

# ANNUAL ECONOMIC PROFILE

## Wanganui District



2015

# TABLE OF CONTENTS

<b>ECONOMY</b>	<b>2</b>
How fast has Wanganui District's economy grown?	2
What is the industrial structure of Wanganui District's economy?	3
Which broad industries made the largest contribution to economic growth?	7
Which detailed industries made the largest contribution to economic growth?	8
In which industries does Wanganui District have a comparative advantage?	10
How diversified is Wanganui District's economy?	12
<b>EMPLOYMENT</b>	<b>13</b>
How fast has employment grown in Wanganui District?	13
What is the industrial structure of employment in Wanganui District?	15
Which are the largest employing industries in Wanganui District?	16
Which industries have created the most jobs?	18
What proportion of the workforce is self-employed in Wanganui District?	21
<b>PRODUCTIVITY</b>	<b>22</b>
What are the most productive industries in Wanganui District?	24
<b>BUSINESS GROWTH</b>	<b>25</b>
How fast did the number of business units grow in Wanganui District?	25
<b>POPULATION GROWTH</b>	<b>27</b>
How fast has Wanganui District's population grown?	27
What is the source of Wanganui District's population growth?	29
What is the age structure of Wanganui District's population?	29
<b>STANDARD OF LIVING</b>	<b>30</b>
What are the mean earnings in Wanganui District?	30
How do house prices in Wanganui District compare?	32
How affordable is housing in Wanganui District?	33
<b>WORKFORCE AND SKILLS</b>	<b>34</b>
How do skill levels in Wanganui District compare with New Zealand?	34
What is the occupational structure of employment in Wanganui District?	35
Employment in knowledge intensive industries in Wanganui District	37
What are the top knowledge intensive industries in Wanganui District?	38
Which qualifications are in demand in Wanganui District?	39
<b>TOURISM</b>	<b>41</b>
Tourism GDP	41
Tourism Employment	42
<b>TECHNICAL NOTES</b>	<b>43</b>

# ECONOMY

The New Zealand economy grew by 3.6% over the year to March 2015. This rate of growth was the fastest in a decade, although there were signs by early 2015 that growth was starting to slow.

construction industry made the biggest contribution to growth, with value-added lifting by 10.9% in the March 2015 year. Growth was underpinned by rebuilding activity in Christchurch and increasing residential construction in Auckland, but many other regions also recorded a lift in activity. The agriculture, forestry, and fishing industry expanded by 8.1% despite a decline in forestry and logging

activity. Agriculture's growth partly reflected the tail end of the dairy price boom in 2013/14, although other areas of agriculture such as sheep and beef farming and horticulture also performed strongly. Many service-based industries recorded healthy growth in the

March 2015 year, reflecting good business and consumer confidence conditions. The fastest growth was recorded by accommodation and food services (8.0%) and retail trade (5.1%), with activity in both industries also boosted by increased tourist numbers and spending.

## How fast has Wanganui District's economy grown?

This section measures economic performance in Wanganui District during the year to March 2015 and previous years. All GDP estimates are measured in constant 2010 prices.

- GDP in Wanganui District measured \$1,390m in the year to March 2015, up 2.7% from a year earlier. New Zealand's GDP increased by 3.6% over the same period.
- Economic growth in Wanganui District averaged -0.1%pa over the last 10 years compared with an average of 1.9%pa in the national economy.
- Growth in Wanganui District reached a high of 5.3% in 2005 and a low of -3.4% in 2009.
- Wanganui District accounted for 0.6% of national GDP in 2015.

