

The Wellington Region

Situation analysis 2015: A snapshot

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MAKING SENSE OF
THE NUMBERS

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Making sense of the numbers

In the year to March 2015, GDP in the Wellington Region increased by 1.3 percent, while nationally growth was 3.2 percent. Similarly, employment in the Wellington Region grew by only 0.3 percent compared to 2.3 percent nationally. This means although the economy of the Wellington region grew year-on-year, this growth was at a slower pace than that occurring nationally.

The population of the region grew by 1.1 percent in the year to March 2015, with Wellington City leading this growth. Year-on-year the number of residents in Wellington City grew by 1.9 percent. This is the same as the national average of population growth. Carterton District experienced population growth of 1.4 percent year-on-year, while the population of the Masterton and South Wairarapa districts grew by 0.8 percent. Porirua City also grew by 0.8 percent. Kapiti Coast District, and Upper Hutt and Lower Hutt Cities also experienced population growth, but at lower levels of 0.6, 0.5, and 0.3 percent respectively.

GDP

Kapiti Coast District, South Wairarapa District and Wellington City all had GDP higher than the regional average in the year to March 2015. The GDP generated by the Kapiti Coast District, at 3.2 percent, was the same as the national economy.

An increase in construction activity in the Kapiti Coast District is impacting positively on GDP and employment. The largest area of GDP and employment growth in the District has been in the Heavy Civil Engineering Construction and Construction Services sectors. In the year to March 2015, the **Construction** sector generated \$160 million towards the GDP of the District, this is a 14.5 percent increase on the previous year, and follows a growth trend that has been occurring for the last three years.

We expect that employment in the Heavy Civil Engineering Construction sector will also increase in Porirua City as further activity gets underway related to Transmission Gully, and that this will impact on the associated sectors such as Construction Services and/or Building Construction. To date, employment in the Construction sector in Porirua City has been largely driven by the Building Construction and Construction Services sectors.

In the year to March 2015, the Construction sector contributed \$222 million towards GDP in Porirua City. This is an increase of 3.8 percent year-on-year. Over the last 10 years, GDP from the Construction sector has grown by an average of 8.6 percent. Construction activity in Porirua City continues to impact favourably on local employment opportunities and the number of businesses based in this sector and operating in Porirua City has continued to grow. Businesses that provide services to the Construction sector have also experienced positive change, with a demand for businesses in the Professional, Technical and Scientific Research industry.

The Construction sector is also a large contributor to the GDP in Lower Hutt City, along with Business Services and Social Services. In the latest year, the GDP contribution of the Social Services and Construction sectors increased by 2.7 and 9.4 percent respectively. This growth in activity led to the overall increase in GDP of 1.1 percent. Over the last 10 years, however, the GDP generated by the Lower Hutt City economy has been relatively flat. This is because of a decline in the **Manufacturing** sector in the City. Food, beverage, and tobacco manufacturing businesses have closed down, along with manufacturers of metal products, non-metallic mineral products (cement, concrete, bricks and glass), and plastic products. These closures have led to changes in the economy of Lower Hutt City.

Employment

The Social Services and Business Services sectors are the largest areas of employment in this region, and generate the largest contribution towards GDP.



Employment in the Social Services sector increased year-on-year by 2.3 percent, while employment in Business Services declined by 0.8 percent. However, it was the decline in other sectors that led to the subdued growth in employment overall. Employment in the Primary sector declined by 8.2 percent year-on-year while employment in the Wholesale and Distribution sector dropped by 4.1 percent.

The **Social Services** sector provides employment opportunities throughout the Wellington Region. However, some TLAs have a greater proportion of employment in the Social Services sector. In Upper Hutt City for example, 45 percent of all people employed work in this sector. This dominance has increased over the last 10 years as the number of people employed in this sector has grown by approximately 3.2 percent per annum. This growth has been due to an increase in the number of people working in the Public Order and Safety industry (predominantly prisons) and the Defence industry in Upper Hutt City.

The decline in employment in the **Primary** sector impacted on the economies of the Kapiti Coast, Masterton, Carterton and South Wairarapa districts. This decline in employment year-on-year was predominantly in the Agriculture sector. Further, this employment change impacted on the GDP generated by this sector, and the economies of these TLAs in the latest year.

Employment numbers in the Agriculture industry have fluctuated over the last 10 years, and this has also impacted on the number of people employed in associated services such as shearing and fencing. This is why it is important to look at longer term trends rather than short-term fluctuations, and to examine in detail the economies of the TLAs that make up the Wellington Region. For example, the GDP generated by the Agriculture industry in the Masterton District has grown on average by 2.4 percent per annum over the last 10 years, while employment has grown by 1.8 percent per annum. Things are going well here, but this is being hidden in the bigger numbers.

The decline in employment in the **Wholesale and Distribution** sector in 2015 was in Upper Hutt, Lower Hutt and Porirua cities. In the Wairarapa, employment in this sector has grown across each of the TLAs in the latest year and over the last 10 years. This growth has been largely due to growing employment opportunities in Road Transport. In contrast, employment in the Wholesale and Distribution sector in Upper Hutt City and Lower Hutt City has declined in the latest year and over the last 10 years. The decline in employment in these two TLAs has predominantly been in wholesaling. In Porirua City, the decline in employment has also been in wholesaling but only in the latest year, over the last 10 years employment in this sector has grown overall by 1.3 percent per annum.

Employment in the **Retail Trade and Services** sector declined in the year to March 2015 by 2.2 percent. Over the last 10 years, employment in this sector overall has declined by an average of 0.2 percent per annum. Each of the TLAs have experienced a growth and decline in this sector over the last 10 years, and the number of businesses operating in this sector and their size has fluctuated during this period. Retail Trade and Services employed approximately 17 percent of all those working in the Region, and generated nine percent of the GDP in 2015. The average business size, at 4.8 FTEs per business is bigger than the regional and national average. Reflecting the large number of department stores, large retailers and shopping malls in the Wellington Region.

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1 Overview

This situation analysis report outlines the economic performance of the Wellington Region and the eight Territorial Authorities (TAs) of which it is comprised in 2015. It provides an update of the situational analysis carried out for 2014,¹ and considers the economic performance of the Wellington Region over the 10 years between 2005 and 2015.

The analysis includes 2015 figures for the following key performance indicators:

- Population
- Employment (Full-Time Equivalents or FTEs)
- Gross Domestic Product (GDP 2015\$m).

The eight territorial authorities covered in this situation analysis are:

- Wellington City Council (Wellington City)
- Lower Hutt City Council (Lower Hutt City)
- Upper Hutt City Council (Upper Hutt City)
- Porirua City Council (Porirua City)
- Kapiti Coast District Council (Kapiti Coast District)
- Masterton District Council (Masterton District)
- Carterton District Council (Carterton District)
- South Wairarapa District Council (South Wairarapa District).

The Social Services sector is a large employer throughout the Region, as this sector includes health, education, corrections and justice, and the provision of central and local government. Business Services are provided in the cities and include services such as telecommunications as well as accounting and legal services. The Primary and Manufacturing sectors are large employers in the rural districts of the Wairarapa and Kapiti, but the manufacturing of food, beverages, and equipment also occurs in the Hutt Valley.

The differences in the fortunes of these sectors are reflected in the changes in employment and GDP that are occurring at a TA level. Overall, the economy of the Wellington Region has performed at a similar level to that of New Zealand over the last 10 years, but in the latest year, the region has fallen well below the national average for resident population, employment and GDP growth.

Data used in this report

Employment and GDP data used in this report is from the BERL Regional Database. Our employment data is measured by Full-Time Equivalents (FTEs). FTE employment measures the number of people in employment for 30 hours or more per week. BERL generates GDP estimates using national accounts and FTE employment. We also exclude Owner Occupied dwellings from GDP totals. Our GDP figures are expressed in 2015 dollars and are expressed as real values. Further explanation can be found in Appendix A.

The eight broad sectors referred to in this report are as defined by the Australia New Zealand Standard Industrial Classification (ANZSIC) system. References are also made at a disaggregated level, i.e. for 86 industry sub-divisions in the ANZSIC.

¹ Refer BERL report. *The Wellington Region - Situation analysis 2014: A snapshot, January 2015*. Reference # 5563.

The eight broad sectors and their subcategories (where relevant) are:

- Primary – includes agriculture; forestry; fishing; and mining;
- Manufacturing;
- Construction;
- Wholesale and distribution – includes wholesale trade; and transport, postal, and warehousing;
- Retail trade and services – includes retail trade; accommodation and food services; and other services;
- Business services – includes electricity, gas, water and waste services; information media and telecommunications; financial and insurance services; rental, hiring and real estate services; professional, scientific and technical services; and administrative and support services;
- Arts and recreations services; and
- Social services – includes public administration and safety; education and training; and health care and social assistance.

It should be noted that the sector definitions in this Situational Analysis report are directly comparable to those used in the BERL report “Growth scenarios for the Wellington Region: Towards 2041”² (Growth Scenarios report).

However, the labels used in the Growth Scenarios report differ slightly in that for the purposes of the modelling in that report, the eight broad sector definitions were relabelled to reflect the industry groupings of the four different scenarios examined.

The four scenarios were:

- Business As Usual (Scenario 1)
- Business and IT connections (Scenarios 2)
- Infrastructure connections (Scenario 3)
- Aspirational (Scenario 4)

For example, the ‘Primary’ and ‘Manufacturing’ sectors as labelled within this Situation Analysis, were labelled ‘Primary production’ and ‘Product manufacturing’ in the Growth scenarios report. Similarly, ‘Construction’ was labelled ‘Infrastructure’, ‘Business services’ was broken down into two sectors – ‘Communications and IT’ and ‘Business services’, while ‘Arts and recreations services’ and ‘Social services’ were combined into one category. Further detail on the composition of these industry groupings in the Growth scenarios report can be found in Appendix B.

The Wellington Region’s economy

Overall, the region’s economic performance was better in 2015, with performance across most indicators higher than the previous year, though the gap between the performance of the region and New Zealand is still present for most indicators.

In 2015:

- The Wellington Region was the third largest region in New Zealand behind Auckland and Canterbury, with a resident population of 481,187 people. This equates to 11 percent of New Zealand’s population.

² Refer BERL report. *The Wellington Region - Situation analysis 2013: A snapshot, April 2014*. Reference # 5463.

- There were 230,200 FTEs in the region, equating to just under 12 percent of New Zealand’s workforce. The Social services sector accounted for the largest proportion of employment in the region with a third of all FTEs (76,194 FTEs).
- GDP generated in the Wellington Region was approximately \$25.8 billion. Labour productivity was influenced by the Business services sector, which was the greatest contributor to the Wellington Region’s overall GDP as well as being the second largest employer.

The 10 years to 2015 saw relatively small changes for the region compared to 2004-2014. Performance across all the indicators improved for the region compared to the previous decade, except for business unit growth which grew at a slower pace.

Between 2005 and 2015:

- Employment in the Wellington Region grew by an average of one percent per annum. This was lower than the national rate of employment growth. Businesses during this period decreased in size, and this negatively impacted on employment opportunities.
- GDP growth in the region, at 1.6 percent per annum, was also lower than the national average.

Table 1-1 Key economic performance indicators, 2005-2015

Key Performance Indicators	%pa for 2005 - 2015	
	Wellington Regional Council	New Zealand
Resident population growth	0.8	1.0
GDP growth	1.6	1.9
GDP per capita growth	0.8	0.9
Employment growth	1.0	1.3
Labour productivity growth	0.6	0.6
Business units growth	1.2	1.2
Business size growth	-0.2	0.0

Source: BERL Regional Database, 2015

The economies of the TAs in the Wellington Region

The following table summarises changes in the key economic performance indicators for the TAs in the Wellington Region, the Wellington Region itself, and New Zealand for the year ended March 2015.

Table 1-2 Key performance indicators, Wellington Region and New Zealand, 2015

Key Performance Indicators	%pa for 2015 year									Wellington Region	New Zealand
	Wellington City	Lower Hutt City	Upper Hutt City	Porirua City	Kapiti Coast District	Masterton District	Carterton District	South Wairarapa District			
Resident population growth	1.9	0.3	0.5	0.8	0.6	0.8	1.4	0.8	1.1	1.9	
GDP growth	1.7	1.1	-0.3	-1.8	3.2	1.0	-0.2	1.8	1.3	3.2	
GDP per capita growth	-0.2	0.8	-0.8	-2.6	2.5	0.2	-1.6	1.0	0.2	1.2	
Employment growth	0.7	0.1	-1.9	-2.7	2.9	0.5	-2.7	-0.8	0.3	2.3	
Labour productivity growth	1.0	1.4	1.6	0.6	1.4	0.8	2.2	3.1	1.2	1.2	
Business units growth	1.1	1.0	2.3	1.9	0.1	1.5	2.8	3.5	1.3	2.7	
Business size growth	-0.4	-1.0	-4.1	-4.6	2.8	-1.0	-5.3	-4.2	-1.0	-0.5	

Source: BERL Regional Database, 2015

Wellington City

In 2015:

- Employment in Wellington City accounted for 60 percent of all employment in the region with 138,653 FTEs. The Social Services sector was the largest sector in Wellington City with 35.5 percent of all employment in the city.
- GDP generated was approximately \$16.9 billion, which accounted for approximately 65 percent of the region's GDP. The largest contributing sector was Business Services with 46 percent of GDP in the city, followed by Social Services with 26.6 percent. Combined these two sectors generated approximately 73 percent of the GDP in the city.

Between 2005 and 2015:

- Employment grew by an average of 1.5 percent per annum, which was stronger than the regional average of one percent per annum. This growth was predominantly driven by the Social Services and Business Services sector.
- GDP grew by an average of 2.4 percent per annum in the city, compared to an average of 1.6 percent per annum regionally. This growth was again largely influenced by the Social Services sector.

Lower Hutt City

In 2015:

- Employment in Lower Hutt City accounted for 17.5 percent of all employment in the region with 40,187 FTEs. The largest area of employment was the Social Services sector with 25.4 percent of all employment in Lower Hutt City.
- GDP generated was approximately \$4.07 billion, accounting for 15.7 percent of the region's GDP. The largest contributor was the Business Services sector at \$1 billion, or 24.6 percent of all GDP generated in Lower Hutt City, followed by the Social Services sector with 21.9 percent.

Between 2005 and 2015:

- Employment declined by an average of 0.1 percent per annum, which was substantially lower than the regional average of one percent per annum growth. However, even the regional average of employment growth was below the national average for this period of 1.3 percent per annum. Employment hit a high in Lower Hutt City in 2009 but has declined since.
- GDP was relatively unchanged over the period due to contractions in the Primary, Manufacturing, and Arts and Recreation Services sectors.

Upper Hutt City

In 2015:

- Employment in Upper Hutt City accounted for 4.4 percent of all employment in the region with 10,244 FTEs. The Social Services sector was the largest employer, with 45.2 percent of Upper Hutt City's employment.
- GDP generated was approximately \$1.0 billion which was 3.9 percent of total GDP in the region. The greatest proportion of GDP was generated by the Social Services sector, with \$388 million or 38.6 percent of Upper Hutt City's total GDP.

