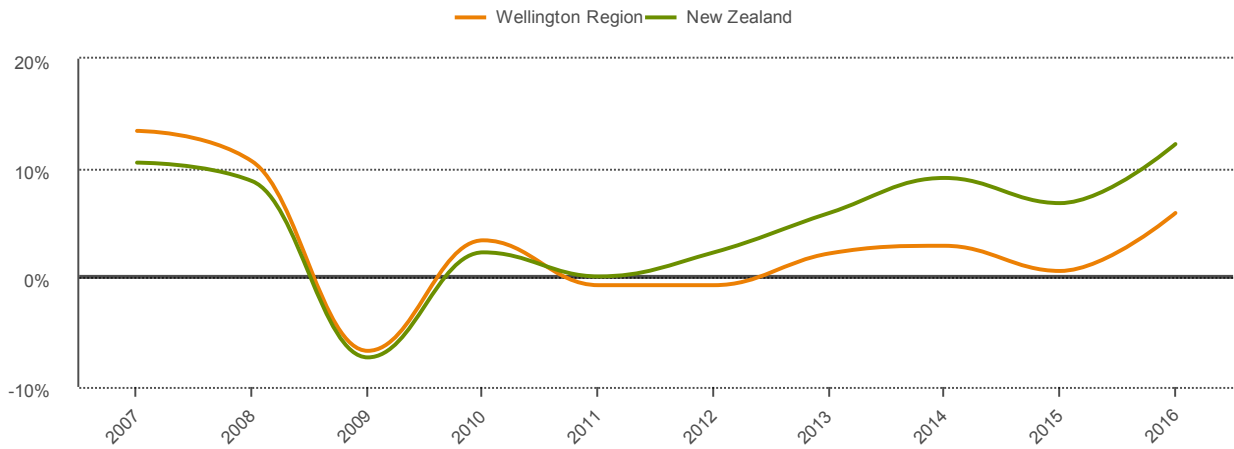
The cost of housing is a major component of household spending. This section describes the cost of housing in Wellington Region relative to the rest of the country.

Figure 23: Average current house value, 2016



- The Average current house value in Wellington Region was \$473,726 in 2016, which was lower than the New Zealand median of \$557,143.
- House price growth in Wellington Region was 5.9% for the year to March 2016. Growth was weaker than in New Zealand (12%).

Figure 24: Annual Average current house value growth

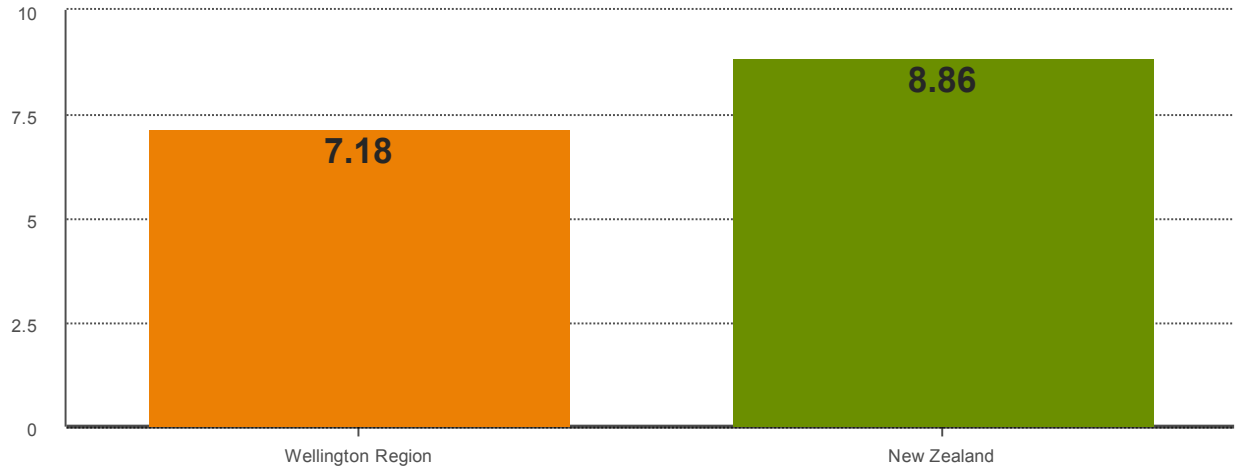


Change	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Wellington Region	13.4%	10.6%	-6.7%	3.4%	-0.7%	-0.7%	2.2%	2.9%	0.6%	5.9%
New Zealand	10.5%	8.8%	-7.3%	2.3%	0.1%	2.3%	5.9%	9.1%	6.8%	12.2%

How affordable is housing in Wellington Region?