Figure 1: GDP growth (year to Mar 2015)

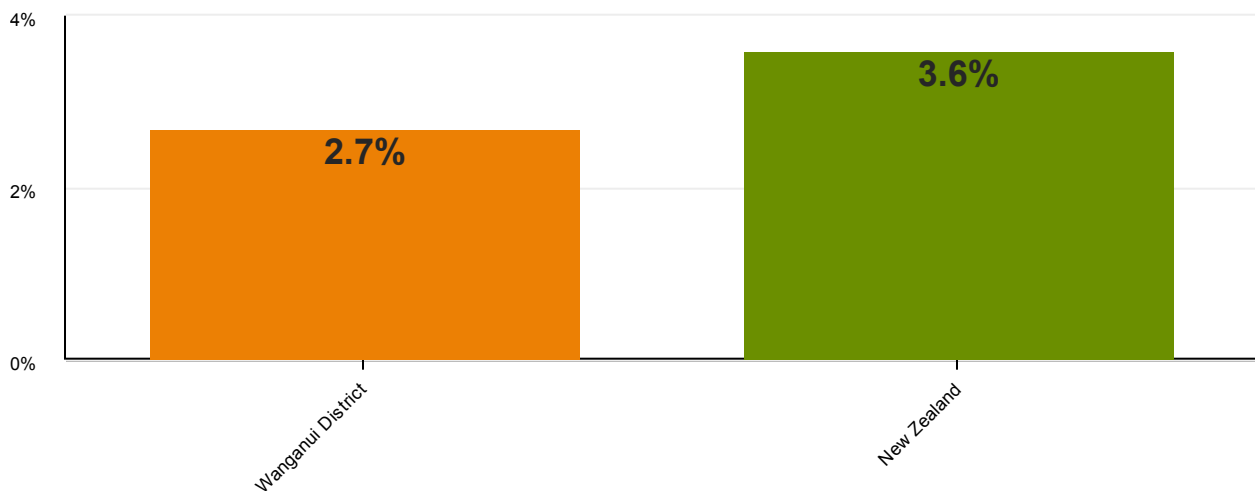


Figure 2: Annual average GDP growth (2000-2015)

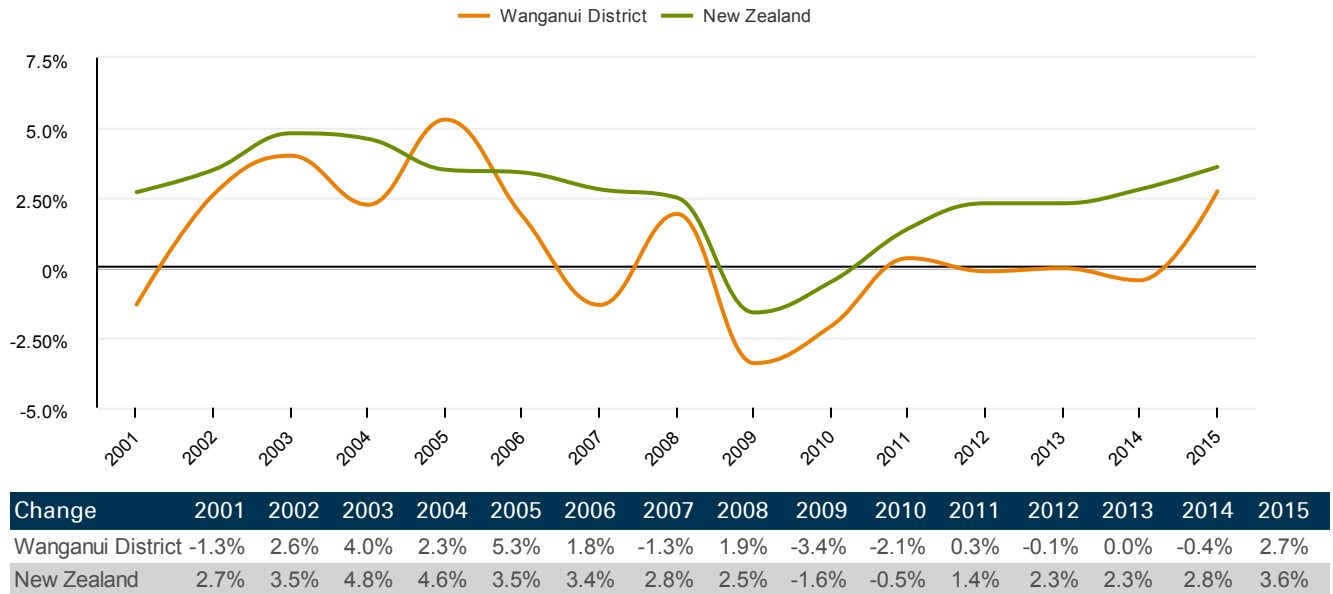
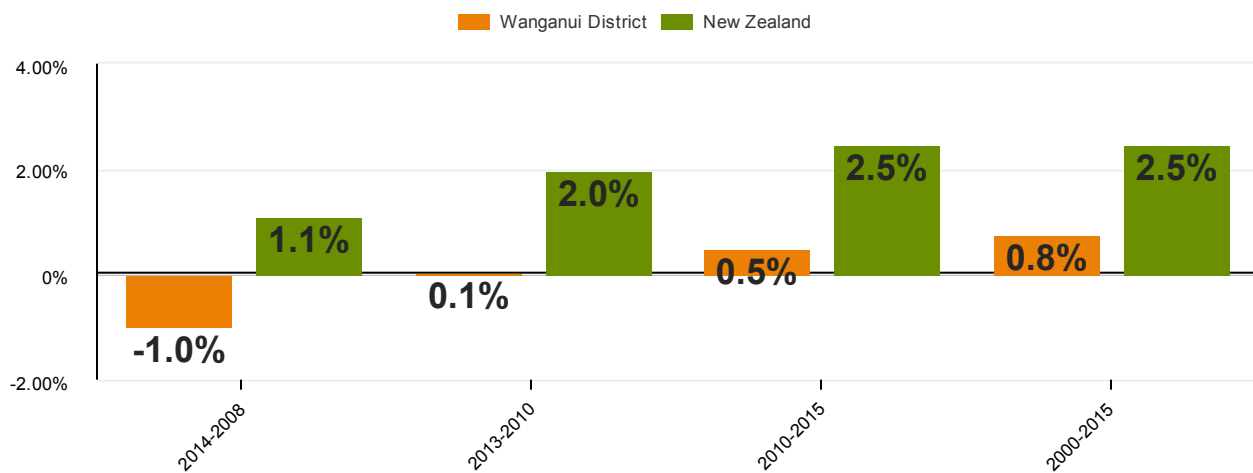


