

# ANNUAL ECONOMIC PROFILE

## Wellington Region



2013

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## ECONOMY

The New Zealand economy expanded by 2.6% in the March 2013 year, up from 2.3% growth in 2012. Although drought conditions throughout much of New Zealand took the edge off growth during the March 2013 quarter, rising construction activity, coupled with increases to consumer and business demand, ensured that annual economic growth over the year still picked up.

The drought's effects on the primary sector were stark, with value added by the agriculture, forestry, and fishing industry falling by 0.9% over the year to March 2013, compared with growth of close to 11% the previous year. Offsetting this decrease was rising construction activity and business investment, which helped push up private investment by 14%. Private consumption continued to climb at a moderate pace (up 2.5%), driven by increased purchases of durable goods. The increases to private consumption and investment more than offset fiscal drag from central government belt tightening.

### How fast has Wellington's economy grown?

This section measures economic performance in Wellington during the year to March 2013 and previous years. All GDP estimates are measured in constant 2010 prices.

- GDP in Wellington measured \$28,132m in the year to March 2013, up 2.0% from a year earlier. New Zealand's GDP increased by 2.6% over the same period.
- Economic growth in Wellington averaged 2%pa over the last 10 years compared with an average of 2.2%pa in the national economy.
- Growth in Wellington reached a high of 4.9% in 2008 and a low of -0.6% in 2009.
- Wellington accounted for 14.0% of national GDP in 2013.

Figure 1. GDP growth (year to March 2013)

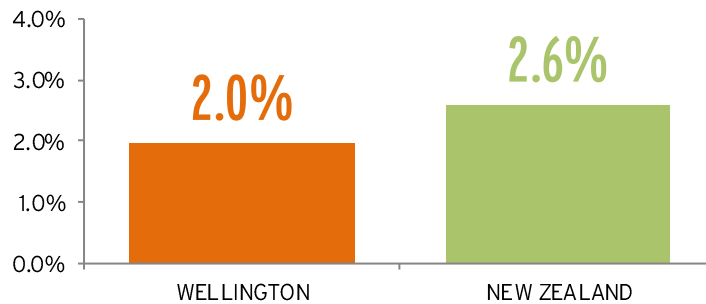
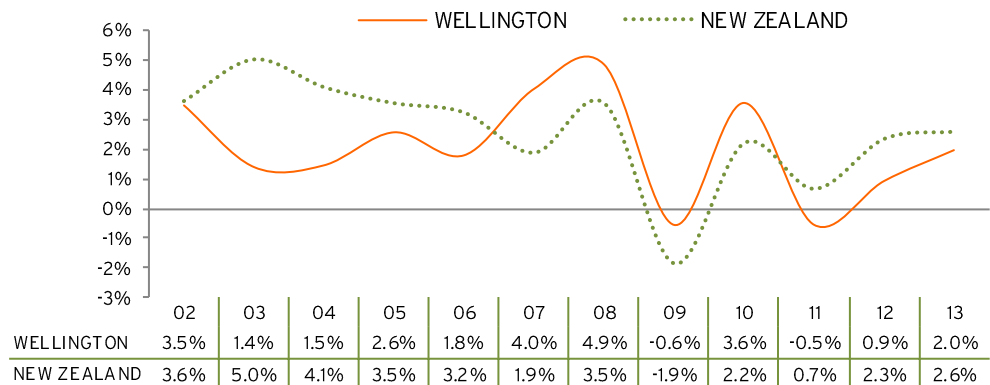


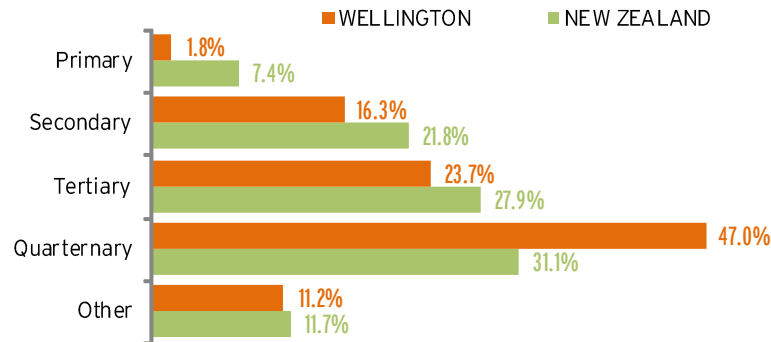
Figure 2. Annual average GDP growth (2002-2013)



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

This section describes the structure of the economy in terms of the broad sectors: primary, secondary, tertiary and quarternary. 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 quarternary sector includes the higher value-adding, knowledge-based service industries. A full definition of the sectors is given in the technical appendix.

Figure 3. Share of total GDP (2013)



- Quarternary industries accounted for the largest proportion of GDP (47.0%) in Wellington, which is higher than in the national economy (31.1%).
- Tertiary industries accounted for 23.7% of GDP which was lower than for New Zealand as a whole (27.9%)
- Secondary industries accounted for 16.3% compared with 21.8% in the national economy.
- Primary industries accounted for the smallest proportion in Wellington: 1.8% compared with 7.4% in the national economy.

Table 1. 1-digit industries ranked by contribution to GDP (2013)

Broad industry	GDP (M, 2010 PRICES)		% OF TOTAL	
	Wellington	New Zealand	Wellington	New Zealand
Agriculture, Forestry and Fishing	330	11,325	1.2%	5.6%
Mining	167	3,640	0.6%	1.8%
Manufacturing	2,275	25,416	8.1%	12.6%
Electricity, Gas, Water and Waste Services	1,111	6,271	3.9%	3.1%
Construction	1,205	12,199	4.3%	6.1%
Wholesale Trade	921	10,540	3.3%	5.2%
Retail Trade	930	8,998	3.3%	4.5%
Accommodation and Food Services	550	4,224	2.0%	2.1%
Transport, Postal and Warehousing	951	8,591	3.4%	4.3%
Information Media and Telecommunications	1,956	6,589	7.0%	3.3%
Financial and Insurance Services	2,476	11,448	8.8%	5.7%
Rental, Hiring and Real Estate Services	1,340	13,013	4.8%	6.5%
Professional, Scientific and Technical Services	3,036	15,181	10.8%	7.5%
Administrative and Support Services	645	4,368	2.3%	2.2%
Public Administration and Safety	3,135	8,593	11.1%	4.3%
Education and Training	1,078	8,876	3.8%	4.4%
Health Care and Social Assistance	1,546	11,960	5.5%	5.9%
Arts and Recreation Services	564	2,506	2.0%	1.2%
Other Services	768	3,881	2.7%	1.9%
Owner-occupied property operation	1,374	11,131	4.9%	5.5%
Unallocated	1,777	12,506	6.3%	6.2%
<b>Total</b>	<b>28,132</b>	<b>201,255</b>	<b>100%</b>	<b>100%</b>

- Public Administration & Safety was the largest industry in Wellington in 2013 accounting for 11.1% of total GDP.
- The second largest industry was professional, scientific & technical services (10.8%) followed by financial & insurance services (8.8%).
- The industry most highly represented in Wellington relative to the national economy is public administration & safety. This industry contributes 11.1% to the region's economy compared with 4.3% to the national economy.
- The next most highly represented industries are information media & telecommunications (7.0% compared to 3.3% nationally) and arts & recreation services (2.0% compared with 1.2% nationally).

Figure 4. Share of total GDP (2013)

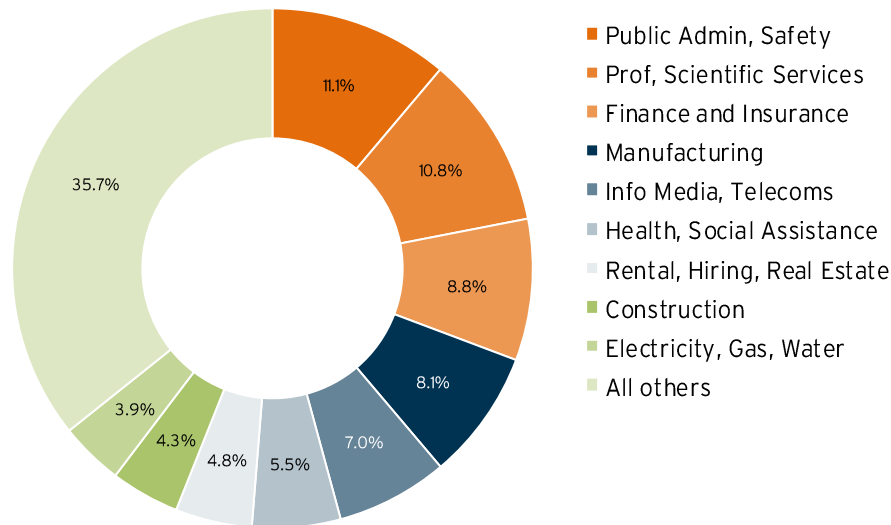


Table 2 on the following page shows 54 industries ranked according to their contribution to GDP. These industry categories are used by Statistics New Zealand in the national accounts. They are a mix of various levels of industries on the ANZSIC-06 classification. Further information about the industrial classification is given in the Technical Notes at the end of the document.

- Professional, Scientific & Technical Services was the largest industry in Wellington in 2013 accounting for 10.8% of total GDP.
- The second largest industry was central government administration, defence & public safety (10.6%) followed by finance (6.1%).
- The industry most highly represented in Wellington relative to the national economy is central government administration, defence & public safety. This industry contributes 10.6% to the region's economy compared with 3.8% to the national economy.
- The next most highly represented industries are petroleum & coal product manufacturing (1.3% and 0.5%) and telecommunications, internet & library services (5.3% and 2.4%).

Table 2. GDP by 54 industry categories (2013)

Rank	Industry	Wellington		New Zealand
		GDP (\$ m)	% of total	% of total
1	Professional, Scientific & Technical Services	3,036	10.8%	7.5%
2	Central Government Administration, Defence & Public Safety	2,987	10.6%	3.8%
3	Finance	1,722	6.1%	3.8%
4	Health Care & Social Assistance	1,546	5.5%	5.9%
5	Telecommunications, Internet & Library Services	1,487	5.3%	2.4%
6	Property Operators & Real Estate Services	1,100	3.9%	5.2%
7	Education & Training	1,078	3.8%	4.4%
8	Electricity & Gas Supply	942	3.3%	2.6%
9	Wholesale Trade	921	3.3%	5.2%
10	Other Services	768	2.7%	1.9%
11	Construction Services	661	2.3%	3.1%
12	Administrative & Support Services	645	2.3%	2.2%
13	Arts & Recreation Services	564	2.0%	1.2%
14	Accommodation & Food Services	550	2.0%	2.1%
15	Other Store-Based Retailing & Non Store Retailing	539	1.9%	2.6%
16	Information Media Services	469	1.7%	0.9%
17	Auxiliary Finance & Insurance Services	389	1.4%	0.9%
18	Postal, Courier Transport Support, & Warehousing Services	387	1.4%	1.9%
19	Petroleum & Coal Product Manufacturing	366	1.3%	0.5%
20	Insurance & Superannuation Funds	365	1.3%	0.9%
21	Road Transport	288	1.0%	1.4%
22	Building Construction	282	1.0%	1.3%
23	Supermarket, Grocery Stores & Specialised Food Retailing	281	1.0%	1.3%
24	Rail, Water, Air & Other Transport	276	1.0%	1.0%
25	Heavy & Civil Engineering Construction	262	0.9%	1.7%
26	Rental & Hiring Services (except Real Estate)	239	0.9%	1.3%
27	Fruit, Oil, Cereal & Other Food Product Manufacturing	223	0.8%	1.1%
28	Basic Chemical & Chemical Product Manufacturing	207	0.7%	1.5%
29	Machinery & Other Equipment Manufacturing	204	0.7%	1.4%
30	Water, Sewerage, Drainage & Waste Services	169	0.6%	0.5%
31	Mining	167	0.6%	1.8%
32	Fabricated Metal Product Manufacturing	162	0.6%	0.9%
33	Beverage & Tobacco Product Manufacturing	152	0.5%	0.9%
34	Polymer Product & Rubber Product Manufacturing	152	0.5%	0.6%
35	Local Government Administration	149	0.5%	0.5%
36	Meat & Meat Product Manufacturing	137	0.5%	1.4%
37	Motor Vehicle & Motor Vehicle Parts & Fuel Retailing	111	0.4%	0.6%
38	Printing	109	0.4%	0.3%
39	Wood Product Manufacturing	104	0.4%	0.7%
40	Sheep, Beef Cattle & Grain Farming	95	0.3%	1.4%
41	Pulp, Paper & Converted Paper Product Manufacturing	95	0.3%	0.4%
42	Forestry & Logging	92	0.3%	0.7%
43	Textile, Leather, Clothing & Footwear Manufacturing	80	0.3%	0.4%
44	Transport Equipment Manufacturing	77	0.3%	0.6%
45	Primary Metal & Metal Product Manufacturing	65	0.2%	0.6%
46	Furniture & Other Manufacturing	63	0.2%	0.3%
47	Non-Metallic Mineral Product Manufacturing	57	0.2%	0.5%
48	Dairy Cattle Farming	53	0.2%	2.2%
49	Agriculture, Forestry & Fishing Support Services & Hunting	29	0.1%	0.6%
50	Horticulture & Fruit Growing	28	0.1%	0.6%
51	Fishing & Aquaculture	18	0.1%	0.1%
52	Dairy Product Manufacturing	16	0.1%	0.4%
53	Poultry, Deer & Other Livestock Farming	13	0.0%	0.2%
54	Seafood Processing	5	0.0%	0.2%
	Owner-Occupied Property Operation	1,374	4.9%	5.5%
	Unallocated	1,777	6.3%	6.2%
	<b>Total</b>	<b>28,132</b>	<b>100.0%</b>	<b>100.0%</b>