Between 2005 and 2015:

- Employment declined by an average of 0.3 percent per annum; however, some sectors experienced growth. For example, employment in Defence in Upper Hutt City has grown by six percent per annum between 2005 and 2015, while employment within the Public Order, Safety and Regulatory Services sector has grown by just over five percent per annum during this period.
- GDP declined by an average of 0.4 percent per annum over the period due to steady declines in the Business Services and Manufacturing sectors. However, sectors such as Construction, Retail Trade and Services, and Social Services have increased their contribution to GDP.

Porirua City

In 2015:

- Employment in Porirua City accounted for 6.1 percent of employment in the region with 14,027 FTEs. The majority of employment was within the Social Services sector which accounted for 36.5 percent of Porirua City's total employment.
- GDP generated by Porirua City was approximately \$1.29 billion, which was approximately 5.0 percent of the region's GDP. The Social Services sector accounted for the largest proportion of this with 33.5 percent or \$432 million of the city's total GDP.

Between 2005 and 2015:

- Employment on average grew by 1.1 percent per annum, which was higher than the regional average of one percent, but lower than the national average of 1.3 percent per annum.
- GDP grew on average by 1.3 percent per annum. This growth was largely driven by activity in the Construction and Wholesale and Distribution sectors. Over the last 10 years, GDP from the Construction sector has grown on average by 8.6 percent per annum.

Kapiti District

In 2015:

- Employment in the Kapiti District accounted for 5.0 percent of total employment in the region with 11,430 FTEs. Retail Trade and Services was the largest sector, with 28.2 percent of all FTEs in the Kapiti District.
- GDP generated by the Kapiti District was approximately \$1.05 billion, which accounted for 4.1 percent of the region's GDP. The Social Services sector was the largest contributor to GDP at \$271 million, or 25.7 percent of the district's GDP.

Between 2005 and 2015:

- Employment grew on average by 0.8 percent per annum. Employment within the Social Services sector has grown on average by 3.1 percent per annum. In contrast to the Retail Trade and Services sector, where employment has grown by 0.3 percent per annum.
- Despite low employment growth, GDP grew on average by 1.1 percent per annum. This growth was largely due to increased contributions from the Construction, Social Services and Retail Trade and Services sectors.

Masterton District

In 2015:

- Employment in the district accounted for 4.4 percent of employment in the region, with 10,077 FTEs. The largest area of employment was the Social Services sector with 29.1 percent of all FTEs in the district.
- GDP generated by the district was approximately \$957 million, which accounted for 3.7 percent of GDP in the region. The largest contributor to GDP was the Social Services sector with \$256 million or 26.8 percent of the district total.

Between 2005 and 2015:

- Employment grew by an annual average of 0.6 percent due to a moderate decline in the Manufacturing sector and the Primary sector remaining reasonably flat during this period. The Social Services sector experienced the greatest annual average growth in employment during this period, at 2.6 percent.
- GDP growth was below the regional average, at just one percent per annum. The Primary sector was flat during this period while Manufacturing had a moderate decline. Other sectors experienced modest growth, with the largest being the Retail Trade and Services sector growing at 2.3 percent per annum. This moderate growth was insufficient, however, to outweigh the issues in the Primary and Manufacturing sectors.

Carterton District

In 2015:

- Approximately 2,784 FTEs were employed, with the Primary and Manufacturing sectors being the largest areas of employment. Approximately 29 percent of all FTEs were employed in manufacturing roles in 2015.
- GDP generated was \$304 million, which accounted for 1.2 percent of the region's GDP. The largest contributor was the Manufacturing sector with \$107 million or 23.5 percent of GDP generated in the district.

Between 2005 and 2015:

- Employment growth averaged 0.9 percent per annum over the period, which was close to the regional average of one percent. Employment in the Primary and Manufacturing sectors has fluctuated over the last 10 years and these two sectors dominant the labour market in this District.
- GDP growth, at 1.8 percent per annum, was stronger than the regional average of 1.6 percent. This was due to increased activity in the Construction sector, which grew on average by 5.9 percent per annum and the Wholesale and Distribution sector, which grew on average by 8.0 percent per annum.

South Wairarapa District

In 2015:

- Employment in the district accounted for 1.2 percent of employment in the region, at 2,835 FTEs. A similar number of people work in the South Wairarapa and Carterton districts. The largest area of employment was the Primary sector, with just under 30 percent of the district's FTEs. Combined with the Retail Trade and Services sector, these two sectors constituted 52.8 percent of the district's employment.
- GDP generated was approximately \$262 million, accounting for one percent of the region's total GDP. The Primary sector was the greatest contributor, at \$90 million or 34.3 percent of the district total.

Between 2005 and 2015:

- Employment remained fairly stable at 0.2 percent growth per annum. This stability however masks big changes within the labour market, with employment within the Primary and Manufacturing sectors declining while growth occurred in the Construction, Wholesale Trade and Distribution, and Business Services sectors.
- This change in the structure of employment also impacted on GDP, with the annual average growth at just 0.8 percent per annum. The Business Services sector saw the highest per annum average growth over the period, followed by the Social Services sector.

2 The Wellington Region

Snapshot

In 2015:

- 481,187 people lived in the Wellington Region. This equated to 11 percent of New Zealand's population.
- The region employed approximately 230,240 FTEs, which was approximately 11.6 percent of all employment in New Zealand.
- Approximately \$25.8 billion in GDP was generated by the Wellington Region, across 53,890 businesses.
- Businesses in the Wellington Region employed an average of 4.3 FTEs, which was above the national average of 3.7 FTEs. The average number of FTEs per business is higher in the Wellington Region due to the large number of people employed in businesses in the Social Services sector. This sector includes local and central government, health and education providers, the Defence Forces, and the justice system.

Table 2-1 A sector snapshot of the Wellington Region, 2015

Sectors (2015)	FTEs		GDP (2015\$m)		Business units	
		%		%		%
Primary	3,963	1.7%	1,444	5.6%	2,439	4.5%
Manufacturing	13,214	5.7%	1,702	6.6%	1,729	3.2%
Construction	17,154	7.5%	1,555	6.0%	5,422	10.1%
Wholesale and Distribution	15,939	6.9%	2,021	7.8%	3,399	6.3%
Retail Trade and Services	39,483	17.1%	2,330	9.0%	8,182	15.2%
Business Services	59,536	25.9%	9,512	36.8%	27,358	50.8%
Arts and Recreation Services	4,754	2.1%	466	1.8%	1,252	2.3%
Social Services	76,194	33.1%	6,788	26.3%	4,107	7.6%
Sub-total (excluding O.O.D.)	230,237	100.0%	25,819	100.0%	53,888	100.0%
<i>Owner-Occupied Dwellings (O.O.D)*</i>			3,100			
Total	230,237		28,920		53,888	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

2.1 Key economic performance indicators

Table 2-2 Key economic performance indicators, 2015

Key Performance Indicators	%pa for 2015 year	
	Wellington Regional Council	New Zealand
Resident population growth	1.1	1.9
GDP growth	1.3	3.2
GDP per capita growth	0.2	1.2
Employment growth	0.3	2.3
Labour productivity growth	1.2	1.2
Business units growth	1.3	2.7
Business size growth	-1.0	-0.5

Source: BERL Regional Database, 2015

Table 2-2 shows the percentage change in key indicators for the Wellington Region compared to New Zealand between 2014 and 2015.

Overall, the region's economic performance was better in 2015, with performance across most indicators higher than the previous year. This is despite the gap between the performance of the Region and New Zealand remaining for most indicators.

- Over the course of the year, the region experienced higher rates of population growth, and growth in GDP compared to 2014, while the growth in business units and employment compared to 2014 was lower.
- There was significant employment growth within the Social Services and Construction sectors, which was a heavy influence on the overall rate of employment growth. While somewhat counteracted by a relatively strong decline in the Retail Trade and Services, and Wholesale and Distribution sectors, employment growth in the Social Services and Construction sectors far outpaced this and any other contractions in the other sectors.
- GDP growth increased slightly in Wellington Region year-on-year, predominantly due to a net increase of approximately \$162 million from the Social Services sector. This was largely due to significant increases in GDP contribution from the Central Government administration, police services and hospital industries.
- The rate of growth in GDP was only slightly higher than the rate of resident population growth, which led to a very small rate of change in GDP per capita growth.
- There were more new businesses and higher employment, but a decline in business size. This suggests that proportionately more of these new businesses were small to medium-sized rather than large employers.

Table 2-3 Key economic performance indicators, 2005-2015

Key Performance Indicators	%pa for 2005 - 2015	
	Wellington Regional Council	New Zealand
Resident population growth	0.8	1.0
GDP growth	1.6	1.9
GDP per capita growth	0.8	0.9
Employment growth	1.0	1.3
Labour productivity growth	0.6	0.6
Business units growth	1.2	1.2
Business size growth	-0.2	0.0

Source: BERL Regional Database, 2015

The 10 years to 2015 saw relatively small changes for the region compared to 2004-2014. Performance across all the indicators improved for the region compared to the previous decade, except for business unit growth, which grew at a slower pace.

The region's performance was below that of the country as a whole across most of the indicators, though it was similar in terms of labour productivity growth and business unit growth. Despite this, the region's performance over the longer term was relatively on par with that of the country; a much stronger result compared to the short term result of the year to 2015.

2.2 Employment

Employment in the Wellington Region grew by 0.3 percent in the short-term, while across New Zealand employment grew at a stronger rate of 2.3 percent. Meanwhile regional employment grew faster over the longer term, at 1.0 percent per annum, though this is still below the New Zealand growth of 1.3 percent per annum. This was largely due to particularly strong growth within the Social Services, and Construction sectors.

Table 2-4 Employment by sector, Wellington Region

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	4,320	4,178	4,315	3,963	3.3	-8.2	-0.9
Manufacturing	17,336	12,958	13,059	13,214	0.8	1.2	-2.7
Construction	14,833	16,600	15,841	17,154	-4.6	8.3	1.5
Wholesale and Distribution	17,118	16,308	16,622	15,939	1.9	-4.1	-0.7
Retail Trade and Services	40,132	39,191	40,373	39,483	3.0	-2.2	-0.2
Business Services	53,508	58,540	60,032	59,536	2.5	-0.8	1.1
Arts and Recreation Services	3,596	4,888	4,841	4,754	-1.0	-1.8	2.8
Social Services	57,507	73,962	74,451	76,194	0.7	2.3	2.9
Wellington Regional Council	208,351	226,626	229,533	230,237	1.3	0.3	1.0
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

Table 2-4 shows that there was growth in FTEs across just three sectors in 2015, the Social Services, Construction, and Manufacturing sectors, the remaining five sectors declined in 2015. Total employment in the region increased by 704 FTEs over the course of the year.

The most notable features about the growth in employment in the region was the very strong increase of 1,743 FTEs in the Social Services sector. This was due to significant movements within three industries within the Social services sector:³

- Police services, which increased by a net 556 FTEs
- Hospitals (except Psychiatric hospitals), which increased by a net 417 FTEs
- Primary Education, which added a net 262 FTEs overall during the course of the year

Given its prominence in terms of size, and as the seat of the majority of Social Services and Business services sector employment in particular, any shifts in employment in Wellington City has a significant impact on the employment levels of the region.

³ Note that the figures for each sector are the net summation of all upwards and downwards movements within each sector. This means that the net figure may be larger or smaller than individual industry movements within a sector depending on the magnitude of the changes.

Figure 2-1 Employment, Wellington Region and NZ, 2005-2015

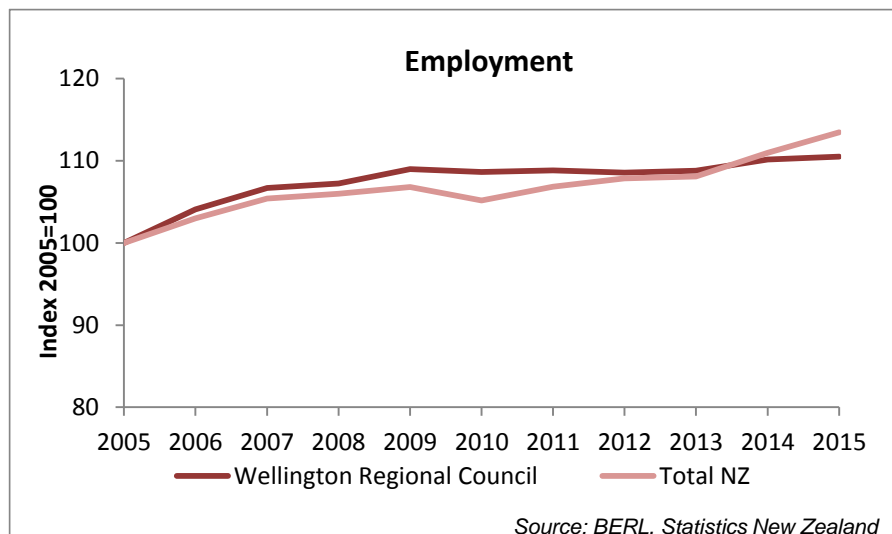


Figure 2-1 illustrates the trend in employment for the Wellington region compared to New Zealand, indexed to 2005.

Employment in the region has been above the national average during this period and has followed a similar trend line in that it has grown as employment has grown nationally and declined when it has dropped.

The exception is the period around 2010, when national employment levels dipped while employment in the Wellington region remained fairly steady.

Figure 2-2 Average number of FTEs employed by a business, 2005-2015

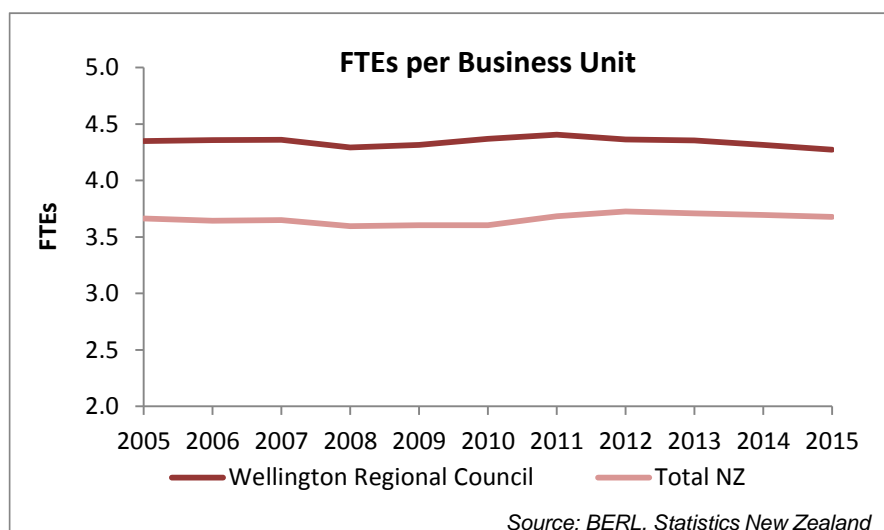


Figure 2-2 shows the average number of FTEs employed by businesses in the Wellington Region and New Zealand between 2005 and 2015. The number of FTEs per business is higher in the Wellington Region than nationally due to the greater number of large employers, particularly in the health, education and government administration sectors, in the region.

