



ANNUAL ECONOMIC PROFILE

Wellington Region

 **Infometrics**

Economics put simply

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ECONOMY

The New Zealand economy in 2018

The New Zealand economy grew by 3.3% over the March 2018 year, following revised 3.5%pa growth the previous year.

Economic growth has now sat above 3.0%pa for four consecutive years.

Professional, scientific and technical services was the biggest contributor to growth, with value-added lifting 5.0%.

Other key contributors to growth included finance and insurance, retail, manufacturing, and health care and social assistance.

Increasing levels of business and consumer activity continue to push up behind-the-scenes industries, such as wholesale trade, as well as warehousing and postal services.

The construction sector settled into the middle of the pack, after having been a key growth driver over recent years. Slower growth in construction is no surprise given well-documented resource constraints, and the recent troubles of several companies in the commercial construction sector.

How fast has Wellington Region's economy grown?

This section measures economic performance in Wellington Region during the year to March 2018 and previous years. All GDP estimates are measured in constant 2010 prices.

- GDP in Wellington Region measured \$33,121m in the year to March 2018, up 2.7% from a year earlier. New Zealand's GDP increased by 3.2% over the same period.
- Economic growth in Wellington Region averaged 1.8%pa over the last 10 years compared with an average of 2.1%pa in the national economy.
- Growth in Wellington Region reached a high of 3.9% in 2007 and a low of -0.3% in 2012.
- Wellington Region accounted for 13.7% of national GDP in 2018.

Figure 1: GDP growth, year to Mar 2018

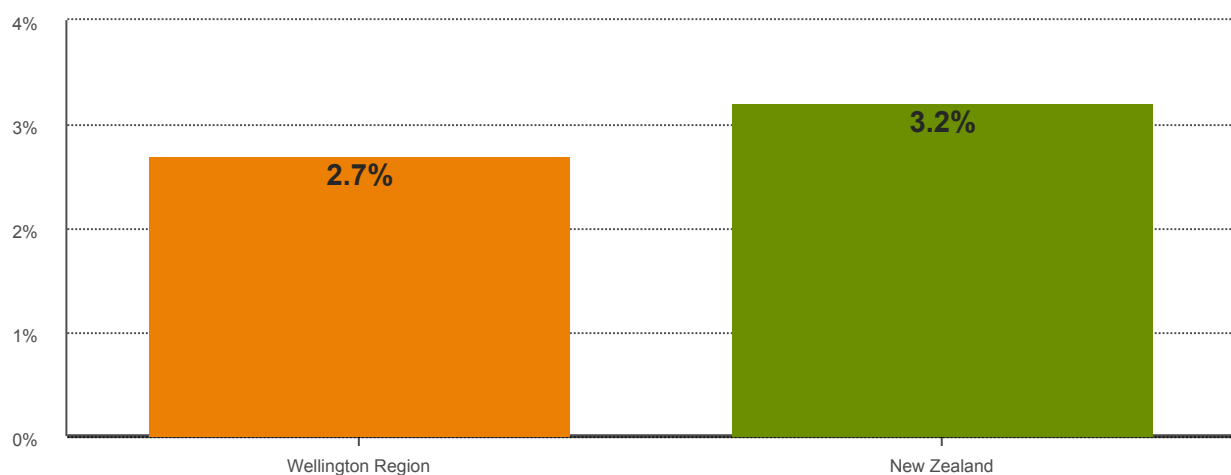


Figure 2: Annual average GDP growth, 2001-2018

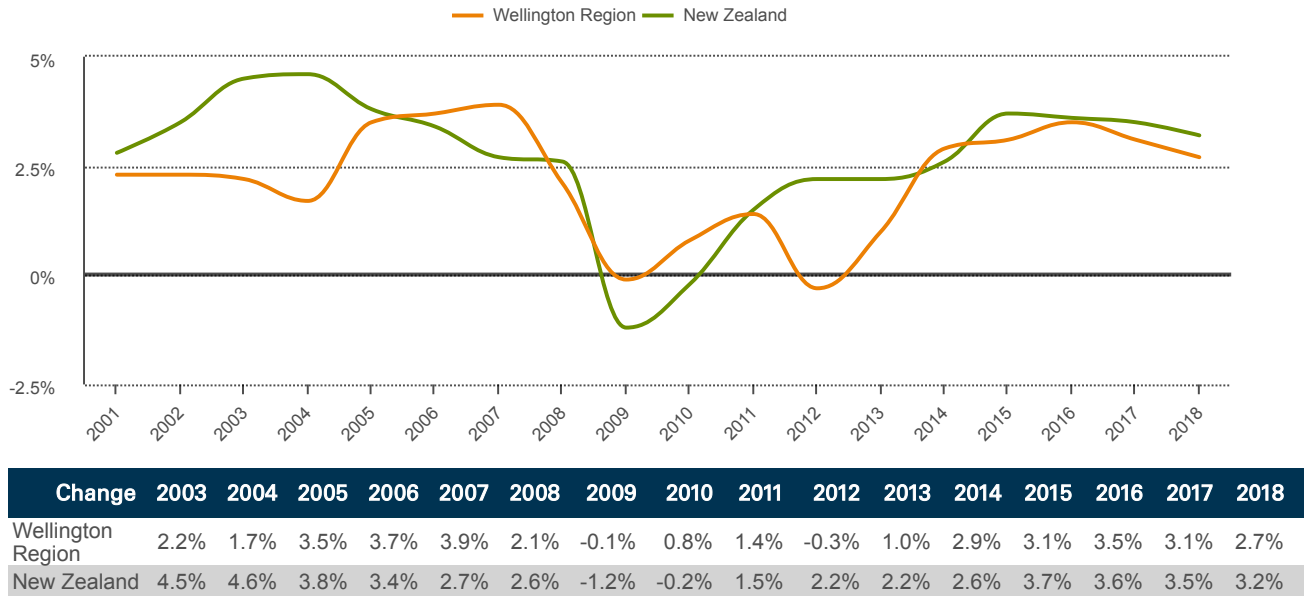
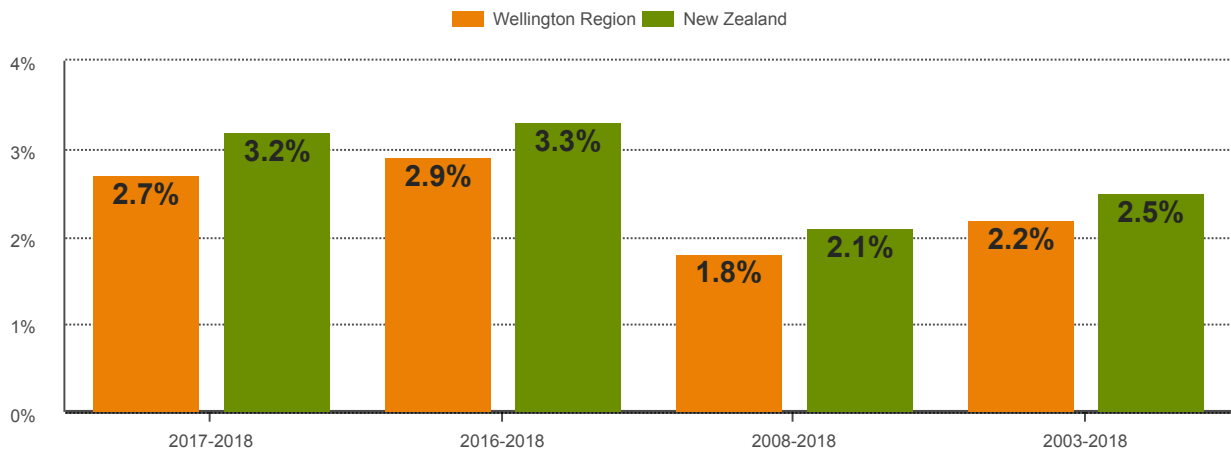


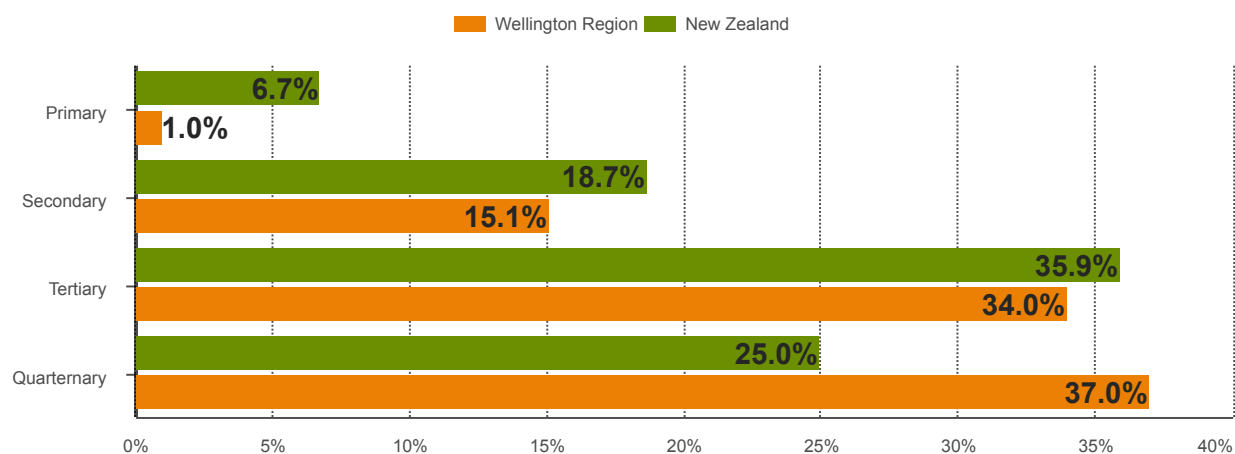
Figure 3: GDP growth over various time periods



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, 2018



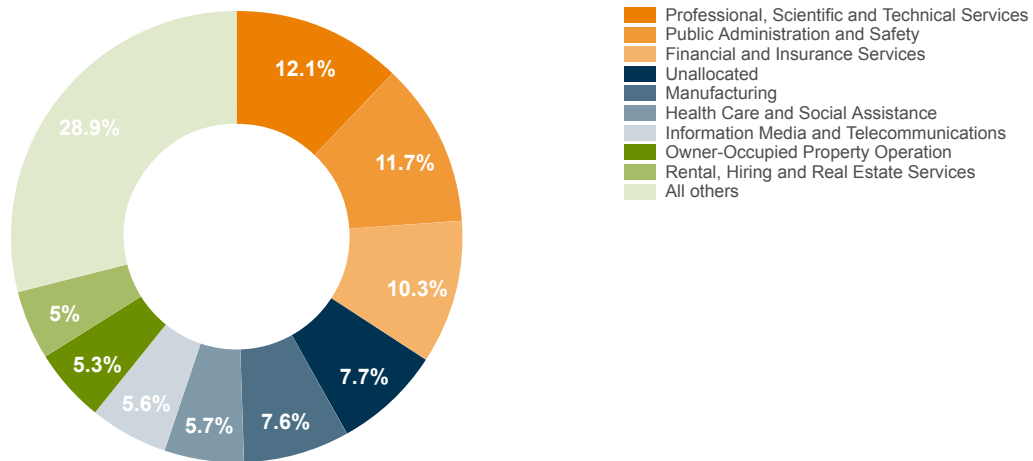
- Primary industries accounted for the smallest proportion in Wellington Region: 1.0% compared with 6.7% in the national economy.
- Secondary industries accounted for 15.1% compared with 18.7% in the national economy.
- Tertiary industries accounted for 34.0% compared with 35.9% in the national economy.
- Quarternary industries accounted for the largest proportion of GDP (37.0%) in Wellington Region, which is higher than in the national economy (25.0%).

Table 1: GDP by ANZSIC 1-digit industry, 2018

Industry	Wellington Region		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	\$258m	0.8%	\$12,981m	5.4%
Mining	\$60.4m	0.2%	\$3,147m	1.3%
Manufacturing	\$2,518m	7.6%	\$23,812m	9.8%
Electricity, Gas, Water and Waste Services	\$1,201m	3.6%	\$6,671m	2.8%
Construction	\$1,267m	3.8%	\$14,784m	6.1%
Wholesale Trade	\$1,001m	3.0%	\$12,259m	5.1%
Retail Trade	\$1,108m	3.3%	\$12,122m	5.0%
Accommodation and Food Services	\$596m	1.8%	\$5,333m	2.2%
Transport, Postal and Warehousing	\$1,132m	3.4%	\$11,065m	4.6%
Information Media and Telecommunications	\$1,859m	5.6%	\$8,383m	3.5%
Financial and Insurance Services	\$3,415m	10.3%	\$14,538m	6.0%
Rental, Hiring and Real Estate Services	\$1,640m	5.0%	\$16,790m	6.9%
Professional, Scientific and Technical Services	\$4,020m	12.1%	\$20,190m	8.3%
Administrative and Support Services	\$535m	1.6%	\$5,078m	2.1%
Public Administration and Safety	\$3,889m	11.7%	\$10,341m	4.3%
Education and Training	\$1,137m	3.4%	\$9,484m	3.9%
Health Care and Social Assistance	\$1,887m	5.7%	\$14,525m	6.0%
Arts and Recreation Services	\$608m	1.8%	\$3,147m	1.3%
Other Services	\$681m	2.1%	\$4,309m	1.8%
Owner-Occupied Property Operation	\$1,759m	5.3%	\$14,777m	6.1%
Unallocated	\$2,549m	7.7%	\$18,666m	7.7%
Total	\$33,121m	100%	\$242,401m	100%

- Among broad industries Professional, Scientific and Technical Services was the largest in Wellington Region in 2018 accounting for 12.1% of total.
- The second largest was Public Administration and Safety (11.7%) followed by Financial and Insurance Services (10.3%)

Figure 5: Share of total GDP, 2018



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 2018 accounting for 12.1% of total.
- The second largest was Central Gov Admin, Defence & Safety (11.2%) followed by Finance (7.7%)