## 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's economy taking into account their relative sizes.

- Professional, Scientific & Technical Services made the largest contribution to overall growth in Wellington between 2012 and 2013. The industry grew by 5% over the year and contributed 0.5 percentage points to the region's total growth of 2.0%.
- The next largest contributor was construction (0.5 percentage points) followed by information media & telecommunications (0.3 percentage points).
- The largest detractor from growth over the year was administrative & support services which declined by 5.9% and contributed -0.1 percentage points to the total growth of 2%. Electricity, Gas, Water & Waste Services (-0.1 percentage points) and rental, hiring & real estate services (-0.1 percentage points) were the next largest detractors.

Table 3. 1-digit industries ranked by % point contribution to GDP growth (2012 -2013)

Rank	Industry	GDP		% point contribution to growth	Annual % growth
		2012	2013		
1	Professional, Scientific & Technical Services	2,890	3,036	0.5%	5.0%
2	Construction	1,068	1,205	0.5%	12.8%
3	Information Media & Telecommunications	1,874	1,956	0.3%	4.4%
4	Health Care & Social Assistance	1,492	1,546	0.2%	3.6%
5	Retail Trade	896	930	0.1%	3.8%
6	Public Administration & Safety	3,110	3,135	0.1%	0.8%
7	Financial & Insurance Services	2,456	2,476	0.1%	0.8%
8	Mining	151	167	0.1%	10.2%
9	Accommodation & Food Services	537	550	0.0%	2.3%
10	Wholesale Trade	909	921	0.0%	1.3%
11	Transport, Postal & Warehousing	950	951	0.0%	0.1%
12	Agriculture, Forestry & Fishing	328	330	0.0%	0.4%
13	Education & Training	1,078	1,078	0.0%	-0.1%
14	Arts & Recreation Services	569	564	0.0%	-0.9%
15	Other Services	774	768	0.0%	-0.7%
16	Manufacturing	2,286	2,275	0.0%	-0.5%
17	Rental, Hiring & Real Estate Services	1,357	1,340	-0.1%	-1.3%
18	Electricity, Gas, Water & Waste Services	1,140	1,111	-0.1%	-2.6%
19	Administrative & Support Services	685	645	-0.1%	-5.9%
	Owner-Occupied Property Operation	1,360	1,374	0.1%	10%
	Unallocated	1,681	1,777	0.3%	5.7%
	<b>Total</b>	<b>27,591</b>	<b>28,132</b>	<b>2.0%</b>	<b>2.0%</b>

Table 4. 1-digit industries percentage point contribution to growth: last 1, 2, 5 and 10 years

Industry	Last year 12 to 13	Last 2 years 11 to 13	Last 5 years 08 to 13	Last 10 years 03 to 13
Agriculture, Forestry & Fishing	0.0%	0.1%	0.0%	0.0%
Mining	0.1%	0.0%	0.0%	0.0%
Manufacturing	0.0%	0.0%	-0.3%	-0.2%
Electricity, Gas, Water & Waste Services	-0.1%	-0.2%	0.1%	0.2%
Construction	0.5%	0.3%	0.0%	0.2%
Wholesale Trade	0.0%	0.0%	-0.1%	0.0%
Retail Trade	0.1%	0.1%	0.0%	0.1%
Accommodation & Food Services	0.0%	0.1%	0.0%	0.1%
Transport, Postal & Warehousing	0.0%	0.1%	0.0%	0.1%
Information Media & Telecommunications	0.3%	0.2%	0.3%	0.1%
Financial & Insurance Services	0.1%	-0.2%	0.1%	0.2%
Rental, Hiring & Real Estate Services	-0.1%	0.0%	0.0%	0.0%
Professional, Scientific & Technical Services	0.5%	0.5%	0.3%	0.3%
Administrative & Support Services	-0.1%	0.0%	0.0%	0.0%
Public Administration & Safety	0.1%	0.2%	0.2%	0.5%
Education & Training	0.0%	0.0%	0.0%	0.0%
Health Care & Social Assistance	0.2%	0.0%	0.1%	0.2%
Arts & Recreation Services	0.0%	-0.1%	-0.1%	0.0%
Other Services	0.0%	0.0%	0.0%	0.0%
Owner-Occupied Property Operation	0.1%	0.1%	0.0%	0.1%
Unallocated	0.3%	0.2%	0.3%	0.2%
<b>Total</b>	<b>2.0%</b>	<b>1.4%</b>	<b>1.1%</b>	<b>2.0%</b>

- Over the past 10 years the broad industries making the largest contribution to GDP growth in Wellington were public administration and safety (0.5 percentage points), professional, scientific and technical services (0.3 percentage points), and electricity, gas, water and waste services (0.2 percentage points).
- The broad industries making the lowest contributions were manufacturing (-0.2 percentage points), agriculture, forestry and fishing (0.0 percentage points), and wholesale trade (0.0 percentage points).

## Which detailed industries made the largest contribution to economic growth?

Table 5 shows a ranking of the detailed industries by their contribution to economic growth over the past year.

- Professional, Scientific & Technical Services made the largest contribution to growth in Wellington in the year to March 2013. The industry grew by 5% over the year and contributed 0.5 percentage points to the region's total growth of 2.0%.
- The next largest contributor was heavy & civil engineering construction which contributed 0.2 percentage points followed by construction services (0.2 percentage points).
- The largest detractor from growth over the year was administrative & support services which declined by 5.9% and contributed -0.1 percentage points to the total growth of 2%. Insurance & Superannuation Funds (-0.1 percentage points) and electricity & gas supply (-0.1 percentage points) were the next largest detractors.



Table 5. 54 industries ranked by percentage point contribution to growth (2012 -2013)

Rank	Industry	GDP (\$ m)		% point contribution to growth	Annual % growth
		2012	2013		
1	Professional, Scientific & Technical Services	2,890.1	3,035.8	0.5%	5.0%
2	Heavy & Civil Engineering Construction	204.8	262.2	0.2%	28.0%
3	Construction Services	604.8	660.8	0.2%	9.3%
4	Health Care & Social Assistance	1,492.4	1,546.1	0.2%	3.6%
5	Telecommunications, Internet & Library Services	1,438.5	1,486.7	0.2%	3.3%
6	Central Government Administration, Defence & Public Safety	2,946.3	2,986.6	0.1%	1.4%
7	Finance	1,686.9	1,722.4	0.1%	2.1%
8	Information Media Services	435.1	469.4	0.1%	7.9%
9	Building Construction	257.9	281.6	0.1%	9.2%
10	Auxiliary Finance & Insurance Services	368.6	388.8	0.1%	5.5%
11	Other Store-Based Retailing & Non Store Retailing	520.9	538.6	0.1%	3.4%
12	Mining	151.2	166.7	0.1%	10.2%
13	Supermarket, Grocery Stores & Specialised Food Retailing	268.1	280.5	0.0%	4.6%
14	Accommodation & Food Services	537.5	549.8	0.0%	2.3%
15	Wholesale Trade	909.0	920.9	0.0%	1.3%
16	Rail, Water, Air & Other Transport	266.3	276.2	0.0%	3.7%
17	Petroleum & Coal Product Manufacturing	357.0	366.0	0.0%	2.5%
18	Beverage & Tobacco Product Manufacturing	146.1	152.5	0.0%	4.4%
19	Fruit, Oil, Cereal & Other Food Product Manufacturing	217.0	223.2	0.0%	2.9%
20	Meat & Meat Product Manufacturing	131.4	136.8	0.0%	4.2%
21	Textile, Leather, Clothing & Footwear Manufacturing	74.3	79.6	0.0%	7.1%
22	Motor Vehicle & Motor Vehicle Parts & Fuel Retailing	107.4	111.0	0.0%	3.3%
23	Property Operators & Real Estate Services	1,098.2	1,100.4	0.0%	0.2%
24	Sheep, Beef Cattle & Grain Farming	93.1	95.2	0.0%	2.2%
25	Transport Equipment Manufacturing	75.5	77.0	0.0%	2.0%
26	Machinery & Other Equipment Manufacturing	202.6	203.9	0.0%	0.6%
27	Basic Chemical & Chemical Product Manufacturing	206.2	207.4	0.0%	0.6%
28	Horticulture & Fruit Growing	27.0	28.2	0.0%	4.6%
29	Dairy Product Manufacturing	15.5	16.3	0.0%	5.2%
30	Fishing & Aquaculture	17.8	18.4	0.0%	3.8%
31	Seafood Processing	5.0	5.3	0.0%	6.3%
32	Poultry, Deer & Other Livestock Farming	12.4	12.6	0.0%	2.3%
33	Agriculture, Forestry & Fishing Support Services & Hunting	29.7	29.4	0.0%	-0.9%
34	Non-Metallic Mineral Product Manufacturing	57.4	57.0	0.0%	-0.8%
35	Dairy Cattle Farming	54.2	53.5	0.0%	-1.3%
36	Education & Training	1,078.3	1,077.6	0.0%	-0.1%
37	Fabricated Metal Product Manufacturing	163.6	162.0	0.0%	-1.0%
38	Pulp, Paper & Converted Paper Product Manufacturing	96.9	94.9	0.0%	-2.0%
39	Forestry & Logging	94.4	92.3	0.0%	-2.2%
40	Postal, Courier Transport Support, & Warehousing Services	391.0	387.1	0.0%	-1.0%
41	Polymer Product & Rubber Product Manufacturing	155.8	151.7	0.0%	-2.6%
42	Water, Sewerage, Drainage & Waste Services	173.6	169.1	0.0%	-2.5%
43	Road Transport	292.3	287.5	0.0%	-1.6%
44	Arts & Recreation Services	568.7	563.6	0.0%	-0.9%
45	Other Services	773.8	768.4	0.0%	-0.7%
46	Furniture & Other Manufacturing	70.6	63.0	0.0%	-10.7%
47	Primary Metal & Metal Product Manufacturing	73.5	65.1	0.0%	-11.5%
48	Printing	119.8	109.1	0.0%	-8.9%
49	Wood Product Manufacturing	117.8	104.2	0.0%	-11.5%
50	Local Government Administration	163.3	148.7	-0.1%	-8.9%
51	Rental & Hiring Services (except Real Estate)	258.3	239.2	-0.1%	-7.4%
52	Electricity & Gas Supply	966.8	941.9	-0.1%	-2.6%
53	Insurance & Superannuation Funds	400.4	364.6	-0.1%	-8.9%
54	Administrative & Support Services	685.2	644.9	-0.1%	-5.9%
	Owner-Occupied Property Operation	1,359.8	1,374.0	0.1%	1.0%
	Unallocated	1,680.8	1,776.6	0.3%	5.7%
	<b>Total</b>	<b>27,591</b>	<b>28,132</b>	<b>2.0%</b>	<b>2.0%</b>