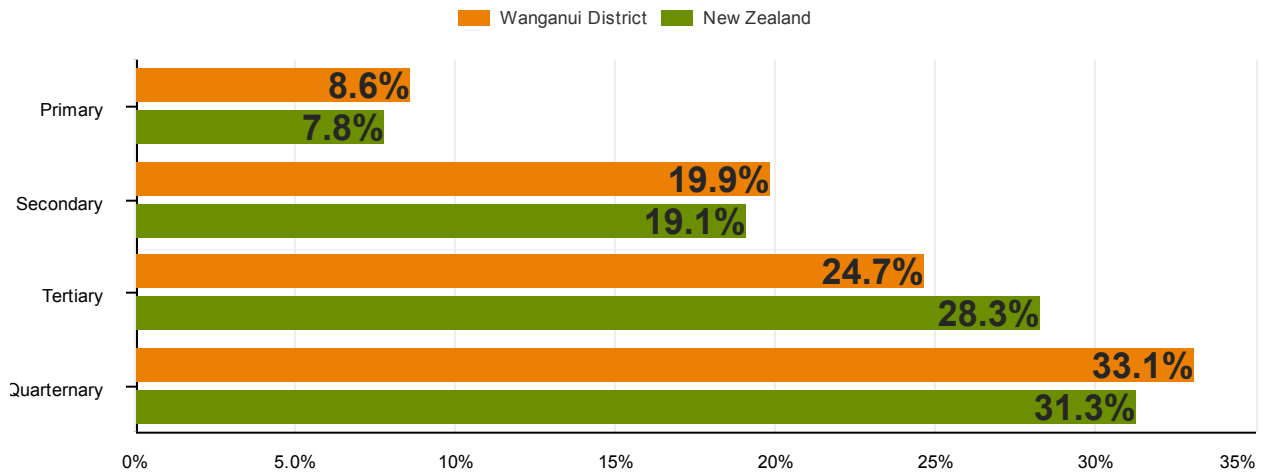
Figure 3: GDP growth over various time periods