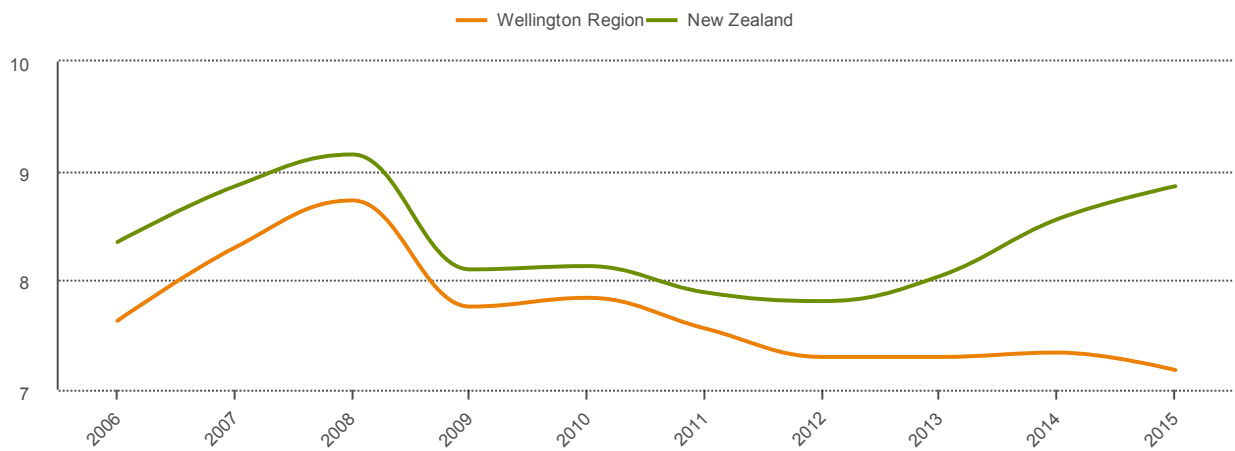
This section investigates the affordability of housing by comparing Average current house values with average earnings. We have estimated a housing affordability index which is the ratio of the Average current house value to annual average earnings measured in the Linked Employer Employee Data. A higher ratio therefore indicates lower housing affordability.

Figure 25: Housing affordability index 2015



- The housing affordability index in Wellington Region was 7.2 in the year to March 2015, which was lower than New Zealand's index of 8.9. This means that housing is more affordable in Wellington Region than in New Zealand.

Figure 26: Housing affordability



Level	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wellington Region	8.3	8.7	7.8	7.8	7.6	7.3	7.3	7.3	7.2
New Zealand	8.9	9.1	8.1	8.1	7.9	7.8	8.0	8.6	8.9

WORKFORCE AND SKILLS

How do skill levels in Wellington Region compare with New Zealand?

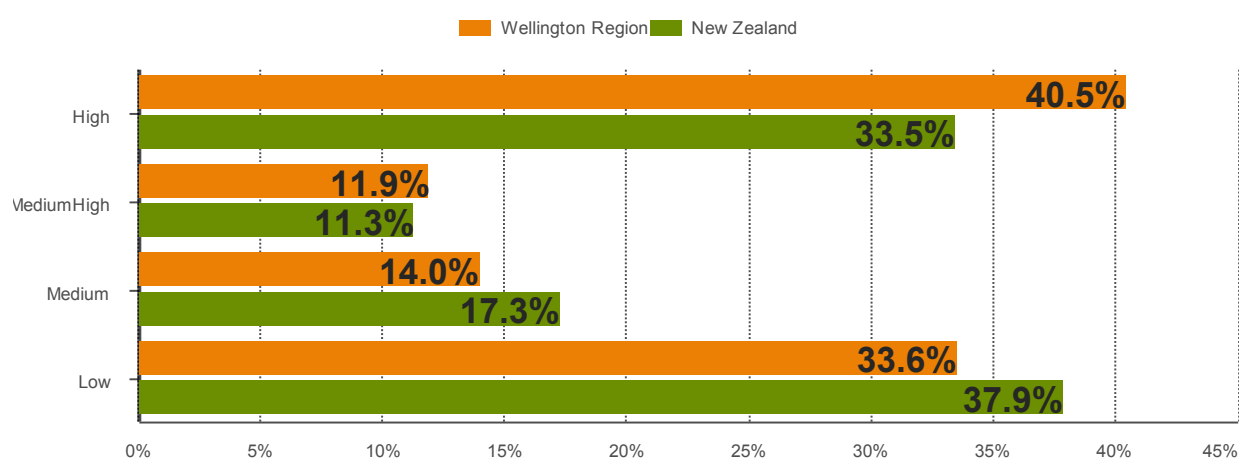
A region that can offer high skilled jobs can generally offer a higher standard of living to its residents. It is also has a better chance of retaining its residents and attracting new skills. This section contrasts the skill levels required by jobs in Wellington Region with those required in the national economy. The broad skill categories used are defined in the technical section at the end of the report.

Table 12: Employment by broad skill level 2016

Skill level	Wellington Region		New Zealand	
	Jobs	% of total	Jobs	% of total
High	110,678	40.5%	790,747	33.5%
MediumHigh	32,603	11.9%	267,424	11.3%
Medium	38,300	14.0%	409,204	17.3%
Low	92,009	33.6%	896,053	37.9%
Total	273,590	100%	2,363,428	100%

- Approximately 40% of Wellington Region's workforce was employed in highly skilled occupations in 2016. This is higher than in New Zealand (33%).
- Approximately 34% of Wellington Region's workforce was employed in low-skilled occupations in 2016. This is lower than in New Zealand 38%.