Table 2: GDP by 54 industries, 2018

Industry	Wellington Region		New Zealand	
	Level	Share of total	Level	Share of total
Horticulture & Fruit Growing	\$23.4m	0.1%	\$1,201m	0.5%
Sheep, Beef Cattle & Grain Farming	\$83.3m	0.3%	\$2,652m	1.1%
Dairy Cattle Farming	\$59.6m	0.2%	\$5,178m	2.1%
Poultry, Deer & Other Livestock Farming	\$19.7m	0.1%	\$372m	0.2%
Forestry & Logging	\$28.3m	0.1%	\$1,544m	0.6%
Fishing & Aquaculture	\$9.69m	0.0%	\$352m	0.1%
Agric Support Services & Hunting	\$33.5m	0.1%	\$1,681m	0.7%
Mining	\$60.4m	0.2%	\$3,147m	1.3%
Meat & Meat Product Manufacturing	\$165m	0.5%	\$1,758m	0.7%
Seafood Processing	\$9.13m	0.0%	\$414m	0.2%
Dairy Product Manufacturing	\$15.4m	0.0%	\$1,338m	0.6%
Fruit, Cereal & Other Food Product Manu	\$273m	0.8%	\$2,037m	0.8%
Beverage & Tobacco Product Manu	\$230m	0.7%	\$2,012m	0.8%
Textile, Leather, Clothing, Footwear Manu	\$40.0m	0.1%	\$581m	0.2%
Wood Product Manufacturing	\$139m	0.4%	\$1,369m	0.6%
Pulp & Paper Product Manufacturing	\$53.4m	0.2%	\$759m	0.3%
Printing	\$86.7m	0.3%	\$616m	0.3%
Petroleum & Coal Product Manufacturing	\$650m	2.0%	\$1,145m	0.5%
Basic Chemical & Chemical Product Manu	\$133m	0.4%	\$1,528m	0.6%
Polymer Product & Rubber Product Manu	\$211m	0.6%	\$1,459m	0.6%
Non-Metallic Mineral Product Manu	\$108m	0.3%	\$1,097m	0.5%
Primary Metal & Metal Product Manu	\$16.5m	0.0%	\$584m	0.2%
Fabricated Metal Product Manufacturing	\$125m	0.4%	\$2,053m	0.8%
Transport Equipment Manufacturing	\$56.5m	0.2%	\$1,248m	0.5%
Machinery & Other Equipment Manu	\$153m	0.5%	\$3,141m	1.3%
Furniture & Other Manufacturing	\$53.6m	0.2%	\$672m	0.3%
Electricity & Gas Supply	\$975m	2.9%	\$5,455m	2.3%
Water, Sewerage & Waste Services	\$226m	0.7%	\$1,215m	0.5%
Building Construction	\$270m	0.8%	\$3,144m	1.3%
Heavy & Civil Engineering Construction	\$287m	0.9%	\$4,094m	1.7%
Construction Services	\$710m	2.1%	\$7,546m	3.1%
Wholesale Trade	\$1,001m	3.0%	\$12,259m	5.1%
Motor Vehicle, Parts & Fuel Retailing	\$142m	0.4%	\$1,772m	0.7%
Supermarket & Specialised Food Retailing	\$355m	1.1%	\$3,542m	1.5%
Other Store & Non Store Retailing	\$611m	1.8%	\$6,808m	2.8%
Accommodation & Food Services	\$596m	1.8%	\$5,333m	2.2%
Road Transport	\$404m	1.2%	\$3,897m	1.6%
Rail, Water, Air & Other Transport	\$290m	0.9%	\$2,323m	1.0%
Postal, Courier & Warehousing Services	\$438m	1.3%	\$4,845m	2.0%
Information Media Services	\$489m	1.5%	\$2,209m	0.9%
Telecomms, Internet & Library Services	\$1,371m	4.1%	\$6,174m	2.5%
Finance	\$2,566m	7.7%	\$9,572m	3.9%
Insurance & Superannuation Funds	\$338m	1.0%	\$2,580m	1.1%
Auxiliary Finance & Insurance Services	\$511m	1.5%	\$2,386m	1.0%
Rental & Hiring Services	\$249m	0.8%	\$2,734m	1.1%
Property Operators & Real Estate Services	\$1,391m	4.2%	\$14,056m	5.8%
Professional, Scientific & Tech Services	\$4,020m	12.1%	\$20,190m	8.3%
Administrative & Support Services	\$535m	1.6%	\$5,078m	2.1%
Local Government Administration	\$193m	0.6%	\$1,226m	0.5%
Central Gov Admin, Defence & Safety	\$3,696m	11.2%	\$9,115m	3.8%
Education & Training	\$1,137m	3.4%	\$9,484m	3.9%
Health Care & Social Assistance	\$1,887m	5.7%	\$14,525m	6.0%
Arts & Recreation Services	\$608m	1.8%	\$3,147m	1.3%
Other Services	\$681m	2.1%	\$4,309m	1.8%
Owner-Occupied Property Operation	\$1,759m	5.3%	\$14,777m	6.1%
Unallocated	\$2,549m	7.7%	\$18,666m	7.7%
Total	\$33,121m	100%	\$242,401m	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.

- Public Administration and Safety made the largest contribution to overall growth in Wellington Region between 2017 and 2018. The industry grew by 5.0% over the year and contributed 0.58 percentage points to the district's total growth of 2.7%.
- The next largest contributor was professional, scientific and technical services (0.56 percentage points) followed by financial and insurance services (0.29 percentage points).
- The largest detractor from growth over the year was Electricity, Gas, Water and Waste Services which declined by 2.4% and contributed -0.09 percentage points to the total growth of 2.7%. Arts and Recreation Services (-0.05 percentage points) was the next largest detractor.

Table 3: ANZSIC 1-digit industries ranked by % point contribution to GDP growth, 2017-2018

Industry	2017	2018	% point contribution to growth	Annual Growth
Public Administration and Safety	3,702	3,889	0.58%	5.0%
Professional, Scientific and Technical Services	3,839	4,020	0.56%	4.7%
Financial and Insurance Services	3,322	3,415	0.29%	2.8%
Manufacturing	2,445	2,518	0.23%	3.0%
Retail Trade	1,044	1,108	0.20%	6.2%
Health Care and Social Assistance	1,838	1,887	0.15%	2.7%
Rental, Hiring and Real Estate Services	1,596	1,640	0.14%	2.7%
Construction	1,226	1,267	0.13%	3.4%
Accommodation and Food Services	565	596	0.10%	5.5%
Other Services	661	681	0.06%	3.0%
Administrative and Support Services	523	535	0.04%	2.4%
Transport, Postal and Warehousing	1,119	1,132	0.04%	1.1%
Mining	51	60	0.03%	19.3%
Education and Training	1,128	1,137	0.03%	0.8%
Wholesale Trade	994	1,001	0.02%	0.7%
Agriculture, Forestry and Fishing	257	258	0.00%	0.1%
Information Media and Telecommunications	1,865	1,859	-0.02%	-0.3%
Arts and Recreation Services	622	608	-0.05%	-2.4%
Electricity, Gas, Water and Waste Services	1,231	1,201	-0.09%	-2.4%
Owner-Occupied Property Operation	1,740.2	1,759.3	0.06%	1.1%
Unallocated	2,476.6	2,549.4	0.23%	2.9%
Total	32,245	33,121	2.7%	2.7%

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.

- Professional, Scientific & Tech Services made the largest contribution to overall growth in Wellington Region between 2017 and 2018. The industry grew by 4.7% over the year and contributed 0.56 percentage points to the district's total growth of 2.7%.
- The next largest contributor was central gov admin, defence & safety (0.53 percentage points) followed by finance (0.33 percentage points).
- The largest detractor from growth over the year was Insurance & Superannuation Funds which declined by 15.6% and contributed -0.19 percentage points to the total growth of 2.7%. Electricity & Gas Supply (-0.13 percentage points) was the next largest detractor.

Table 4: 54 industries ranked by percentage point contribution to growth, 2017-2018

Industry	2017	2018	% point contribution to growth	Annual Growth
Professional, Scientific & Tech Services	3,839	4,020	0.56%	4.7%
Central Gov Admin, Defence & Safety	3,525	3,696	0.53%	4.9%
Finance	2,459	2,566	0.33%	4.4%
Health Care & Social Assistance	1,838	1,887	0.15%	2.7%
Auxiliary Finance & Insurance Services	463	511	0.15%	10.3%
Petroleum & Coal Product Manufacturing	604	650	0.14%	7.7%
Rental & Hiring Services	208	249	0.13%	19.6%
Accommodation & Food Services	565	596	0.10%	5.5%
Other Store & Non Store Retailing	581	611	0.09%	5.2%
Other Services	661	681	0.06%	3.0%
Supermarket & Specialised Food Retailing	336	355	0.06%	5.7%
Telecomms, Internet & Library Services	1,352	1,371	0.06%	1.4%
Construction Services	694	710	0.05%	2.4%
Road Transport	389	404	0.05%	4.0%
Building Construction	254	270	0.05%	6.1%
Motor Vehicle, Parts & Fuel Retailing	127	142	0.05%	12.0%
Local Government Administration	177	193	0.05%	8.6%
Polymer Product & Rubber Product Manu	197	211	0.04%	7.0%
Administrative & Support Services	523	535	0.04%	2.4%
Basic Chemical & Chemical Product Manu	120	133	0.04%	10.5%
Water, Sewerage & Waste Services	215	226	0.03%	5.2%
Mining	51	60	0.03%	19.3%
Heavy & Civil Engineering Construction	278	287	0.03%	3.4%
Education & Training	1,128	1,137	0.03%	0.8%
Rail, Water, Air & Other Transport	281	290	0.03%	3.1%
Beverage & Tobacco Product Manu	222	230	0.02%	3.6%
Wholesale Trade	994	1,001	0.02%	0.7%
Machinery & Other Equipment Manu	147	153	0.02%	3.8%
Fruit, Cereal & Other Food Product Manu	268	273	0.02%	2.0%
Wood Product Manufacturing	134	139	0.01%	3.5%
Transport Equipment Manufacturing	52	57	0.01%	8.8%
Property Operators & Real Estate Services	1,388	1,391	0.01%	0.2%
Fabricated Metal Product Manufacturing	122	125	0.01%	2.1%
Agric Support Services & Hunting	31	34	0.01%	8.0%
Meat & Meat Product Manufacturing	163	165	0.01%	1.1%
Forestry & Logging	27	28	0.00%	4.7%
Dairy Product Manufacturing	14	15	0.00%	7.7%
Fishing & Aquaculture	9	10	0.00%	11.4%
Poultry, Deer & Other Livestock Farming	19	20	0.00%	2.1%
Dairy Cattle Farming	60	60	0.00%	-0.3%
Seafood Processing	10	9	0.00%	-4.7%
Horticulture & Fruit Growing	24	23	0.00%	-2.7%
Primary Metal & Metal Product Manu	19	16	-0.01%	-12.8%
Textile, Leather, Clothing, Footwear Manu	42	40	-0.01%	-5.9%
Furniture & Other Manufacturing	56	54	-0.01%	-4.8%
Printing	90	87	-0.01%	-4.1%
Non-Metallic Mineral Product Manu	112	108	-0.01%	-3.4%
Sheep, Beef Cattle & Grain Farming	87	83	-0.01%	-4.5%
Postal, Courier & Warehousing Services	450	438	-0.04%	-2.7%
Arts & Recreation Services	622	608	-0.05%	-2.4%
Pulp & Paper Product Manufacturing	72	53	-0.06%	-25.6%
Information Media Services	514	489	-0.08%	-4.9%
Electricity & Gas Supply	1,016	975	-0.13%	-4.0%
Insurance & Superannuation Funds	400	338	-0.19%	-15.6%
Owner-Occupied Property Operation	1,740.2	1,759.3	0.06%	1.1%
Unallocated	2,476.6	2,549.4	0.23%	2.9%
Total	32,245	33,121	2.7%	2.7%

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 Petroleum & Coal Product Manufacturing (location quotient = 4.2), Central Gov Admin, Defence & Safety (3.0), and Finance (2.0).

Table 5: Location Quotient, 2018

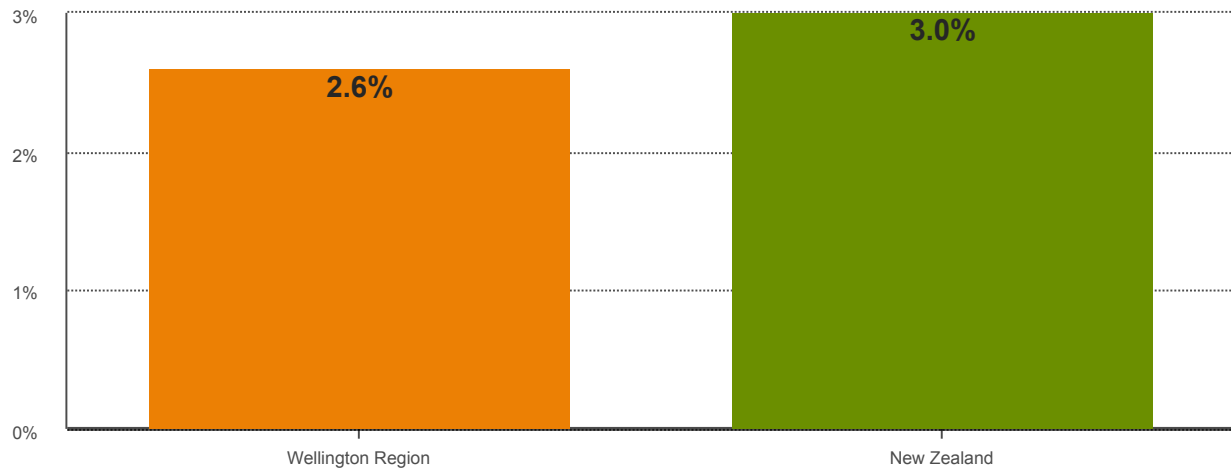
Industry	Wellington Region		New Zealand
	Location Quotient	Share of total GDP	Share of total GDP
Petroleum & Coal Product Manufacturing	4.2	2.0%	0.5%
Central Gov Admin, Defence & Safety	3.0	11.2%	3.8%
Finance	2.0	7.7%	3.9%
Telecomms, Internet & Library Services	1.6	4.1%	2.5%
Information Media Services	1.6	1.5%	0.9%
Auxiliary Finance & Insurance Services	1.6	1.5%	1.0%
Professional, Scientific & Tech Services	1.5	12.1%	8.3%
Arts & Recreation Services	1.4	1.8%	1.3%
Water, Sewerage & Waste Services	1.4	0.7%	0.5%
Electricity & Gas Supply	1.3	2.9%	2.3%
Other Services	1.2	2.1%	1.8%
Local Government Administration	1.1	0.6%	0.5%
Polymer Product & Rubber Product Manu	1.1	0.6%	0.6%
Printing	1.0	0.3%	0.3%
Fruit, Cereal & Other Food Product Manu	1.0	0.8%	0.8%
Insurance & Superannuation Funds	1.0	1.0%	1.1%
Health Care & Social Assistance	1.0	5.7%	6.0%
Rail, Water, Air & Other Transport	0.9	0.9%	1.0%
Education & Training	0.9	3.4%	3.9%
Beverage & Tobacco Product Manu	0.8	0.7%	0.8%
Accommodation & Food Services	0.8	1.8%	2.2%
Administrative & Support Services	0.8	1.6%	2.1%
Road Transport	0.8	1.2%	1.6%
Wood Product Manufacturing	0.7	0.4%	0.6%
Supermarket & Specialised Food Retailing	0.7	1.1%	1.5%
Property Operators & Real Estate Services	0.7	4.2%	5.8%
Non-Metallic Mineral Product Manu	0.7	0.3%	0.5%
Construction Services	0.7	2.1%	3.1%
Meat & Meat Product Manufacturing	0.7	0.5%	0.7%
Rental & Hiring Services	0.7	0.8%	1.1%
Postal, Courier & Warehousing Services	0.7	1.3%	2.0%
Other Store & Non Store Retailing	0.7	1.8%	2.8%
Basic Chemical & Chemical Product Manu	0.6	0.4%	0.6%
Building Construction	0.6	0.8%	1.3%
Wholesale Trade	0.6	3.0%	5.1%
Motor Vehicle, Parts & Fuel Retailing	0.6	0.4%	0.7%
Furniture & Other Manufacturing	0.6	0.2%	0.3%
Pulp & Paper Product Manufacturing	0.5	0.2%	0.3%
Heavy & Civil Engineering Construction	0.5	0.9%	1.7%
Textile, Leather, Clothing, Footwear Manu	0.5	0.1%	0.2%
Fabricated Metal Product Manufacturing	0.4	0.4%	0.8%
Poultry, Deer & Other Livestock Farming	0.4	0.1%	0.2%
Machinery & Other Equipment Manu	0.4	0.5%	1.3%
Transport Equipment Manufacturing	0.3	0.2%	0.5%
Sheep, Beef Cattle & Grain Farming	0.2	0.3%	1.1%
Primary Metal & Metal Product Manu	0.2	0.0%	0.2%
Fishing & Aquaculture	0.2	0.0%	0.1%
Seafood Processing	0.2	0.0%	0.2%
Agric Support Services & Hunting	0.1	0.1%	0.7%
Horticulture & Fruit Growing	0.1	0.1%	0.5%
Mining	0.1	0.2%	1.3%
Forestry & Logging	0.1	0.1%	0.6%
Dairy Cattle Farming	0.1	0.2%	2.1%
Dairy Product Manufacturing	0.1	0.0%	0.6%