Table 6. 54 industries contribution to growth: last 1, 2, 5 and 10 years

Industry	Last year	Last 2 years	Last 5 years	Last 10 years
	12 to 13	11 to 13	08 to 13	03 to 13
Horticulture & Fruit Growing	0.0%	0.0%	0.0%	0.0%
Sheep, Beef Cattle & Grain Farming	0.0%	0.0%	0.0%	0.0%
Dairy Cattle Farming	0.0%	0.0%	0.0%	0.0%
Poultry, Deer & Other Livestock Farming	0.0%	0.0%	0.0%	0.0%
Forestry & Logging	0.0%	0.0%	0.0%	0.0%
Fishing & Aquaculture	0.0%	0.0%	0.0%	0.0%
Agriculture, Forestry & Fishing Support Services & Hunting	0.0%	0.0%	0.0%	0.0%
Mining	0.1%	0.0%	0.0%	0.0%
Meat & Meat Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Seafood Processing	0.0%	0.0%	0.0%	0.0%
Dairy Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Fruit, Oil, Cereal & Other Food Product Manufacturing	0.0%	0.0%	-0.1%	0.0%
Beverage & Tobacco Product Manufacturing	0.0%	0.1%	0.0%	0.0%
Textile, Leather, Clothing & Footwear Manufacturing	0.0%	0.0%	0.0%	0.0%
Wood Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Pulp, Paper & Converted Paper Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Printing	0.0%	0.0%	0.0%	0.0%
Petroleum & Coal Product Manufacturing	0.0%	0.1%	0.0%	0.0%
Basic Chemical & Chemical Product Manufacturing	0.0%	-0.1%	0.0%	-0.1%
Polymer Product & Rubber Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Non-Metallic Mineral Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Primary Metal & Metal Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Fabricated Metal Product Manufacturing	0.0%	0.0%	0.0%	-0.1%
Transport Equipment Manufacturing	0.0%	0.0%	0.0%	0.0%
Machinery & Other Equipment Manufacturing	0.0%	0.0%	0.0%	0.0%
Furniture & Other Manufacturing	0.0%	0.0%	0.0%	0.0%
Electricity & Gas Supply	-0.1%	-0.1%	0.1%	0.2%
Water, Sewerage, Drainage & Waste Services	0.0%	-0.1%	0.0%	0.0%
Building Construction	0.1%	0.0%	0.0%	0.0%
Heavy & Civil Engineering Construction	0.2%	0.1%	0.0%	0.0%
Construction Services	0.2%	0.1%	0.0%	0.1%
Wholesale Trade	0.0%	0.0%	-0.1%	0.0%
Motor Vehicle & Motor Vehicle Parts & Fuel Retailing	0.0%	0.0%	0.0%	0.0%
Supermarket, Grocery Stores & Specialised Food Retailing	0.0%	0.0%	0.0%	0.0%
Other Store-Based Retailing & Non Store Retailing	0.1%	0.1%	0.0%	0.1%
Accommodation & Food Services	0.0%	0.1%	0.0%	0.1%
Road Transport	0.0%	0.0%	0.0%	0.0%
Rail, Water, Air & Other Transport	0.0%	0.1%	0.0%	0.0%
Postal, Courier Transport Support, & Warehousing Services.	0.0%	0.0%	0.0%	0.0%
Information Media Services	0.1%	0.2%	0.0%	0.0%
Telecommunications, Internet & Library Services	0.2%	0.0%	0.2%	0.1%
Finance	0.1%	-0.1%	0.2%	0.2%
Insurance & Superannuation Funds	-0.1%	-0.1%	-0.1%	0.0%
Auxiliary Finance & Insurance Services	0.1%	0.1%	0.1%	0.0%
Rental & Hiring Services (except Real Estate)	-0.1%	0.0%	-0.1%	0.0%
Property Operators & Real Estate Services	0.0%	0.1%	0.0%	0.0%
Professional, Scientific & Technical Services	0.5%	0.5%	0.3%	0.3%
Administrative & Support Services	-0.1%	0.0%	0.0%	0.0%
Local Government Administration	0.1%	0.2%	0.2%	0.4%
Central Government Administration, Defence & Public Safety	-0.1%	0.0%	0.0%	0.0%
Education & Training	0.0%	0.0%	0.0%	0.0%
Health Care & Social Assistance	0.2%	0.0%	0.1%	0.2%
Arts & Recreation Services	0.0%	-0.1%	-0.1%	0.0%
Other Services	0.0%	0.0%	0.0%	0.0%
Ownership of owner-occupied dwellings	0.1%	0.1%	0.0%	0.1%
Unallocated	0.3%	0.2%	0.3%	0.2%
<b>Total</b>	<b>2.0%</b>	<b>1.4%</b>	<b>1.1%</b>	<b>2.0%</b>

## In which industries does Wellington 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.

Table 7 shows a ranking of 54 industries by their location quotients.

- The industries in which Wellington has the largest comparative advantages are petroleum & coal product manufacturing (location quotient = 2.5), telecommunications, internet & library services (2.2), and information media services (1.9).

Table 7. Location quotient as a measure of comparative advantage

Rank	Industry	Location Quotient	Share of total GDP	
			Wellington	New Zealand
1	Petroleum & Coal Product Manufacturing	2.5	13%	0.5%
2	Telecommunications, Internet & Library Services	2.2	5.3%	2.4%
3	Information Media Services	1.9	1.7%	0.9%
4	Arts & Recreation Services	1.6	2.0%	1.2%
5	Finance	1.6	6.1%	3.8%
6	Auxiliary Finance & Insurance Services	1.5	1.4%	0.9%
7	Professional, Scientific & Technical Services	1.4	10.8%	7.5%
8	Other Services	1.4	2.7%	1.9%
9	Insurance & Superannuation Funds	1.4	1.3%	0.9%
10	Printing	1.3	0.4%	0.3%
11	Electricity & Gas Supply	1.3	3.3%	2.6%
12	Water, Sewerage, Drainage & Waste Services	1.1	0.6%	0.5%
13	Administrative & Support Services	1.1	2.3%	2.2%
14	Rail, Water, Air & Other Transport	1.0	1.0%	1.0%
15	Accommodation & Food Services	0.9	2.0%	2.1%
16	Health Care & Social Assistance	0.9	5.5%	5.9%
17	Pulp, Paper & Converted Paper Product Manufacturing	0.9	0.3%	0.4%
18	Polymer Product & Rubber Product Manufacturing	0.9	0.5%	0.6%
19	Education & Training	0.9	3.8%	4.4%
20	Furniture & Other Manufacturing	0.8	0.2%	0.3%
21	Supermarket, Grocery Stores & Specialised Food Retailing	0.8	1.0%	1.3%
22	Textile, Leather, Clothing & Footwear Manufacturing	0.8	0.3%	0.4%
23	Building Construction	0.8	1.0%	1.3%
24	Construction Services	0.8	2.3%	3.1%
25	Property Operators & Real Estate Services	0.8	3.9%	5.2%
26	Other Store-Based Retailing & Non Store Retailing	0.7	1.9%	2.6%
27	Fishing & Aquaculture	0.7	0.1%	0.1%
28	Postal, Courier Transport Support, & Warehousing Services.	0.7	1.4%	1.9%
29	Fruit, Oil, Cereal & Other Food Product Manufacturing	0.7	0.8%	1.1%
30	Road Transport	0.7	1.0%	1.4%
31	Rental & Hiring Services (except Real Estate)	0.7	0.9%	1.3%
32	Wholesale Trade	0.6	3.3%	5.2%
33	Motor Vehicle & Motor Vehicle Parts & Fuel Retailing	0.6	0.4%	0.6%
34	Fabricated Metal Product Manufacturing	0.6	0.6%	0.9%
35	Beverage & Tobacco Product Manufacturing	0.6	0.5%	0.9%
36	Wood Product Manufacturing	0.6	0.4%	0.7%
37	Heavy & Civil Engineering Construction	0.5	0.9%	1.7%
38	Machinery & Other Equipment Manufacturing	0.5	0.7%	1.4%
39	Forestry & Logging	0.5	0.3%	0.7%
40	Basic Chemical & Chemical Product Manufacturing	0.5	0.7%	1.5%
41	Transport Equipment Manufacturing	0.5	0.3%	0.6%
42	Non-Metallic Mineral Product Manufacturing	0.4	0.2%	0.5%
43	Primary Metal & Metal Product Manufacturing	0.4	0.2%	0.6%
44	Meat & Meat Product Manufacturing	0.4	0.5%	1.4%
45	Mining	0.3	0.6%	1.8%
46	Poultry, Deer & Other Livestock Farming	0.3	0.0%	0.2%
47	Sheep, Beef Cattle & Grain Farming	0.2	0.3%	1.4%
48	Agriculture, Forestry & Fishing Support Services & Hunting	0.2	0.1%	0.6%
49	Horticulture & Fruit Growing	0.2	0.1%	0.6%
50	Dairy Product Manufacturing	0.1	0.1%	0.4%
51	Seafood Processing	0.1	0.0%	0.2%
52	Dairy Cattle Farming	0.1	0.2%	2.2%

## How diversified is Wellington's economy?

The more concentrated a region's economy is in a few industries the more vulnerable it is to adverse events such as climatic conditions and commodity price fluctuations. This section presents the Herfindahl–Hirschman Index which measures the level of diversification of Wellington's economy. An index of 0 represents a diversified economy with economic activity evenly spread across all industries. The higher the index the more concentrated economic activity is in a few industries.

- Wellington had an HHI of 36.6 in 2013 which ranks it number 12 among all 16 regions ranked from most to least diverse. This means that 4 regions had a less diversified economy than Wellington.
- Since 2001 Wellington's HHI has increased from 26.2 indicating a decrease in industrial diversity.

Figure 5. Herfindahl–Hirschman Index of industrial diversity

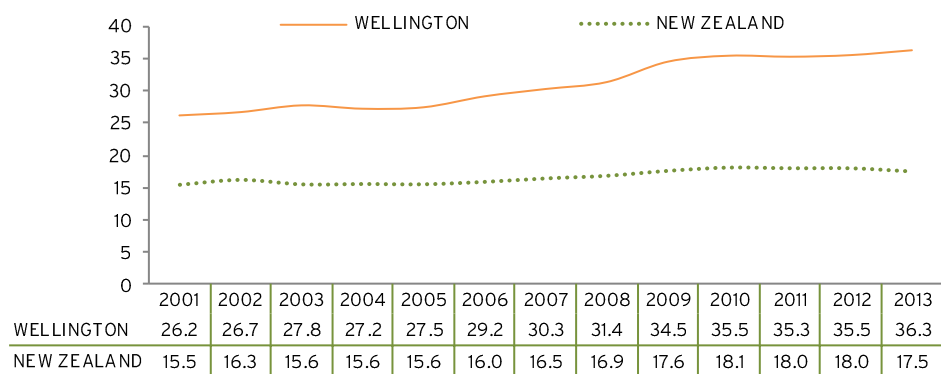


Table 8. Districts ranked by the value of the Herfindahl–Hirschman Index

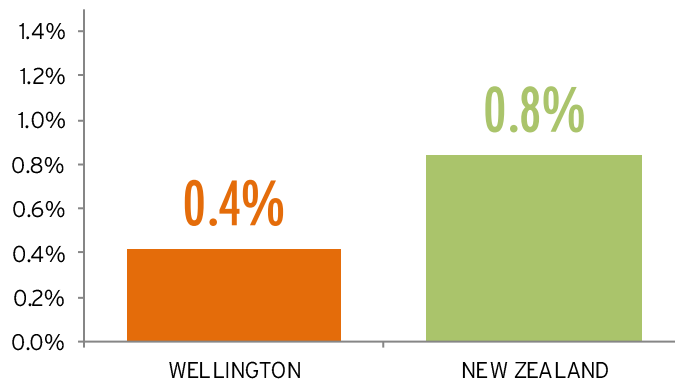
Rank	Region	HHI
1	Canterbury	17.9
2	Hawke's Bay	18.3
3	Bay of Plenty	19.6
4	Tasman	19.6
5	Waikato	20.3
6	Northland	20.5
7	Otago	21.8
8	Manawatu-Wanganui	24.1
9	Gisborne	24.3
10	Auckland	28.1
11	Nelson	32.0
12	Wellington	36.6
13	Southland	37.7
14	Marlborough	38.4
15	West Coast	60.9
16	Taranaki	81.6

# EMPLOYMENT AND UNEMPLOYMENT

## How fast has employment grown in Wellington?

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

Figure 6. Employment growth (year to March 2013)



- Total employment in Wellington averaged 264,870 in the March 2013 year, up 0.4% from a year earlier. Employment in New Zealand increased by 0.8% over the same period.
- Employment growth in Wellington averaged 1.2%pa over the last ten years compared with 1.3%pa in the national economy.
- Employment growth in Wellington reached a high of 3.1% in 2005 and a low of -1.6% in 2010.