## What is the industrial structure of Wanganui District's economy?

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

Figure 4: Share of total GDP (2015)



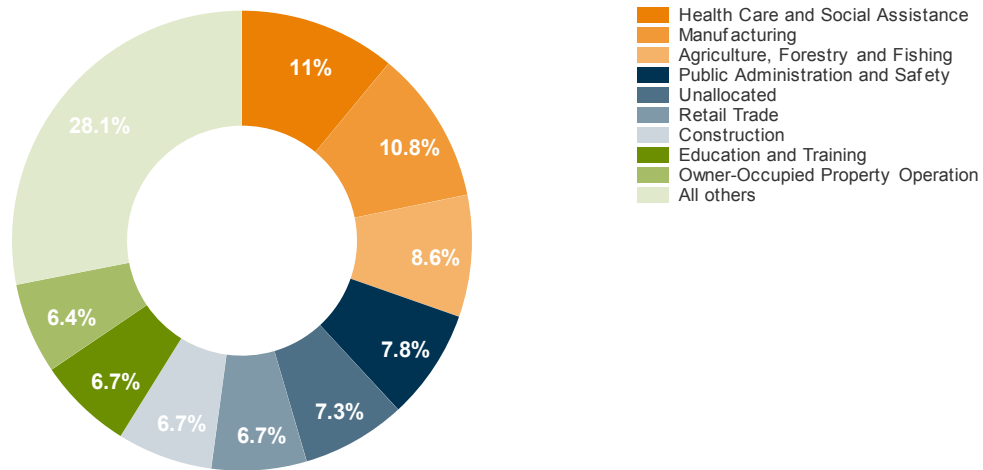
- Primary industries accounted for the smallest proportion in Wanganui District: 8.6% compared with 7.8% in the national economy.
- Secondary industries accounted for 19.9% compared with 19.1% in the national economy.
- Tertiary industries accounted for 24.7% compared with 28.3% in the national economy.
- Quarternary industries accounted for the largest proportion of GDP (33.1%) in Wanganui District, which is higher than in the national economy (31.3%).

Table 1: GDP by 1-digit industry (2015)

Industry	Wanganui District		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	\$119m	8.6%	\$13,391m	6.1%
Mining	\$0.00m	0.0%	\$3,766m	1.7%
Manufacturing	\$150m	10.8%	\$22,360m	10.2%
Electricity, Gas, Water and Waste Services	\$33.5m	2.4%	\$6,436m	2.9%
Construction	\$92.9m	6.7%	\$13,239m	6.0%
Wholesale Trade	\$41.1m	3.0%	\$11,551m	5.3%
Retail Trade	\$93.3m	6.7%	\$10,056m	4.6%
Accommodation and Food Services	\$25.4m	1.8%	\$4,503m	2.1%
Transport, Postal and Warehousing	\$54.6m	3.9%	\$8,993m	4.1%
Information Media and Telecommunications	\$11.1m	0.8%	\$6,891m	3.1%
Financial and Insurance Services	\$31.7m	2.3%	\$12,887m	5.9%
Rental, Hiring and Real Estate Services	\$77.8m	5.6%	\$15,641m	7.1%
Professional, Scientific and Technical Services	\$63.4m	4.6%	\$16,858m	7.7%
Administrative and Support Services	\$11.4m	0.8%	\$4,503m	2.1%
Public Administration and Safety	\$108m	7.8%	\$9,410m	4.3%
Education and Training	\$92.8m	6.7%	\$9,338m	4.3%
Health Care and Social Assistance	\$153m	11.0%	\$13,433m	6.1%
Arts and Recreation Services	\$17.2m	1.2%	\$3,065m	1.4%
Other Services	\$22.8m	1.6%	\$3,884m	1.8%
Owner-Occupied Property Operation	\$88.8m	6.4%	\$13,200m	6.0%
Unallocated	\$102m	7.3%	\$16,124m	7.3%
<b>Total</b>	<b>\$1,390m</b>	<b>100%</b>	<b>\$219,529m</b>	<b>100%</b>