EMPLOYMENT

How fast has employment grown in Wellington Region?

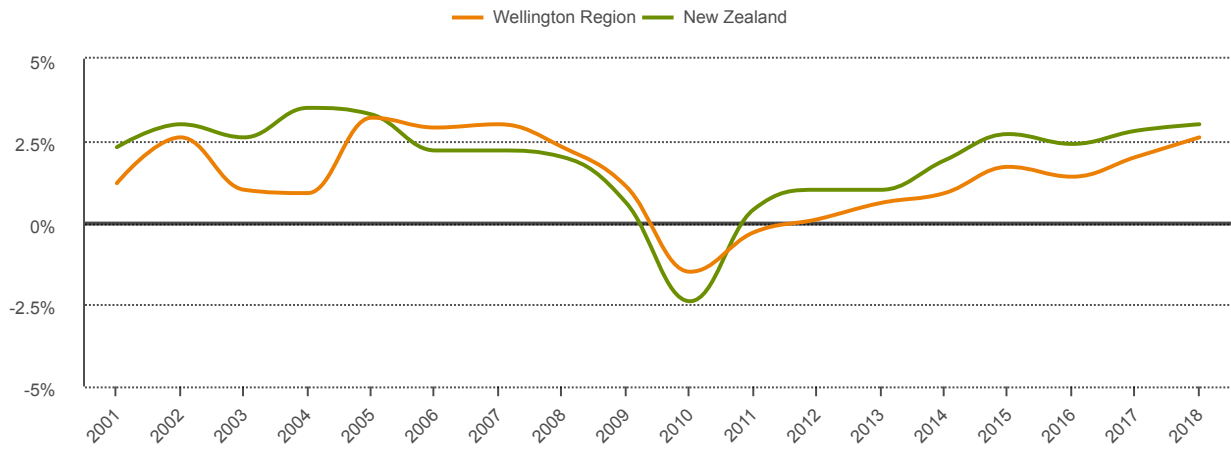
Employment growth provides new opportunities for the region's population to earn income and contribute to the region's economy. This section contrasts Wellington Region's recent performance in creating jobs with other regions in the country.

Figure 6: Employment growth, year to Mar 2018



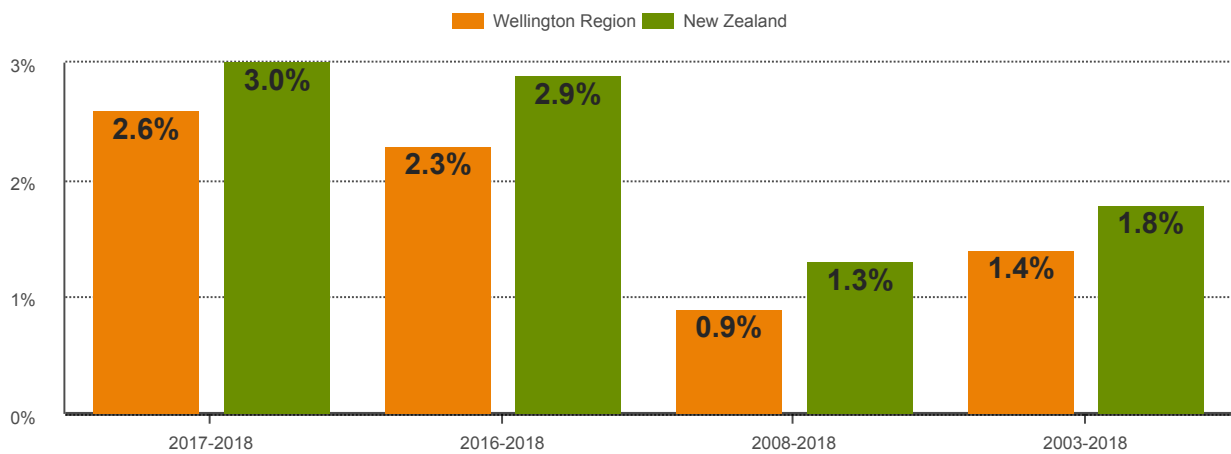
- Total employment in Wellington Region averaged 287,711 in the year to March 2018, up 2.6% from a year earlier. Employment in New Zealand increased by 3.0% over the same period.
- Employment growth in Wellington Region averaged 0.9%pa over the last 10 years compared with 1.3%pa in the national economy.
- 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, 2001-2018



Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wellington Region	1.0%	0.9%	3.2%	2.9%	3.0%	2.3%	1.1%	-1.5%	-0.3%	0.1%	0.6%	0.9%	1.7%	1.4%	2.0%	2.6%
New Zealand	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%	2.4%	2.8%	3.0%

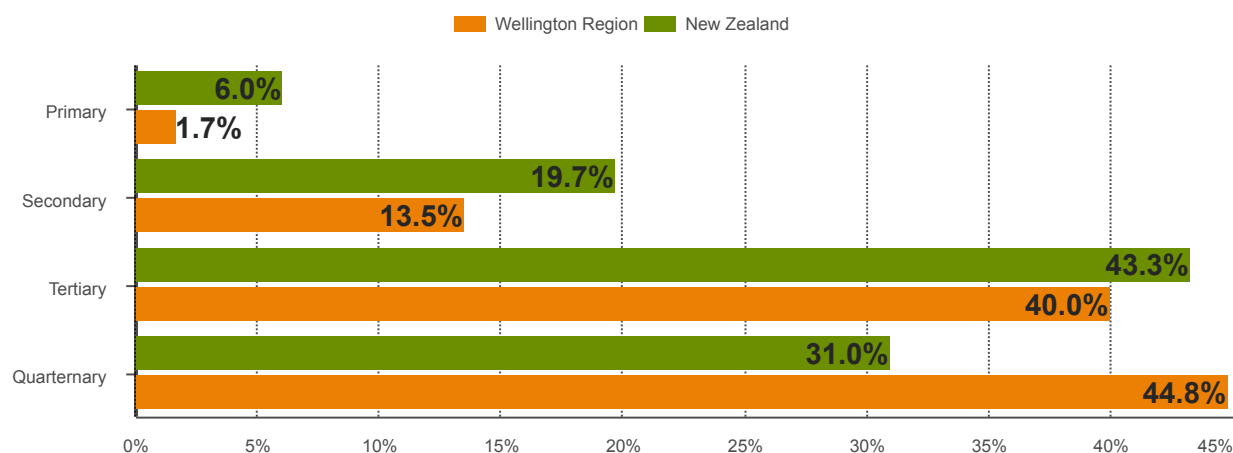
Figure 8: Employment growth over various time periods



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, 2018



- Primary accounted for 1.7% in Wellington Region compared with 6.0% in New Zealand.
- Secondary accounted for 13.5% in Wellington Region compared with 19.7% in New Zealand.
- Tertiary accounted for 40.0% in Wellington Region compared with 43.3% in New Zealand.
- Quaternary industries accounted for the largest proportion of employment (44.8%) in Wellington Region, which is higher than in New Zealand (31.0%).

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: ANZSIC 1-digit industries ranked by size of employment, 2018

Industry	Wellington Region		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	4,228	1.5%	144,470	5.8%
Mining	720	0.3%	5,829	0.2%
Manufacturing	14,321	5.0%	239,214	9.6%
Electricity, Gas, Water and Waste Services	2,358	0.8%	16,851	0.7%
Construction	22,243	7.7%	235,038	9.4%
Wholesale Trade	8,869	3.1%	123,171	4.9%
Retail Trade	22,805	7.9%	226,866	9.1%
Accommodation and Food Services	19,389	6.7%	167,540	6.7%
Transport, Postal and Warehousing	8,868	3.1%	103,200	4.1%
Information Media and Telecommunications	8,190	2.8%	43,607	1.7%
Financial and Insurance Services	12,318	4.3%	65,383	2.6%
Rental, Hiring and Real Estate Services	5,456	1.9%	61,731	2.5%
Professional, Scientific and Technical Services	41,823	14.5%	239,724	9.6%
Administrative and Support Services	13,341	4.6%	126,306	5.1%
Public Administration and Safety	33,099	11.5%	117,436	4.7%
Education and Training	24,131	8.4%	194,261	7.8%
Health Care and Social Assistance	27,386	9.5%	241,999	9.7%
Arts and Recreation Services	6,831	2.4%	46,810	1.9%
Other Services	11,335	3.9%	95,080	3.8%
Total	287,711	100%	2,494,515	100%

- Among broad industries Professional, Scientific and Technical Services was the largest in Wellington Region in 2018 accounting for 14.5% of total.
- The second largest was Public Administration and Safety (11.5%) followed by Health Care and Social Assistance (9.5%)

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.

- Central Government Administration was the largest 7-digit industry in Wellington Region in 2018 employing 16,817 persons and accounting for 5.8% of total employment in the district. By contrast this industry accounted for 1.3% of total employment in New Zealand.
- The second largest employing industries were computer systems design and related services (11,938) followed by cafes and restaurants (8,538).

Table 7: 50 largest employing ANZSIC 7-digit industries, 2018

Rank	Industry	Wellington Region		New Zealand
		Jobs	% of total	% of total
1	Central Government Administration	16,817	5.8%	1.3%
2	Computer Systems Design and Related Services	11,938	4.1%	1.8%
3	Cafes and Restaurants	8,538	3.0%	2.9%
4	Hospitals (except Psychiatric Hospitals)	7,608	2.6%	2.9%
5	Banking	7,162	2.5%	0.9%
6	Management Advice and Other Consulting Services	6,929	2.4%	1.6%
7	Supermarket and Grocery Stores	6,701	2.3%	2.4%
8	Higher Education	5,790	2.0%	1.5%
9	Corporate Head Office Management Services	5,637	2.0%	1.1%
10	Primary Education	5,624	2.0%	2.1%
11	House Construction	4,103	1.4%	1.9%
12	Other Allied Health Services	4,097	1.4%	1.3%
13	Aged Care Residential Services	3,756	1.3%	1.3%
14	Secondary Education	3,627	1.3%	1.4%
15	Takeaway Food Services	3,595	1.2%	1.1%
16	Accommodation	3,234	1.1%	1.4%
17	Accounting Services	3,185	1.1%	1.0%
18	Engineering Design and Engineering Consulting Services	3,172	1.1%	1.1%
19	Buildings Cleaning Services	3,042	1.1%	1.1%
20	Employment Placement and Recruitment Services	2,986	1.0%	0.6%
21	Preschool Education	2,917	1.0%	1.1%
22	Regulatory Services	2,900	1.0%	0.3%
23	Police Services	2,885	1.0%	0.5%
24	Labour Supply Services	2,852	1.0%	1.3%
25	Legal Services	2,848	1.0%	0.8%
26	Defence	2,691	0.9%	0.5%
27	Other Social Assistance Services	2,690	0.9%	0.8%
28	Local Government Administration	2,569	0.9%	0.9%
29	Real Estate Services	2,283	0.8%	1.0%
30	Electrical Services	2,172	0.8%	0.9%
31	Adult, Community and Other Education n.e.c.	2,149	0.7%	0.5%
32	Other Auxiliary Finance and Investment Services	2,121	0.7%	0.4%
33	Pubs, Taverns and Bars	2,120	0.7%	0.6%
34	Other Interest Group Services n.e.c.	1,975	0.7%	0.5%
35	Hairdressing and Beauty Services	1,970	0.7%	0.7%
36	Road Freight Transport	1,893	0.7%	1.3%
37	Hardware and Building Supplies Retailing	1,884	0.7%	0.8%
38	Justice	1,854	0.6%	0.2%
39	General Practice Medical Services	1,844	0.6%	0.6%
40	Other Heavy and Civil Engineering Construction	1,797	0.6%	0.8%
41	Department Stores	1,794	0.6%	0.7%
42	Other Residential Care Services	1,792	0.6%	0.6%
43	Child Care Services	1,771	0.6%	0.6%
44	Clothing Retailing	1,662	0.6%	0.6%
45	Scientific Research Services	1,659	0.6%	0.3%
46	Postproduction Services and Other Motion Picture and Video Activities	1,648	0.6%	0.1%
47	Painting and Decorating Services	1,642	0.6%	0.6%
48	Wired Telecommunications Network Operation	1,599	0.6%	0.3%
49	Plumbing Services	1,572	0.5%	0.6%
50	Catering Services	1,496	0.5%	0.5%
	All other industries total	107,120	37.2%	49.9%
	Total	287,711	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: ANZSIC 1-digit industries ranked by number of jobs created, 2017-2018

Industry	2017	2018	Change	Annual Growth
Construction	20,719	22,243	1,524	7.4%
Public Administration and Safety	31,634	33,099	1,465	4.6%
Professional, Scientific and Technical Services	40,439	41,823	1,383	3.4%
Accommodation and Food Services	18,689	19,389	700	3.7%
Education and Training	23,579	24,131	553	2.3%
Retail Trade	22,283	22,805	521	2.3%
Rental, Hiring and Real Estate Services	5,034	5,456	422	8.4%
Other Services	11,089	11,335	246	2.2%
Electricity, Gas, Water and Waste Services	2,186	2,358	172	7.9%
Administrative and Support Services	13,183	13,341	158	1.2%
Arts and Recreation Services	6,699	6,831	133	2.0%
Mining	635	720	85	13.3%
Agriculture, Forestry and Fishing	4,148	4,228	80	1.9%
Health Care and Social Assistance	27,311	27,386	76	0.3%
Manufacturing	14,261	14,321	60	0.4%
Information Media and Telecommunications	8,249	8,190	-59	-0.7%
Financial and Insurance Services	12,378	12,318	-60	-0.5%
Transport, Postal and Warehousing	8,961	8,868	-93	-1.0%
Wholesale Trade	8,963	8,869	-94	-1.1%
Total	280,441	287,711	7,271	2.6%

- Construction made the largest contribution to employment growth in Wellington Region between 2017 and 2018 with the industry adding 1,524 jobs.
- The next largest contributor was Public Administration and Safety (1,465 jobs) followed by Professional, Scientific and Technical Services (1,383 jobs).
- The largest detractor from growth over the year was Wholesale Trade in which employment declined by 94.