Figure 27: Employment by broad skill level, 2016



What is the occupational structure of employment in Wellington Region?

This section describes the types of occupations that are employed in Wellington Region. The following graph shows the distribution of employment across broad occupational categories (1-digit occupations).

- Professionals accounted for the largest share of employment (29%) in Wellington Region, which is higher than New Zealand (23%).
- Managers accounted for the second largest share of employment (17%) in Wellington Region, which is lower than New Zealand (19%).
- Machinery operators and drivers accounted for the lowest share of employment (17%) in Wellington Region, which is lower than New Zealand (19%).

Figure 28: Employment by broad occupation, 2016

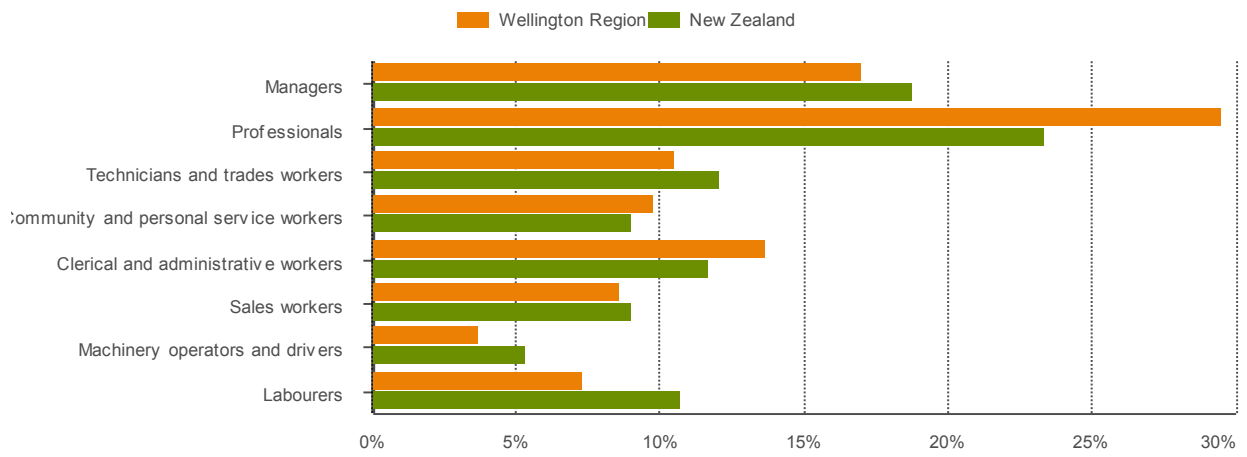


Table 13: Employment by 2-digit occupation (2016)

Occupation	Wellington Region		New Zealand	
	Employment	% of total	Employment	% of total
Specialist Managers	23,766	8.7%	200,943	8.5%
Business, HR & Marketing Professionals	19,981	7.3%	119,813	5.1%
Education Professionals	17,229	6.3%	137,462	5.8%
Sales Assistants & Salespersons	11,992	4.4%	115,311	4.9%
Health Professionals	10,811	4.0%	93,097	3.9%
ICT Professionals	10,587	3.9%	54,163	2.3%
Chief Execs, General Managers, Legislators	10,230	3.7%	89,308	3.8%
Hospitality, Retail & Service Managers	10,022	3.7%	85,656	3.6%
Legal, Social & Welfare Professionals	9,409	3.4%	50,241	2.1%
Design, Engineering, Science Professionals	9,191	3.4%	76,341	3.2%
Carers & Aides	9,182	3.4%	76,670	3.2%
Sales Representatives & Agents	8,664	3.2%	71,290	3.0%
Office Managers & Program Administrators	8,493	3.1%	70,081	3.0%
Numerical Clerks	6,874	2.5%	43,856	1.9%
General Clerical Workers	6,513	2.4%	48,470	2.1%
Other Clerical & Administrative Workers	5,669	2.1%	39,838	1.7%
Engineering, ICT & Science Technicians	5,545	2.0%	44,385	1.9%
Construction Trades Workers	5,466	2.0%	55,013	2.3%
Other Labourers	5,419	2.0%	63,589	2.7%
Hospitality Workers	5,221	1.9%	45,510	1.9%
Protective Service Workers	5,162	1.9%	30,734	1.3%
Cleaners & Laundry Workers	5,141	1.9%	49,297	2.1%
Road & Rail Drivers	4,612	1.7%	50,307	2.1%
Sports & Personal Service Workers	4,478	1.6%	36,792	1.6%
Automotive & Engineering Trades Workers	4,306	1.6%	58,935	2.5%
Food Trades Workers	4,294	1.6%	38,306	1.6%
Inquiry Clerks & Receptionists	4,220	1.5%	35,154	1.5%
Other Technicians & Trades Workers	4,027	1.5%	35,388	1.5%
Arts & Media Professionals	3,382	1.2%	21,503	0.9%
Personal Assistants & Secretaries	3,016	1.1%	20,587	0.9%
Sales Support Workers	2,889	1.1%	26,452	1.1%
Health & Welfare Support Workers	2,889	1.1%	22,803	1.0%
Electrotech & Telecoms Trades Workers	2,867	1.0%	28,514	1.2%
Factory Process Workers	2,762	1.0%	46,184	2.0%
Clerical & Office Support Workers	2,694	1.0%	18,244	0.8%
Machine & Stationary Plant Operators	2,469	0.9%	32,840	1.4%
Farmers & Farm Managers	2,448	0.9%	68,537	2.9%
Farm, Forestry & Garden Workers	2,336	0.9%	52,916	2.2%
Food Preparation Assistants	2,160	0.8%	18,294	0.8%
Skilled Animal & Horticultural Workers	2,151	0.8%	24,480	1.0%
Construction & Mining Labourers	2,050	0.7%	23,280	1.0%
Storepersons	1,711	0.6%	21,520	0.9%
Mobile Plant Operators	1,262	0.5%	21,323	0.9%
Total employment	273,590	100%	2,363,428	100%