Figure 7. Annual average employment growth (2002-2013)

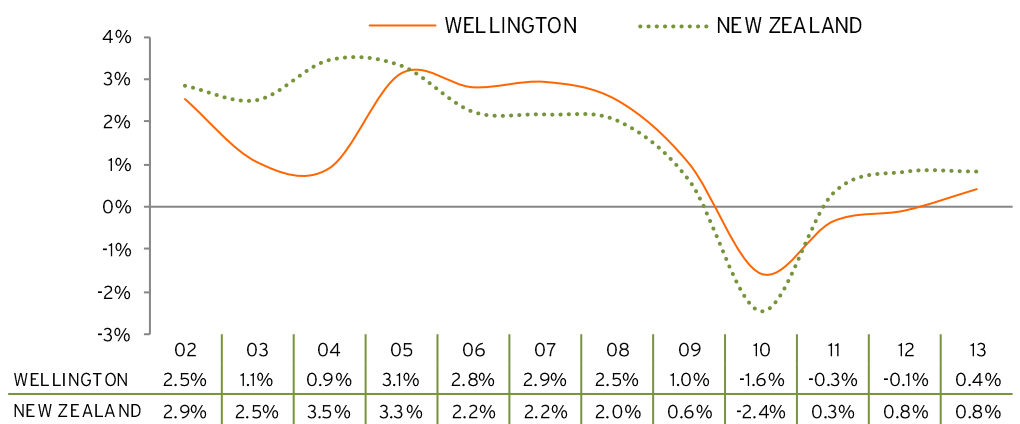
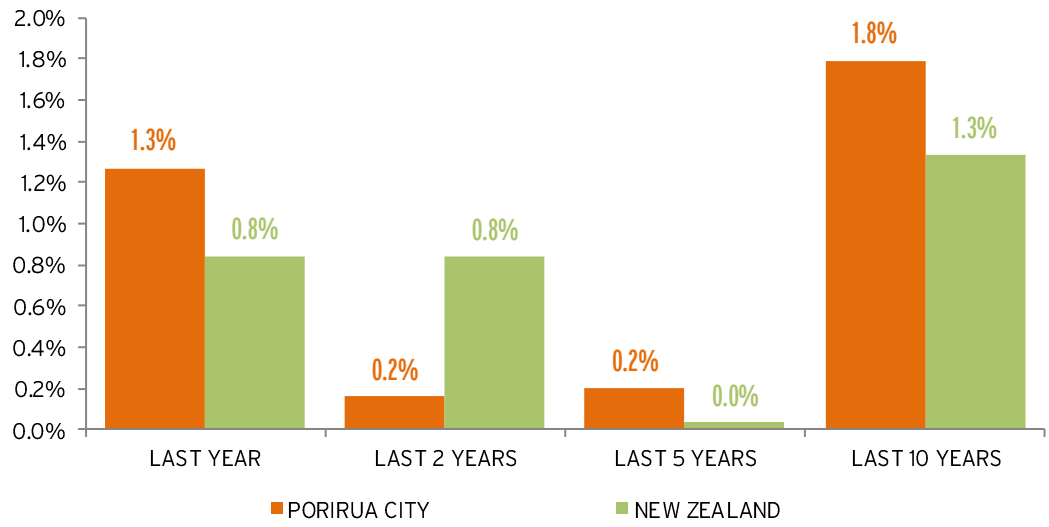


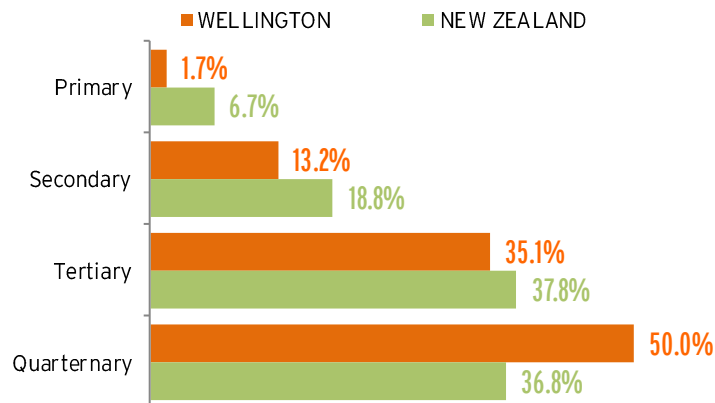
Figure 8. Employment growth over last 1, 2, 5 and 10 years



## What is the industrial structure of employment in Wellington?

This section describes the structure of the labour market in terms of the primary, secondary, tertiary and quarternary 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 includes the lower value-adding service industries while the quarternary sector includes the higher value-adding, knowledge-based service industries. A list of industries making up the quarternary sector is given in the technical appendix.

Figure 9. Employment by broad sector (2013)



- Quarternary industries accounted for the largest proportion of employment (50.0%) in Wellington, which is higher than in the national economy (36.8%).
- Tertiary industries accounted for 35.1% of employment which was lower than in New Zealand (37.8%).
- Secondary accounted for 13.2% in Wellington compared with 18.8% in the national economy.
- Primary accounted for 1.7% in Wellington compared with 6.7% in the national economy.



## Which are the largest employing industries in Wellington?

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

Table 9. 1-digit industries ranked by size of employment (2013)

Rank	Industry	Wellington		New Zealand
		Employment	% of total	% of total
1	Professional, Scientific & Technical Services	35,857	13.5%	9.2%
2	Public Administration & Safety	28,443	10.7%	4.7%
3	Health Care & Social Assistance	24,945	9.4%	10.0%
4	Retail Trade	22,511	8.5%	9.5%
5	Education & Training	22,098	8.3%	8.0%
6	Construction	18,705	7.1%	8.0%
7	Accommodation & Food Services	17,087	6.5%	6.2%
8	Manufacturing	14,139	5.3%	10.1%
9	Administrative & Support Services	12,578	4.7%	4.8%
10	Financial & Insurance Services	10,958	4.1%	2.8%
11	Other Services	10,566	4.0%	3.8%
12	Transport, Postal & Warehousing	9,300	3.5%	4.2%
13	Wholesale Trade	9,231	3.5%	5.2%
14	Information Media & Telecommunications	8,832	3.3%	2.0%
15	Arts & Recreation Services	6,322	2.4%	1.8%
16	Rental, Hiring & Real Estate Services	4,542	1.7%	2.3%
17	Agriculture, Forestry & Fishing	4,219	1.6%	6.3%
18	Electricity, Gas, Water & Waste Services	1,749	0.7%	0.6%
19	Mining	308	0.1%	0.3%
<b>Total</b>		<b>264,870</b>	<b>100%</b>	<b>100%</b>

- Among broad industries professional, scientific & technical services was the largest employer in Wellington in 2013, accounting for 13.5% of total employment.
- The second largest employer was public administration & safety (10.7%) followed by health care & social assistance (9.4%).
- The industry most highly represented in Wellington relative to the national economy is public administration & safety. This industry accounts for 10.7% of the region's employment compared with 4.7% to the national economy.
- The next most highly represented industries are information media & telecommunications (3.3% compared with 2.0% nationally) and professional, scientific & technical services (13.5% compared with 9.2% nationally).

Table 10 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.

- Central Government Administration was the largest 7-digit industry in Wellington in 2013 employing 14,022 persons and accounting for 5.3% of total employment in the region. By contrast this industry accounted for 1.2% of total employment in the national economy.
- The second largest employing industries were computer systems design & related services (8,848) followed by hospitals (except psychiatric hospitals) (7,111).

Table 10. 50 largest employing 7-digit ANZSIC industries (2013)

Rank	Industry	Wellington		New Zealand
		Jobs	% of total	% of total
1	Central Government Administration	14,022	5.3%	12%
2	Computer Systems Design & Related Services	8,848	3.3%	15%
3	Hospitals (except Psychiatric Hospitals)	7,111	2.7%	2.9%
4	Cafes & Restaurants	7,095	2.7%	2.5%
5	Supermarket & Grocery Stores	6,481	2.4%	2.5%
6	Corporate Head Office Management Services	5,862	2.2%	12%
7	Management Advice & Other Consulting Services	5,636	2.1%	15%
8	Higher Education	5,319	2.0%	15%
9	Primary Education	5,190	2.0%	2.2%
10	Banking	5,180	2.0%	1.1%
11	Other Allied Health Services	3,869	1.5%	1.3%
12	Secondary Education	3,634	1.4%	1.6%
13	Aged Care Residential Services	3,476	1.3%	1.4%
14	House Construction	3,206	1.2%	1.4%
15	Accounting Services	2,953	1.1%	1.0%
16	Legal Services	2,846	1.1%	0.8%
17	Other Social Assistance Services	2,825	1.1%	0.9%
18	Accommodation	2,770	1.0%	1.3%
19	Preschool Education	2,704	1.0%	1.1%
20	Takeaway Food Services	2,693	1.0%	1.0%
21	Buildings Cleaning Services	2,647	1.0%	1.0%
22	Engineering Design & Engineering Consulting Services	2,607	1.0%	1.0%
23	Labour Supply Services	2,540	1.0%	1.2%
24	Defence	2,414	0.9%	0.6%
25	Regulatory Services	2,240	0.8%	0.3%
26	Local Government Administration	2,195	0.8%	0.9%
27	Catering Services	2,121	0.8%	0.5%
28	Police Services	2,057	0.8%	0.5%
29	Other Administrative Services n.e.c.	2,023	0.8%	0.6%
30	Employment Placement & Recruitment Services	2,015	0.8%	0.4%
31	Real Estate Services	1,998	0.8%	0.9%
32	Electrical Services	1,984	0.7%	0.8%
33	Pubs, Taverns & Bars	1,964	0.7%	0.6%
34	Wired Telecommunications Network Operation	1,963	0.7%	0.3%
35	Road Freight Transport	1,944	0.7%	1.3%
36	Clothing Retailing	1,929	0.7%	0.7%
37	Department Stores	1,882	0.7%	0.7%
38	Hairdressing & Beauty Services	1,822	0.7%	0.6%
39	Other Auxiliary Finance & Investment Services	1,818	0.7%	0.4%
40	Other Heavy & Civil Engineering Construction	1,745	0.7%	0.8%
41	Other Interest Group Services n.e.c.	1,708	0.6%	0.5%
42	Hardware & Building Supplies Retailing	1,675	0.6%	0.7%
43	Adult, Community & Other Education n.e.c.	1,666	0.6%	0.5%
44	Justice	1,601	0.6%	0.2%
45	Child Care Services	1,595	0.6%	0.6%
46	General Practice Medical Services	1,587	0.6%	0.7%
47	Scientific Research Services	1,500	0.6%	0.4%
48	Painting & Decorating Services	1,459	0.6%	0.5%
49	Technical & Vocational Education & Training	1,451	0.5%	0.4%
50	Non-Residential Building Construction	1,434	0.5%	0.5%
	All other industries	105,573	39.9%	50.8%
	<b>Total</b>	<b>264,870</b>	<b>100%</b>	<b>100%</b>

## Which industries have created the most jobs?

This section investigates which industries have created and lost the most number of jobs in Wellington. 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 11. 1-digit industries ranked by number of jobs created (2012 -2013)

Rank		Employment		Jobs created	Annual % growth
		2012	2013		
1	Professional, Scientific & Technical Services	34,850	35,857	1,008	2.9%
2	Public Administration & Safety	27,716	28,443	727	2.6%
3	Accommodation & Food Services	16,668	17,087	419	2.5%
4	Health Care & Social Assistance	24,540	24,945	406	1.7%
5	Financial & Insurance Services	10,569	10,958	389	3.7%
6	Agriculture, Forestry & Fishing	3,974	4,219	244	6.1%
7	Information Media & Telecommunications	8,723	8,832	109	1.3%
8	Electricity, Gas, Water & Waste Services	1,676	1,749	73	4.3%
9	Construction	18,635	18,705	70	0.4%
10	Mining	255	308	53	20.9%
11	Wholesale Trade	9,291	9,231	-60	-0.6%
12	Arts & Recreation Services	6,382	6,322	-61	-1.0%
13	Rental, Hiring & Real Estate Services	4,626	4,542	-84	-1.8%
14	Education & Training	22,216	22,098	-118	-0.5%
15	Retail Trade	22,636	22,511	-125	-0.6%
16	Transport, Postal & Warehousing	9,431	9,300	-131	-1.4%
17	Other Services	10,700	10,566	-134	-1.3%
18	Manufacturing	14,297	14,139	-159	-1.1%
19	Administrative & Support Services	14,013	12,578	-1,435	-10.2%
	Unallocated	2,566	2,482	-84	-3.3%
	<b>Total</b>	<b>263,763</b>	<b>264,870</b>	<b>1,106</b>	<b>0.4%</b>

- Professional, Scientific & Technical Services made the largest contribution to employment growth in Wellington between 2012 and 2013 with the industry adding 1,008 jobs.
- The next largest contributor was public administration & safety (727 jobs) followed by accommodation & food services (419 jobs).
- The largest detractor from growth over the year was administrative & support services in which employment declined by 1435.