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 2017 and 2018 generating an additional 396 positions.
- This was followed by House Construction, which added 390 jobs over the same period.
- Life Insurance was the largest detractor of jobs in Wellington Region between 2017 and 2018 losing 304 positions.
- This was followed by Newspaper Publishing, which lost 242 jobs over the same period.

Table 9: The 50 ANZSIC 7-digit industries that created the most jobs, 2017-2018

Rank	Industry	Jobs		Change 2017 - 2018	% of total 2018
		2017	2018		
1	Central Government Administration	16,421	16,817	396	5.8%
2	House Construction	3,713	4,103	390	1.4%
3	Corporate Head Office Management Services	5,284	5,637	354	2.0%
4	Computer Systems Design and Related Services	11,603	11,938	334	4.1%
5	Labour Supply Services	2,559	2,852	293	1.0%
6	Cafes and Restaurants	8,266	8,538	272	3.0%
7	Regulatory Services	2,653	2,900	247	1.0%
8	Justice	1,624	1,854	230	0.6%
9	Management Advice and Other Consulting Services	6,718	6,929	211	2.4%
10	Police Services	2,676	2,885	208	1.0%
11	Other Auxiliary Finance and Investment Services	1,941	2,121	180	0.7%
12	Secondary Education	3,457	3,627	170	1.3%
13	Takeaway Food Services	3,429	3,595	166	1.2%
14	Buildings Cleaning Services	2,877	3,042	165	1.1%
15	Preschool Education	2,758	2,917	160	1.0%
16	Other Construction Services n.e.c.	848	1,001	153	0.3%
17	Local Government Administration	2,421	2,569	148	0.9%
18	Higher Education	5,646	5,790	144	2.0%
19	Fuel Retailing	631	771	140	0.3%
20	Defence	2,553	2,691	138	0.9%
21	Engineering Design and Engineering Consulting Services	3,038	3,172	134	1.1%
22	Other Heavy and Civil Engineering Construction	1,665	1,797	132	0.6%
23	Scientific Research Services	1,531	1,659	128	0.6%
24	Other Allied Health Services	3,970	4,097	127	1.4%
25	Supermarket and Grocery Stores	6,575	6,701	126	2.3%
26	Passenger Car Rental and Hiring	257	373	116	0.1%
27	Catering Services	1,384	1,496	112	0.5%
28	Pubs, Taverns and Bars	2,011	2,120	109	0.7%
29	Primary Education	5,519	5,624	105	2.0%
30	Other Interest Group Services n.e.c.	1,872	1,975	103	0.7%
31	Site Preparation Services	891	993	102	0.3%
32	Market Research and Statistical Services	754	855	101	0.3%
33	Plumbing Services	1,476	1,572	96	0.5%
34	Plastering and Ceiling Services	666	757	91	0.3%
35	Correctional and Detention Services	842	932	91	0.3%
36	Residential Property Operators	657	745	88	0.3%
37	Other Residential Building Construction	413	499	86	0.2%
38	Water Supply	291	373	82	0.1%
39	Non-Financial Intangible Assets (except Copyrights) Leasing	178	254	76	0.1%
40	Libraries and Archives	1,003	1,078	75	0.4%
41	Oil and Gas Extraction	517	590	73	0.2%
42	Non-Residential Building Construction	1,385	1,458	73	0.5%
43	Other Grocery Wholesaling	883	954	72	0.3%
44	Architectural Services	1,268	1,337	69	0.5%
45	Paint and Coatings Manufacturing	318	386	68	0.1%
46	Landscape Construction Services	791	858	67	0.3%
47	Religious Services	1,265	1,331	67	0.5%
48	Hardware and Building Supplies Retailing	1,818	1,884	66	0.7%
49	Fire Protection and Other Emergency Services (except Ambulance Services)	673	738	65	0.3%
50	Other Professional, Scientific and Technical Services n.e.c.	674	738	64	0.3%
	All other industries	147,779	147,786	6	51.4%
	Total	280,441	287,711	7,271	100%

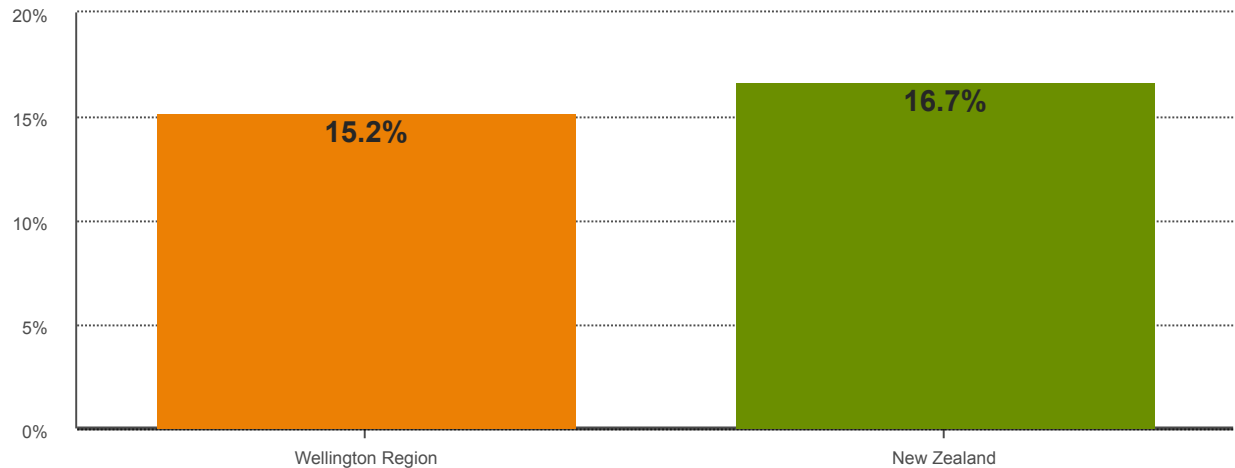
Table 10: The 50 ANZSIC 7-digit industries that lost the most jobs, 2017-2018

Rank	Industry	Jobs		Change 2017 - 2018	% of total 2018
		2017	2018		
1	Life Insurance	762	458	-304	0.2%
2	Newspaper Publishing	528	286	-242	0.1%
3	Other Social Assistance Services	2,897	2,690	-207	0.9%
4	Other Administrative Services n.e.c.	1,605	1,411	-193	0.5%
5	Other Electrical and Electronic Goods Wholesaling	973	844	-128	0.3%
6	Printing	1,285	1,182	-102	0.4%
7	Postal Services	598	510	-87	0.2%
8	Employment Placement and Recruitment Services	3,059	2,986	-73	1.0%
9	Technical and Vocational Education and Training	1,449	1,385	-64	0.5%
10	Corrugated Paperboard and Paperboard Container Manufacturing	171	110	-61	0.0%
11	Clothing Retailing	1,723	1,662	-61	0.6%
12	Sheep Farming (Specialised)	402	345	-57	0.1%
13	Other Hardware Goods Wholesaling	623	566	-57	0.2%
14	Scientific Testing and Analysis Services	658	603	-55	0.2%
15	Combined Primary and Secondary Education	829	776	-53	0.3%
16	Other Warehousing and Storage Services	298	246	-52	0.1%
17	Call Centre Operation	374	324	-50	0.1%
18	Data Processing and Web Hosting Services	525	479	-46	0.2%
19	Health and Fitness Centres and Gymnasias Operation	627	581	-46	0.2%
20	Hospitals (except Psychiatric Hospitals)	7,653	7,608	-45	2.6%
21	Free-to-Air Television Broadcasting	115	73	-41	0.0%
22	Veterinary Services	533	495	-38	0.2%
23	Natural Fibre Textile Manufacturing	216	179	-37	0.1%
24	Industrial and Agricultural Chemical Product Wholesaling	148	113	-35	0.0%
25	Footwear Retailing	469	439	-30	0.2%
26	Newspaper and Book Retailing	397	367	-29	0.1%
27	Motor Vehicle Manufacturing	105	76	-29	0.0%
28	Pharmaceutical and Toiletry Goods Wholesaling	437	408	-29	0.1%
29	Liquor and Tobacco Product Wholesaling	134	105	-29	0.0%
30	Garden Supplies Retailing	233	205	-28	0.1%
31	Clothing Manufacturing	295	267	-28	0.1%
32	Investigation and Security Services	1,341	1,315	-26	0.5%
33	Grape Growing	207	181	-26	0.1%
34	Other Public Order and Safety Services	198	173	-25	0.1%
35	Nature Reserves and Conservation Parks Operation	836	811	-25	0.3%
36	Other Goods Wholesaling n.e.c.	686	661	-25	0.2%
37	Electronic (except Domestic Appliance) and Precision Equipment Repair and Maintenance	165	143	-22	0.0%
38	Iron and Steel Casting	54	32	-21	0.0%
39	Meat Processing	801	781	-19	0.3%
40	Bakery Product Manufacturing (Non-factory-based)	828	809	-19	0.3%
41	Travel Agency and Tour Arrangement Services	642	624	-18	0.2%
42	Fire and Security Alarm Installation Services	412	394	-18	0.1%
43	Office Administrative Services	1,017	999	-17	0.3%
44	Health Insurance	87	70	-17	0.0%
45	Labour Association Services	335	318	-17	0.1%
46	Other Transport Support Services n.e.c.	380	363	-16	0.1%
47	Cigarette and Tobacco Product Manufacturing	203	187	-16	0.1%
48	Polymer Film and Sheet Packaging Material Manufacturing	179	163	-16	0.1%
49	Stevedoring Services	68	52	-16	0.0%
50	Apple and Pear Growing	81	65	-16	0.0%
	All other industries	241,810	251,791	9,981	87.5%
	Total	280,441	287,711	7,271	100%

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

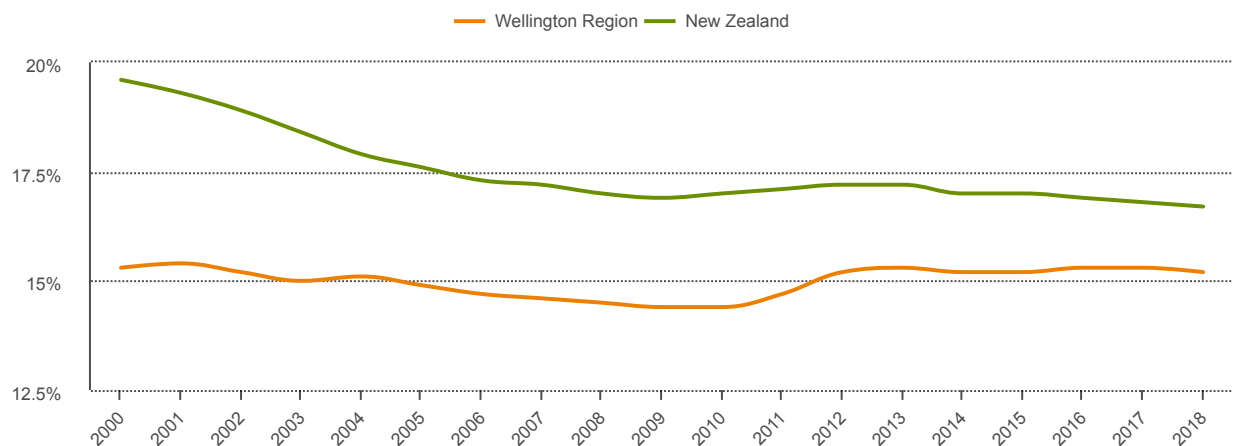
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in Wellington Region with the national economy.

Figure 10: Self employment rate, 2018



- Self-employed workers accounted for 15.2% of the workforce in Wellington Region in 2018, which was a lower rate than in the national economy (16.7%)
- A total of 43,828.4 workers were self-employed in Wellington Region in 2018.

Figure 11: Self employment rate, 2000-2018



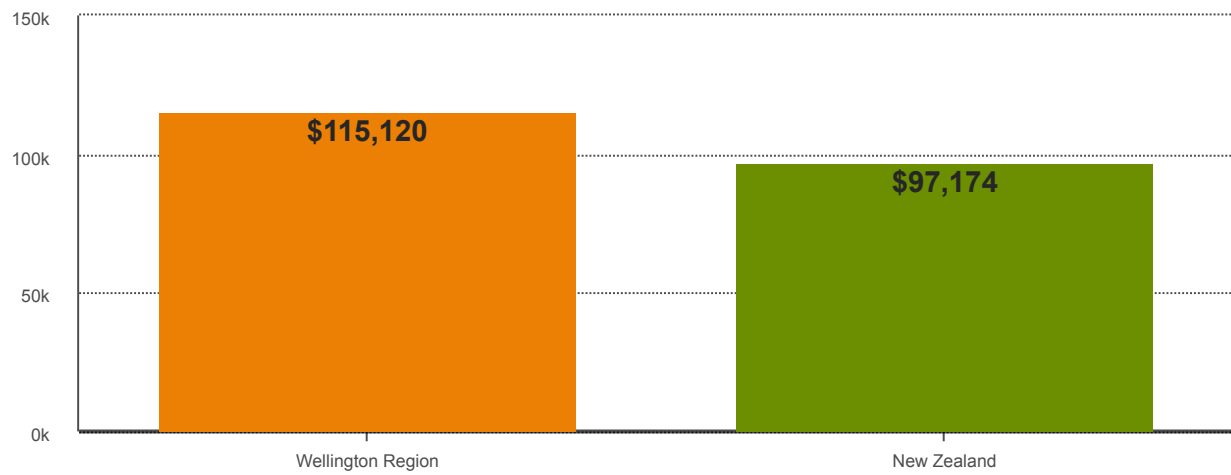
Level	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Wellington Region	15.0%	15.1%	14.9%	14.7%	14.6%	14.5%	14.4%	14.4%	14.7%	15.2%	15.3%	15.2%	15.2%	15.3%	15.3%
New Zealand	18.4%	17.9%	17.6%	17.3%	17.2%	17.0%	16.9%	17.0%	17.1%	17.2%	17.2%	17.0%	17.0%	16.9%	16.8%

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.