Table 2-5 Average number of FTEs employed per business, by sector, Wellington Region & NZ

Sector	Business Size (FTEs per unit)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	1.4	1.7	1.8	1.6	4.4	-8.4	1.4
Manufacturing	9.0	7.5	7.6	7.6	1.4	0.4	-1.6
Construction	2.8	3.1	3.0	3.2	-5.2	6.1	1.2
Wholesale and Distribution	4.8	4.9	5.0	4.7	1.3	-6.4	-0.3
Retail Trade and Services	5.2	4.9	5.0	4.8	2.1	-4.1	-0.8
Business Services	2.5	2.2	2.2	2.2	-1.3	-1.6	-1.3
Arts and Recreation Services	3.0	3.9	3.8	3.8	-1.7	-1.1	2.5
Social Services	16.0	18.6	18.6	18.6	-0.1	-0.1	1.5
Wellington Regional Council	4.3	4.4	4.3	4.3	-0.9	-1.0	-0.2
New Zealand	3.7	3.7	3.7	3.7	-0.3	-0.5	0.0

Source: BERL Regional Database, 2015

The average number of FTEs per business unit in 2015 was 4.3 for the Wellington region compared to 3.7 across New Zealand. This rate of 4.3 FTEs has been steady over the last decade with only marginal changes of approximately 0.1 FTEs each year over the period.

Year-on-year the number of people employed per business declined across the Wellington Region. This was largely due to a decrease in employment in sectors such as Manufacturing and Business Services. In these sectors the number of businesses, the size of the business, and employment dropped.

Table 2-6 Number of businesses across sectors, Wellington Region and NZ

Sector	Business Units (number)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	3,066	2,459	2,432	2,439	-1.1	0.3	-2.3
Manufacturing	1,924	1,726	1,715	1,729	-0.6	0.8	-1.1
Construction	5,281	5,280	5,314	5,422	0.6	2.0	0.3
Wholesale and Distribution	3,554	3,299	3,319	3,399	0.6	2.4	-0.4
Retail Trade and Services	7,680	7,952	8,022	8,182	0.9	2.0	0.6
Business Services	21,575	26,108	27,137	27,358	3.9	0.8	2.4
Arts and Recreation Services	1,214	1,252	1,261	1,252	0.7	-0.7	0.3
Social Services	3,604	3,978	4,008	4,107	0.8	2.5	1.3
Wellington Regional Council	47,898	52,054	53,208	53,888	2.2	1.3	1.2
New Zealand	475,626	507,908	523,043	537,349	3.0	2.7	1.2

Source: BERL Regional Database, 2015

Over the last 10 years there has been growth in the number of businesses across most sectors, with the exceptions of the Primary, Manufacturing, and Wholesale and Distribution sectors.

The Business services sector saw another significant growth in businesses in 2015 (221), despite a decline in business size. This would suggest that proportionately more of these new businesses were small to medium-sized rather than large employers.

Figure 2-3 Business growth, Wellington Region and NZ, 2005-2015

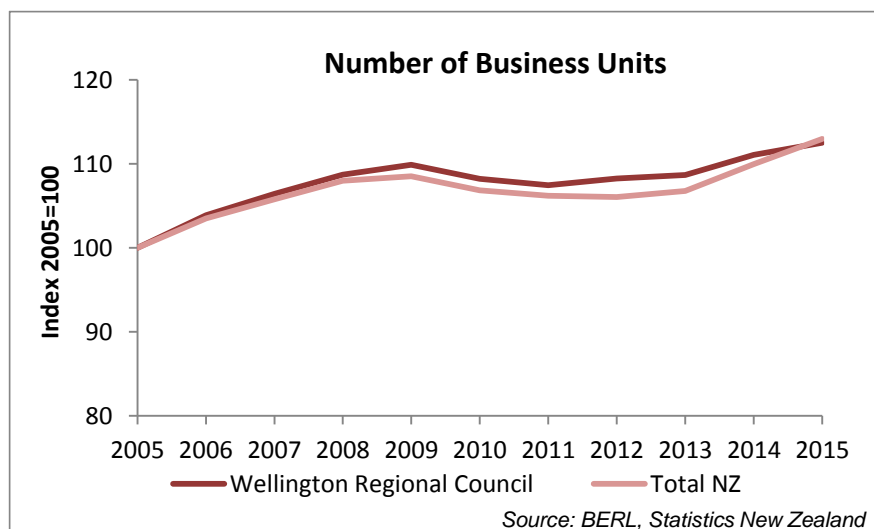


Figure 2-3 shows the level of growth in businesses over the past decade for the Wellington Region and New Zealand, indexed to the year 2005. It illustrates that the pattern of growth witnessed in the Wellington Region in terms of the establishment of businesses was very similar to the national trend between 2005 and 2008, but has subsequently been higher from 2008 onwards.

2.3 GDP growth

GDP in the Wellington Region grew by 1.3 percent in the short-term, while across New Zealand GDP grew at a stronger rate of 3.2 percent. Meanwhile regional employment grew faster over the longer term, at 1.6 percent per annum, though this is still below the New Zealand growth of 1.9 percent per annum. This was largely due to particularly strong growth within the Primary, Social Services, and Construction sectors.

Table 2-7 GDP contribution by sector, Wellington Region

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	607	1,270	1,364	1,444	7.4	5.9	9.1
Manufacturing	2,207	1,650	1,649	1,702	-0.1	3.2	-2.6
Construction	1,206	1,486	1,462	1,555	-1.6	6.3	2.6
Wholesale and Distribution	2,030	2,067	2,081	2,021	0.7	-2.8	0.0
Retail Trade and Services	1,943	2,233	2,263	2,330	1.3	3.0	1.8
Business Services	8,430	9,471	9,535	9,512	0.7	-0.2	1.2
Arts and Recreation Services	423	452	466	466	3.1	-0.1	1.0
Social Services	5,080	6,469	6,627	6,788	2.4	2.4	2.9
<i>Owner-Occupied Dwellings (O.O.D)</i>	2,700	3,068	3,095	3,100	0.9	0.2	1.4
Wellington Regional Council	24,626	28,166	28,541	28,920	1.3	1.3	1.6
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

Table 2-7 shows that there was growth in GDP across all but three sectors in 2015, the Wholesale and Distribution, Business Services, and Arts and Recreation sectors, the remaining five sectors increased in 2015. Total GDP in the region increased by \$378 million over the course of the year.

The most notable features about the growth in GDP in the region was the very strong increase of \$162 million in the Social Services sector. This was due to significant movements within three industries within the Social services sector:⁴

- Hospitals (except Psychiatric hospitals), which increased by a net \$54 million in GDP
- Police services, which increased by a net \$48 million in GDP
- Central Government Administration, which added a net \$30 million in GDP during the course of the year

Given its prominence in terms of size, and as the seat of the majority of Social Services and Business services sector employment in particular, any shifts in employment in Wellington City has a significant impact on the employment and GDP levels of the region.

Figure 2-4 GDP, Wellington Region and NZ, 2005-2015

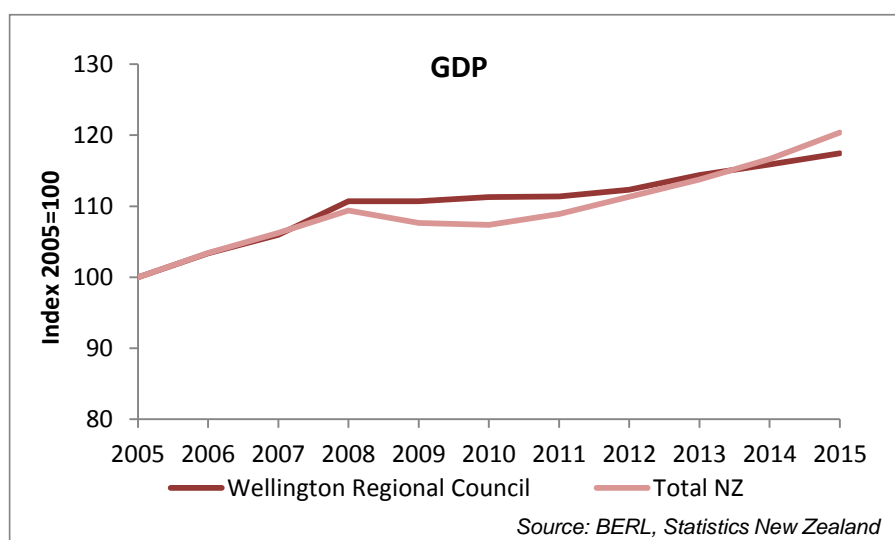


Figure 2-4 illustrates the trend in GDP for the Wellington region compared to New Zealand, indexed to 2005.

GDP in the region has been above the national average during this period and has followed a similar trend line in that it has grown as GDP has grown nationally and declined when it has dropped.

The exception is the period around 2010, when national GDP levels dipped while GDP growth in the Wellington region remained fairly steady. Since this decline, the GDP growth at a national level has been faster than that seen in the Wellington region.

⁴ Note that the figures for each sector are the net summation of all upwards and downwards movements within each sector. This means that the net figure may be larger or smaller than individual industry movements within a sector depending on the magnitude of the changes.

3 Wellington City

Snapshot

In 2015:

- The resident population in Wellington City was 197,087. Approximately 41 percent of the region's population live in Wellington City.
- Wellington City employed 138,653 FTEs in 2015, which accounted for 60 percent of total employment in the region. The average number of FTEs per business was 5.3. The Social Services sector was the largest employer, employing approximately 36 percent of all FTEs in Wellington City.
- Approximately \$16.9 billion of GDP was generated by Wellington City, across 26,179 businesses. Just under half of this GDP was generated by the Business Services sector, which also accounted for the majority of businesses in Wellington City, at just over 60 percent.

Table 3-1 A sector snapshot of Wellington City, 2015

Sectors (2015)	FTEs		GDP (2015\$m)		Business units	
		%		%		%
Primary	387	0.3%	1,028	6.1%	197	0.8%
Manufacturing	4,115	3.0%	523	3.1%	518	2.0%
Construction	5,293	3.8%	480	2.8%	1,689	6.5%
Wholesale and Distribution	8,604	6.2%	1,095	6.5%	1,464	5.6%
Retail Trade and Services	20,467	14.8%	1,182	7.0%	3,768	14.4%
Business Services	47,351	34.2%	7,760	46.0%	15,777	60.3%
Arts and Recreation Services	3,209	2.3%	327	1.9%	687	2.6%
Social Services	49,227	35.5%	4,481	26.6%	2,079	7.9%
Sub-total (excluding O.O.D.)	138,653	100.0%	16,876	100.0%	26,179	100.0%
<i>Owner-Occupied Dwellings (O.O.D)*</i>			1,270			
Total	138,653		18,146		26,179	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

3.1 Key economic performance indicators

Table 3-2 Key economic performance indicators, 2015

Key Performance Indicators	%pa for 2015 year		
	Wellington City	Wellington Regional Council	New Zealand
Resident population growth	1.9	1.1	1.9
GDP growth	1.7	1.3	3.2
GDP per capita growth	-0.2	0.2	1.2
Employment growth	0.7	0.3	2.3
Labour productivity growth	1.0	1.2	1.2
Business units growth	1.1	1.3	2.7
Business size growth	-0.4	-1.0	-0.5

Source: BERL Regional Database, 2015

Overall, the economy of Wellington City performed stronger than that of the region across most of the indicators in 2015; although there were some large gaps compared to the national performance, particularly in terms of GDP and employment growth.

Year-on-year there was a decline in the GDP generated by sectors such as Telecommunication Services, Electricity Supply, and Machinery and Equipment Wholesaling in Wellington City. Overall, GDP grew by 1.7 percent; however, this was lower than the national average growth of 3.2 percent, due to a decline in large sectors such as those listed.

Over the last five years, employment and GDP in Wellington City has fluctuated and this has led to an overall poor performance of these indicators compared to the national average. However, over the last 10 years the economy of Wellington City has performed better than the regional and national average, as shown by the seven key economic performance indicators in Table 3-3.

The number of FTEs per business has remained fairly stable, despite the size of businesses declining slightly year on year. Overall, approximately 5.3 FTEs are employed per business in Wellington City which is higher than the national average of approximately 3.7 FTEs per business.

The resident population of Wellington City grew year-on-year, and was the same as the national average of 1.9 percent per annum growth. Over the last 10 years, the resident population growth of the City has also remained fairly similar to the national average, at one percent per annum.

Table 3-3 Key economic performance indicators, 2005 - 2015

Key Performance Indicators	%pa for 2005 - 2015		
	Wellington City	Wellington Regional Council	New Zealand
Resident population growth	1.1	0.8	1.0
GDP growth	2.4	1.6	1.9
GDP per capita growth	1.3	0.8	0.9
Employment growth	1.5	1.0	1.3
Labour productivity growth	0.9	0.6	0.6
Business units growth	1.3	1.2	1.2
Business size growth	0.2	-0.2	0.0

Source: BERL Regional Database, 2015

3.2 Employment

Employment in Wellington City grew by 0.7 percent between 2014 and 2015, which was higher than the regional average of 0.3 percent but below the national average of 2.3 percent employment growth.

Over the last 10 years, employment in Wellington City has grown at a higher rate per annum than the national average, and has driven overall employment growth in the region. This strong employment growth has been largely due to job creation in the Social Services and Business Services sectors, which are the two largest areas of employment in the City. This job growth has also been assisted by growth in smaller areas of employment such as the Arts and Recreation Services sector.

Table 3-4 Employment by sector, Wellington City

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	264	389	530	387	36.4	-27.0	3.9
Manufacturing	5,253	3,980	3,973	4,115	-0.2	3.6	-2.4
Construction	4,988	5,692	5,067	5,293	-11.0	4.5	0.6
Wholesale and Distribution	9,030	8,671	8,937	8,604	3.1	-3.7	-0.5
Retail Trade and Services	20,945	20,399	20,869	20,467	2.3	-1.9	-0.2
Business Services	40,444	45,777	47,414	47,351	3.6	-0.1	1.6
Arts and Recreation Services	2,112	3,277	3,257	3,209	-0.6	-1.5	4.3
Social Services	36,378	46,808	47,607	49,227	1.7	3.4	3.1
Wellington City	119,415	134,990	137,653	138,653	2.0	0.7	1.5
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

The Business Services and Social Services sectors continue to be the largest areas of employment in Wellington City, and have the fastest growing areas of employment. For example, 20,590 FTEs were employed in the Public Administration sector in Wellington City in 2015, which is approximately 15 percent of all employment. People who are employed in the Public Administration sector work for Central or Local Government.

Year-on-year employment in the Social Services sector grew by 3.4 percent while over the last 10 years, employment in this sector has grown by an average of 3.1 percent per annum. This rate of growth is higher than the overall average for employment growth in Wellington City and New Zealand during these periods.

Approximately three percent of people employed in Wellington City are employed in the Tertiary Education sector while another three percent are employed in the Hospitals sector, both of these sectors are part of the Social Services sector.