Employment in knowledge intensive industries in Wellington Region

Knowledge intensive industries are those in which the generation and exploitation of knowledge play the predominant part in the creation of wealth. These sectors represent an increasing share of the New Zealand economy's output and employment, and will most likely be the source of the future productivity growth.

An industry is defined as knowledge-intensive if it meets two criteria: at least 25 per cent of the workforce is qualified to degree level and at least 30 per cent of the workforce is in professional, managerial and scientific and technical occupations. Further details of the definition are providing in the technical notes at the end of the report.

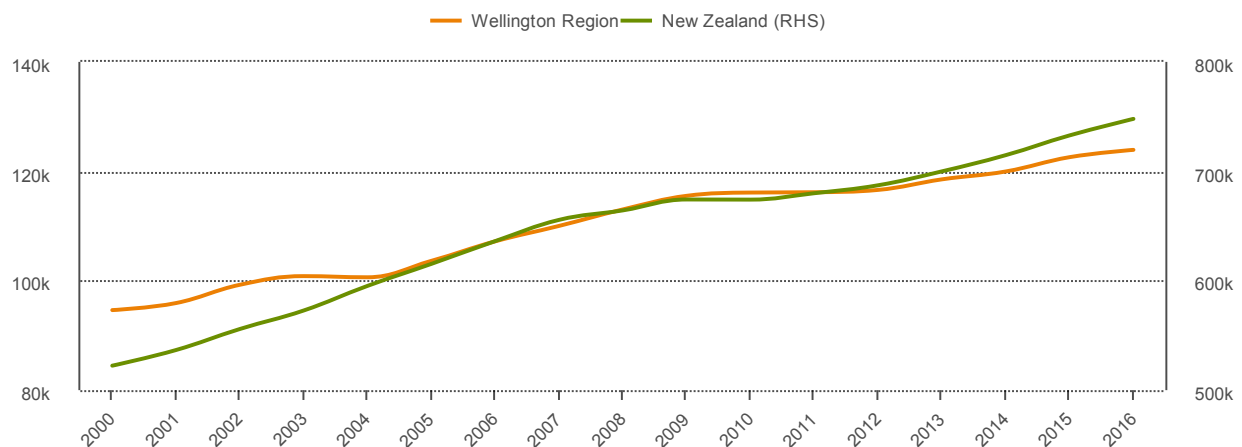
This section describes employment in knowledge intensive industries in Wellington Region.

Table 14: Employment in knowledge intensive industries (2016)

	Employment in KI industries 2016	KI employment as share of total employment 2016	Annual growth in KI employment 2016	Annual average growth in KI employment 2006-2016
Wellington Region	123,921	45%	1.1%	1.5%
New Zealand	747,938	32%	2.1%	1.6%

- During 2016, there were 123,921 jobs in Wellington Region's knowledge intensive industries. At 45% of total employment, this was higher than in New Zealand (32%).
- During the year March 2016, growth in employment in knowledge intensive industries was 1.1%, compared with a change of 2.1% in New Zealand.

Figure 29: Employment in knowledge intensive industries



What are the top knowledge intensive industries in Wellington Region?