- Over the past 10 years the broad industries making the largest contribution to employment growth in Wellington were professional, scientific & technical services (7,414 jobs), public administration & safety (7,373 jobs), and health care & social assistance (4,791 jobs).
- The industries making the lowest contribution to employment growth in Wellington were manufacturing (-4,204 jobs), administrative & support services (-1,694 jobs), and wholesale trade (-827 jobs).

Table 12. Job creation by broad industries: last 1, 2, 5 and 10 years

Industry	Last year	Last 2 years	Last 5 years	Last 10 years
	12 to 13	11 to 13	08 to 13	03 to 13
Agriculture, Forestry & Fishing	244	269	140	-735
Mining	53	88	72	161
Manufacturing	-169	-397	-2,944	-4,204
Electricity, Gas, Water & Waste Services	73	33	436	873
Construction	70	-153	-1,336	4,408
Wholesale Trade	-60	-383	-1,207	-827
Retail Trade	-125	-312	-1,740	878
Accommodation & Food Services	419	1,229	981	3,560
Transport, Postal & Warehousing	-131	-6	-842	339
Information Media & Telecommunications	109	390	724	-310
Financial & Insurance Services	389	-396	440	1,258
Rental, Hiring & Real Estate Services	-84	-131	-804	-449
Professional, Scientific & Technical Services	1,008	1,470	1,603	7,414
Administrative & Support Services	-1,434	-1,017	-2,841	-1,694
Public Administration & Safety	727	617	2,372	7,373
Education & Training	-118	-483	1,017	3,759
Health Care & Social Assistance	406	403	2,653	4,791
Arts & Recreation Services	-61	31	711	1,979
Other Services	-134	-58	-282	788
Unallocated	-84	-309	-670	-369
<b>Total</b>	<b>1,106</b>	<b>883</b>	<b>-1,517</b>	<b>28,994</b>

Table 13 on the next page shows the 50 industries (out of a total of approximately 500 industries of the ANZSIC 2006 industry classification<sup>1</sup>) that created the most number of jobs over the past year. Table 31 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 between 2012 and 2013 generating an additional 829 positions.
- This was followed by banking (+588 jobs) and computer systems design & related services (+550 jobs).

Table 13. The 50 seven-digit industries that created most jobs between 2012 and 2013

Rank	Industry	Jobs		Change (2012- 2013)	% of total (2013)
		2012	2013		
1	Central Government Administration	13,194	14,022	829	5.3%
2	Banking	4,592	5,180	588	2.0%
3	Computer Systems Design & Related Services	8,298	8,848	550	3.3%
4	Catering Services	1,740	2,121	381	0.8%
5	Corporate Head Office Management Services	5,486	5,862	375	2.2%
6	Primary Education	4,917	5,190	272	2.0%
7	Other Heavy & Civil Engineering Construction	1,474	1,745	271	0.7%
8	Other Residential Building Construction	260	469	210	0.2%
9	Motion Picture & Video Production	1,154	1,346	193	0.5%
10	Child Care Services	1,440	1,595	155	0.6%
11	Sheep Farming (Specialised)	390	541	151	0.2%
12	Justice	1,465	1,601	136	0.6%
13	Takeaway Food Services	2,567	2,693	126	1.0%
14	Meat Processing	675	783	107	0.3%
15	Other Social Assistance Services	2,720	2,825	105	1.1%
16	Auxiliary Insurance Services	850	936	85	0.4%
17	Market Research & Statistical Services	812	895	84	0.3%
18	Other Publishing (except Software, Music & Internet)	55	138	83	0.1%
19	Landscape Construction Services	596	673	77	0.3%
20	Liquor Retailing	270	346	77	0.1%
21	Road & Bridge Construction	555	630	74	0.2%
22	Other Auxiliary Finance & Investment Services	1,744	1,818	74	0.7%
23	Other Allied Health Services	3,800	3,869	69	1.5%
24	Investigation & Security Services	1,227	1,294	67	0.5%
25	Defence	2,351	2,414	63	0.9%
26	Oil & Gas Extraction	126	182	56	0.1%
27	Other Machinery & Equipment Manufacturing n.e.c.	503	557	54	0.2%
28	Nature Reserves & Conservation Parks Operation	567	620	52	0.2%
29	Dairy Cattle Farming	712	764	52	0.3%
30	Clothing & Footwear Wholesaling	224	275	51	0.1%
31	Postproduction Services & Other Motion Picture & Video Activities	889	940	51	0.4%
32	Department Stores	1,832	1,882	51	0.7%
33	General Line Groceries Wholesaling	438	488	49	0.2%
34	Health & Fitness Centres & Gymnasias Operation	858	907	49	0.3%
35	Other Telecommunications Network Operation	143	191	48	0.1%
36	Solid Waste Collection Services	171	219	48	0.1%
37	Cafes & Restaurants	7,048	7,095	47	2.7%
38	Higher Education	5,272	5,319	47	2.0%
39	Preschool Education	2,659	2,704	45	1.0%
40	Sport & Camping Equipment Retailing	495	537	43	0.2%
41	Other Residential Care Services	1,247	1,289	43	0.5%
42	Pharmaceutical & Toiletry Goods Wholesaling	386	428	42	0.2%
43	Other Public Order & Safety Services	827	866	39	0.3%
44	Beekeeping	93	129	36	0.0%
45	Cigarette & Tobacco Product Manufacturing	163	198	36	0.1%
46	Scientific Testing & Analysis Services	575	610	35	0.2%
47	Creative Artists, Musicians, Writers & Performers	508	542	34	0.2%
48	Commission Based Wholesaling	406	437	32	0.2%
49	Grape Growing	212	244	32	0.1%
50	Vegetable Growing (Outdoors)	93	124	31	0.0%
	All other industries	174,687	169,493	-5,194	64.0%
	<b>Total</b>	<b>263,763</b>	<b>264,870</b>	<b>1,106</b>	<b>100%</b>

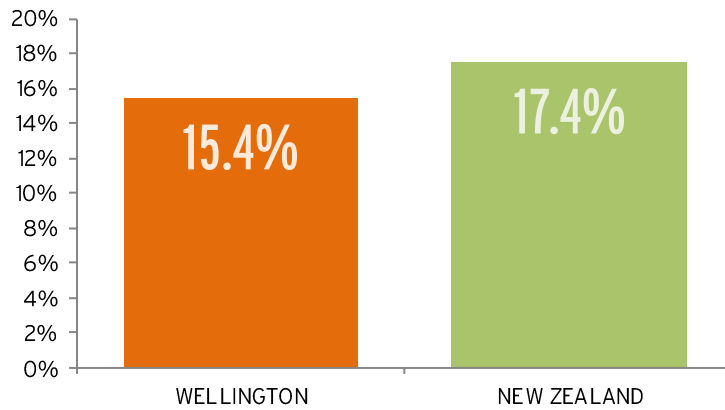
Table 14. The 50 seven-digit industries that lost the most jobs between 2012 and 2013

Rank	Industry	Jobs		Change (2012- 2013)	% of total (2013)
		2012	2013		
1	Office Administrative Services	1,849	1,349	-500	0.5%
2	Labour Supply Services	3,032	2,540	-492	1.0%
3	Regulatory Services	2,521	2,240	-281	0.8%
4	Buildings Cleaning Services	2,906	2,647	-258	1.0%
5	Adult, Community & Other Education n.e.c.	1,876	1,666	-210	0.6%
6	Electrical Services	2,181	1,984	-197	0.7%
7	Life Insurance	1,192	996	-196	0.4%
8	Non-Residential Building Construction	1,588	1,434	-154	0.5%
9	Non-depository Financing	292	150	-142	0.1%
10	Secondary Education	3,768	3,634	-134	1.4%
11	Accommodation	2,894	2,770	-124	1.0%
12	Road Freight Transport	2,060	1,944	-116	0.7%
13	Combined Primary & Secondary Education	831	721	-110	0.3%
14	Book Publishing	420	313	-107	0.1%
15	Other Administrative Services n.e.c.	2,128	2,023	-106	0.8%
16	Sheep-Beef Cattle Farming	675	574	-102	0.2%
17	Sports & Recreation Venues & Grounds & Operation	724	632	-92	0.2%
18	House Construction	3,294	3,206	-88	1.2%
19	Libraries & Archives	1,074	989	-86	0.4%
20	Supermarket & Grocery Stores	6,554	6,481	-74	2.4%
21	Postal Services	1,157	1,084	-73	0.4%
22	Antique & Used Goods Retailing	325	259	-66	0.1%
23	Clothing Manufacturing	434	371	-63	0.1%
24	Credit Reporting & Debt Collection Services	180	119	-61	0.0%
25	Telecommunication Goods Wholesaling	553	492	-61	0.2%
26	Other Grocery Wholesaling	1,020	960	-60	0.4%
27	Police Services	2,117	2,057	-60	0.8%
28	Electrical, Electronic & Gas Appliance Retailing	723	666	-58	0.3%
29	Other Electrical & Electronic Goods Wholesaling	1,233	1,177	-56	0.4%
30	Other Goods & Equipment Rental & Hiring n.e.c.	482	432	-51	0.2%
31	General Practice Medical Services	1,637	1,587	-49	0.6%
32	Newspaper Publishing	633	584	-49	0.2%
33	Paint & Coatings Manufacturing	322	273	-49	0.1%
34	Site Preparation Services	753	708	-45	0.3%
35	Wooden Structural Fittings & Components Manufacturing	486	442	-44	0.2%
36	Correctional & Detention Services	889	846	-44	0.3%
37	Legal Services	2,886	2,846	-40	1.1%
38	Other Specialised Industrial Machinery & Equipment Wholesaling	381	342	-39	0.1%
39	Log Sawmilling	123	86	-37	0.0%
40	Superannuation Funds	57	20	-37	0.0%
41	Plastering & Ceiling Services	525	492	-33	0.2%
42	Travel Agency & Tour Arrangement Services	689	657	-32	0.2%
43	Video & Other Electronic Media Rental	285	253	-32	0.1%
44	Printing	1,321	1,289	-32	0.5%
45	Other Gambling Activities	527	495	-31	0.2%
46	Computer & Computer Peripherals Wholesaling	329	298	-31	0.1%
47	Call Centre Operation	462	432	-30	0.2%
48	Automotive Body, Paint & Interior Repair	763	733	-30	0.3%
49	Other Manufacturing n.e.c.	212	182	-30	0.1%
50	Metal Furniture Manufacturing	153	124	-29	0.0%
	All other industries	200,252	206,276	6,024	77.9%
		<b>263,763</b>	<b>264,870</b>	<b>1,106</b>	<b>100%</b>

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

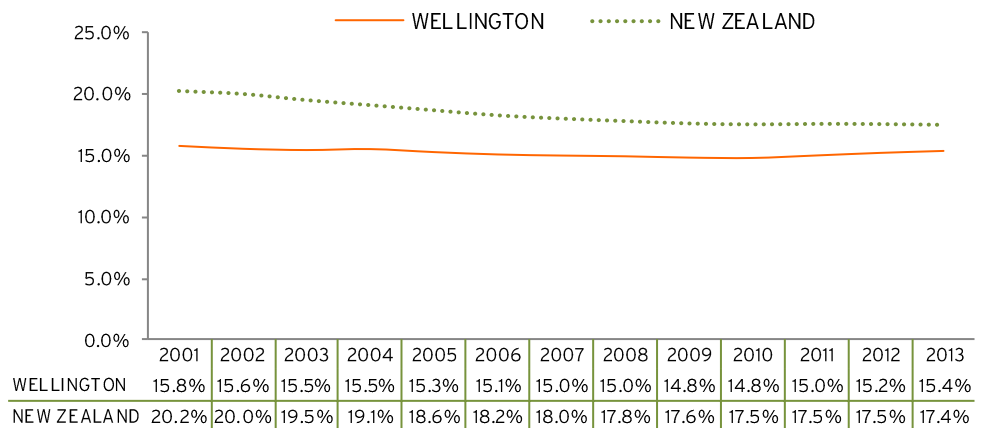
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in Wellington with the national economy.