Year-on-year, employment in Wellington City was relatively stable with employment growth of only 0.7 percent. Employment in the Construction, Manufacturing and Social Services sectors grew, but this growth was balanced out by a decline in employment within the Wholesale Trade and Distribution, Retail Trade and Services, Business Services, Arts and Recreation Services, and Primary sectors.

After significant employment growth in the Business Services sector over the last 10 years, employment in this sector has stabilised. Wellington City continues to employ a large number of people in banking and finance, IT services, and professional and technical services such as engineering. However, small changes within a number of sectors can impact on overall employment within Business Services. For example, between 2014 and 2015 there was a decline in employment in the Telecommunication Services and Insurance and Finance sectors, along with the Administrative Services sector. The Administrative Services sector includes call centres, travel agents and people engaged in building cleaning and maintenance.

3.3 GDP growth

The largest areas of employment in the City were also amongst the largest contributors to GDP. The Business Services sector (second largest in terms of employment) was the largest contributor to GDP with \$7.7 billion in 2015. This figure has grown by an average of 1.8 percent per annum over the 10 years to 2015, from approximately \$6.5 billion in 2005 (in \$2015), to \$7.7 billion in 2015. The latest year saw no change in the contribution of this sector to GDP in Wellington City, this was due to a contraction in GDP from sectors such as Telecommunication Services, Finance and Insurance Services and Administrative Services.

Table 3-5 GDP contribution by sector, Wellington City

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	160	844	946	1,028	12.1	8.7	20.4
Manufacturing	623	504	502	523	-0.4	4.1	-1.7
Construction	405	510	468	480	-8.2	2.6	1.7
Wholesale and Distribution	1,073	1,107	1,123	1,095	1.5	-2.6	0.2
Retail Trade and Services	1,026	1,136	1,146	1,182	0.9	3.1	1.4
Business Services	6,483	7,610	7,759	7,760	2.0	0.0	1.8
Arts and Recreation Services	252	313	324	327	3.3	1.0	2.6
Social Services	3,230	4,183	4,320	4,481	3.3	3.7	3.3
<i>Owner-Occupied Dwellings (O.O.D)</i>	1,072	1,243	1,254	1,270	0.9	1.3	1.7
Wellington City	14,326	17,450	17,843	18,146	2.3	1.7	2.4
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

Social Services remained the second largest contributor to the City's GDP, growing strongly at 3.7 percent or an increase of approximately \$161 million over the year. Over the last 10 years, GDP generated by this sector has grown by approximately 3.3 percent per annum, which is above the overall average of the City (2.4 percent per annum) and the national average of 1.9 percent per annum. Strong growth in the education and health sectors has assisted this growth in GDP from the Social Services sector.

GDP and employment in the Construction sector has fluctuated in Wellington City. Between 2013 and 2014, employment in the Construction sector declined by approximately 11 percent in Wellington City, while GDP from this sector declined by approximately 8.2 percent. However, in the latest year employment and GDP were both up in the Construction sector. This helped the 10 year average and resulted in employment growth of approximately 0.6 percent per annum between 2005 and 2015, while GDP averaged 1.7 percent per annum growth.

Retail Trade and Wholesale and Distribution both contributed just over \$1 billion to GDP in 2015 in Wellington City. The GDP generated by the Retail Trade and Services sector has grown by approximately 1.4 percent per annum between 2005 and 2015, from approximately \$1 billion in 2005 to \$1.2 billion in 2015. The Wholesale and Distribution sector in contrast has remained reasonably stable during this period, and the GDP generated by this sector has only grown by 0.2 percent per annum.

Within the Wholesale and Distribution sector, the GDP generated by industries such as Postal and Courier Pick-up and Delivery Services and Machinery and Equipment Wholesaling has declined over the last 10 years, while that generated by Air and Water Transport, and by Grocery, Liquor and Tobacco Product Wholesaling has grown.

4 Lower Hutt City

Snapshot

In 2015:

- Approximately 21 percent of the Wellington Region lived in Lower Hutt City. The resident population of the City grew slightly between 2014 and 2015, by 0.3 percent, to sit at 99,030 residents.
- Approximately 40,190 FTEs were employed in Lower Hutt City. One in four FTEs worked in the Social Services sector in Lower Hutt City. Education is the largest area of employment within the Social Services sector.
- Around \$4.1 billion of GDP was generated across 9,865 businesses. The Business services sector contributed the largest amount to GDP (25 percent) and also had the largest number of businesses in Lower Hutt City.

Table 4-1 A sector snapshot of Lower Hutt City, 2015

Sectors (2015)	FTEs	%	GDP (2015\$m)	%	Business units	%
Primary	81	0.2%	14	0.3%	49	0.5%
Manufacturing	4,821	12.0%	618	15.2%	486	4.9%
Construction	5,240	13.0%	475	11.7%	1,281	13.0%
Wholesale and Distribution	4,411	11.0%	557	13.7%	935	9.5%
Retail Trade and Services	7,586	18.9%	456	11.2%	1,686	17.1%
Business Services	7,084	17.6%	1,001	24.6%	4,552	46.1%
Arts and Recreation Services	738	1.8%	58	1.4%	172	1.7%
Social Services	10,225	25.4%	892	21.9%	704	7.1%
Sub-total (excluding O.O.D.)	40,187	100.0%	4,072	100.0%	9,865	100.0%
<i>Owner-Occupied Dwellings (O.O.D.)*</i>			638			
Total	40,187		4,710		9,865	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

4.1 Key economic performance indicators

The economy of Lower Hutt City performed poorly in 2015, with small increases in employment and the resident population of Lower Hutt City. GDP grew by 1.1 percent year-on-year, which was below the regional and national average, but an improvement on the year ending March 2014.

The number of new businesses grew by one percent between 2014 and 2015, while the number of FTEs employed per business remained stable at 4.1 FTEs per business unit. This is lower than the regional average of 4.3 FTEs per business unit but higher than the national average of 3.7 FTEs per business unit.

Table 4-2 Key economic performance indicators, 2015

Key Performance Indicators	%pa for 2015 year		
	Lower Hutt City	Wellington Regional Council	New Zealand
Resident population growth	0.3	1.1	1.9
GDP growth	1.1	1.3	3.2
GDP per capita growth	0.8	0.2	1.2
Employment growth	0.1	0.3	2.3
Labour productivity growth	1.4	1.2	1.2
Business units growth	1.0	1.3	2.7
Business size growth	-1.0	-1.0	-0.5

Source: BERL Regional Database, 2015

Employment in Lower Hutt City remained fairly stable between 2014 and 2015; a trend that can also be observed over the last 10 years. Between 2013 and 2015, employment in Lower Hutt City has ranged between 40,160 and 40,620 FTEs. This is a decline from the peak of 43,040 FTEs employed in the City in 2009, but is similar to the number of FTEs employed in 2005 (40,560).

The largest area of employment in Lower Hutt City is the Social Services sector due to the presence of Hutt Hospital and tertiary education providers such as The Open Polytechnic of New Zealand and Weltec. Primary and secondary education are also large areas of employment in Lower Hutt City.

In 2015, approximately 10,225 FTEs were employed in the Social Services Sector, and this sector has grown by approximately 2.1 percent per annum between 2005 and 2015, from 8,300 FTEs in 2005 to 10,225 FTEs in 2015. This sector employs approximately 25 percent of all people in Lower Hutt City and generated almost 22 percent of the GDP of the City economy.

The Business Services sector generated the most GDP in 2015, at just over \$1 billion and employed approximately 7,080 FTEs. Employment in the Business Services sector has declined over the last two years, leading to an overall decline in employment in this sector over the last 10 years, of 0.5 percent per annum. Employment in this sector peaked in 2010 when approximately 8,500 FTEs were employed in the Business Services sector in Lower Hutt City, of this number 2,670 FTEs were employed in the Professional, Scientific and Technical Services sector.

Table 4-3 Key economic performance indicators, 2005 - 2015

Key Performance Indicators	%pa for 2005 - 2015		
	Lower Hutt City	Wellington Regional Council	New Zealand
Resident population growth	0.1	0.8	1.0
GDP growth	0.0	1.6	1.9
GDP per capita growth	-0.2	0.8	0.9
Employment growth	-0.1	1.0	1.3
Labour productivity growth	0.0	0.6	0.6
Business units growth	1.0	1.2	1.2
Business size growth	-1.1	-0.2	0.0

Source: BERL Regional Database, 2015

Table 4-3 shows that the economic performance of Lower Hutt City over the last 10 years has been relatively flat. There was practically no growth in GDP on an average per annum basis over the period and only a small decline in employment growth. Together this resulted in labour productivity being unchanged. Only business unit growth was at a comparable level to the region and nation.

Overall, employment and the resident population of Lower Hutt City has remained stable over last 10 to 15 years. The resident population has been between 95,000 and 99,000 during this period, and has not quite managed to hit the 100,000 residents mark yet. The economy generated approximately \$4,710 million in GDP in 2015, in 2010 approximately \$4,790 million was generated, while in 2005 \$4,715 million was generated (in \$2015m). Employment similarly has sat around the 40,000 to 43,000 FTE mark over the last 10 years. Employment hit a high in 2009 at approximately 43,040 FTEs employed in Lower Hutt City but has declined since; however, this was after growing from 40,570 FTEs in 2005 to this point.

4.2 Employment

Table 4-4 Employment by sector, Lower Hutt City

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	187	84	80	81	-4.4	1.2	-8.0
Manufacturing	6,892	4,765	4,837	4,821	1.5	-0.3	-3.5
Construction	4,772	5,053	4,705	5,240	-6.9	11.4	0.9
Wholesale and Distribution	5,132	4,644	4,692	4,411	1.0	-6.0	-1.5
Retail Trade and Services	7,198	7,326	7,715	7,586	5.3	-1.7	0.5
Business Services	7,484	7,771	7,476	7,084	-3.8	-5.2	-0.5
Arts and Recreation Services	601	781	717	738	-8.2	3.0	2.1
Social Services	8,301	10,194	9,942	10,225	-2.5	2.8	2.1
Lower Hutt City	40,566	40,619	40,163	40,187	-1.1	0.1	-0.1
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

Employment in Lower Hutt City reflects the changes that have occurred in the labour market over the last 10 years. For example, sectors such as Retail Trade and Services, Arts and Recreation Services and Social Services

have grown as areas of employment while the Manufacturing and Wholesale and Distribution sectors have declined.

Within the Manufacturing sector, employment in Food Product Manufacturing has decreased by eight percent per annum over the last 10 years. This means that the number of people employed in Food Product Manufacturing in Lower Hutt City in 2015 is now half of what it was in 2005. In addition, employment within Basic Chemical and Chemical Product Manufacturing and Furniture Manufacturing have declined by 14 and 11 percent per annum respectively.

Lower Hutt City has moved from being a manufacturing and distribution hub to an area that provides health services and tertiary education, and shopping and cultural experiences. This change also reflects the location of Lower Hutt City to Wellington City, and people commuting between the Cities for work and leisure activities.

The Construction sector has grown, as the demand for housing has increased in Lower Hutt City. In addition, some construction firms are based in Lower Hutt City and provide services throughout the Region. In 2015, Construction Services employed approximately 3,240 FTEs or 8.1 percent of all people employed in Lower Hutt City. Heavy and Civil Engineering Construction was also a large area of employment with 1,200 FTEs or three percent of all employment.

4.3 GDP growth

The largest contributors to GDP in Lower Hutt City are the Business Services, Social Services and Manufacturing sectors. Overall, GDP grew by 1.1 percent between 2014 and 2015 to sit at approximately \$4.7 billion. However, over the last 10 years GDP has remained relatively unchanged.

The fortunes of the Business Services, Social Services and Construction sectors has the greatest impact on GDP and employment in Lower Hutt City; however, as shown in the table below by the increase in GDP from the Primary sector, a large movement off a small base can indicate important growth in a smaller sector. It should be noted that the Primary sector activity that occurs in Lower Hutt City is quarrying.

Table 4-5 GDP contribution by sector, Lower Hutt City

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	25	11	13	14	17.2	9.1	-5.7
Manufacturing	893	601	602	618	0.2	2.7	-3.6
Construction	388	452	434	475	-4.0	9.4	2.0
Wholesale and Distribution	607	583	584	557	0.2	-4.7	-0.9
Retail Trade and Services	347	426	440	456	3.5	3.6	2.8
Business Services	1,057	1,090	1,013	1,001	-7.1	-1.1	-0.5
Arts and Recreation Services	73	61	58	58	-4.9	1.0	-2.1
Social Services	732	872	869	892	-0.4	2.7	2.0
<i>Owner-Occupied Dwellings (O.O.D)</i>	593	639	645	638	0.9	-1.1	0.7
Lower Hutt City	4,715	4,735	4,658	4,710	-1.6	1.1	0.0
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

In the latest year, the GDP contribution of the Social Services and Construction sectors increased by 2.7 and 9.4 percent respectively. This growth in activity led to the overall increase in GDP of 1.1 percent. Over the last 10 years, these two sectors have also increased their contributions to GDP in Lower Hutt City by two percent per annum respectively.

Over the last 10 years, the GDP contribution of the Manufacturing sector has declined with an associated decline in activity (output) and employment. The number of manufacturing businesses located in Lower Hutt City has also declined over the last 10 years, from approximately 570 to 486. This decline has been largest in areas such as Beverage and Tobacco Product Manufacturing, and Non-Metallic Mineral Product Manufacturing (which includes bricks, glass, concrete and cement). The GDP contribution of the Non-Metallic Mineral Product Manufacturing sector has therefore declined by 5.7 percent per annum over this period.

5 Upper Hutt City

Snapshot

In 2015:

- Approximately 40,870 people lived in Upper Hutt City. Upper Hutt therefore accounts for 8.5 percent of the total population in the Wellington Region.
- There were 10,240 FTEs employed in the City, with the largest area of employment continuing to be in the Social Services sector. This sector includes employment in health, education, the Defence Forces, and prisons.
- Approximately \$1,004 million in GDP was generated in the year to March, across 2,990 businesses. The majority of this GDP was generated by the Social Services sector, at \$388 million or just under 40 percent of the total. In addition, the average number of FTEs employed per business was 3.4.

Table 5-1 A sector snapshot of Upper Hutt City, 2015

Sectors (2015)	FTEs		GDP (2015\$m)		Business units	
		%		%		%
Primary	39	0.4%	9	0.9%	105	3.5%
Manufacturing	953	9.3%	141	14.0%	165	5.5%
Construction	1,022	10.0%	93	9.2%	492	16.5%
Wholesale and Distribution	720	7.0%	91	9.0%	242	8.1%
Retail Trade and Services	1,893	18.5%	114	11.4%	452	15.1%
Business Services	766	7.5%	148	14.8%	1,207	40.4%
Arts and Recreation Services	219	2.1%	20	2.0%	73	2.4%
Social Services	4,631	45.2%	388	38.6%	253	8.5%
Sub-total (excluding O.O.D.)	10,244	100.0%	1,004	100.0%	2,989	100.0%
<i>Owner-Occupied Dwellings (O.O.D)*</i>			263			
Total	10,244		1,268		2,989	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

5.1 Key economic performance indicators

Table 5-2 Key economic performance indicators, 2015

Key Performance Indicators	%pa for 2015 year		
	Upper Hutt City	Wellington Regional Council	New Zealand
Resident population growth	0.5	1.1	1.9
GDP growth	-0.3	1.3	3.2
GDP per capita growth	-0.8	0.2	1.2
Employment growth	-1.9	0.3	2.3
Labour productivity growth	1.6	1.2	1.2
Business units growth	2.3	1.3	2.7
Business size growth	-4.1	-1.0	-0.5

Source: BERL Regional Database, 2015

The number of people living in Upper Hutt City grew by 0.5 percent year-on-year. This is a small but steady increase, and indicates that the City continues to be an attractive place to live. Since 2012, the resident population of Upper Hutt City has sat above 40,000.