Table 15: Top 30 knowledge intensive industries in Wellington Region, 2016

Rank	Industry	Wellington Region		New Zealand	
		Employment	% of total employment	Employment	% of total employment
1	Central Government Administration	16,018	5.9%	31,135	1.3%
2	Computer Systems Design and Related Services	10,855	4.0%	40,623	1.7%
3	Hospitals (except Psychiatric Hospitals)	7,568	2.8%	68,635	2.9%
4	Management Advice and Other Consulting Services	6,672	2.4%	38,023	1.6%
5	Primary Education	5,519	2.0%	50,974	2.2%
6	Higher Education	5,441	2.0%	34,731	1.5%
7	Corporate Head Office Management Services	4,749	1.7%	26,112	1.1%
8	Other Allied Health Services	4,051	1.5%	33,744	1.4%
9	Secondary Education	3,502	1.3%	34,744	1.5%
10	Accounting Services	3,118	1.1%	23,782	1.0%
11	Engineering Design and Engineering Consulting Services	3,012	1.1%	25,251	1.1%
12	Legal Services	2,764	1.0%	17,973	0.8%
13	Employment Placement and Recruitment Services	2,636	1.0%	13,315	0.6%
14	Regulatory Services	2,429	0.9%	6,421	0.3%
15	Local Government Administration	2,332	0.9%	22,465	1.0%
16	Adult, Community and Other Education n.e.c.	1,912	0.7%	11,748	0.5%
17	Other Interest Group Services n.e.c.	1,856	0.7%	12,265	0.5%
18	Other Auxiliary Finance and Investment Services	1,816	0.7%	8,828	0.4%
19	Justice	1,790	0.7%	3,632	0.2%
20	General Practice Medical Services	1,751	0.6%	15,403	0.7%
21	Other Administrative Services n.e.c.	1,738	0.6%	12,604	0.5%
22	Wired Telecommunications Network Operation	1,582	0.6%	6,741	0.3%
23	Technical and Vocational Education and Training	1,469	0.5%	10,306	0.4%
24	Scientific Research Services	1,462	0.5%	7,945	0.3%
25	Religious Services	1,184	0.4%	9,129	0.4%
26	Architectural Services	1,174	0.4%	8,638	0.4%
27	Postproduction Services and Other Motion Picture and Video Activities	1,080	0.4%	1,525	0.06%
28	Business and Professional Association Services	1,067	0.4%	2,408	0.1%
29	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	1,019	0.4%	10,461	0.4%
30	Libraries and Archives	983	0.4%	3,707	0.2%

Which qualifications are in demand in Wellington Region?

This section examines the types of qualifications, in terms of NZQA level and field of study, that are in demand in Wellington Region. The demand for qualifications is derived from our estimates of the demand for occupations by using assumptions about the types of qualifications which are ideally required for each occupation. Thus our estimates do not describe the educational profile of the region's workforce but rather the type of qualifications that are ideally required in the region. Further details are provided in the technical notes at the end.

Table 16: Employment by level of qualification and field of study in Wellington Region

	Field of study	Certificate (level 1-3)	Certificate (level 4)	Diploma (level 5-6)	Degree (level 7+)	Total
Number						
	Natural and Physical Sciences	4,020	810	1,938	7,064	13,833
	Information Technology	3,667	427	1,334	6,583	12,011
	Engineering and Related Technologies	13,927	11,123	5,112	12,820	42,983
	Architecture and Building	4,722	8,022	1,736	3,474	17,954
	Agriculture, Environmental and Related Studies	3,838	1,882	781	2,032	8,534
	Health	7,319	1,547	3,051	13,916	25,834
	Education	5,036	826	1,501	13,296	20,659
	Management and Commerce	22,374	4,366	8,268	23,793	58,801
	Society and Culture	13,192	2,996	5,395	19,373	40,956
	Creative Arts	6,561	1,583	1,716	7,080	16,940
	Food, Hospitality and Personal Services	7,351	4,718	1,771	1,245	15,085
	Totals	92,009	38,300	32,603	110,678	273,590
% of total						
	Natural and Physical Sciences	1.5%	0.3%	0.7%	2.6%	5.1%
	Information Technology	1.3%	0.2%	0.5%	2.4%	4.4%
	Engineering and Related Technologies	5.1%	4.1%	1.9%	4.7%	15.7%
	Architecture and Building	1.7%	2.9%	0.6%	1.3%	6.6%
	Agriculture, Environmental and Related Studies	1.4%	0.7%	0.3%	0.7%	3.1%
	Health	2.7%	0.6%	1.1%	5.1%	9.4%
	Education	1.8%	0.3%	0.5%	4.9%	7.6%
	Management and Commerce	8.2%	1.6%	3.0%	8.7%	21.5%
	Society and Culture	4.8%	1.1%	2.0%	7.1%	15.0%
	Creative Arts	2.4%	0.6%	0.6%	2.6%	6.2%
	Food, Hospitality and Personal Services	2.7%	1.7%	0.6%	0.5%	5.5%
	Totals	33.6%	14.0%	11.9%	40.5%	100%

- The greatest demand in Wellington Region in 2016 was for qualifications at the level of Degree (level 7+). Approximately 40% of all positions in Wellington Region required this level of qualification.
- By field of study, the highest demand was for Management and Commerce. Approximately 21% of all positions in Wellington Region required this field of study.