- Among broad industries Health Care and Social Assistance was the largest in Wanganui District in 2015 accounting for 11.0% of total.
- The second largest was Manufacturing (10.8%) followed by Agriculture, Forestry and Fishing (8.6%)

Figure 5: Share of total GDP (2015)



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

- Among detailed industries Health Care & Social Assistance was the largest in Wanganui District in 2015 accounting for 11.0% of total.
- The second largest was Central Gov Admin, Defence & Safety (7.1%) followed by Education & Training (6.7%)

Table 2: 54 industries ranked by contribution to GDP (2015)

Industry	Wanganui District		New Zealand	
	Level	Share of total	Level	Share of total
Horticulture & Fruit Growing	\$6.64m	0.5%	\$1,199m	0.5%
Sheep, Beef Cattle & Grain Farming	\$38.6m	2.8%	\$2,901m	1.3%
Dairy Cattle Farming	\$20.5m	1.5%	\$5,756m	2.6%
Poultry, Deer & Other Livestock Farming	\$4.91m	0.4%	\$334m	0.2%
Forestry & Logging	\$35.3m	2.5%	\$1,430m	0.7%
Fishing & Aquaculture	\$0.79m	0.1%	\$316m	0.1%
Agric Support Services & Hunting	\$12.4m	0.9%	\$1,455m	0.7%
Mining	\$0.00m	0.0%	\$3,766m	1.7%
Meat & Meat Product Manufacturing	\$39.3m	2.8%	\$1,767m	0.8%
Seafood Processing	\$0.12m	0.0%	\$415m	0.2%
Dairy Product Manufacturing	\$1.42m	0.1%	\$1,228m	0.6%
Fruit, Cereal & Other Food Product Manu	\$18.0m	1.3%	\$1,991m	0.9%
Beverage & Tobacco Product Manu	\$0.37m	0.0%	\$1,924m	0.9%
Textile, Leather, Clothing, Footwear Manu	\$19.9m	1.4%	\$611m	0.3%
Wood Product Manufacturing	\$8.92m	0.6%	\$1,341m	0.6%
Pulp & Paper Product Manufacturing	\$0.00m	0.0%	\$689m	0.3%
Printing	\$3.25m	0.2%	\$649m	0.3%
Petroleum & Coal Product Manufacturing	\$0.00m	0.0%	\$1,079m	0.5%
Basic Chemical & Chemical Product Manu	\$1.76m	0.1%	\$1,285m	0.6%
Polymer Product & Rubber Product Manu	\$6.42m	0.5%	\$1,299m	0.6%
Non-Metallic Mineral Product Manu	\$6.89m	0.5%	\$1,068m	0.5%
Primary Metal & Metal Product Manu	\$0.74m	0.1%	\$621m	0.3%
Fabricated Metal Product Manufacturing	\$12.5m	0.9%	\$1,885m	0.9%
Transport Equipment Manufacturing	\$7.64m	0.6%	\$1,071m	0.5%
Machinery & Other Equipment Manu	\$14.9m	1.1%	\$2,804m	1.3%
Furniture & Other Manufacturing	\$7.54m	0.5%	\$632m	0.3%
Electricity & Gas Supply	\$22.6m	1.6%	\$5,390m	2.5%
Water, Sewerage & Waste Services	\$10.9m	0.8%	\$1,046m	0.5%
Building Construction	\$17.6m	1.3%	\$2,656m	1.2%
Heavy & Civil Engineering Construction	\$23.4m	1.7%	\$3,926m	1.8%
Construction Services	\$51.9m	3.7%	\$6,657m	3.0%
Wholesale Trade	\$41.1m	3.0%	\$11,551m	5.3%
Motor Vehicle, Parts & Fuel Retailing	\$15.1m	1.1%	\$1,438m	0.7%
Supermarket & Specialised Food Retailing	\$29.0m	2.1%	\$2,909m	1.3%
Other Store & Non Store Retailing	\$49.2m	3.5%	\$5,709m	2.6%
Accommodation & Food Services	\$25.4m	1.8%	\$4,503m	2.1%
Road Transport	\$26.1m	1.9%	\$3,087m	1.4%
Rail, Water, Air & Other Transport	\$2.03m	0.1%	\$1,888m	0.9%
Postal, Courier & Warehousing Services	\$26.5m	1.9%	\$4,018m	1.8%
Information Media Services	\$4.16m	0.3%	\$1,925m	0.9%
Telecomms, Internet & Library Services	\$6.92m	0.5%	\$4,966m	2.3%
Finance	\$18.8m	1.4%	\$8,480m	3.9%
Insurance & Superannuation Funds	\$1.90m	0.1%	\$2,441m	1.1%
Auxiliary Finance & Insurance Services	\$11.1m	0.8%	\$1,966m	0.9%
Rental & Hiring Services	\$10.2m	0.7%	\$2,531m	1.2%
Property Operators & Real Estate Services	\$67.6m	4.9%	\$13,110m	6.0%
Professional, Scientific & Tech Services	\$63.4m	4.6%	\$16,858m	7.7%
Administrative & Support Services	\$11.4m	0.8%	\$4,503m	2.1%
Local Government Administration	\$9.16m	0.7%	\$1,121m	0.5%
Central Gov Admin, Defence & Safety	\$98.9m	7.1%	\$8,289m	3.8%
Education & Training	\$92.8m	6.7%	\$9,338m	4.3%
Health Care & Social Assistance	\$153m	11.0%	\$13,433m	6.1%
Arts & Recreation Services	\$17.2m	1.2%	\$3,065m	1.4%
Other Services	\$22.8m	1.6%	\$3,884m	1.8%
Owner-Occupied Property Operation	\$88.8m	6.4%	\$13,200m	6.0%
Unallocated	\$102m	7.3%	\$16,124m	7.3%
<b>Total</b>	<b>\$1,390m</b>	<b>100%</b>	<b>\$219,529m</b>	<b>100%</b>