However, while the resident population continues to steadily grow the number of employment opportunities in the City has not kept up. Employment declined by 1.9 percent in the year to March 2015. Approximately 10,240 FTEs were employed in Upper Hutt City, a decline from 10,445 FTEs in 2014. This overall decline of 200 FTEs was across a broad range of sectors, including Public Order, Safety and Regulatory Services, Social Assistance Services, Public Administration, Finance, Administrative Services, Food Retailing, Store-Based Retailing, and Grocery, Liquor, and Tobacco Product Wholesaling. The largest decline in employment was in Grocery, Liquor, and Tobacco Product Wholesaling, and business numbers indicate that this decline may have been due to restructuring rather than a business closing in the City.

Changes in employment are reflected in the decline in GDP; for example, a decline in employment in the Grocery, Liquor, and Tobacco Product Wholesaling sector led to an associated decrease in the GDP generated by this sector, which has impacted on the overall rate of GDP change. However, some sectors experienced a decline in output rather than a decline in employment. For example, there was a small increase in the number of Construction businesses based in Upper Hutt City but the GDP associated with these businesses remained the same while employment grew.

The number of businesses operating in Upper Hutt City has grown in the year to March 2015, despite the size of these businesses declining. This is a trend that has been occurring over the last 10 years, as shown in Table 5-3. The largest change in business numbers in the latest year was in the Social Services sector, with an additional 23 businesses operating in Upper Hutt City in this sector. Over the last 10 years, however, the growth in businesses has been in the Business Services sector. Many people within this sector are self-employed, which also impacts on the size of businesses in the City.

Overall, the performance of Upper Hutt City over the last 10 years has been below the regional and national average across all of the indicators that we monitor. However, within each of the indicators the fortunes of individual sectors have varied, and there continues to be employment and GDP growth despite an overall decline in the local economy.

Table 5-3 Key economic performance indicators, 2005 - 2015

Key Performance Indicators	%pa for 2005 - 2015		
	Upper Hutt City	Wellington Regional Council	New Zealand
Resident population growth	0.7	0.8	1.0
GDP growth	-0.4	1.6	1.9
GDP per capita growth	-1.2	0.8	0.9
Employment growth	-0.3	1.0	1.3
Labour productivity growth	-0.6	0.6	0.6
Business units growth	1.1	1.2	1.2
Business size growth	-1.3	-0.2	0.0

Source: BERL Regional Database, 2015

As discussed above, the resident population of Upper Hutt City has steadily grown over the last 10 years despite employment not keeping pace.

This growth indicates that Upper Hutt continues to be an attractive place to live, and residents are potentially commuting to employment in the surrounding areas of Wellington, Lower Hutt, Porirua, and the Wairarapa.

Employment opportunities in Upper Hutt City have declined over the last 10 years; however, some sectors have experienced growth. For example, employment in Defence in Upper Hutt City has grown by six percent per annum between 2005 and 2015 and approximately 1,610 FTEs are now employed in the Defence Forces. Employment within the Public Order, Safety and Regulatory Services sector, which includes prisons, has also grown by just over five percent per annum over the last 10 years. Approximately 805 FTEs were employed in this sector in 2015, up from approximately 480 FTEs in 2005.

The GDP associated with these two sectors has also grown strongly over the last 10 years. For example, the GDP generated by the Defence sector in Upper Hutt City has grown by almost seven percent per annum, from an estimated \$68 million in 2005 to \$132 million in 2015, in 2015\$ million. This is during a period where the GDP generated by Building Construction has grown by just under five percent per annum, from a contribution of an estimated \$16 million in GDP to \$25 million.

5.2 Employment

The Social Services sector continues to be the largest area of employment in Upper Hutt City, employing approximately 4,630 FTEs in 2015. Approximately 45 percent of all people employed in Upper Hutt work in this sector. This dominance has increased over the last 10 years, with the sector growing by approximately 3.2 percent per annum, from 3,380 FTEs in 2005 to 4,630 FTEs.

Table 5-4 Employment by sector, Upper Hutt City

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	87	68	63	39	-7.0	-38.3	-7.7
Manufacturing	1,477	999	921	953	-7.8	3.5	-4.3
Construction	1,001	948	1,003	1,022	5.8	1.9	0.2
Wholesale and Distribution	956	783	776	720	-0.8	-7.2	-2.8
Retail Trade and Services	2,094	1,959	2,044	1,893	4.3	-7.4	-1.0
Business Services	1,106	792	766	766	-3.3	0.0	-3.6
Arts and Recreation Services	423	222	226	219	1.5	-2.8	-6.4
Social Services	3,381	4,884	4,646	4,631	-4.9	-0.3	3.2
Upper Hutt City	10,526	10,655	10,445	10,244	-2.0	-1.9	-0.3
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

The Retail Trade and Services sector continues to be a large area of employment in Upper Hutt City, with the businesses in this sector providing goods and services to local residents and people in the surrounding areas. The fortunes of the Retail Trade and Services sector has fluctuated over the last 10 years, leading to an overall decline in business numbers and employment. In the latest year employment in this sector declined by 7.4 percent, from approximately 2,040 FTEs to 1,890 FTEs. Small declines in employment in each of the sectors within Retail Trade and Services led to this overall drop in employment.

The Construction sector is an important area of employment in Upper Hutt. However, similar to building construction regionally and nationally, employment opportunities within this sector have fluctuated over the last 10 years. These peaks and troughs are tied to the fortunes of non-residential and residential construction, with an increase in business investment leading to an increased demand for non-residential construction, or changes in lending criteria leading to an increase or decrease in residential housing consents.

5.3 GDP growth

A decline in business numbers and employment has impacted on GDP in the latest year and over the last 10 years. In the year ending March 2015, GDP declined by 0.3 percent in Upper Hutt City. This decline was due to a decline in the Primary sector, with changes in employment in forestry and logging, the Wholesale and Distribution sector, and the Retail Trade and Services sector. There were also small changes in the Social Services sector.

Over the last 10 years, sectors such as Construction, Retail Trade and Services, and Social Services have increased their contribution to GDP.

Table 5-5 GDP contribution by sector, Upper Hutt City

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	12	16	12	9	-21.1	-24.8	-2.4
Manufacturing	243	146	133	141	-8.5	5.5	-5.3
Construction	81	85	93	93	9.1	0.1	1.3
Wholesale and Distribution	112	97	96	91	-1.3	-5.8	-2.1
Retail Trade and Services	99	114	117	114	2.8	-2.4	1.4
Business Services	221	163	148	148	-9.3	0.5	-3.9
Arts and Recreation Services	43	19	20	20	4.8	0.6	-7.3
Social Services	283	406	389	388	-4.2	-0.1	3.2
<i>Owner-Occupied Dwellings (O.O.D)</i>	230	262	264	263	0.9	-0.2	1.3
Upper Hutt City	1,326	1,307	1,272	1,268	-2.7	-0.3	-0.4
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

Employment in the Construction sector has fluctuated over this period, but on average 1,000 FTEs have been employed in this sector. The largest area of employment is the Construction Services sector, which includes the construction and establishment of subdivisions, including site preparation services, and the associated building services such as painting, plumbing, electrical, bricklaying, roofing, and plastering. The GDP generated by this sector has remained relatively steady over the last 10 years, at approximately \$55 million. In contrast the GDP generated by the Building Construction sector has grown from an estimated \$16 million in 2005 to \$25 million in 2015.

The number of businesses operating in the Business Services sector has grown markedly over the last 10 years. In 2005, approximately 870 businesses were operating in this sector in Upper Hutt City. By 2015, this number had grown to 1,210. The biggest changes have been in areas where people can established themselves as self-employed consultants, such as IT or engineering consultancy services. The GDP associated with these businesses has therefore fluctuated as people have been able to secure employment, or decreased the number of hours they have been working. This has led to an overall decrease in the GDP generated by this sector over the last 10 years.

6 Porirua City

Snapshot

In 2015:

- The resident population of Porirua City was 52,500 people. This means approximately 11 percent of the Wellington Region live in Porirua City.
- Approximately 14,030 FTEs were employed in Porirua City, with an average of 3.4 FTEs employed per business. The majority of employment continues to be in the Social Services sector, particularly health and education.
- The GDP contribution of Porirua City was an estimated \$1.29 billion. This GDP was generated across 4,110 businesses. The majority of businesses were in the Business Services sector, with close to 45 percent of all businesses.

Table 6-1 A sector snapshot of Porirua City, 2015

Sectors (2015)	FTEs	%	GDP (2015\$m)	%	Business units	%
Primary	70	0.5%	7	0.6%	89	2.2%
Manufacturing	889	6.3%	128	10.0%	151	3.7%
Construction	2,452	17.5%	222	17.2%	651	15.8%
Wholesale and Distribution	794	5.7%	100	7.8%	272	6.6%
Retail Trade and Services	3,105	22.1%	191	14.8%	666	16.2%
Business Services	1,394	9.9%	188	14.6%	1,806	43.9%
Arts and Recreation Services	205	1.5%	21	1.6%	102	2.5%
Social Services	5,117	36.5%	432	33.5%	373	9.1%
Sub-total (excluding O.O.D.)	14,027	100.0%	1,291	100.0%	4,110	100.0%
<i>Owner-Occupied Dwellings (O.O.D.)*</i>			338			
Total	14,027		1,629		4,110	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

6.1 Key economic performance indicators

Table 6-2 Key economic performance indicators, 2015

Key Performance Indicators	%pa for 2015 year		
	Porirua City	Wellington Regional Council	New Zealand
Resident population growth	0.8	1.1	1.9
GDP growth	-1.8	1.3	3.2
GDP per capita growth	-2.6	0.2	1.2
Employment growth	-2.7	0.3	2.3
Labour productivity growth	0.6	1.2	1.2
Business units growth	1.9	1.3	2.7
Business size growth	-4.6	-1.0	-0.5

Source: BERL Regional Database, 2015

The resident population of Porirua City grew by 0.8 percent between 2014 and 2015. This is similar to the regional average of resident population growth, but well below the New Zealand average of 1.9 percent growth in population. The resident population of Porirua City has been steadily growing for the last 10 years. For example, between 2005 and 2015, the resident population of Porirua City grew from approximately 48,350 people to 52,500 people. Over the longer term resident population growth in Porirua City has been the same as the regional average, also 0.8 percent per annum.

Employment and GDP declined year-on-year in Porirua City, this was due to declines in the Business Services, Arts and Recreation Services, Wholesale and Distribution, and Social Services sector. The largest decline in employment was in the Social Services sector, with an overall decline of 370 FTEs. Employment declined in each of the sectors within Social Services with the largest decrease in Hospitals and Medical and Other Health Services. This sector also led the decline in GDP. When a large sector such as Social Services has a change in fortune this can often have a larger overall impact on the local economy, as opposed to small changes by smaller sectors.

Despite these declines, the GDP contributions of the Manufacturing, Construction and Retail Trade and Services sectors grew. The number of businesses operating in the Manufacturing sector also increased year-on-year in Porirua City along with businesses in Retail Trade and Services.

Over the longer term, employment in Porirua City has grown by an average of 1.1 percent per annum. In 2005, approximately 12,515 FTEs were employed in Porirua City, and this number has now grown to approximately 14,030 FTEs. The largest growth during this 10 year period has been in the Construction sector, which has grown from approximately 1,200 FTEs in 2005 to 2,450 FTEs in 2015. Over this same period the GDP generated by this sector has grown from \$97 million to \$222 million in 2015.

Table 6-3 Key economic performance indicators, 2005 - 2015

Key Performance Indicators	%pa for 2005 - 2015		
	Porirua City	Wellington Regional Council	New Zealand
Resident population growth	0.8	0.8	1.0
GDP growth	1.3	1.6	1.9
GDP per capita growth	0.5	0.8	0.9
Employment growth	1.1	1.0	1.3
Labour productivity growth	0.2	0.6	0.6
Business units growth	1.8	1.2	1.2
Business size growth	-0.6	-0.2	0.0

Source: BERL Regional Database, 2015

The number of businesses operating in Porirua City has grown from 3,440 in 2005 to 4,110 in 2015, with the average size of these businesses decreasing slightly from 3.6 FTEs per business to 3.4 FTEs per business. The New Zealand average is 3.7 FTEs per business.

The average size of businesses in Porirua City was 3.4 FTEs per business in 2015, a slight decline from 2013 and 2014 and just below the 10-year average of 3.6 FTEs per business. There were approximately 4,110 businesses operating in Porirua City in 2015. An increase of approximately 671 businesses over the last 10 years.

6.2 Employment

Construction continues to be a large area of employment in Porirua City. In 2015, approximately 1,300 FTEs or just over nine percent of all people in employment were employed in the Construction Services sector, while another six percent or 840 FTEs were employed in Heavy and Civil Engineering Construction. Approximately four percent of all people employed in Porirua City were employed in the Professional, Scientific and Technical Services sector, which is also a sector that supports the building construction industry through architectural services, surveying, engineering design and consulting, as well as areas such as legal services, accounting, and veterinary services.

Table 6-4 Employment by sector, Porirua City

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	79	86	63	70	-27.1	12.2	-1.2
Manufacturing	1,017	856	891	889	4.2	-0.2	-1.3
Construction	1,198	2,277	2,320	2,452	1.9	5.7	7.4
Wholesale and Distribution	701	871	862	794	-1.0	-7.9	1.3
Retail Trade and Services	3,558	3,041	3,075	3,105	1.1	1.0	-1.4
Business Services	1,589	1,472	1,491	1,394	1.3	-6.5	-1.3
Arts and Recreation Services	149	230	229	205	-0.6	-10.4	3.2
Social Services	4,223	5,432	5,492	5,117	1.1	-6.8	1.9
Porirua City	12,515	14,264	14,423	14,027	1.1	-2.7	1.1
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

The number of people employed in Retail Trade and Services has declined in Porirua over the last 10 years, but this sector continues to be a large employer. Between 2013 and 2015 the number of people in this sector has steadily grown, along with the number of businesses. On average 4.7 FTEs are employed in Retail Trade and Service businesses in Porirua City.