Table 17: Change in employment by level of qualification and field of study in Wellington Region 2006 - 2016

Field of study	Certificate (level 1-3)	Certificate (level 4)	Diploma (level 5-6)	Degree (level 7+)	Total
Absolute change					
Natural and Physical Sciences	-269	3	240	1,528	1,500
Information Technology	-316	-4	152	2,442	2,274
Engineering and Related Technologies	-956	-607	375	2,972	1,784
Architecture and Building	-101	-148	361	683	795
Agriculture, Environmental and Related Studies	-317	-10	147	335	155
Health	-127	21	906	2,859	3,659
Education	-82	-43	415	2,380	2,669
Management and Commerce	-1,786	-251	1,966	4,521	4,449
Society and Culture	-456	-41	1,381	2,680	3,564
Creative Arts	-470	-83	302	1,342	1,091
Food, Hospitality and Personal Services	-135	672	289	220	1,047
Totals	-5,016	-492	6,533	21,962	22,987
annual average % change					
Natural and Physical Sciences	-0.6%	0.0%	1.3%	2.5%	1.2%
Information Technology	-0.8%	-0.1%	1.2%	4.7%	2.1%
Engineering and Related Technologies	-0.7%	-0.5%	0.8%	2.7%	0.4%
Architecture and Building	-0.2%	-0.2%	2.4%	2.2%	0.5%
Agriculture, Environmental and Related Studies	-0.8%	-0.1%	2.1%	1.8%	0.2%
Health	-0.2%	0.1%	3.6%	2.3%	1.5%
Education	-0.2%	-0.5%	3.3%	2.0%	1.4%
Management and Commerce	-0.8%	-0.6%	2.8%	2.1%	0.8%
Society and Culture	-0.3%	-0.1%	3.0%	1.5%	0.9%
Creative Arts	-0.7%	-0.5%	2.0%	2.1%	0.7%
Food, Hospitality and Personal Services	-0.2%	1.5%	1.8%	2.0%	0.7%
Totals	-0.5%	-0.1%	2.3%	2.2%	100%

- The number of positions in Wellington Region requiring a Degree (level 7+) increased by 21,962 between 2006 and 2016, ranking it as the qualification level with the largest absolute increase in demand.
- By field of study, Management and Commerce experienced the highest increase in demand between 2006 and 2016. The number of positions requiring this field of study increased by 4,449 over the 10 year period.

TOURISM

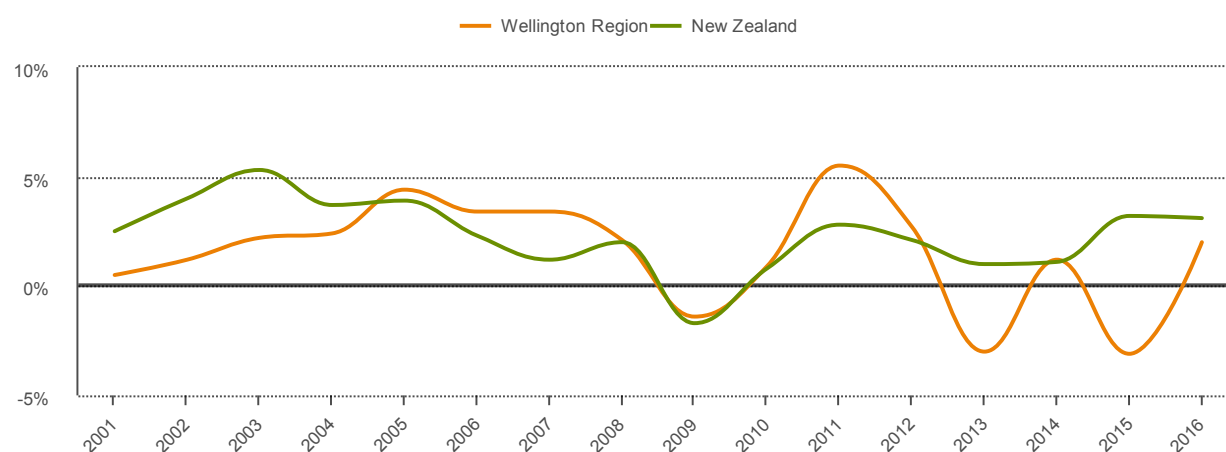
Tourism has grown rapidly in New Zealand since 2000. Not only has the number of overseas tourist arrivals increased substantially, but the level of domestic tourism has also expanded rapidly as spending on leisure by New Zealand residents increased. This section describes the contribution of tourism to Wellington Region's economy.

Tourism GDP

Table 18: Tourism GDP (2001-2016)

Year	Wellington Region		New Zealand	
	Level	Change	Level	Change
2000	\$716m		\$5,798m	
2001	\$720m	0.5%	\$5,941m	2.5%
2002	\$729m	1.2%	\$6,181m	4.0%
2003	\$745m	2.2%	\$6,508m	5.3%
2004	\$762m	2.4%	\$6,748m	3.7%
2005	\$796m	4.4%	\$7,009m	3.9%
2006	\$823m	3.4%	\$7,169m	2.3%
2007	\$851m	3.4%	\$7,252m	1.2%
2008	\$869m	2.1%	\$7,400m	2.0%
2009	\$856m	-1.4%	\$7,277m	-1.7%
2010	\$864m	0.9%	\$7,335m	0.8%
2011	\$911m	5.5%	\$7,540m	2.8%
2012	\$936m	2.7%	\$7,698m	2.1%
2013	\$908m	-3.0%	\$7,774m	1.0%
2014	\$918m	1.2%	\$7,858m	1.1%
2015	\$890m	-3.1%	\$8,111m	3.2%
2016	\$908m	2.0%	\$8,362m	3.1%