Figure 10. Self-employment rate (year to March 2013)



- Self-employed workers accounted for 15.4% of the workforce in Wellington in 2013, which was a lower rate than in the national economy (17.4%).
- A total of 40,773 workers were self-employed in Wellington in 2013.
- The self-employment rate reached a high of 15.8% in 2001 and a low of 14.8% in 2010.

Figure 11. Self-employment rate (2001-2013)



## Which industries have the highest self-employment rate in Wellington?

Self-employment rates differ across industries with agriculture, construction, and rental, hiring and real estate services typically having high self-employment rates. This section describes self-employment rates by industry in Wellington.

Table 15. Self-employment by 1-digit industry (2013)

Industry	Wellington			New Zealand Self-employment rate
	Employees	Self-employed	Self-employment rate	
Agriculture, Forestry & Fishing	2,611	1,608	38.1%	37.4%
Mining	296	12	3.9%	4.8%
Manufacturing	12,420	1,719	12.2%	9.7%
Electricity, Gas, Water & Waste Services	1,644	105	6.0%	6.1%
Construction	12,273	6,432	34.4%	35.0%
Wholesale Trade	8,166	1,065	11.5%	12.0%
Retail Trade	20,297	2,214	9.8%	12.0%
Accommodation & Food Services	15,497	1,590	9.3%	11.9%
Transport, Postal & Warehousing	7,704	1,596	17.2%	15.0%
Information Media & Telecommunications	6,372	2,460	27.9%	19.0%
Financial & Insurance Services	10,184	774	7.1%	12.0%
Rental, Hiring & Real Estate Services	2,388	2,154	47.4%	49.7%
Professional, Scientific & Technical Services	26,707	9,150	25.5%	27.3%
Administrative & Support Services	10,418	2,160	17.2%	18.0%
Public Administration & Safety	27,957	486	1.7%	3.6%
Education & Training	21,294	804	3.6%	3.3%
Health Care & Social Assistance	23,247	1,698	6.8%	7.2%
Arts & Recreation Services	5,374	948	15.0%	16.3%
Other Services	8,493	2,073	19.6%	23.7%
Unallocated	757	1,725	69.5%	0.0%
<b>Total</b>	<b>224,097</b>	<b>40,773</b>	<b>15.4%</b>	<b>17.4%</b>

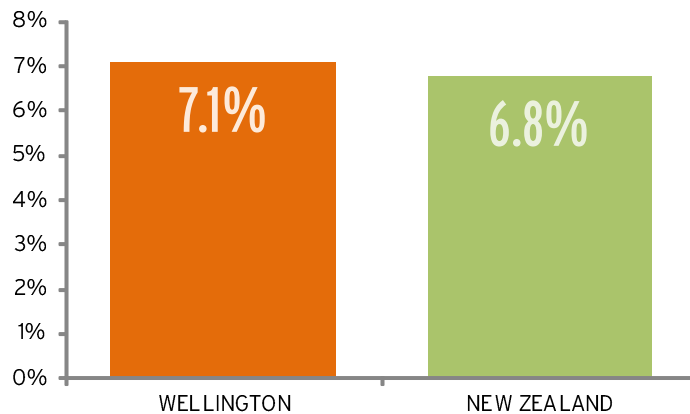
- Rental, Hiring & Real Estate Services had the highest self-employment rate (47.4%) in Wellington in 2013. This was followed by Agriculture, Forestry & Fishing (38.1%) and Construction (34.4%).
- Public Administration & Safety had the lowest (1.7%) self-employment rate.



## What is Wellington's unemployment rate?

The unemployment rate is the number of unemployed people expressed as a percentage of the labour force. An unemployed person is someone of working-age who is without work, but is actively seeking employment and is available to immediately begin work. The labour force is the sum of people who are currently in employment and those that are unemployed.

Figure 12. Unemployment rate (year to March 2013)



- The unemployment rate in Wellington was 7.1% in March 2013, which was higher than the national rate of 6.8%.
- Since 2002 the unemployment rate in Wellington reached a high of 7.1% in the March 2013 year, and a low of 3.6% in the March 2008 year.

Figure 13. Unemployment rate (2002-2013)

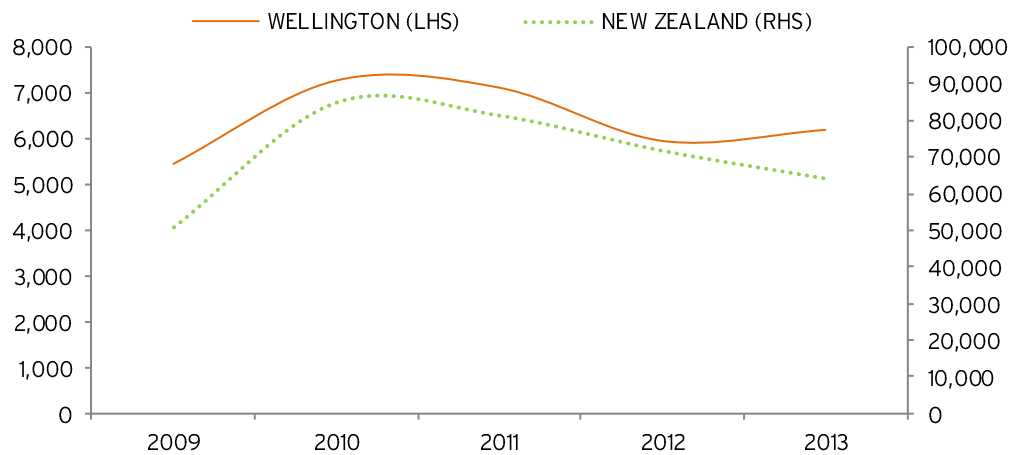


## How many unemployment beneficiaries are there in Wellington?

The number of unemployment beneficiaries in that national economy has fallen significantly since peaking at more than 65,000 in September 2010 following the recent recession. Gradual improvements to the domestic economy will have contributed slightly to this overall downward trend, but with the underlying unemployment rate still elevated, the government's tightening of benefit eligibility conditions will have also played a significant role.

- There were 6,193 unemployment beneficiaries in Wellington in March 2013, up from 5,952 in March 2012.
- The number increased by 4.0% over the year to March 2013 compared with a decrease of 10.6% at the national level.

Figure 14. Number of unemployment beneficiaries (2009-2013)

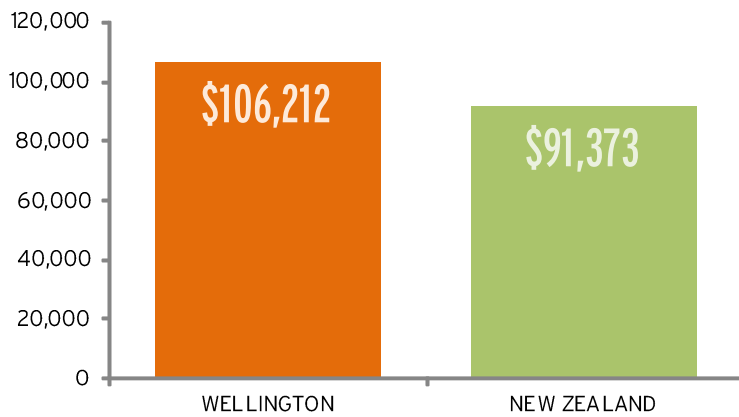


# PRODUCTIVITY

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.

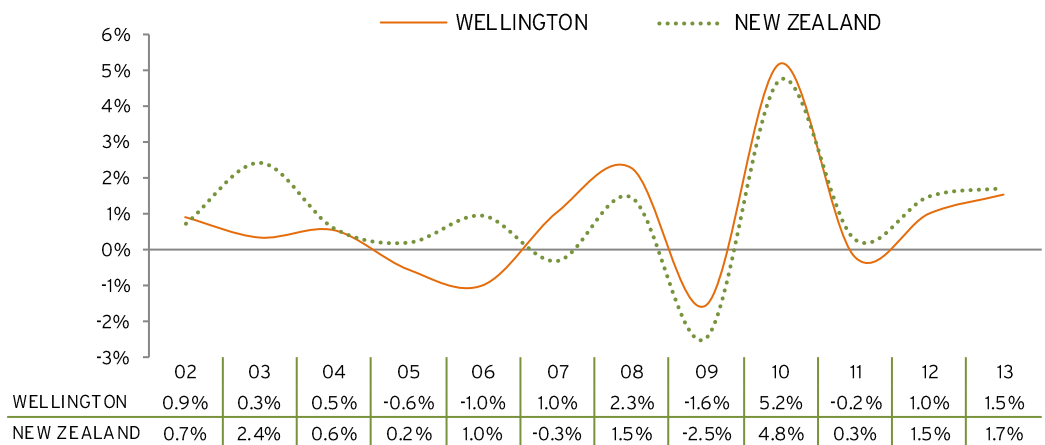
This section describes Wellington's productivity level during the year to March 2013 and previous years. Productivity is measured by GDP per employee (in constant 2010 prices).

Figure 15. GDP per employee (year to March 2013)



- GDP per employee in Wellington measured \$106,212 in the year to March 2013, which was 16.2% higher than at the national level.
- Productivity in Wellington, increased by 1.5% from a year earlier compared with an increase of 1.7% in the national economy.
- Productivity growth in Wellington averaged 0.8%pa over the last ten years compared with an average of 0.9%pa in the national economy.

Figure 16. Annual average productivity growth (2001-2013)



## What are the most productive industries in Wellington?

This section ranks industries according to their level of GDP per employee in Wellington. 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 16 below ranks broad industries by GDP per employee in Wellington 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 16. 1-digit industries ranked by productivity (2013)

Industry	GDP per employee		Capital intensity
	Wellington	New Zealand	New Zealand
Electricity, Gas, Water and Waste Services	635,357	450,147	0.86
Mining	541,559	546,080	0.78
Rental, Hiring and Real Estate Services	294,954	258,400	0.82
Financial and Insurance Services	225,940	184,373	0.56
Information Media and Telecommunications	221,476	150,284	0.66
Manufacturing	160,924	114,982	0.42
Public Administration and Safety	110,230	82,851	0.20
Transport, Postal and Warehousing	102,235	92,781	0.40
Wholesale Trade	99,760	93,001	0.42
Arts and Recreation Services	89,150	62,461	0.51
Professional, Scientific and Technical Services	84,664	75,763	0.20
Agriculture, Forestry and Fishing	78,144	81,611	0.41
Other Services	72,722	46,607	0.22
Construction	64,398	69,688	0.23
Health Care and Social Assistance	61,981	54,786	0.22
Administrative and Support Services	51,271	41,819	0.20
Education and Training	48,763	50,604	0.22
Retail Trade	41,318	43,492	0.31
Accommodation and Food Services	32,177	31,105	0.29
<b>Total</b>	<b>106,212</b>	<b>91,373</b>	<b>0.42</b>

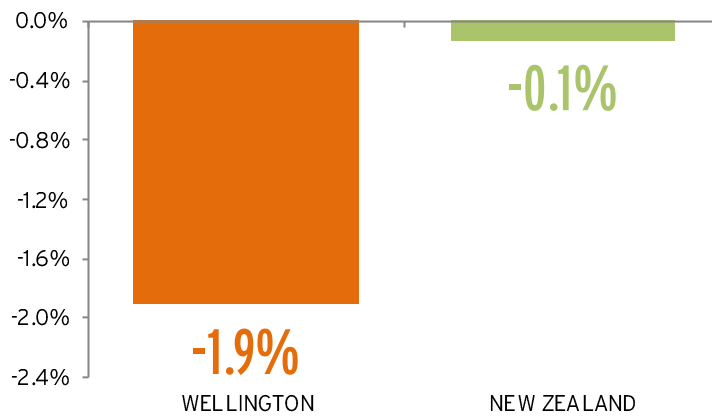
- Electricity, Gas, Water and Waste Services was the industry with the highest GDP per employee in Wellington in 2013 with GDP per employee of \$635,357.
- The second highest was mining (\$541,559) followed by rental, hiring and real estate services (\$294,954).
- The industries with the lowest GDP per employee were accommodation and food services (\$32,177), retail trade (\$41,318) and education and training (\$48,763).