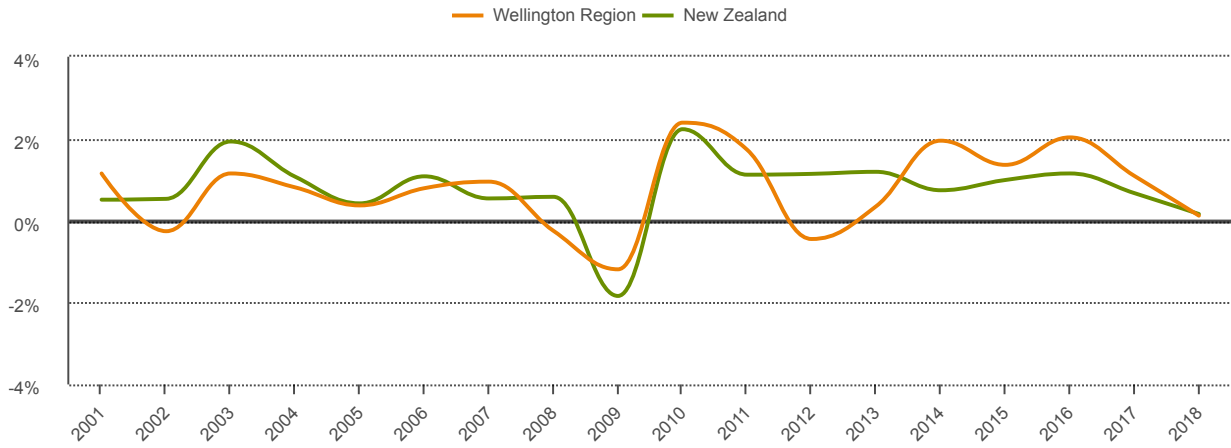
This section describes Wellington Region's productivity level during the year to March 2018 and previous years. Productivity is measured by GDP per employee (in constant 2010 prices).

Figure 12: Productivity, 2018



- GDP per employee in Wellington Region measured \$115,120 in the year to March 2018, which was 18.5% higher than in New Zealand.
- Productivity in Wellington Region increased by 0.1% from a year earlier compared with an increase of 0.2% in New Zealand).
- Productivity growth in Wellington Region averaged 0.9%pa over the last ten years compared with an average of 0.7%pa in New Zealand.

Figure 13: Productivity growth, 2001-2018



Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wellington Region	1.2%	0.8%	0.4%	0.8%	1.0%	-0.2%	-1.2%	2.4%	1.7%	-0.4%	0.4%	2.0%	1.4%	2.0%	1.1%	0.1%
New Zealand	1.9%	1.1%	0.4%	1.1%	0.5%	0.6%	-1.8%	2.2%	1.1%	1.1%	1.2%	0.7%	1.0%	1.2%	0.7%	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: ANZSIC 1-digit industries ranked by productivity, 2018

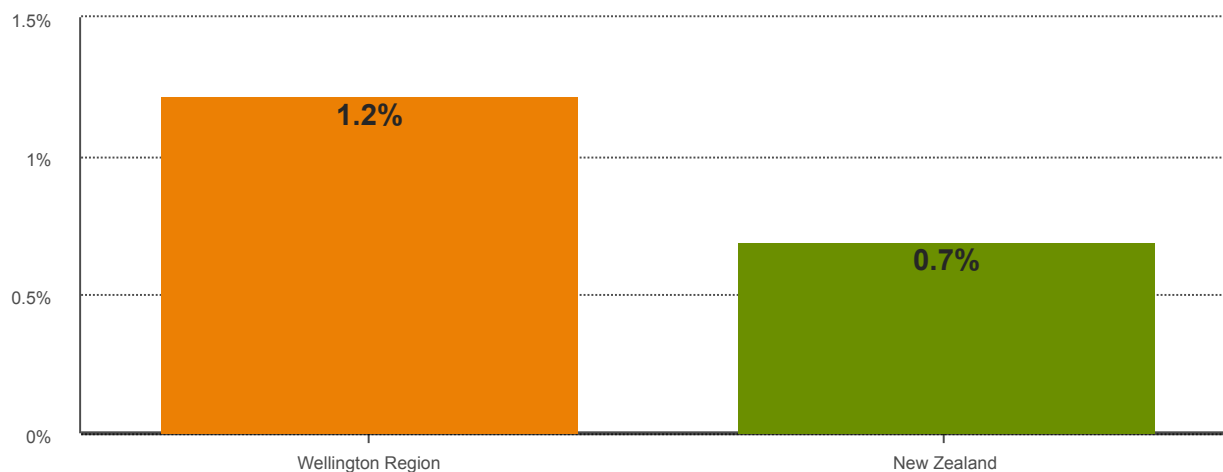
Industry	Productivity		Capital intensity
	Wellington Region	New Zealand	New Zealand
Electricity, Gas, Water and Waste Services	509,522	395,877	0.79
Rental, Hiring and Real Estate Services	300,534	271,987	0.80
Financial and Insurance Services	277,266	222,353	0.53
Information Media and Telecommunications	227,038	192,239	0.57
Manufacturing	175,821	99,543	0.47
Transport, Postal and Warehousing	127,590	107,219	0.46
Public Administration and Safety	117,484	88,057	0.18
Wholesale Trade	112,873	99,528	0.40
Professional, Scientific and Technical Services	96,115	84,222	0.24
Arts and Recreation Services	88,971	67,229	0.42
Mining	83,919	539,916	0.70
Health Care and Social Assistance	68,908	60,021	0.13
Agriculture, Forestry and Fishing	60,917	89,850	0.45
Other Services	60,081	45,320	0.20
Construction	56,975	62,900	0.25
Retail Trade	48,604	53,432	0.30
Education and Training	47,133	48,821	0.25
Administrative and Support Services	40,138	40,204	0.18
Accommodation and Food Services	30,721	31,831	0.26
Total	115,120	97,174	

BUSINESS GROWTH

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

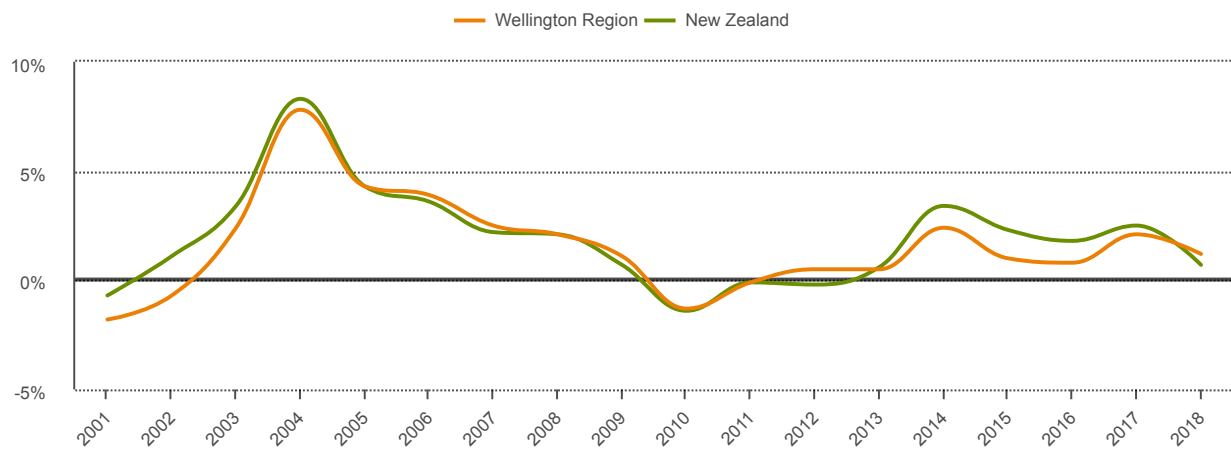
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts Wellington Region's recent performance in business unit growth with other regions in the country.

Figure 14: Business unit growth, year to Mar 2018



- A total of 56,574 business units were recorded in Wellington Region in 2018, up 1.2% from a year earlier.
- The number of business units in New Zealand increased by 0.7% over the same period.
- Growth in the number of business units in Wellington Region averaged 0.8%pa over the past 10 years compared with 1.0%pa in the national economy.
- Business unit growth in Wellington Region varied from a high of 7.8% in 2004 to a low of -1.8% in 2001.

Figure 15: Annual average business unit growth, 2001-2018



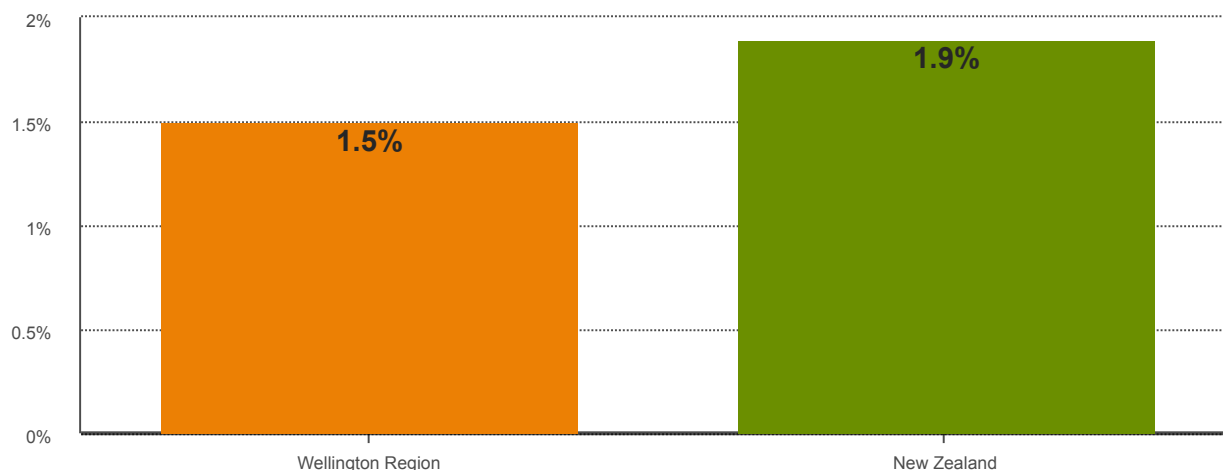
Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wellington Region	2.4%	7.8%	4.3%	3.9%	2.5%	2.1%	1.1%	-1.3%	-0.1%	0.5%	0.5%	2.4%	1.0%	0.8%	2.1%	1.2%
New Zealand	3.4%	8.3%	4.3%	3.6%	2.2%	2.1%	0.7%	-1.4%	-0.1%	-0.2%	0.6%	3.4%	2.3%	1.8%	2.5%	0.7%

POPULATION GROWTH

How fast has Wellington Region's population grown?

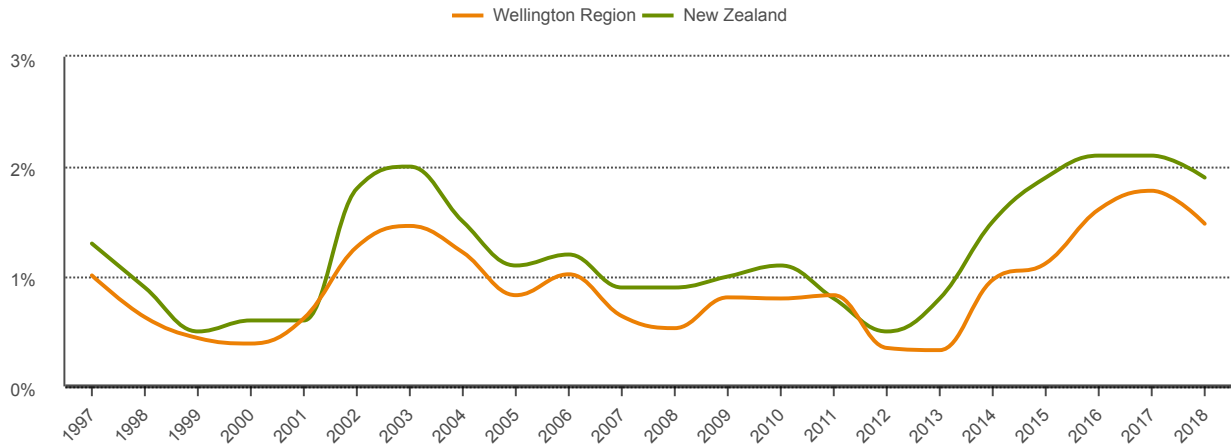
Population growth is an indicator of a region's attractiveness as a place to live and work. A strong regional economy with plentiful job opportunities will help a region retain its population and attract new residents from other regions and abroad. This section contrasts Wellington Region's recent population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

Figure 16: Population growth, year to Jun 2018



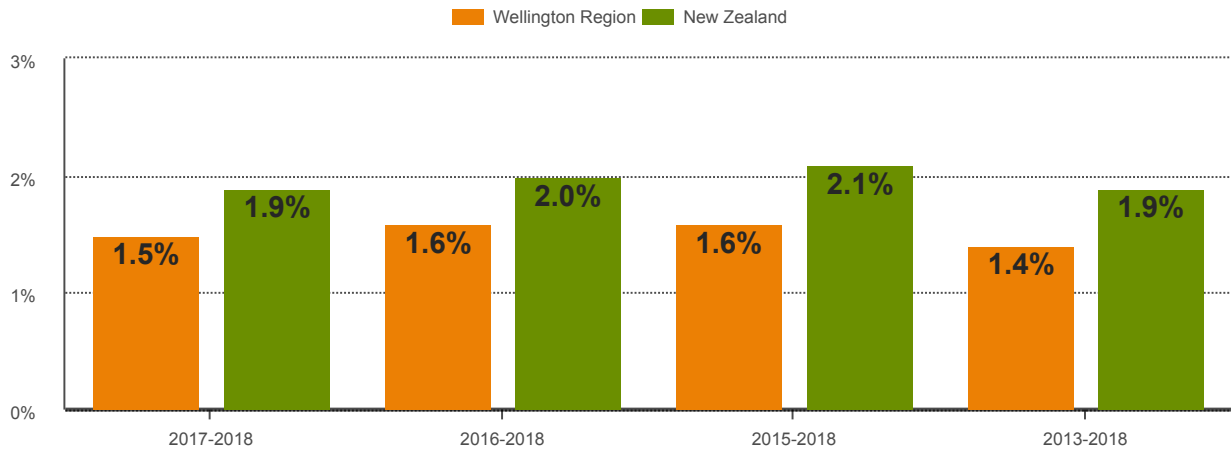
- Wellington Region's population was 521,500 in 2018, up 1.5% from a year earlier. New Zealand's total population grew by 1.9% over the same period.
- Population growth in Wellington Region averaged 1.4%pa over the last 5 years compared with 1.9%pa in New Zealand.
- Since 1996 growth in Wellington Region reached a high of 1.8%pa in 2017 and a low of 0.3%pa in 2013.