The Business Services sector has experienced mixed fortunes over the last 10 years and in the latest year. In 2005, approximately 1,590 FTEs were employed in this sector and the largest area of employment was Professional, Technical and Scientific Services. Over the last 10 years, employment in Professional, Technical and Scientific Services has declined from 770 FTEs in 2005 to 560 FTEs in 2015. This decline in employment has had an impact on the Business Services sector in Porirua and the GDP contribution of this sector.

6.3 GDP growth

In the year ending March 2015, GDP in Porirua City has declined by 1.8 percent. However, this decline masks the strong performance of various sectors operating in the City such as Manufacturing, Construction, and Retail Trade and Services. In addition, over the last 10 years GDP in Porirua City has grown by 1.3 percent per annum from an estimated \$1,427 million in 2005 to \$1,629 million in 2015. This growth has been helped by the Construction and Social Services sector. The Manufacturing sector has experienced highs and lows over the last 10 years, but over the last three years it has performed well and steadily increased its contribution to GDP.

Table 6-5 GDP contribution by sector, Porirua City

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	8	9	6	7	-28.2	13.4	-1.5
Manufacturing	149	120	124	128	3.2	3.6	-1.5
Construction	97	204	214	222	5.0	3.8	8.6
Wholesale and Distribution	83	109	107	100	-2.0	-6.4	1.9
Retail Trade and Services	169	181	178	191	-1.7	6.8	1.2
Business Services	236	208	198	188	-4.6	-5.0	-2.2
Arts and Recreation Services	18	22	23	21	3.5	-8.2	1.8
Social Services	373	452	468	432	3.7	-7.7	1.5
<i>Owner-Occupied Dwellings (O.O.D)</i>	294	337	340	338	0.9	-0.4	1.4
Porirua City	1,427	1,642	1,659	1,629	1.1	-1.8	1.3
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

In 2015, the largest contributor to GDP was the Construction Services sector at an estimated \$118 million. Heavy and Civil Engineering Construction contributed another \$76 million, while Professional, Scientific and Technical Services contributed an estimated \$62 million. Over the last 10 years, the GDP contribution from these three sectors has steadily grown, along with that from the Building Construction sector.

The contribution of manufacturing to the Porirua City economy has also been steadily increasing over the last three years. For example, the GDP contributions from Machinery and Equipment Manufacturing, Fabricated Metal Product Manufacturing, and Polymer and Rubber Product Manufacturing has all grown. Over this period the number of businesses operating in these sectors has also grown.

7 Kapiti Coast District

Snapshot

In 2015:

- The resident population of Kapiti Coast District was 49,790 people, which accounted for just over 10 percent of the total population of the Wellington region.
- Total employment was approximately 11,430 FTEs, with an average of 2.3 FTEs employed per business. The largest areas of employment continue to be within the Retail Trade and Services and Social Services sectors.
- Approximately \$1.05 billion of GDP was generated across 4,890 businesses. The Business Services sector accounted for the majority of businesses, at 43 percent of the total.

Table 7-1 A sector snapshot of Kapiti Coast District, 2015

Sectors (2015)	FTEs		GDP (2015\$m)		Business units	
		%		%		%
Primary	391	3.4%	47	4.4%	285	5.8%
Manufacturing	745	6.5%	97	9.2%	193	4.0%
Construction	1,768	15.5%	160	15.2%	762	15.6%
Wholesale and Distribution	479	4.2%	61	5.8%	256	5.2%
Retail Trade and Services	3,225	28.2%	195	18.5%	804	16.5%
Business Services	1,371	12.0%	201	19.0%	2,098	42.9%
Arts and Recreation Services	212	1.9%	22	2.1%	119	2.4%
Social Services	3,238	28.3%	271	25.7%	369	7.6%
Sub-total (excluding O.O.D.)	11,430	100.0%	1,054	100.0%	4,886	100.0%
<i>Owner-Occupied Dwellings (O.O.D)*</i>			321			
Total	11,430		1,375		4,886	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

7.1 Key economic performance indicators

Table 7-2 Key economic performance indicators, 2015

Key Performance Indicators	%pa for 2015 year		
	Kapiti Coast District	Wellington Regional Council	New Zealand
Resident population growth	0.6	1.1	1.9
GDP growth	3.2	1.3	3.2
GDP per capita growth	2.5	0.2	1.2
Employment growth	2.9	0.3	2.3
Labour productivity growth	1.4	1.2	1.2
Business units growth	0.1	1.3	2.7
Business size growth	2.8	-1.0	-0.5

Source: BERL Regional Database, 2015

In the year to March 2015, the Kapiti Coast District led the Wellington Region in employment and GDP growth. Employment in the District grew by 2.9 percent year-on-year, while GDP was 3.2 percent higher.

GDP growth in Kapiti Coast District was the same as the national average during this period, and higher than the regional average. This growth was led by large absolute changes in the GDP contribution of the Construction and Business Services, in particular from Heavy and Civil Engineering Construction and Construction Services.

The largest areas of employment growth in the District in the year to March 2015 was also within the Heavy and Civil Engineering Construction and Construction Services sectors. Employment also grew in various manufacturing sectors such as Non-Metallic Mineral Product Manufacturing, which is related to construction and the provision of construction materials, and in Road Transport and Professional, Technical and Scientific Services. Employment in these sectors has all been positively influenced by growth in Construction Services and the purchase of goods and services by this sector.

In addition there has been some employment growth year-on-year in population-based sectors such as Social Assistance Services and Preschool and School Education. This growth adds to the overall positive employment story for the District.

Over the last 10 years, the economy of the Kapiti Coast District has been relatively stable. There has been positive growth across all of the performance indicators that we measure, with a slight decline in the average size of businesses.

Table 7-3 Key economic performance indicators, 2005 - 2015

Key Performance Indicators	%pa for 2005 - 2015		
	Kapiti Coast District	Wellington Regional Council	New Zealand
Resident population growth	0.9	0.8	1.0
GDP growth	1.1	1.6	1.9
GDP per capita growth	0.2	0.8	0.9
Employment growth	0.8	1.0	1.3
Labour productivity growth	0.2	0.6	0.6
Business units growth	1.0	1.2	1.2
Business size growth	-0.1	-0.2	0.0

Source: BERL Regional Database, 2015

In the early 2000s the population of the Kapiti Coast District grew by almost two percent per annum. This growth has now slowed, and between 2005 and 2015, the resident population has grown by 0.9 percent per annum. This means in 2005 the resident population of Kapiti Coast District was approximately 45,400 and now sits at 49,790 people.

Approximately five percent of all people employed in the Wellington Region work in the Kapiti Coast District. Over the last 10 years, employment has grown by an average of 0.8 percent per annum which is below the national and regional average of employment growth. The Social Services sector is the largest area of employment in the District and over the last 10 years employment in this sector has grown on average by 3.1 percent per annum. This is in contrast to the Retail Trade and Services sector, where employment has grown by only 0.3 percent per annum. This slower growth has allowed sectors such as Construction and Social Services to increase their size.

The GDP contribution of the Social Services sector has also grown steadily over the last 10 years, up by 2.5 percent per annum from an estimated \$211 million in 2005 to \$271 million in 2015 (in 2015\$ million). In 2015 the Business Services sector contributed \$201 million to the District economy; however, the contribution of this sector has declined by 1.5 percent per annum over the last 10 years. GDP from the Manufacturing and Primary sectors has also declined in this District over the last 10 years.

The average business size has remained stable on the Kapiti Coast over the last 10 years, with an estimated 2.3 FTEs employed per business. This reflects the number of people who are self-employed and based in the District, particularly in the Business Services sector. It is also worth noting here that the number of businesses within the Business Services sector has declined in the latest year, but steadily grown by 2.6 percent per annum over the last 10 years.

7.2 Employment

Table 7-4 Employment by sector, Kapiti Coast District

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	458	432	445	391	3.1	-12.2	-1.6
Manufacturing	808	660	692	745	4.8	7.7	-0.8
Construction	1,606	1,359	1,516	1,768	11.5	16.7	1.0
Wholesale and Distribution	510	449	438	479	-2.5	9.3	-0.6
Retail Trade and Services	3,139	3,211	3,322	3,225	3.5	-2.9	0.3
Business Services	1,447	1,258	1,248	1,371	-0.8	9.9	-0.5
Arts and Recreation Services	158	188	238	212	26.4	-10.7	3.0
Social Services	2,395	3,081	3,207	3,238	4.1	1.0	3.1
Kapiti Coast District	10,520	10,638	11,105	11,430	4.4	2.9	0.8
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

The Social Services sector employs almost 30 percent of the workforce in the Kapiti Coast District and generated a quarter of all GDP in 2015. Within Social Services the largest areas of employment are in education and health, particularly in Preschool and School Education and Residential Care.

Employment in Preschool and School Education has grown in the latest year and over the last 10 years with changes in public policy and labour force participation leading to a greater demand for Preschool Education. This has positively impacted on employment opportunities in this District. Employment in the Residential Care sector has grown by almost nine percent over the last 10 years, from approximately 450 FTEs in 2005 to 830 FTEs in 2015.

As discussed earlier, employment opportunities in the Construction sector have grown in the latest year and, as shown in Table 7-4 above, this follows a trend that has been occurring over the last three years. Within the Construction sector however it should be noted that employment in Building Construction has fluctuated in the latest year, and over the last three and 10 years. In contrast, employment in Construction Services – sectors that provide plumbing, plastering, painting, and electrical services to Building Construction for example – has grown.

7.3 GDP growth

As mentioned, GDP in the Kapiti Coast District grew by 3.2 percent between 2014 and 2015 after growing by 2.6 percent the previous year. Between 2005 and 2015, GDP grew by 1.1 percent with contributions from the Retail Trade and Services, Social Services, and Construction sectors driving this growth.

Table 7-5 GDP contribution by sector, Kapiti Coast District

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	49	53	50	47	-4.6	-6.5	-0.4
Manufacturing	103	84	88	97	4.8	10.5	-0.6
Construction	131	122	140	160	15.0	14.5	2.1
Wholesale and Distribution	61	58	55	61	-4.3	10.6	0.1
Retail Trade and Services	149	188	191	195	1.6	2.5	2.7
Business Services	233	203	190	201	-6.2	5.5	-1.5
Arts and Recreation Services	19	18	24	22	31.9	-8.7	1.5
Social Services	211	255	272	271	6.6	-0.6	2.5
<i>Owner-Occupied Dwellings (O.O.D)</i>	276	320	322	321	0.9	-0.5	1.5
Kapiti Coast District	1,230	1,299	1,333	1,375	2.6	3.2	1.1
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

The Retail Trade and Services sector is dominated by employment in Retail stores, Food Retailing, and Food and Beverage Services. The demand for these goods and services is largely population driven, but the position of many of these businesses on State Highway 1 also positively impacts on their activity in the Kapiti Coast District.

Since 2005 the GDP generated by the Retail Trade and Services sector in Kapiti Coast District has grown, on average, by 2.7 percent per annum. This per annum growth has been higher than the District average over this period, 1.1 percent per annum, and that of the national economy at 1.9 percent per annum. Again, within the Retail Trade and Services sector the three largest areas of employment have also dominated the growth in GDP. For example, the GDP generated by the Food and Beverage Services industry has grown by 3.8 percent per annum between 2005 and 2015, from an estimated \$30 million in 2005 to \$44 million in value added to the District economy.

In contrast the value added to the District economy by the Business Services sector has declined over the last 10 years. Overall this has led to a decline in GDP contribution of 1.5 percent per annum between 2005 and 2015. This decline has been due to a decline in the GDP contribution of services such as water and gas supply, waste collection, building cleaning and pest control. These service sectors have also experienced a notable decline in employment. Industries such as Insurance and Superannuation Funds and Property Operators and Real Estate Services are also part of the Business Services sector and they have experienced a decline in employment and associated GDP over the last 10 years.

The Primary and Manufacturing sectors continue to experience mixed fortunes. Year-on-year the value added to the Kapiti District economy by the Primary sector declined by 6.5 percent. This was largely driven by a drop in GDP generated by the Agriculture industry. At 340 FTEs in 2015, this industry is a small but significant area of employment in the Kapiti District. Further, the Agriculture industry generated an estimated \$37 million in GDP in 2015. However, over the last 10 years the GDP generated by the Agriculture industry has declined and this has led to an overall decline in the GDP generated by the Primary sector.

Year-on-year the manufacturing sector increased its contribution to the District economy by 10.5 percent. This growth was due to an increase in the GDP generated by the Food Product Manufacturing industry and the Non-Metallic Mineral Product Manufacturing industry. The latter manufactures lime, concrete and cement used predominantly in construction as well as glass and plaster products.

8 Masterton District

Snapshot

In 2015:

- The resident population of the Masterton District was 23,647 people, which was 4.9 percent of the region's total population.
- Employment in the District was equivalent to 10,077 FTEs, averaging 3.3 FTEs per business. The greatest source of employment was the Social Services sector with almost 30 percent of all FTEs employed in this sector. This reflects the role of Masterton as a service centre to a large rural hinterland.
- The GDP generated by the approximately 3,039 businesses operating in this District economy was an estimated \$957 million. The largest contributor to GDP was also the Social Services sector at an estimated \$256 million or just under 27 percent of the value added to the economy.
- The greatest number of businesses within the District was within the Business Services sector, with approximately 33 percent of all businesses.

Table 8-1 A sector snapshot of Masterton District, 2015

Sectors (2015)	FTEs	%	GDP (2015\$m)	%	Business units	%
Primary	1,514	15.0%	178	18.6%	769	25.3%
Manufacturing	670	6.6%	63	6.6%	98	3.2%
Construction	874	8.7%	79	8.3%	275	9.0%
Wholesale and Distribution	618	6.1%	78	8.2%	123	4.0%
Retail Trade and Services	2,249	22.3%	136	14.2%	468	15.4%
Business Services	1,081	10.7%	152	15.9%	1,015	33.4%
Arts and Recreation Services	140	1.4%	14	1.5%	61	2.0%
Social Services	2,931	29.1%	256	26.8%	230	7.6%
Sub-total (excluding O.O.D.)	10,077	100.0%	957	100.0%	3,039	100.0%
<i>Owner-Occupied Dwellings (O.O.D)*</i>			152			
Total	10,077		1,109		3,039	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

8.1 Key economic performance indicators

Many of the key economic performance indicators for the Masterton District were below the regional or national average in 2015. Despite this, the resident population of the District grew by 0.8 percent year-on-year and the value added to the economy (as measured by GDP) also grew by one percent year-on-year.

Year-on-year employment growth in the Masterton District was above the regional average, at 0.5 percent growth. The number of businesses operating in the District also grew by 1.5 percent, resulting in an additional 46 businesses operating in Masterton District in the year to March 2015.

Table 8-2 Key performance indicators, 2015

Key Performance Indicators	%pa for 2015 year		
	Masterton District	Wellington Regional Council	New Zealand
Resident population growth	0.8	1.1	1.9
GDP growth	1.0	1.3	3.2
GDP per capita growth	0.2	0.2	1.2
Employment growth	0.5	0.3	2.3
Labour productivity growth	0.8	1.2	1.2
Business units growth	1.5	1.3	2.7
Business size growth	-1.0	-1.0	-0.5

Source: BERL Regional Database, 2015

The economy of the District has fluctuated over the last three years. For example, in the year to March 2014 the economy of the Masterton District performed quite strongly compared to 2013, with all but one of the indicators we monitor growing over the year. The number of businesses in the District remained the same year-on-year, but GDP, GDP per capita, employment, and business size showed marked improvements, from a decline in 2013 to moderate growth in 2014. The most significant feature of the growth during this period was a marked increase in GDP. It is for reasons such as this that we consider an annual snapshot of an economy as well as take a longer term view.