Figure 30: Annual average tourism GDP growth (2001-2016)



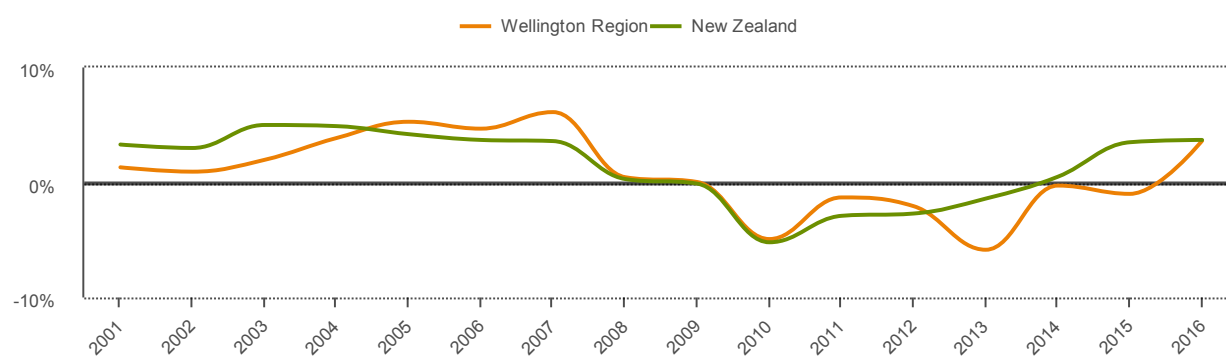
- The tourism industry contributed \$908m towards GDP in Wellington Region in 2016. This amounted to 3.0% of the Wellington Region's economic output in 2016, down from 3.2% ten years ago.
- Economic output in Wellington Region's tourism industry increased by 2.0% in 2016, compared with a 3.1% increase in New Zealand.
- Growth in the industry in Wellington Region has averaged 1.0% over the last ten years, compared with 1.6% in New Zealand.

Tourism Employment

Table 19: Tourism employment (2001-2016)

Year	Wellington Region		New Zealand	
	Level	Change	Level	Change
2000	17,946		149,973	
2001	18,183	1.3%	154,938	3.3%
2002	18,355	0.9%	159,594	3.0%
2003	18,717	2.0%	167,652	5.0%
2004	19,442	3.9%	175,926	4.9%
2005	20,468	5.3%	183,276	4.2%
2006	21,426	4.7%	190,143	3.7%
2007	22,737	6.1%	196,950	3.6%
2008	22,842	0.5%	197,619	0.3%
2009	22,851	0.0%	197,490	-0.1%
2010	21,726	-4.9%	187,167	-5.2%
2011	21,445	-1.3%	181,713	-2.9%
2012	21,003	-2.1%	176,883	-2.7%
2013	19,774	-5.9%	174,477	-1.4%
2014	19,720	-0.3%	175,284	0.5%
2015	19,525	-1.0%	181,500	3.5%
2016	20,234	3.6%	188,136	3.7%

Figure 31: Annual average tourism employment growth (2001-2016)



- The tourism industry employed an average of 20,234 people in Wellington Region in 2016. This amounted to 7.4% of the Wellington Region's total employment in 2016, down from 8.5% in 2006.
- Employment growth in the industry in New Zealand has averaged -0.6% over the last ten years, compared with -0.1% in New Zealand.
- Employment in the tourism industry increased by 3.6% in 2016, compared with a 3.7% increase in New Zealand.

TECHNICAL NOTES

Time period

This economic profile reports on March years (eg. 2016 refers to the 12 months to March 2016) for all indicators except population (as at June), dairy sector statistics (May year), and government social service expenditure and beneficiary data (June years).

Gross Domestic Product

Gross Domestic Product (GDP) measures the value economic units add to their inputs. It should not be confused with revenue or turnover. A company's value adding is broadly equivalent to its sales revenue less the cost of materials (eg steel for making motor cars) and services (eg telecommunications) purchased from other firms.

Total GDP is calculated by summing the value added to all goods and services for final consumption – i.e. it does not include the value added to goods and services used as intermediate inputs for the production of other goods as this would result in double counting. As a result, GDP estimates should not be confused with revenue/turnover/gross output.

In this profile Gross Domestic Product for each region and territorial authority (TA) is estimated by Infometrics. A top down approach breaks national production-based GDP (published by Statistics New Zealand) down to territorial authority level by applying TA shares to the national total. Each TA's share of industry output is based on the share of earnings measured in the Linked Employer Employee Data (LEED), which is, in turn, based on taxation data. This approach captures differences in productivity between TAs and changes in productivity over time. Our estimates are benchmarked on regional GDP published by Statistics New Zealand

GDP is measured in constant 2010 prices .

Prices

In this profile, we present all GDP estimates in constant 2010 prices. GDP presented in constant prices is sometimes referred to as real GDP. By using constant prices we remove the distractionary effect of inflation. It enables us to meaningfully compare GDP from one year to the next.