Figure 17: Annual population growth, 1997-2018



Change	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wellington Region	0.4%	0.4%	0.6%	1.3%	1.5%	1.2%	0.8%	1.0%	0.6%	0.5%	0.8%	0.8%	0.8%	0.4%	0.3%	1.0%	1.1%	1.5%	1.8%	1.5%
New Zealand	0.5%	0.6%	0.6%	1.8%	2.0%	1.5%	1.1%	1.2%	0.9%	0.9%	1.0%	1.1%	0.8%	0.5%	0.8%	1.5%	1.9%	2.1%	2.1%	1.9%

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

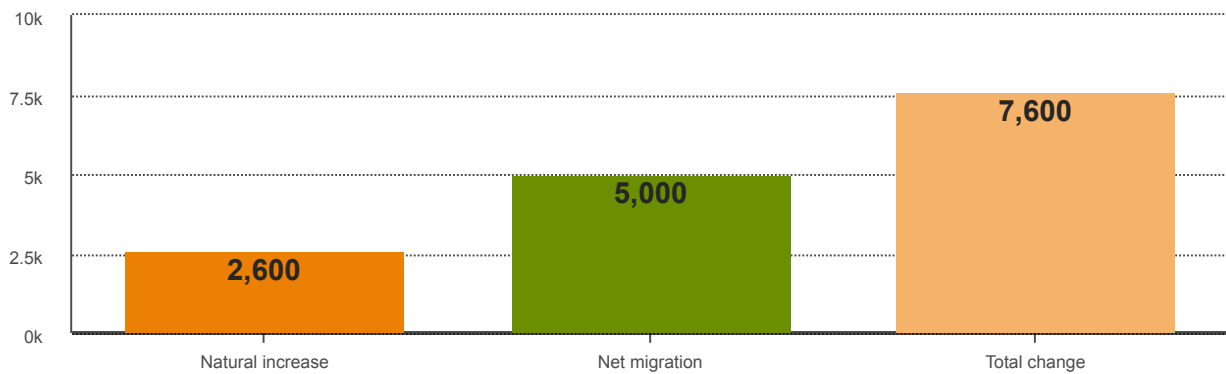


What is the source of Wellington Region's population growth?

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 7,600 people in the year to June 2018. This net increase was made up of net migration of 5,000 and natural increase of 2,600.

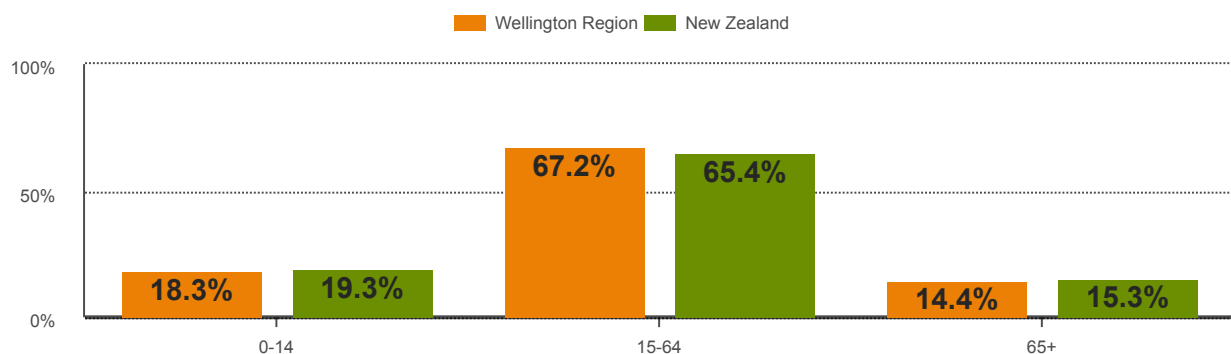
Figure 19: Source of population growth, year to June 2018



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

- In 2018, 67.2% of Wellington Region's population was of working age (15-64). This was significantly higher than the proportion of the national population (65.4%).
- Wellington Region had a slightly lower proportion (18.3%) of young people (0-14) than the country as a whole (19.3%) and a significantly lower proportion (14.4%) of people 65 years and older compared with New Zealand (15.3%).
- Overall the dependency ratio in Wellington Region (48.7%) was lower than in the national economy (53.0%). 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 2018



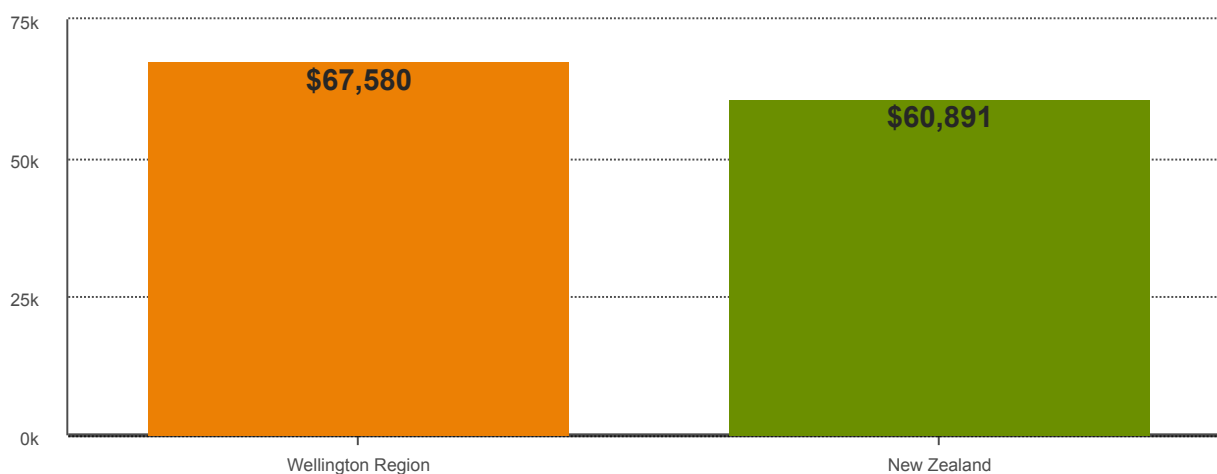
STANDARD OF LIVING

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 2018.

What are the mean earnings in Wellington Region?

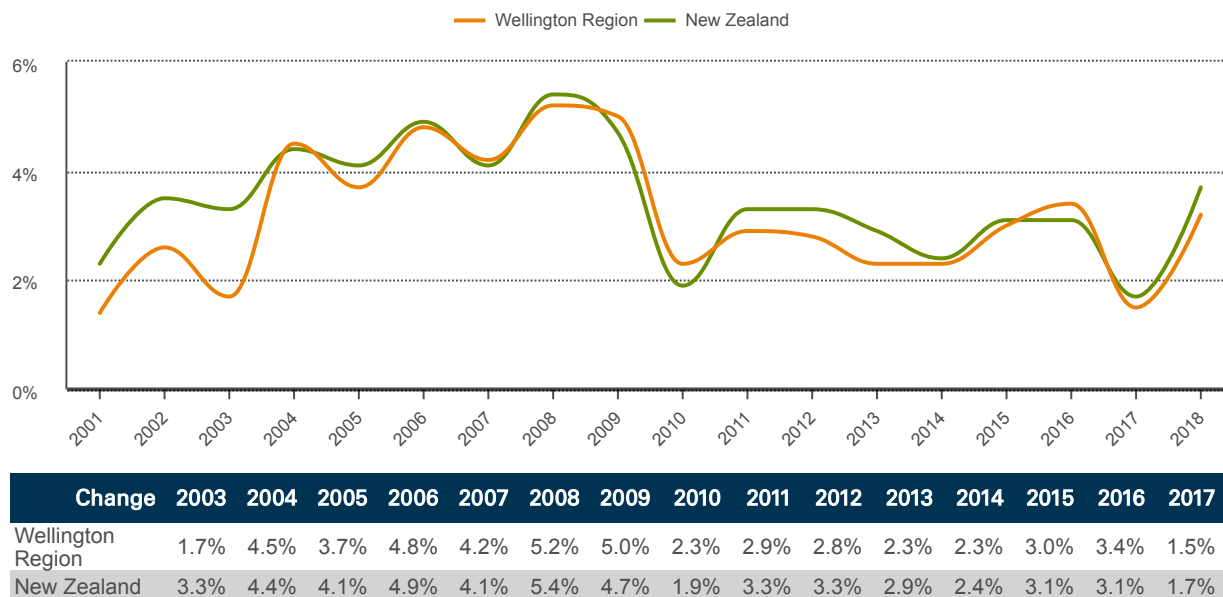
Income earned in the labour market is an important source of household income. This section contrasts Wellington Region's mean annual earnings with the country as a whole.

Figure 21: Earnings, 2018



- Mean annual earnings in Wellington Region was \$67,580 in the year to March 2018, which was higher than the New Zealand mean of \$60,891.
- Mean earnings in Wellington Region increased by 3.2% over the year to March 2018 compared with an increase of 3.7% 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, 2001-2018

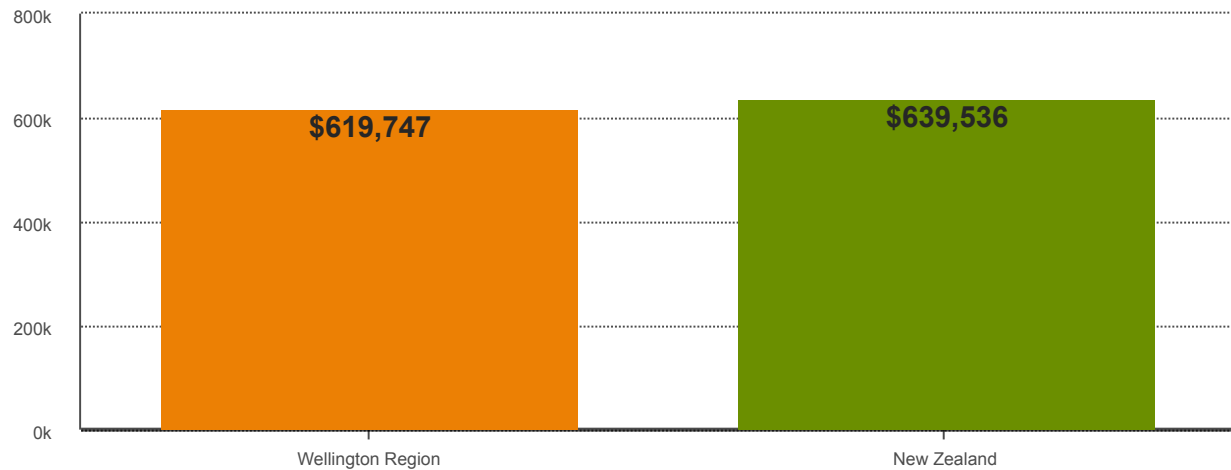


- Mean annual earnings in Wellington Region was \$67,580 in the year to March 2018, which was higher than the New Zealand mean of \$60,891.
- Mean earnings in Wellington Region increased by 3.2% over the year to March 2018 compared with an increase of 3.7% in New Zealand.
- Over the last ten years earnings 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?

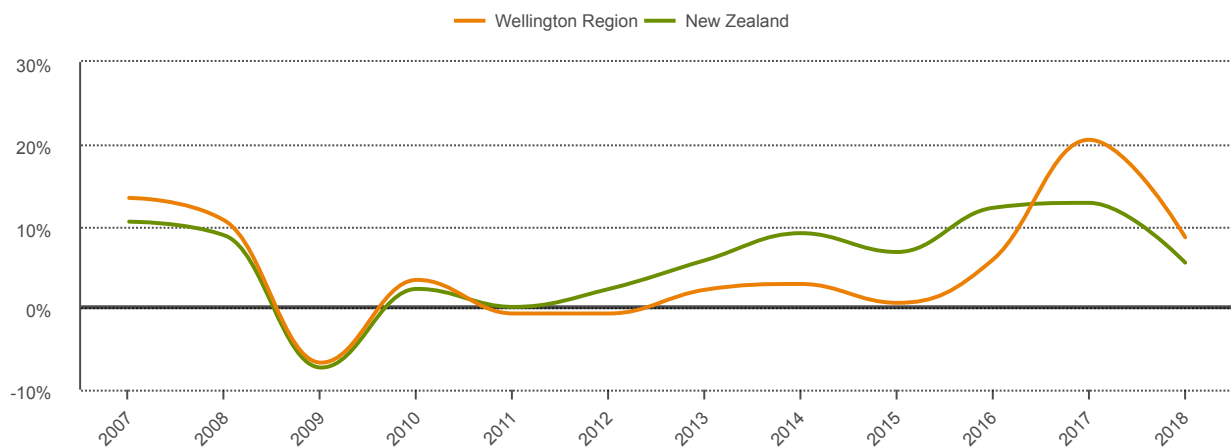
The cost of housing is a major component of household spending. This section describes the cost of housing in Wellington Region relative to the rest of the country.

Figure 23: Average current house value, 2018



- The Average current house value in Wellington Region was \$619,747 in 2018, which was lower than the New Zealand median of \$639,536.
- House price growth in Wellington Region was 8.6% for the year to March 2018. Growth was stronger than in New Zealand (5.5%).