Over the decade to 2015, economic growth in the Masterton District has been modest, with a performance weaker than the Wellington regional economy and New Zealand across all of the indicators. Despite this weaker performance it should be noted that each of these indicators, with the exception of the size of a business, grew. This means the number of people living in the District increased and the economy of the District grew, just at a slower pace than that of the Wellington Region and New Zealand.

Table 8-3 Key performance indicators, 2005 - 2015

Key Performance Indicators	%pa for 2005 - 2015		
	Masterton District	Wellington Regional Council	New Zealand
Resident population growth	0.4	0.8	1.0
GDP growth	1.0	1.6	1.9
GDP per capita growth	0.6	0.8	0.9
Employment growth	0.6	1.0	1.3
Labour productivity growth	0.4	0.6	0.6
Business units growth	0.8	1.2	1.2
Business size growth	-0.2	-0.2	0.0

Source: BERL Regional Database, 2015

8.2 Employment

Table 8-4 Employment by sector, Masterton District

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	1,512	1,447	1,591	1,514	9.9	-4.8	0.0
Manufacturing	774	658	697	670	5.8	-3.8	-1.4
Construction	861	832	798	874	-4.1	9.5	0.2
Wholesale and Distribution	578	589	606	618	2.9	2.0	0.7
Retail Trade and Services	2,278	2,201	2,286	2,249	3.9	-1.6	-0.1
Business Services	1,092	1,028	1,167	1,081	13.6	-7.4	-0.1
Arts and Recreation Services	112	152	147	140	-2.9	-4.8	2.2
Social Services	2,268	2,742	2,732	2,931	-0.4	7.3	2.6
Masterton District	9,476	9,649	10,024	10,077	3.9	0.5	0.6
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

Employment in the Masterton District has grown in the latest year and over the last three years. In the latest year employment grew by only 0.5 percent. This was due to a decline in employment in the Business Services, Primary, Manufacturing, Arts and Recreation Services, and Retail Trade and Services sectors. In contrast, in the year to March 2014, employment grew at a stronger pace due to strong performances in the Primary, Manufacturing and Business Services sectors.

In the Primary sector the largest area of employment in the Masterton District is the Agriculture industry. Over the last 10 years employment in the Primary sector has remained fairly stable due to employment growth and declines in industries such as Forestry and Logging, and Agriculture, Forestry and Fishing Support Services. In contrast the Agriculture industry in this District has grown by 1.8 percent per annum. This means in 2005 approximately 900 FTEs were employed in the Agriculture industry in the Masterton District, and by 2015 this number had grown to approximately 1,070 FTEs. The annual up and downs of employment in the Primary Sector is therefore influenced by the changing fortunes of the Forestry and Logging, and Agriculture, Forestry and Fishing Support Services industries.

Small changes in employment in Food Product Manufacturing and Printing have led to the overall decline in manufacturing employment in the District in the year to March 2015. Over the longer term, employment in the Manufacturing sector has declined by 1.4 percent per annum. This is due to declines in employment in Wood Product Manufacturing, Textile, Leather, Clothing and Footwear Manufacturing, and Non-Metallic Mineral Product Manufacturing, which includes concrete, cement and lime.

These changes in employment reflect broader changes occurring outside of the District such as manufacturing moving to the main centres or offshore.

8.3 GDP growth

Table 8-5 GDP contribution by sector, Masterton District

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	169	163	175	178	7.2	1.5	0.5
Manufacturing	76	64	67	63	4.6	-6.0	-1.8
Construction	70	74	74	79	-1.1	7.5	1.3
Wholesale and Distribution	69	74	76	78	2.1	3.5	1.3
Retail Trade and Services	108	129	132	136	1.7	3.6	2.3
Business Services	156	144	168	152	16.4	-9.3	-0.3
Arts and Recreation Services	14	14	15	14	0.9	-2.6	0.3
Social Services	202	234	239	256	2.4	7.0	2.4
<i>Owner-Occupied Dwellings (O.O.D)</i>	138	152	153	152	0.9	-0.7	1.0
Masterton District	1,002	1,049	1,098	1,109	4.6	1.0	1.0
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

The Social Services sector employs just under 30 percent of all people in the Masterton District. This is because this sector includes health and education, both of which are large areas of employment. In addition, the Social Services sector includes anyone employed by the Central Government such as the Police, or by local government such as the District Council. In 2015, the Social Services sector continued to make the largest contribution to GDP at an estimated \$256 million. Over the last 10 years, the GDP generated by this sector has grown on average by 2.4 percent per annum, which is higher than the District average for this period and the New Zealand average.

The GDP contribution of the Primary sector grew by 1.5 percent in the year to March 2015, from an estimated \$175 million to \$178 million. As discussed in the Employment section above, the fortunes of the individual industries impact on the overall growth or change within this sector. For example, the GDP generated by the Primary sector in the Masterton District has grown on average by 0.5 percent per annum between 2005 and 2015. During this same period, GDP generated by the Agriculture sector has grown by 2.4 percent per annum from an estimated \$91 million in 2005, to \$116 million in 2015. The GDP generated by the Forestry and Logging industry, in contrast, has fluctuated over the last 10 years resulting in an overall decline of 0.9 percent per annum.

The value added to the economy by the Business Services sector has also fluctuated year-on-year and over the last 10 years. In the latest year, GDP from the Business Services sector declined by 9.3 percent. This was largely due to declines in the Finance industry and Electricity Supply. Employment in the Finance industry also declined year-on-year, which is part of a downward trend for this industry. Over the last 10 years, employment and the GDP contributed to the District economy by the Finance industry has declined.

9 Carterton District

Snapshot

In 2015:

- The resident population of the Carterton District was approximately 8,540 people or two percent of the population of the Wellington Region.
- Approximately 2,780 FTEs were employed in the District, resulting in an average of 2.3 FTEs employed per business. The number of people employed per business has remained stable over the last 10 years. The largest area of employment was in the Manufacturing sector, which employed almost 30 percent of all FTEs.
- Businesses in the District generated an estimated \$304 million in GDP. The largest contributor was the Manufacturing sector, with \$107 million or just over a third of all GDP generated in the District.

Table 9-1 A sector snapshot of Carterton District, 2015

Sectors (2015)	FTEs		GDP (2015\$m)		Business units	
		%		%		%
Primary	646	23.2%	71	23.5%	416	34.9%
Manufacturing	809	29.1%	107	35.2%	72	6.0%
Construction	230	8.3%	21	6.9%	122	10.2%
Wholesale and Distribution	166	6.0%	21	7.0%	42	3.5%
Retail Trade and Services	294	10.6%	18	5.8%	118	9.9%
Business Services	230	8.2%	32	10.5%	365	30.6%
Arts and Recreation Services	16	0.6%	2	0.6%	15	1.3%
Social Services	391	14.1%	33	10.7%	41	3.4%
Sub-total (excluding O.O.D.)	2,784	100.0%	304	100.0%	1,191	100.0%
<i>Owner-Occupied Dwellings (O.O.D)*</i>			55			
Total	2,784		359		1,191	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

9.1 Key economic performance indicators

Table 9-2 Key performance indicators, 2015

Key Performance Indicators	%pa for 2015 year		
	Carterton District	Wellington Regional Council	New Zealand
Resident population growth	1.4	1.1	1.9
GDP growth	-0.2	1.3	3.2
GDP per capita growth	-1.6	0.2	1.2
Employment growth	-2.7	0.3	2.3
Labour productivity growth	2.2	1.2	1.2
Business units growth	2.8	1.3	2.7
Business size growth	-5.3	-1.0	-0.5

Source: BERL Regional Database, 2015

The resident population of the District continues to grow strongly, and was higher than the regional average in 2015. The Carterton District had the second highest population growth in the year to March 2015, at 1.4 percent. Only Wellington City had higher resident population growth at 1.9 percent. Over the longer term, population growth in Carterton District was higher than that of the Wellington Region and the New Zealand average. The population of the District grew by an average of 1.9 percent between 2005 and 2015, from 7,040 people to 8,540 people.

The Primary and Manufacturing sectors dominate the economy of the Carterton District. In the year to March 2015 both of these sectors experienced a decline in employment and GDP, which negatively impacted on the economy of District.

Employment in the Primary sector is dominated by the Agriculture industry, with smaller amounts of employment in the services to agriculture and forestry such as shearing and fencing. In turn, Wood Product Processing and Food Product Manufacturing are the two key areas of employment in the manufacturing sector. Year-on-year the GDP contribution of the Agriculture and Food Product Manufacturing industries declined, leading to an overall decline in GDP.

In the year to March 2015, the number of business operating in Carterton District grew by 2.8 percent. This was higher than the national and regional average for business growth. An additional 32 businesses began operating in the District over the year. These businesses were predominantly in the Business Services sector in areas such as Real Estate, and in the Construction sector in areas such as Building Construction.

The size of businesses declined over the year. This was due to a decrease in employment in the Manufacturing and Primary sectors. Over the longer term however, the size of businesses in the District has remained fairly stable at 2.3 FTEs per business. This is due to the large number of people who are self-employed in the Arts and Recreation Services sector and the Construction sector. Sectors such as Manufacturing, Wholesale and Distribution, and Social Services tend to be larger areas of employment, with one company employing up to 10 FTEs.

Over the last 10 years, the number of businesses operating in the Carterton District has grown at the same rate as the national and regional average. GDP growth, was however higher than the regional average during this period – at 1.8 percent per annum. Sectors such as Construction, Wholesale and Distribution, Manufacturing and Social Services increased their contribution to GDP in the District, which lead to this overall growth.

Table 9-3 Key performance indicators, 2005 - 2015

Key Performance Indicators	%pa for 2005 - 2015		
	Carterton District	Wellington Regional Council	New Zealand
Resident population growth	1.9	0.8	1.0
GDP growth	1.8	1.6	1.9
GDP per capita growth	-0.1	0.8	0.9
Employment growth	0.9	1.0	1.3
Labour productivity growth	0.8	0.6	0.6
Business units growth	1.2	1.2	1.2
Business size growth	-0.3	-0.2	0.0

Source: BERL Regional Database, 2015

The number of businesses operating in the Construction sector grew by an estimated 2.4 percent between 2005 and 2015. This additional business activity and employment resulted in GDP growth of 5.9 percent per annum. Overall, an additional 26 businesses are now operating in this sector, and employment has increased by 85 FTEs.

9.2 Employment

The Primary and Manufacturing sectors dominate employment in the Carterton District. However, over the latest year and in the last 10 years employment in these sectors has declined or remained fairly stable. This has impacted on the economy of the District, and influenced other key indicators such as GDP and business size.

Table 9-4 Employment by sector, Carterton District

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	723	710	695	646	-2.0	-7.0	-1.1
Manufacturing	802	806	829	809	2.8	-2.3	0.1
Construction	145	208	197	230	-5.0	16.6	4.7
Wholesale and Distribution	82	154	164	166	6.9	1.1	7.3
Retail Trade and Services	324	336	343	294	2.2	-14.1	-0.9
Business Services	201	231	232	230	0.8	-1.2	1.4
Arts and Recreation Services	18	14	12	16	-15.9	38.6	-0.8
Social Services	255	389	388	391	-0.3	0.8	4.4
Carterton District	2,549	2,847	2,861	2,784	0.5	-2.7	0.9
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

The Primary sector employed 23 percent of all FTEs in the District in 2015 and included 35 percent of all the businesses operating in the District. Together these businesses generated 24 percent of the GDP of the District. Over the last 10 years employment in the Primary sector has fluctuated, resulted in an overall decline in employment - from approximately 720 FTEs in 2005, to 650 FTEs in 2015. The number of businesses operating in this sector has also declined, along with the associated GDP.

Employment in the Manufacturing sector has fluctuated over the last 10 years. This is due to movements within the individual industries. For example, employment in Food Product Manufacturing has grown during this period, from approximately 160 FTEs in 2005 to 280 FTEs in 2015. In contrast, the Wood Product Manufacturing industry has experienced a decline in employment, from approximately 460 FTEs in 2005 to 350 FTEs in 2015. Wood Product Manufacturing currently employs 13 percent of the District workforce, while Food Product Manufacturing employs 10 percent.

The Social Services sector employed 14 percent of the District workforce, and generated almost 11 percent of GDP in 2015. The largest area of employment in this sector is education; however, employment has grown in health sectors such as Medical and Other Health Care Services and Residential Care Services.

9.3 GDP growth

In the year to March 2015, the Carterton District economy generated an estimated \$359 million in GDP. The largest contributions to GDP were the Manufacturing and Primary sectors, contributing an estimated \$107 million and \$71 million respectively. The Business Services sector contributed an estimated \$32 million, from approximately 365 businesses.

Table 9-5 GDP contribution by sector, Carterton District

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	80	75	74	71	-1.9	-3.1	-1.1
Manufacturing	89	104	107	107	2.8	0.0	1.8
Construction	12	19	18	21	-2.0	14.5	5.9
Wholesale and Distribution	10	20	21	21	5.2	2.3	8.0
Retail Trade and Services	15	20	20	18	0.4	-10.0	1.3
Business Services	26	32	33	32	2.4	-2.2	2.2
Arts and Recreation Services	2	1	1	2	-12.4	42.0	-2.4
Social Services	23	32	33	33	1.9	-0.9	3.6
<i>Owner-Occupied Dwellings (O.O.D)</i>	43	54	54	55	0.9	1.7	2.5
Carterton District	300	356	360	359	1.1	-0.2	1.8
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

Between 2005 and 2015, GDP generated by the Carterton District economy has grown by an average of 1.8 percent per annum. This has resulted in GDP growing from an estimated \$300 million in 2005, to \$359 million in 2015. The largest step change occurred in the period 2011/12, where the GDP generated by the Agriculture sector markedly increased.

The Wholesale and Distribution sector is not a large area of employment. In 2015, for example, 90 FTEs were employed in Road Transport which is approximately three percent of the District workforce. However, the GDP contributed to the local economy by this sector has steadily grown over the last 10 years, from an estimated \$10 million in 2005 to \$21 million in 2015. This growth has been driven by the Road Transport industry.

In the Construction sector, the activities of the Construction Services industry has lead the longer term growth in GDP, of 5.9 percent per annum. This industry includes businesses engaged in activities such as earthmoving and the development of subdivisions, as well as those providing electrical, plumbing, and painting and decorating services. Between 2008 and 2009 the Construction Services industry declined, with a noticeable drop in employment and GDP. However, this industry has recovered, and the number of people employed in the Construction Services industry in the District has returned to pre-GFC levels.