Industrial classification

This profile uses industry categories from the 2006 Australia New Zealand Standard Industrial Classification (ANZSIC). The ANZSIC is a hierarchical classification with four levels, namely divisions (the broadest level also referred to as 1-digit categories), subdivisions (3-digit), groups (4-digit) and classes (7-digit). There are approximately 500 7-digit industries.

This profile also uses a grouping of 54 industries. These are the industries used by Statistics New Zealand in the national accounts.

Unallocated

Unallocated items include taxes levied on the purchaser rather than the producing industry (such as GST, import duties, and taxes on capital transactions), and items that cannot easily be allocated to a specific industry (such as the seasonal adjustment balancing item). A seasonal adjustment balancing item is necessary to ensure that the sum of all seasonally adjusted industries can be reconciled with total GDP.

Broad economic sectors

The primary sector extracts or harvests products from the earth and includes agriculture, forestry, fishing, and mining. The secondary sector produces manufactured and other processed goods and includes manufacturing, electricity, gas and water, and construction. The tertiary sector includes all service industries that are not knowledge intensive, such as retail trade, and food and accommodation services. The quaternary sector includes knowledge intensive service industries. 'Other' includes owner occupied property operation and unallocated activity.

Employment by industry

Employment is measured as an average of the four quarters making up each year. The unit of measurement is filled jobs.

Regional employment numbers are from Infometrics' Regional Industry Employment Model (RIEM). The model draws heavily on quarterly and annual Linked Employer Employee Data (LEED) published by Statistics New Zealand. RIEM differs from data from Business Demography in that it is a quarterly series (BD is annual) and it includes both employees and self-employed, whereas BD only includes employees.

Self-employment

Self-employment rates are from Annual Linked Employer Employee Data (LEED).

Employment by occupation

Employment in each industry is converted to occupational employment using the relationship between industry and occupational employment observed in various Population Censuses. The Population Census measures the occupational composition of employment in each industry and how this changes over time. Occupations conform to the categories used in the Australian New Zealand Standard Classification of Occupations (ANZSCO).

Productivity

Productivity measures the efficiency of production. In this profile, we measure productivity as GDP per employed person (ie. The amount of economic activity generated on average by each employee). One needs to be aware that labour is only one input into production. The output of each employee may differ across industries in a region due to differing access to machinery, technology, and land. Therefore, productivity comparisons should only be made in circumstances where it is reasonable to assume that capital intensity will be broadly the same – for example, when looking at productivity within an industry over a limited-time period, or when comparing productivity of a particular industry with that same industry in another region.

Earnings

Earnings data comes from the quarterly Linked Employer Employee Data published by Statistics New Zealand. LEED publishes the mean earnings of full quarter jobs for each quarter. Full quarter jobs may include full time and part time jobs. Earnings include overtime and lump sum payments. We sum the mean earnings for the four quarters making up the year to arrive at an estimate of average annual earnings.

House prices

House value (dollar value) are sourced from QVNZ. The levels used are average current values. An average current value is the average (mean) value of all developed residential properties in the area based on the latest house value index from QVNZ. It is not an average or median sales price, as both of those figures only measure what happens to have sold in the period. These average current values are affected by the underlying value of houses (including those not on the market) and are quality adjusted based on the growth in each house's price between sales.

Population

The estimated resident population is an estimate of all people who usually live in that area at a given date. Visitors from elsewhere in New Zealand or from overseas are excluded.

The estimated resident population at 30 June 2013 is based on the 2013 census usually resident population count, adjusted for:

- net census undercount (based on the 2013 Post-enumeration Survey)
- residents temporarily overseas on census night
- births, deaths, and net migration between census night and the date of the estimate
- reconciliation with demographic estimates at ages 0–9 years.

The estimated resident population is not directly comparable with the census usually resident population count because of these adjustments.

The estimated resident population is sourced from Statistics New Zealand.

Dependency ratio

The dependency ratio is the number of under 15 year olds and over 65 year olds as a ratio of the rest of the population (working age).

Business Units

Data on the number of businesses is sourced from the Business Demography statistics from Statistics New Zealand. Businesses are measured by geographic units, which represent a business location engaged in one, or predominantly one, kind of economic activity at a single physical site or base (eg. a factory, a farm, a shop, an office, etc). All non-trading or dormant enterprises, as well as enterprises outside of New Zealand, are excluded from business demography statistics.

A significant number of enterprises are recorded as having zero employment. Enterprises in the zero employee count size category may have:

- working owners who don't draw a wage from their business
- labour provided by other businesses or contractors
- business activity that requires no labour (eg. holding company).

Only business units that are economically significant enterprises are included. To be regarded as economically significant they must meet at least one of the following criteria:

- annual expenses or sales subject to GST of more than \$30,000
- 12-month rolling mean employee count of greater than three
- part of a group of enterprises
- registered for GST and involved in agriculture or forestry
- over \$40,000 of income recorded in the IR10 annual tax return (this includes some units in residential property leasing and rental).