Figure 24: Annual Average current house value growth, 2007-2018

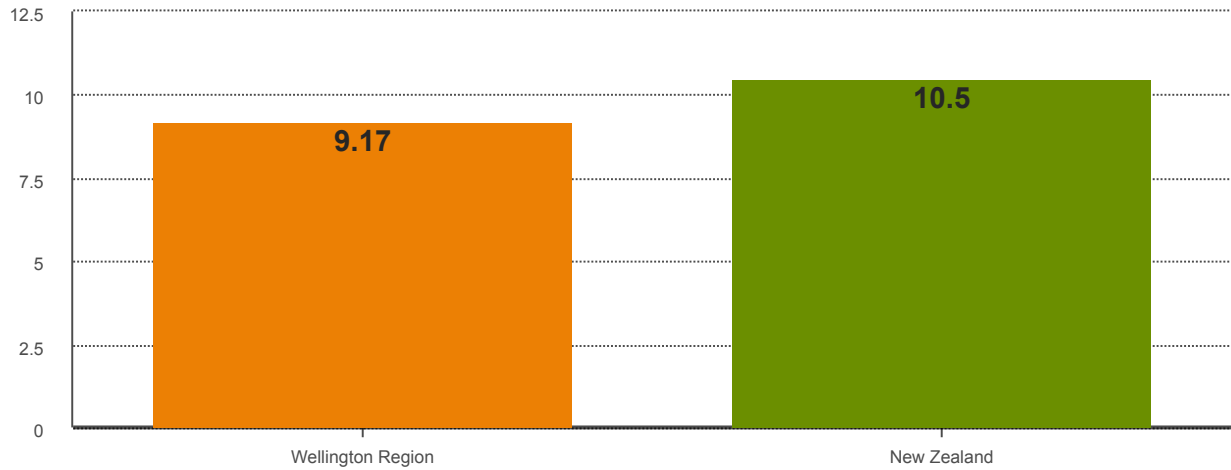


Change	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wellington Region	-6.7%	3.4%	-0.7%	-0.7%	2.2%	2.9%	0.6%	5.9%	20.5%	8.6%
New Zealand	-7.3%	2.3%	0.1%	2.3%	5.8%	9.1%	6.8%	12.2%	12.8%	5.5%

How affordable is housing in Wellington Region?

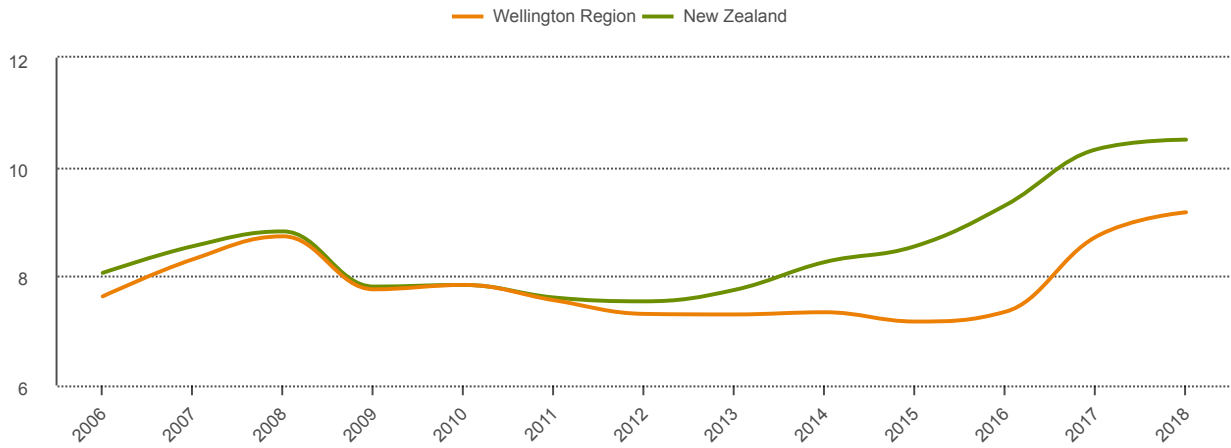
This section investigates the affordability of housing by comparing Average current house values with average earnings. We have estimated a housing affordability index which is the ratio of the Average current house value to annual average earnings measured in the Linked Employer Employee Data. A higher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

Figure 25: Housing affordability index, 2018



- The housing affordability index in Wellington Region was 9.2 in the year to March 2018, which was lower than New Zealand's index of 10.5. This means that housing is more affordable in Wellington Region than in New Zealand.

Figure 26: Housing affordability, 2006-2018



Level	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wellington Region	7.8	7.8	7.6	7.3	7.3	7.3	7.2	7.3	8.7	9.2
New Zealand	7.8	7.8	7.6	7.5	7.7	8.3	8.5	9.3	10.3	10.5

WORKFORCE AND SKILLS

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

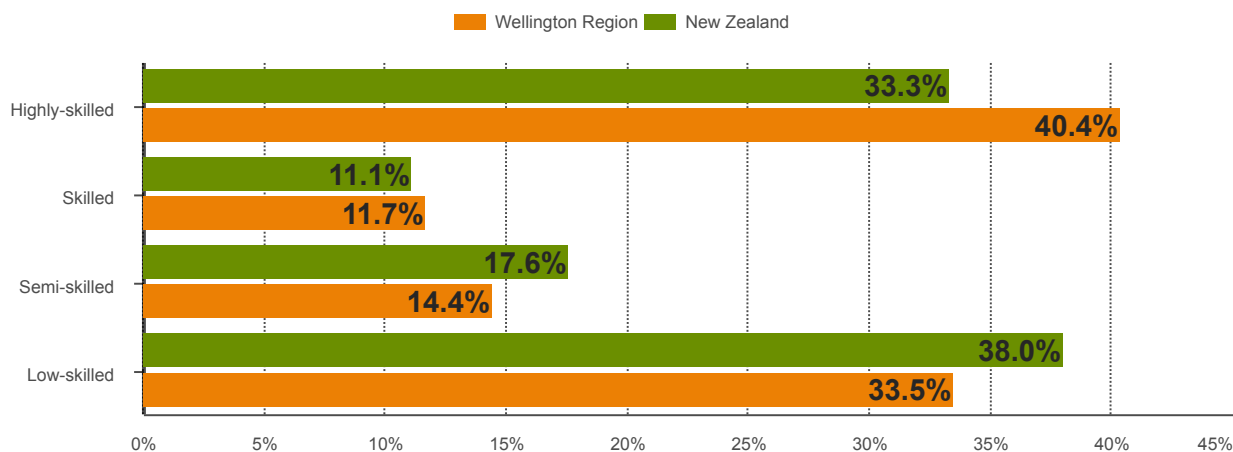
A region that can offer high skilled jobs can generally offer a higher standard of living to its residents. It is also has a better chance of retaining its residents and attracting new skills. This section contrasts the skill levels required by jobs in Wellington Region with those required in the national 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, 2018

Skill level	Wellington Region		New Zealand	
	Jobs	% of total	Jobs	% of total
Highly-skilled	116,243	40.4%	830,125	33.3%
Skilled	33,666	11.7%	277,112	11.1%
Semi-skilled	41,492	14.4%	438,604	17.6%
Low-skilled	96,310	33.5%	948,673	38.0%
Total	287,711	100%	2,494,515	100%

- Approximately 40.4% of Wellington Region's workforce was employed in highly skilled occupations in 2018. This is higher than in New Zealand (33.3%).
- Approximately 33.5% of Wellington Region's workforce was employed in low-skilled occupations in 2018. This is lower than in New Zealand 38.0%.

Figure 27: Employment by broad skill level, 2018



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 (30.1%) in Wellington Region, which is higher than New Zealand (23.8%).
- Managers accounted for the second largest share of employment (16.4%) in Wellington Region, which is lower than New Zealand (18.1%).
- Machinery operators and drivers accounted for the lowest share of employment (6.4%) in Wellington Region, which is lower than New Zealand (18.1%).

Figure 28: Employment by broad occupation, 2018

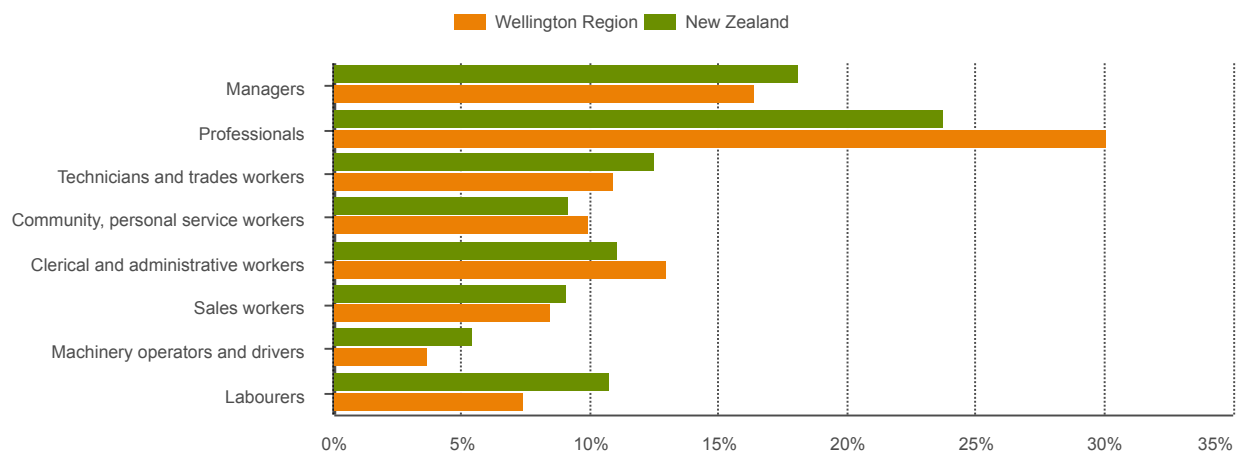


Table 13: Employment by ANZSIC 2-digit occupation, 2018

Occupation	Wellington Region		New Zealand	
	Employment	% of total	Employment	% of total
Specialist Managers	24,127	8.4%	205,776	8.2%
Business, HR & Marketing Professionals	21,687	7.5%	129,622	5.2%
Education Professionals	18,155	6.3%	145,436	5.8%
Sales Assistants & Salespersons	12,445	4.3%	122,136	4.9%
ICT Professionals	11,533	4.0%	58,735	2.4%
Health Professionals	11,435	4.0%	99,837	4.0%
Hospitality, Retail & Service Managers	10,668	3.7%	92,344	3.7%
Design, Engineering, Science Professionals	10,441	3.6%	84,601	3.4%
Chief Execs, General Managers, Legislators	9,964	3.5%	87,860	3.5%
Legal, Social & Welfare Professionals	9,738	3.4%	53,637	2.2%
Carers & Aides	9,673	3.4%	82,101	3.3%
Sales Representatives & Agents	9,042	3.1%	76,817	3.1%
Office Managers & Program Administrators	7,766	2.7%	63,493	2.5%
Numerical Clerks	7,093	2.5%	45,592	1.8%
General Clerical Workers	6,698	2.3%	50,179	2.0%
Construction Trades Workers	6,222	2.2%	61,800	2.5%
Engineering, ICT & Science Technicians	6,218	2.2%	48,312	1.9%
Other Clerical & Administrative Workers	5,889	2.0%	42,480	1.7%
Hospitality Workers	5,692	2.0%	49,815	2.0%
Other Labourers	5,650	2.0%	67,845	2.7%
Cleaners & Laundry Workers	5,539	1.9%	53,617	2.1%
Protective Service Workers	5,442	1.9%	32,405	1.3%
Road & Rail Drivers	4,930	1.7%	53,842	2.2%
Food Trades Workers	4,696	1.6%	42,270	1.7%
Sports & Personal Service Workers	4,665	1.6%	39,710	1.6%
Automotive & Engineering Trades Workers	4,554	1.6%	63,303	2.5%
Other Technicians & Trades Workers	4,320	1.5%	38,288	1.5%
Inquiry Clerks & Receptionists	4,107	1.4%	35,621	1.4%
Arts & Media Professionals	3,664	1.3%	22,998	0.9%
Health & Welfare Support Workers	3,139	1.1%	25,180	1.0%
Personal Assistants & Secretaries	3,114	1.1%	21,503	0.9%
Electrotech & Telecoms Trades Workers	3,035	1.1%	30,933	1.2%
Sales Support Workers	3,023	1.1%	28,155	1.1%
Factory Process Workers	2,929	1.0%	48,260	1.9%
Clerical & Office Support Workers	2,708	0.9%	17,723	0.7%
Machine & Stationary Plant Operators	2,565	0.9%	34,171	1.4%
Farmers & Farm Managers	2,505	0.9%	66,583	2.7%
Farm, Forestry & Garden Workers	2,478	0.9%	53,871	2.2%
Construction & Mining Labourers	2,353	0.8%	25,930	1.0%
Skilled Animal & Horticultural Workers	2,352	0.8%	25,961	1.0%
Food Preparation Assistants	2,306	0.8%	19,852	0.8%
Storepersons	1,775	0.6%	23,004	0.9%
Mobile Plant Operators	1,379	0.5%	22,919	0.9%
Total employment	287,711	100%	2,494,515	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.

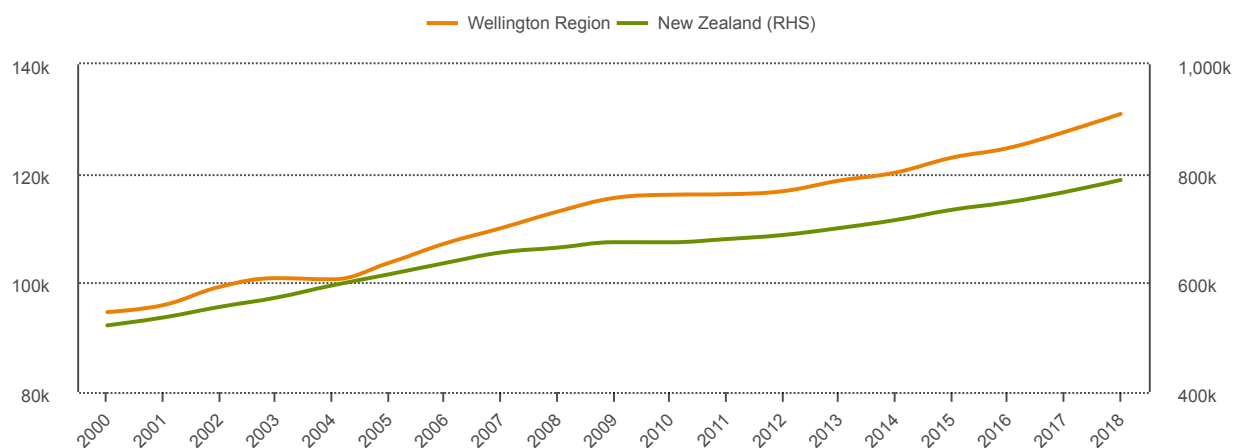
This section describes employment in knowledge intensive industries in Wellington Region.