10 South Wairarapa District

Snapshot

In 2015:

- The South Wairarapa District was home to 9,720 people, which is approximately two percent of the population of the Wellington Region.
- Total employment in the District was equivalent to 2,835 FTEs or an average of 1.7 FTEs per business. The largest area of employment was the Primary sector, with nearly 30 percent of all FTEs.
- Total GDP generated in the District was \$262 million, across 1,630 businesses. The largest contributor to GDP was the Primary sector at \$90 million, or around 34 percent. The greatest proportion of businesses were in the Business Services sector, with 33 percent.

Table 10-1 A sector snapshot of South Wairarapa District, 2015

Sectors (2015)	FTEs		GDP (2015\$m)		Business units	
		%		%		%
Primary	834	29.4%	90	34.3%	529	32.5%
Manufacturing	212	7.5%	25	9.4%	46	2.8%
Construction	273	9.6%	25	9.5%	150	9.2%
Wholesale and Distribution	148	5.2%	19	7.1%	65	4.0%
Retail Trade and Services	664	23.4%	38	14.6%	220	13.5%
Business Services	258	9.1%	29	11.1%	538	33.0%
Arts and Recreation Services	13	0.5%	1	0.5%	23	1.4%
Social Services	433	15.3%	35	13.5%	58	3.6%
Sub-total (excluding O.O.D.)	2,835	100.0%	262	100.0%	1,629	100.0%
<i>Owner-Occupied Dwellings (O.O.D)*</i>			63			
Total	2,835		324		1,629	

* Imputed value, included in Total GDP only

Source: BERL Regional Database, 2015

10.1 Key economic performance indicators

Table 10-2 Key performance indicators, 2015

Key Performance Indicators	%pa for 2015 year		
	South Wairarapa District	Wellington Regional Council	New Zealand
Resident population growth	0.8	1.1	1.9
GDP growth	1.8	1.3	3.2
GDP per capita growth	1.0	0.2	1.2
Employment growth	-0.8	0.3	2.3
Labour productivity growth	3.1	1.2	1.2
Business units growth	3.5	1.3	2.7
Business size growth	-4.2	-1.0	-0.5

Source: BERL Regional Database, 2015

Between 2010 and 2015, the population of the South Wairarapa District has steadily grown from 9,060 people to 9,720 people. In addition, over the last 10 years resident population growth in this District has been at the same level as that of New Zealand, one percent per annum. This indicates that the South Wairarapa remains an attractive place for people to live.

GDP and GDP per capita growth were higher in the South Wairarapa District than the Wellington Region in 2015. This growth in GDP was due to an increase in the contributions of the Primary, Construction, Wholesale and Distribution, and Business Services sectors to the district economy.

In summary - a small number of small increases lead to an overall increase in GDP by 1.8 percent in the year to March 2015. Over the longer term the GDP generated by the District economy has grown at a more subdued level, 0.8 percent per annum on average. This is largely due to a decline in the GDP generated by the Manufacturing and Primary sectors.

Year-on-year, employment grew in the Business Services and Construction sectors, but declined across the other key sectors. In absolute terms, the Retail Trade and Services sector saw the largest decline in employment with a decrease of 54 FTEs.

Over the last 10 years employment in the South Wairarapa District has remained fairly stable, with average growth of 0.2 percent per annum. This stability however masks big changes within the labour market. For example, over the last 10 years employment in the Primary and Manufacturing sectors has steadily declined while employment opportunities within the Construction, Wholesale Trade and Distribution, Business Services and Social Services have grown. Job opportunities in the Retail Trade and Services sector have fluctuated.

Table 10-3 Key performance indicators, 2005 - 2015

Key Performance Indicators	%pa for 2005 - 2015		
	South Wairarapa District	Wellington Regional Council	New Zealand
Resident population growth	1.0	0.8	1.0
GDP growth	0.8	1.6	1.9
GDP per capita growth	-0.2	0.8	0.9
Employment growth	0.2	1.0	1.3
Labour productivity growth	0.4	0.6	0.6
Business units growth	0.7	1.2	1.2
Business size growth	-0.5	-0.2	0.0

Source: BERL Regional Database, 2015

The number of businesses and the average size of a business in this District are below the regional and national average, and this margin has increased over the last 10 years. In the South Wairarapa District less than two people are employed per business, compared to the Wellington region where an average of 4.3 FTEs are employed per business.

10.2 Employment

In 2015, approximately 2,835 FTEs were employed in the South Wairarapa District. The largest areas of employment are the Primary, Retail Trade and Services, and Social Services sector.

Table 10-4 Employment by sector, South Wairarapa District

Sector	Employment Number FTEs				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	1,010	963	848	834	-11.9	-1.6	-1.9
Manufacturing	313	234	218	212	-6.6	-3.1	-3.8
Construction	261	231	235	273	2.1	16.0	0.4
Wholesale and Distribution	130	148	146	148	-1.0	0.9	1.3
Retail Trade and Services	597	719	718	664	-0.1	-7.6	1.1
Business Services	145	212	238	258	12.2	8.3	6.0
Arts and Recreation Services	22	24	16	13	-32.7	-17.0	-5.0
Social Services	306	433	438	433	1.1	-1.1	3.5
South Wairarapa District	2,785	2,964	2,859	2,835	-3.5	-0.8	0.2
New Zealand	1,741,850	1,883,050	1,932,950	1,976,617	2.6	2.3	1.3

Source: BERL Regional Database, 2015

Year-on-year employment in the Primary sector declined by 1.6 percent. This decline was largely due to a drop in employment in the Agriculture industry. In 2015, the Agriculture industry employed 25 percent of all people employed in the District, at 710 FTEs. Over the last 10 years, employment in this industry has declined leading to the overall decline in employment in the Primary sector. This is also because the second largest area of employment in the Primary sector is the Agriculture and Forestry Services industry, which supports the Agriculture industry through the provision of services such as fencing and shearing.

Food and Beverage Services and Food Retailing are the largest areas of employment within the Retail Trade and Services sector. In 2015, the Food and Beverage Services industry employed approximately 256 FTEs or nine percent of all those employed in the District. The Food Retailing industry employed approximately 160 FTEs or 5.7 percent of all those employed in the District. Employment in the Food Retailing industry has steadily grown in the latest year examined, as well as over the last 10 years.

Employment in the Social Service sector has grown by an average of 3.5 percent per annum over the last 10 years. This growth has resulted in an additional 127 FTEs in employment. This employment growth has been due to a growth in employment opportunities in the health sector. For example, employment in Residential Care Services and Social Assistance Services has grown during this period.

10.3 GDP growth

The South Wairarapa District economy generated an estimated \$324 million in GDP in the year to March 2015. As noted earlier, the Primary sector is the largest contributor to GDP in this District at \$90 million or just over 34 percent in 2015. The Retail Trade and Service sector contributed almost 15 percent of the total GDP generated, while the Manufacturing and Construction sectors each contributed about 10 percent.

GDP generated by the Manufacturing sector has declined by approximately 2.3 percent per annum over the last 10 years, from an estimated \$31 million in 2005 to \$25 million in 2015. This is larger due to declines in the Beverage and Tobacco Product Manufacturing industry and small changes in Wood Product Manufacturing.

Table 10-5 GDP contribution by sector, South Wairarapa District

Sector	Value Added or GDP (2015\$m)				%pa change		
	2005	2013	2014	2015	2014	2015	2005 to 2015
Primary	103	100	87	90	-12.5	2.8	-1.4
Manufacturing	31	27	25	25	-7.5	-3.1	-2.3
Construction	21	21	22	25	5.3	13.9	1.5
Wholesale and Distribution	15	19	18	19	-2.3	2.4	2.0
Retail Trade and Services	29	39	39	38	-1.8	-0.8	2.9
Business Services	18	22	27	29	24.5	7.6	5.1
Arts and Recreation Services	3	2	2	1	-29.9	-14.9	-6.6
Social Services	26	35	36	35	2.6	-2.5	3.0
<i>Owner-Occupied Dwellings (O.O.D)</i>	54	62	63	63	0.9	0.1	1.6
South Wairarapa District	300	327	319	324	-2.6	1.8	0.8
New Zealand	200,316	227,879	233,665	241,187	2.5	3.2	1.9

Source: BERL Regional Database, 2015

Year-on-year, the GDP contributions of the Business Services and Construction sectors have grown. However, these large percentage changes are off small bases and it is more sensible to look at the longer term changes that have occurred in these sectors.

The GDP contribution of the Business Services sector has grown by an average of 5.1 percent per annum between 2005 and 2015. This growth has been largely driven by businesses operating in the Professional, Scientific and Technical Services industry. The number of people employed in this industry, along with the number of businesses and the GDP generated by these business has grown over the last 10 years. The Professional, Scientific and Technical Services industry includes businesses that provide engineering, surveying and architectural services, legal and accounting services, and veterinary services, as well as scientific services such as testing.

Building Construction and Construction Services are the key industries in the Construction sector in the South Wairarapa. In the Building Construction industry, the number of businesses has steadily increased over the last 10 years increasing the GDP contribution of this industry. This is despite constant fluctuations in the number of people employed in the Building Construction industry. In the Construction Services industry, business growth has been more subdued but employment has steadily grown. In 2015, approximately 167 FTEs were employed in the Construction Services industry in this District, while 106 FTEs were employed in the Building Construction industry.

Appendix A Data clarification

Employment and GDP data for 2015 and earlier is from the BERL Regional Database. This database is built from publicly available data from Statistics New Zealand including the NZ Business Demography statistics, the Household Labour Force Survey, the National Accounts, and the sub-national Population Estimates. The data in the BERL Regional Database is for the March year.

Employment and GDP data from the BERL Regional Database differs from that presented by the Ministry of Business, Innovation and Employment (MBIE) in their '2014 Regional Economic Activity Report' and Infometrics' 'Annual Economic Profiles'.

Employment

BERL, MBIE and Infometrics estimates draw on data sets with comparable underlying base data. Each organisation also makes similar assumptions and adjustments, such as accounting for self-employment. The main difference is that BERL reports Full-Time Equivalent (FTE) employment while MBIE and Infometrics report Employee Counts (ECs).

Employee counts measure the total number of people in employment, regardless of the number of hours they work. For example, a person in employment for two hours a week is captured in the same way as someone working 40 hours a week.

FTE employment measures the number of people in employment for 30 hours or more per week. Two people who are employed part-time are measured as one full-time person. Reporting FTEs is more suitable for economic analysis and forecasting as it enables consistent comparisons across industries and time.

GDP

BERL generates GDP estimates using national accounts and FTE employment. Infometrics follows a similar process, while MBIE has used Provisional 2013 Regional Gross Domestic Product from Statistics New Zealand in their 2014 Regional Economic Activity Report.

BERL excludes Owner Occupied Dwellings (OOD) from GDP totals. OOD is an industry that measures the services provided to people living in the houses they own. The value of these OOD services is calculated as an imputed rent. In other words, the output of Owner Occupied Dwellings is valued at the estimated rent that a tenant would pay for the same accommodation. For the purposes of projecting economic activity, OOD distorts actual economic activity generated by FTEs as OOD do not generate jobs or income.

MBIE GDP figures are nominal, meaning they measure production in current prices. Infometrics and BERL GDP figures are real, meaning they have been adjusted from a nominal value to remove the effects of general price inflation over time. Infometrics GDP figures are expressed in 2010 dollars while BERL figures are expressed in 2014 dollars.

Infometrics and MBIE GDP figures include OOD and GDP that is not allocated to a specific industry.

Using FTE estimates and national accounts BERL and Infometrics have developed a series of GDP estimates to understand the drivers of growth in each territorial authority and region. This level of industry and sub-regional breakdown over time is not possible using Statistics New Zealand Regional GDP.

Appendix B Industry groupings

Industry grouping	ANZSIC 2006 Level 2 description
Primary production	A01 Agriculture A02 Aquaculture A03 Forestry and Logging A04 Fishing Hunting and Trapping A05 Agriculture Forestry and Fishing Support Services B06 Coal Mining B07 Oil and Gas Extraction B08 Metal Ore Mining B09 Non- Metallic Mineral Mining and Quarrying B10 Exploration and Other Mining Support Services C11 Food Product Manufacturing C12 Beverage and Tobacco Product Manufacturing C14 Wood Product Manufacturing C15 Pulp Paper and Converted Paper Product Manufacturing
Product manufacturing	C13 Textile Leather Clothing and Footwear Manufacturing C16 Printing C17 Petroleum and Coal Product Manufacturing C18 Basic Chemical and Chemical Product Manufacturing C19 Polymer Product and Rubber Product Manufacturing C20 Non- Metallic Mineral Product Manufacturing C21 Primary Metal and Metal Product Manufacturing C22 Fabricated Metal Product Manufacturing C23 Transport Equipment Manufacturing C24 Machinery and Equipment Manufacturing C25 Furniture and Other Manufacturing
Infrastructure	E30 Building Construction E31 Heavy and Civil Engineering Construction E32 Construction Services D26 Electricity Supply D27 Gas Supply D28 Water Supply Sewerage and Drainage Services D29 Waste Collection Treatment and Disposal Services
Wholesale and distribution	F33 Basic Material Wholesaling F34 Machinery and Equipment Wholesaling F35 Motor Vehicle and Motor Vehicle Parts Wholesaling F36 Grocery Liquor and Tobacco Product Wholesaling F37 Other Goods Wholesaling F38 Commission- Based Wholesaling I46 Road Transport I47 Rail Transport I48 Water Transport I49 Air and Space Transport I50 Other Transport I51 Postal and Courier Pick- up and Delivery Services I52 Transport Support Services I53 Warehousing and Storage Services
Communications and IT	J54 Publishing (except Internet and Music Publishing) J55 Motion Picture and Sound Recording Activities J56 Broadcasting (except Internet) J57 Internet Publishing and Broadcasting J58 Telecommunications Services J59 Internet Service Providers Web Search Portals and Data Processing Services J60 Library and Other Information Services M69 Professional Scientific and Technical Services (exc Comp Sys Dsn & related) M70 Computer System Design and Related Services

Industry grouping	ANZSIC 2006 Level 2 description
Retail trade and services	G39 Motor Vehicle and Motor Vehicle Parts Retailing G40 Fuel Retailing G41 Food Retailing G42 Other Store-Based Retailing G43 Non-Store Retailing and Retail Commission Based Buying and/or Selling H44 Accommodation H45 Food and Beverage Services S94 Repair and Maintenance S95 Personal and Other Services S96 Private Households Employing Staff
Business services	K62 Finance K63 Insurance and Superannuation Funds K64 Auxiliary Finance and Insurance Services L66 Rental and Hiring Services (except Real Estate) L67 Property Operators and Real Estate Services N72 Administrative Services N73 Building Cleaning Pest Control and Other Support Services
Social services and arts & recreation services	R89 Heritage Activities R90 Artistic Activities R91 Sport and Recreation Activities R92 Gambling Activities O75 Public Administration O76 Defence O77 Public Order Safety and Regulatory Services P80 Preschool and School Education P81 Tertiary Education P82 Adult Community and Other Education Q84 Hospitals Q85 Medical and Other Health Care Services Q86 Residential Care Services Q87 Social Assistance Services