# BUSINESS GROWTH

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

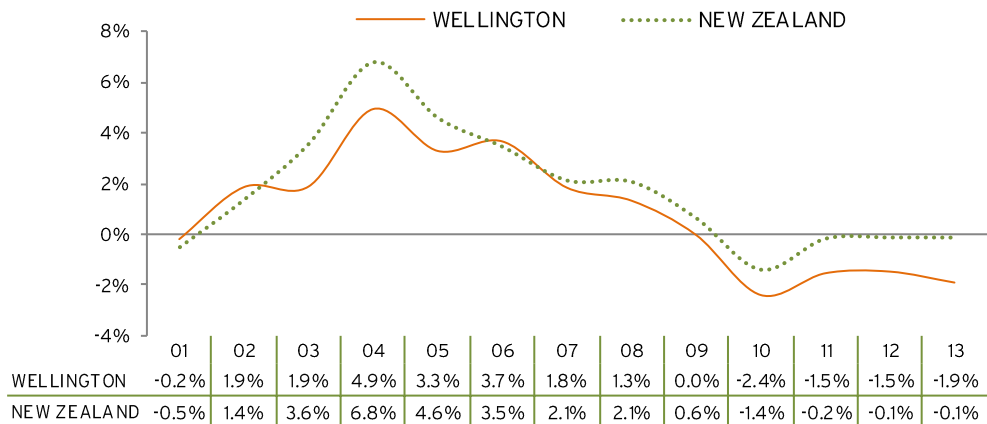
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts Wellington's recent performance in business unit growth with other regions in the country.

Figure 17. Business unit growth (year to March 2013)



- A total of 19,585 business units were recorded in Wellington in 2013, down 1.9% from a year earlier.
- The number of business units in New Zealand declined by 0.1% over the same period.
- Growth in the number of business units in Wellington averaged 0.7%pa over the past 10 years compared with 1.8%pa in the national economy.
- Business unit growth in Wellington varied from a high of 4.9% in 2004 to a low of -2.4% in 2010.

Figure 18. Annual average business unit growth (2001-2013)

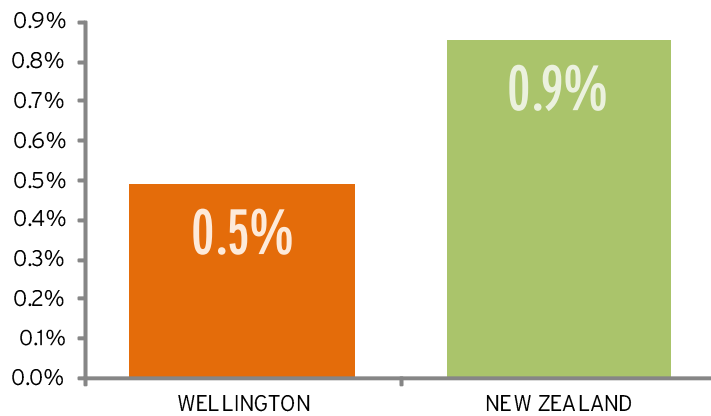


# POPULATION GROWTH

## How fast has Wellington'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's recent population growth with other districts and the country as a whole.

Figure 19. Population growth (year to June 2013)



- Wellington's population was 492,500 in 2013, up 0.5% from a year earlier. New Zealand's total population grew by 0.9% over the same period.
- Population growth in Wellington averaged 0.9%pa over the last 10 years compared with 1.1%pa in the national economy.
- Since 2000 growth in Wellington reached a high of 1.5% in 2003 and a low of 0.5%pa in 2013.

Figure 20. Annual population growth (June years)

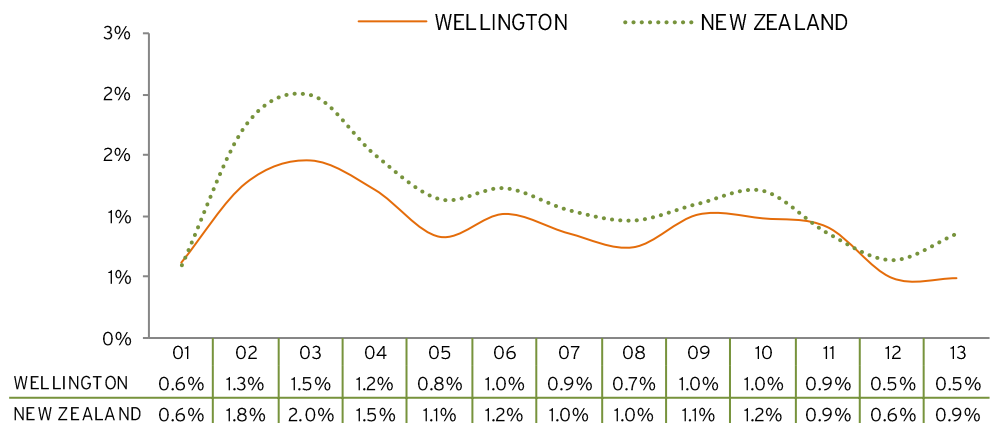


Figure 21. Population growth last 1, 2, 5 and 10 years

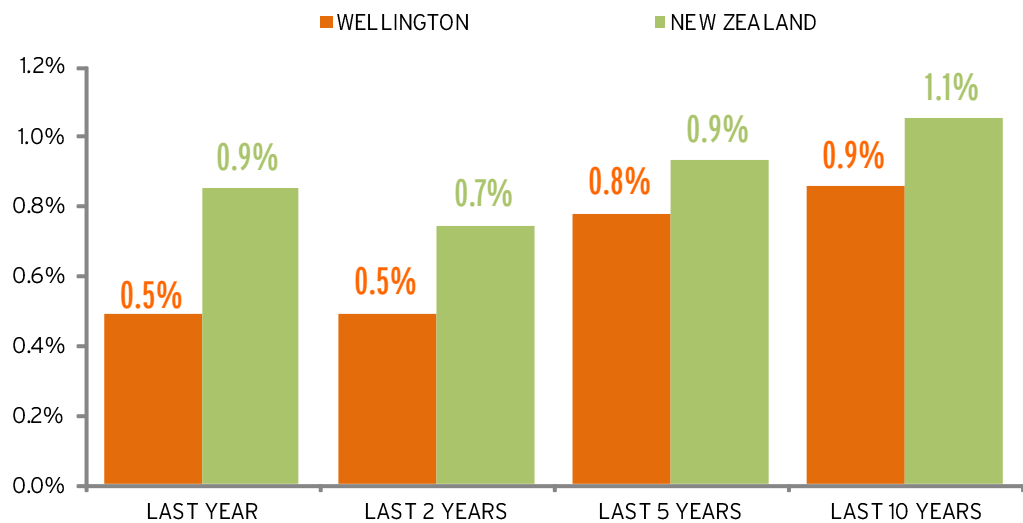


Table 17. Regions ranked by population growth

Rank	2012 to 2013		2011 to 2013		2008 to 2013		2003 to 2013	
1	Auckland	14%	Auckland	14%	Auckland	15%	Auckland	17%
2	Canterbury	13%	Otago	0.8%	Otago	0.9%	Waikato	10%
3	Otago	0.9%	Waikato	0.7%	Nelson	0.9%	Tasman	10%
4	Waikato	0.6%	Nelson	0.6%	Waikato	0.9%	Otago	10%
5	Wellington	0.5%	Tasman	0.5%	Tasman	0.9%	Marlborough	0.9%
6	Marlborough	0.4%	Wellington	0.5%	Wellington	0.8%	Canterbury	0.9%
7	Nelson	0.4%	Canterbury	0.5%	Marlborough	0.6%	Bay of Plenty	0.9%
8	Tasman	0.4%	Taranaki	0.4%	Bay of Plenty	0.6%	Wellington	0.9%
9	Taranaki	0.4%	Marlborough	0.3%	Taranaki	0.6%	Nelson	0.7%
10	Bay of Plenty	0.3%	Bay of Plenty	0.2%	Northland	0.5%	Northland	0.7%
11	Northland	0.2%	Northland	0.2%	Canterbury	0.5%	West Coast	0.4%
12	Manawatu-Wanganui	0.1%	Gisborne	0.1%	Southland	0.4%	Hawke's Bay	0.4%
13	Hawke's Bay	0.0%	Manawatu-Wanganui	0.1%	Manawatu-Wanganui	0.3%	Taranaki	0.4%
14	Southland	-0.1%	Southland	-0.1%	Gisborne	0.3%	Gisborne	0.2%
15	Gisborne	-0.2%	Hawke's Bay	-0.1%	Hawke's Bay	0.3%	Manawatu-Wanganui	0.2%
16	West Coast	-0.6%	West Coast	-0.3%	West Coast	0.2%	Southland	0.1%

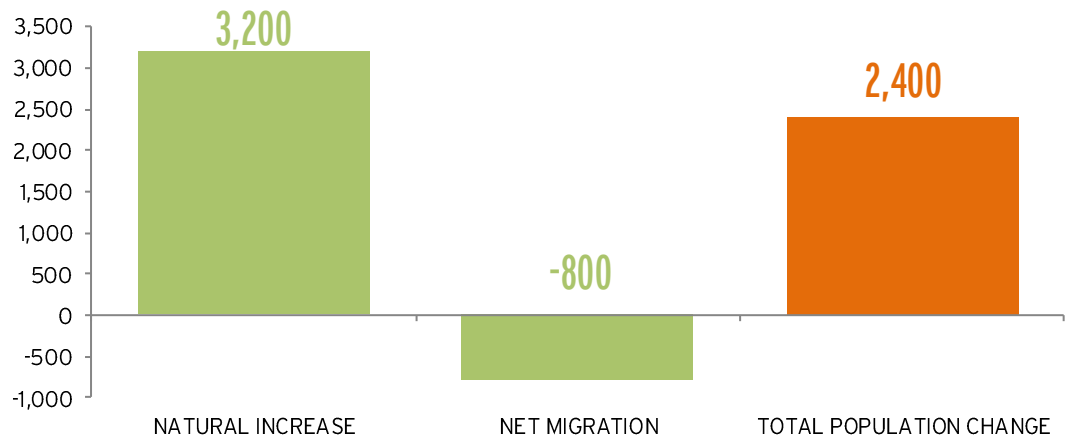
- Total population in Wellington increased by 0.5%pa between 2012 and 2013, which ranks it number 5 among the 16 regions for rate of growth.
- The highest ranking district was Auckland which grew by 1.4% followed by Canterbury (1.3 percentage points).

## What is the source of Wellington'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.

- Wellington's population increased by 2,400 people in the year to June 2013. This net increase was made up of net migration of -800 and natural increase of 3,200.