Table 14: Employment in knowledge intensive industries, 2018

	Employment in KI industries 2018	KI employment as share of total employment 2018	Annual growth in KI employment 2018	Annual average growth in KI employment 2008-2018
Wellington Region	130,919	45.5%	2.6%	1.5%
New Zealand	788,204	31.6%	2.9%	1.7%

- During 2018, there were 130,919 jobs in Wellington Region's knowledge intensive industries. At 45.5% of total employment, this was higher than in New Zealand (31.6%).
- During the year March 2018, growth in employment in knowledge intensive industries was 2.6%, compared with a change of 2.9% in New Zealand.

Figure 29: Employment in knowledge intensive industries, 2000-2018



What are the top knowledge intensive industries in Wellington Region?

Table 15: Top 30 knowledge intensive industries in Wellington Region, 2018

Rank	Industry	Wellington Region		New Zealand	
		Employment	% of total employment	Employment	% of total employment
1	Central Government Administration	16,817	5.8%	33,286	1.3%
2	Computer Systems Design and Related Services	11,938	4.1%	44,286	1.8%
3	Hospitals (except Psychiatric Hospitals)	7,608	2.6%	71,191	2.9%
4	Management Advice and Other Consulting Services	6,929	2.4%	40,286	1.6%
5	Higher Education	5,790	2.0%	36,718	1.5%
6	Corporate Head Office Management Services	5,637	2.0%	27,030	1.1%
7	Primary Education	5,624	2.0%	53,156	2.1%
8	Other Allied Health Services	4,097	1.4%	32,924	1.3%
9	Secondary Education	3,627	1.3%	35,653	1.4%
10	Accounting Services	3,185	1.1%	24,580	1.0%
11	Engineering Design and Engineering Consulting Services	3,172	1.1%	28,094	1.1%
12	Employment Placement and Recruitment Services	2,986	1.0%	14,436	0.6%
13	Regulatory Services	2,900	1.0%	6,810	0.3%
14	Legal Services	2,848	1.0%	18,976	0.8%
15	Local Government Administration	2,569	0.9%	23,426	0.9%
16	Adult, Community and Other Education n.e.c.	2,149	0.7%	12,741	0.5%
17	Other Auxiliary Finance and Investment Services	2,121	0.7%	9,609	0.4%
18	Other Interest Group Services n.e.c.	1,975	0.7%	13,087	0.5%
19	Justice	1,854	0.6%	4,198	0.2%
20	General Practice Medical Services	1,844	0.6%	15,984	0.6%
21	Scientific Research Services	1,659	0.6%	8,504	0.3%
22	Postproduction Services and Other Motion Picture and Video Activities	1,648	0.6%	2,112	0.08%
23	Wired Telecommunications Network Operation	1,599	0.6%	7,203	0.3%
24	Other Administrative Services n.e.c.	1,411	0.5%	11,850	0.5%
25	Technical and Vocational Education and Training	1,385	0.5%	10,679	0.4%
26	Architectural Services	1,337	0.5%	9,703	0.4%
27	Religious Services	1,331	0.5%	9,391	0.4%
28	Business and Professional Association Services	1,188	0.4%	2,570	0.1%
29	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	1,102	0.4%	11,286	0.5%
30	Libraries and Archives	1,078	0.4%	4,062	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, 2018

Field of study	Certificate (level 1-3)	Certificate (level 4)	Diploma (level 5-6)	Degree (level 7+)	Total
Number					
Natural and Physical Sciences	4,215	872	2,072	7,558	14,718
Information Technology	3,812	459	1,380	7,057	12,708
Engineering and Related Technologies	14,719	11,853	5,451	13,450	45,473
Architecture and Building	5,058	9,115	1,872	3,679	19,723
Agriculture, Environmental and Related Studies	4,090	1,982	857	2,160	9,088
Health	7,611	1,655	3,143	14,606	27,014
Education	5,334	877	1,527	13,803	21,542
Management and Commerce	23,168	4,601	8,207	24,721	60,697
Society and Culture	13,754	3,224	5,527	20,350	42,855
Creative Arts	6,845	1,713	1,760	7,575	17,893
Food, Hospitality and Personal Services	7,704	5,141	1,870	1,284	16,000
Totals	96,310	41,492	33,666	116,243	287,711
% of total					
Natural and Physical Sciences	1.5%	0.3%	0.7%	2.6%	5.1%
Information Technology	1.3%	0.2%	0.5%	2.5%	4.4%
Engineering and Related Technologies	5.1%	4.1%	1.9%	4.7%	15.8%
Architecture and Building	1.8%	3.2%	0.7%	1.3%	6.9%
Agriculture, Environmental and Related Studies	1.4%	0.7%	0.3%	0.8%	3.2%
Health	2.6%	0.6%	1.1%	5.1%	9.4%
Education	1.9%	0.3%	0.5%	4.8%	7.5%
Management and Commerce	8.1%	1.6%	2.9%	8.6%	21.1%
Society and Culture	4.8%	1.1%	1.9%	7.1%	14.9%
Creative Arts	2.4%	0.6%	0.6%	2.6%	6.2%
Food, Hospitality and Personal Services	2.7%	1.8%	0.6%	0.4%	5.6%
Totals	33.5%	14.4%	11.7%	40.4%	100%

- The greatest demand in Wellington Region in 2018 was for qualifications at the level of Degree (level 7+). Approximately 40.4% of all positions in Wellington Region required this level of qualification.
- By field of study, the highest demand was for Management and Commerce. Approximately 21.1% 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, 2008-2018

Field of study	Certificate (level 1-3)	Certificate (level 4)	Diploma (level 5-6)	Degree (level 7+)	Total
Absolute change					
Natural and Physical Sciences	-202	39	242	1,575	1,654
Information Technology	-248	12	134	2,364	2,263
Engineering and Related Technologies	-512	-272	360	2,700	2,276
Architecture and Building	34	48	328	618	1,028
Agriculture, Environmental and Related Studies	-124	89	124	350	439
Health	-48	104	708	2,964	3,728
Education	-51	-13	312	2,196	2,445
Management and Commerce	-1,447	-86	1,277	4,045	3,789
Society and Culture	-360	120	1,082	2,726	3,569
Creative Arts	-367	12	233	1,418	1,297
Food, Hospitality and Personal Services	-24	758	185	187	1,105
Totals	-3,348	812	4,986	21,142	23,592
annual average % change					
Natural and Physical Sciences	-0.5%	0.5%	1.3%	2.4%	1.2%
Information Technology	-0.6%	0.3%	1.0%	4.2%	2.0%
Engineering and Related Technologies	-0.3%	-0.2%	0.7%	2.3%	0.5%
Architecture and Building	0.1%	0.1%	1.9%	1.9%	0.5%
Agriculture, Environmental and Related Studies	-0.3%	0.5%	1.6%	1.8%	0.5%
Health	-0.1%	0.7%	2.6%	2.3%	1.5%
Education	-0.1%	-0.1%	2.3%	1.7%	1.2%
Management and Commerce	-0.6%	-0.2%	1.7%	1.8%	0.6%
Society and Culture	-0.3%	0.4%	2.2%	1.4%	0.9%
Creative Arts	-0.5%	0.1%	1.4%	2.1%	0.8%
Food, Hospitality and Personal Services	0.0%	1.6%	1.0%	1.6%	0.7%
Totals	-0.3%	0.2%	1.6%	2.0%	100%

- The number of positions in Wellington Region requiring a Degree (level 7+) increased by 21,142 between 2008 and 2018, 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 2008 and 2018. The number of positions requiring this field of study increased by 3,789 over the 10 year period.

TOURISM

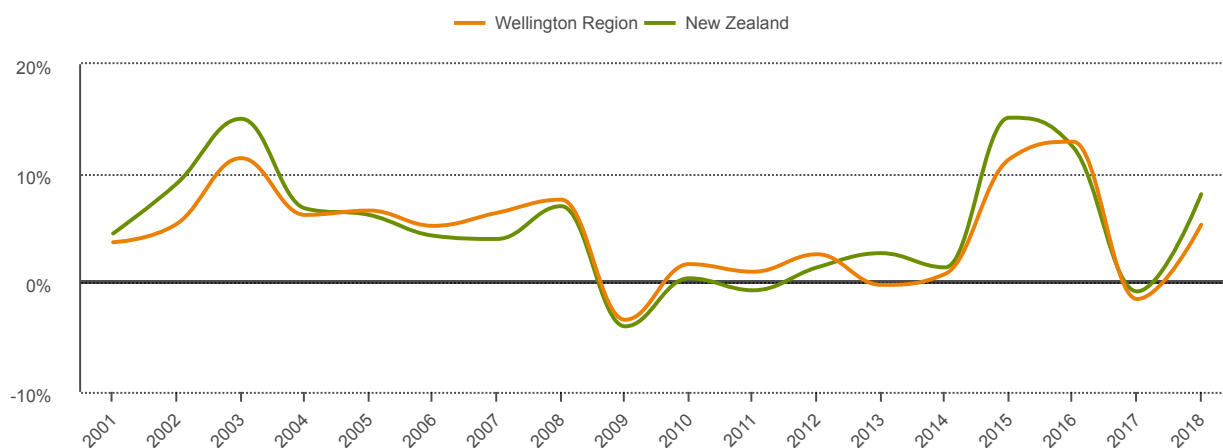
Tourism has grown rapidly in New Zealand since 2000. Not only has the number of overseas tourist arrivals increased substantially, but the level of domestic tourism has also expanded rapidly as spending on leisure by New Zealand residents increased. This section describes the contribution of tourism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

Tourism GDP

Table 18: Tourism GDP, 2001-2018

Year	Wellington Region		New Zealand	
	Level	Change	Level	Change
2000	\$619m		\$5,753m	
2001	\$642m	3.7%	\$6,011m	4.5%
2002	\$676m	5.4%	\$6,559m	9.1%
2003	\$754m	11.4%	\$7,544m	15.0%
2004	\$800m	6.2%	\$8,055m	6.8%
2005	\$853m	6.6%	\$8,555m	6.2%
2006	\$898m	5.2%	\$8,925m	4.3%
2007	\$955m	6.4%	\$9,284m	4.0%
2008	\$1,028m	7.6%	\$9,936m	7.0%
2009	\$993m	-3.4%	\$9,543m	-4.0%
2010	\$1,009m	1.7%	\$9,582m	0.4%
2011	\$1,019m	1.0%	\$9,515m	-0.7%
2012	\$1,045m	2.6%	\$9,648m	1.4%
2013	\$1,043m	-0.2%	\$9,913m	2.7%
2014	\$1,051m	0.8%	\$10,055m	1.4%
2015	\$1,170m	11.3%	\$11,578m	15.1%
2016	\$1,321m	12.9%	\$13,012m	12.4%
2017	\$1,301m	-1.5%	\$12,908m	-0.8%
2018	\$1,371m	5.3%	\$13,954m	8.1%

Figure 30: Annual average tourism GDP growth, 2001-2018



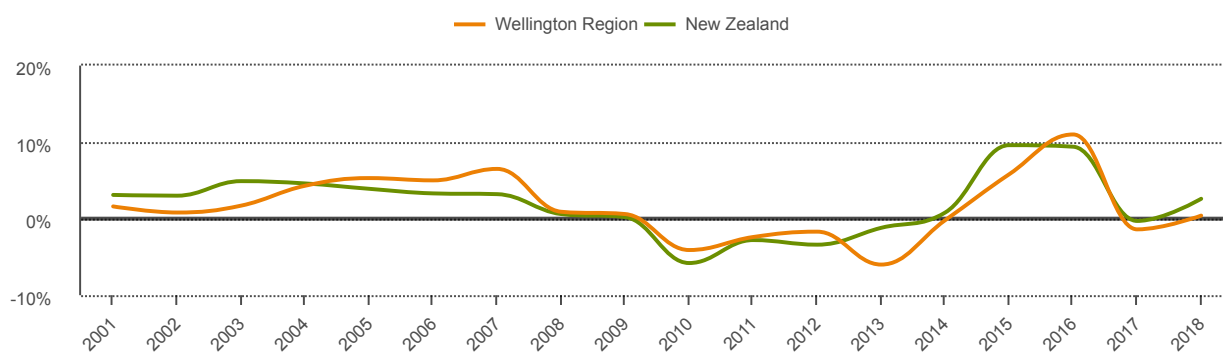
- The tourism industry contributed \$1,371m towards GDP in Wellington Region in 2018. This amounted to 4.1% of the Wellington Region's economic output in 2018, up from 3.7% ten years ago.
- Economic output in Wellington Region's tourism industry increased by 5.3% in 2018, compared with a 8.1% increase in New Zealand.
- Growth in the industry in Wellington Region has averaged 2.9% over the last ten years, compared with 3.5% in New Zealand.

Tourism Employment

Table 19: Tourism employment, 2001-2018

Year	Wellington Region		New Zealand	
	Level	Change	Level	Change
2000	16,782		153,942	
2001	17,046	1.6%	158,751	3.1%
2002	17,177	0.8%	163,440	3.0%
2003	17,469	1.7%	171,423	4.9%
2004	18,226	4.3%	179,373	4.6%
2005	19,189	5.3%	186,321	3.9%
2006	20,156	5.0%	192,507	3.3%
2007	21,467	6.5%	198,687	3.2%
2008	21,669	0.9%	199,935	0.6%
2009	21,790	0.6%	200,274	0.2%
2010	20,901	-4.1%	188,559	-5.8%
2011	20,409	-2.4%	183,273	-2.8%
2012	20,058	-1.7%	177,054	-3.4%
2013	18,856	-6.0%	174,885	-1.2%
2014	18,812	-0.2%	176,244	0.8%
2015	19,897	5.8%	193,110	9.6%
2016	22,076	11.0%	211,242	9.4%
2017	21,770	-1.4%	210,606	-0.3%
2018	21,848	0.4%	216,012	2.6%

Figure 31: Annual average tourism employment growth, 2001-2018



- The tourism industry employed an average of 21,848 people in Wellington Region in 2018. This amounted to 7.6% of the Wellington Region's total employment in 2018, down from 8.2% in 2008.
- Employment growth in the industry in New Zealand has averaged 0.08% over the last ten years, compared with 0.8% in New Zealand.
- Employment in the tourism industry increased by 0.4% in 2018, compared with a 2.6% increase in New Zealand.

TECHNICAL NOTES

Time period

This economic profile reports on March years (eg. 2018 refers to the 12 months to March 2018) 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 for each industry (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 employment measured in the Linked Employer Employee Data (LEED), which is, in turn, based on taxation data. Our estimates are benchmarked on regional GDP published by Statistics New Zealand which ensures we capture differences in regional industry productivity and changes in productivity over time.

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 filled job (ie. The amount of economic activity generated on average by each filled job). 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).