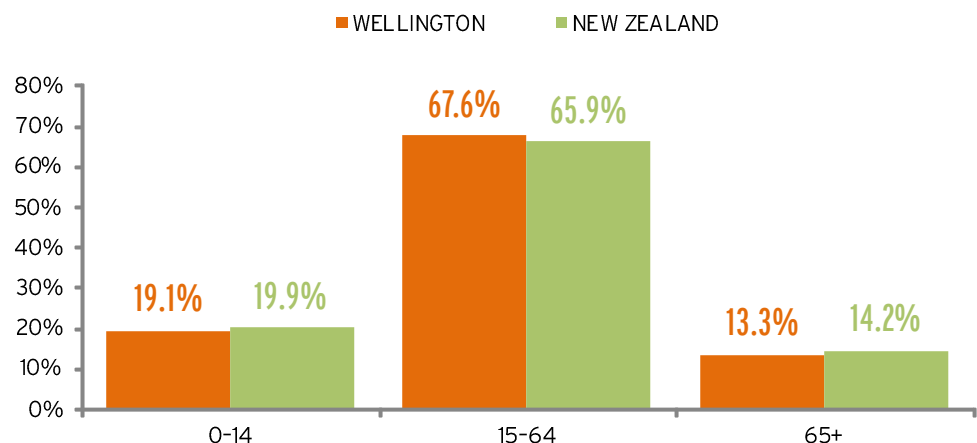
Figure 22. Source of population growth (year to June 2013)



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

- Wellington's median age of 0.0 years in 2013 was significantly lower than the median age of the national population (37.1).
- In 2013, 67.6% of Wellington's population was of working age (15-64). This was slightly higher than the proportion of the national population (65.9%).
- Wellington had a slightly lower proportion (19.1%) of young people (0-14) than the country as a whole (19.9%) and a significantly lower proportion (13.3%) of people 65 years and older compared with the national (14.2%). Overall the dependency ratio in Wellington (48.0%) was lower than in the national economy (51.8%). 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 23. Age composition of the population (year to June 2013)





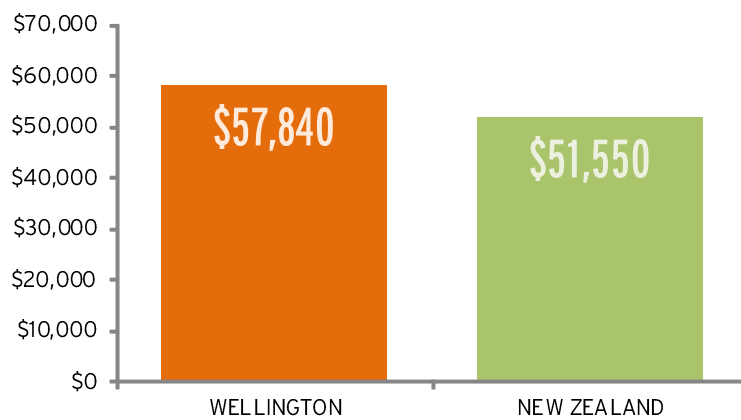
## STANDARD OF LIVING

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 2012.

### What are the mean earnings in Wellington?

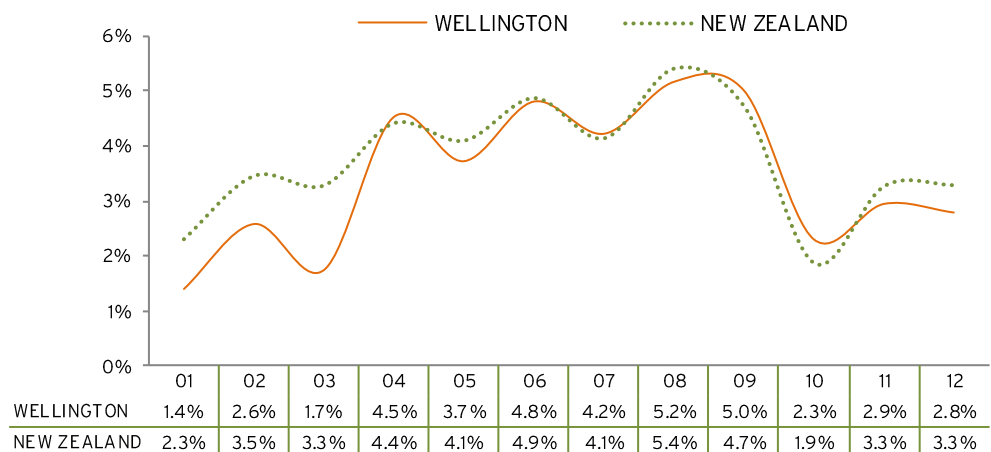
Income earned in the labour market is an important source of household income. This section contrasts Wellington's mean annual earnings with the country as a whole.

Figure 24. Mean annual earnings (year to March 2012)



- The mean annual earnings in Wellington was \$57,840 in the year to March 2012, which was higher than the national mean of \$51,550.
- Mean earnings in Wellington increased by 2.8% over the year to March 2012 compared with an increase of 3.3% at the national level.
- Over the last ten years earnings growth in Wellington reached a maximum of 5.2% in 2008 and a minimum of 1.4% in 2001.

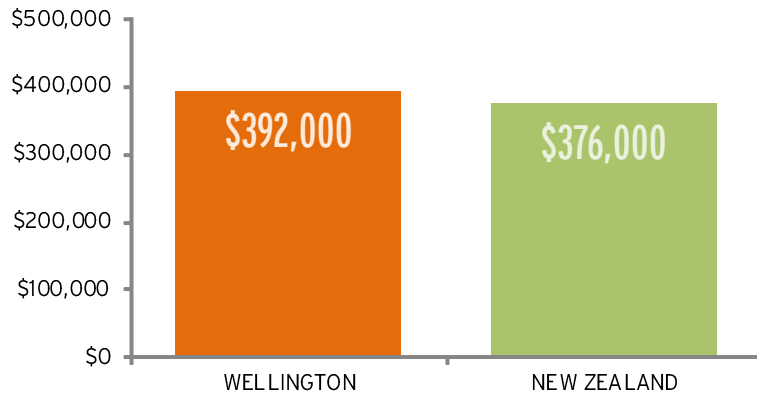
Figure 25. Earnings growth (2001-2012)



## How do house prices in Wellington compare?

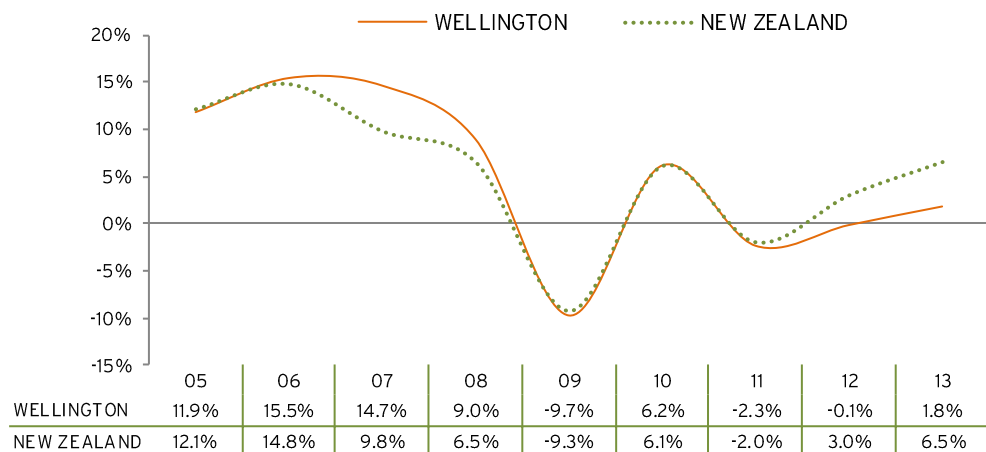
The cost of housing is a major component of household spending. This section describes the cost of housing in Wellington relative to the rest of the country.

Figure 26. Median house price (year to March 2013)



- The median house price in Wellington was \$392,000 in 2013, which was 4% higher than the national median of \$376,000.
- House prices in Wellington increased by 1.8% over the year to March 2013 compared with an increase of 6.5% at the national level.
- Since 2005 house price growth in Wellington reached a maximum of 15.5% in 2006 and a minimum of -9.7% in 2009.

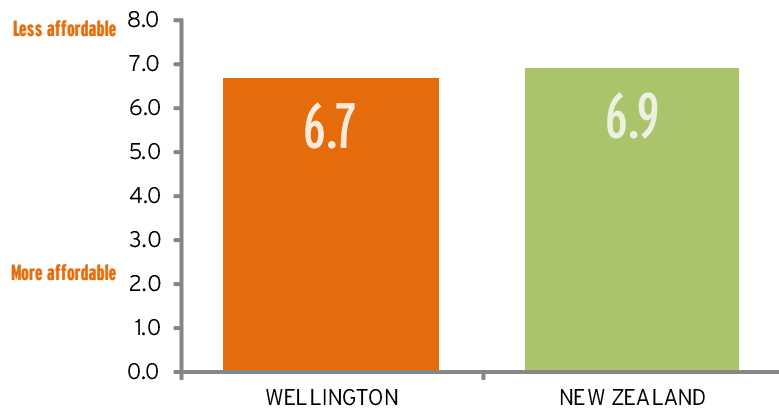
Figure 27. Annual median house price growth (2005-2013)



## How affordable is housing in Wellington?

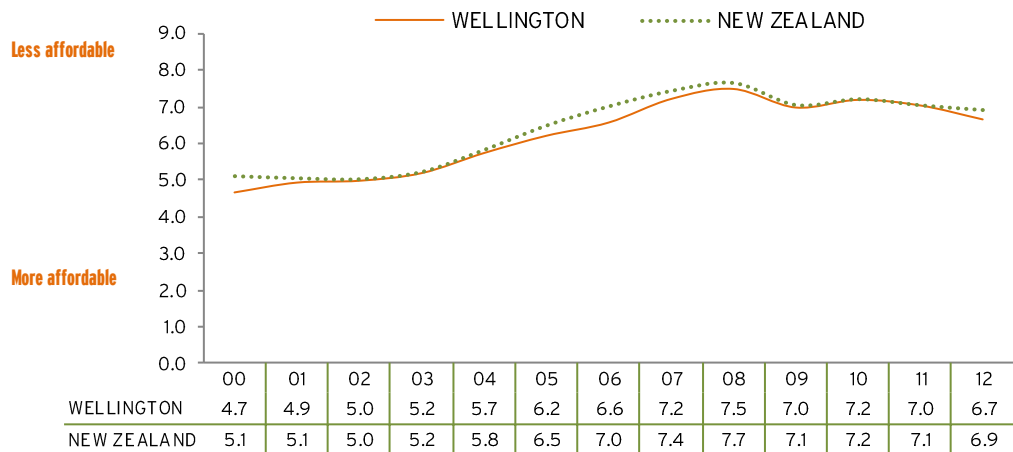
This section investigates the affordability of housing by comparing median house prices with average earnings. We have estimated a housing affordability index which is the ratio of the median house price to annual average earnings measured in the Linked Employer Employee Data. A higher ratio therefore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

Figure 28. Housing affordability index (year to March 2012)



- The housing affordability index in Wellington was 6.7 in the year to March 2012, which was lower than the national index of 6.9. This means that housing is more affordable in Wellington than in the country as a whole.
- Since 2000 housing in Wellington has become less affordable relative to the national average level.

Figure 29. Housing affordability index (2000-2012)



## TECHNICAL NOTES

### Time period

This annual profile reports on March years (eg 2013 refers to the 12 months to March 2013) for all indicators except population. Population statistics are presented for the year to June.

### Industrial classification

This report 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.

### Gross Domestic Product

Gross Domestic Product for each region and district is estimated by Infometrics. The methodology used in this current report differs from that used in previous regional economic profiles. A top down approach breaks national production-based GDP (published by Statistics New Zealand) down to TA 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 LEED. This captures differences in productivity between TAs and over time. GDP is measured in 2010 prices. Further details of this methodology can be obtained from Infometrics.

### Employment by industry

Employment in this report is measured as an average of the four quarters making up each year.

Regional employment is estimated by Infometrics' Regional Industry Employment Model (RIEM). The model draws heavily on quarterly and annual Linked Employer Employee Data (LEED) and Business Demography (BD) series published by Statistics New Zealand. RIEM differs from BD in that it is a quarterly series (BD is annual) and it includes both employees and self-employed whereas BD only includes employees. Further details of this methodology can be obtained from Infometrics.

### Industry sectors

The report uses four broad industry sectors: primary, secondary, tertiary and quaternary. The quaternary sector includes the higher value-adding, knowledge-based service industries which are: Information Media Services, Telecommunications, Internet and Library Services, Finance, Insurance and Superannuation Funds, Auxiliary Finance and Insurance Services, Professional, Scientific and Technical Services, Local Government Administration, Central Government Administration, Defense and Public Safety, Education and Training, and Health Care and Social Assistance.

### Unemployment rate

Regional level unemployment rates are sourced from Statistics New Zealand's Household Labour Force Survey. Trends in the number of unemployment beneficiaries at TA level are used to break down regional unemployment rates to TA level.

### Earnings

Earnings data are from the quarterly Linked Employer Employee Data. Average annual earnings are the sum of mean earnings for each quarter of full quarter jobs.

### House prices

House price levels (dollar value) are sourced from REINZ. The levels are based on median sale prices for the month when the sale and purchase becomes unconditional.

### Business Units

Data on the number of business units are sourced from the Business Demography statistics from Statistics New Zealand.

### Population

Demographic statistics are sourced from Statistics New Zealand.