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

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

- Construction made the largest contribution to overall growth in Wanganui District between 2014 and 2015. The industry grew by 12% over the year and contributed 0.76 percentage points to the district's total growth of 2.7%.
- The next largest contributor was agriculture, forestry and fishing (0.70 percentage points) followed by health care and social assistance (0.42 percentage points).
- The largest detractor from growth over the year was Education and Training which declined by 2.6% and contributed -0.18 percentage points to the total growth of 2.7%. Financial and Insurance Services (-0.18 percentage points) was the next largest detractor.

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

Industry	2014	2015	% point contribution to growth	Annual Growth
Construction	82.6	92.9	0.8%	12.4%
Agriculture, Forestry and Fishing	109.6	119.1	0.7%	8.7%
Health Care and Social Assistance	147.2	152.8	0.4%	3.8%
Rental, Hiring and Real Estate Services	72.4	77.8	0.4%	7.4%
Electricity, Gas, Water and Waste Services	29.9	33.5	0.3%	12.2%
Transport, Postal and Warehousing	51.8	54.6	0.2%	5.4%
Manufacturing	148.3	149.7	0.1%	0.9%
Professional, Scientific and Technical Services	62.3	63.4	0.1%	1.8%
Public Administration and Safety	107.3	108.1	0.1%	0.7%
Accommodation and Food Services	24.8	25.4	0.1%	2.8%
Arts and Recreation Services	16.6	17.2	0.0%	3.5%
Information Media and Telecommunications	10.9	11.1	0.0%	1.9%
Other Services	22.7	22.8	0.0%	0.5%
Mining	0.0	0.0	0.0%	-
Retail Trade	93.6	93.3	0.0%	-0.4%
Wholesale Trade	41.9	41.1	-0.1%	-1.8%
Administrative and Support Services	12.6	11.4	-0.1%	-9.5%
Financial and Insurance Services	34.1	31.7	-0.2%	-7.0%
Education and Training	95.3	92.8	-0.2%	-2.6%
Owner-Occupied Property Operation	89.8	88.8	-0.1%	-1.0%
Unallocated	99.1	102.1	0.2%	3.0%
<b>Total</b>	<b>1,353</b>	<b>1,390</b>	<b>2.7%</b>	<b>2.7%</b>



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

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

- Health Care & Social Assistance made the largest contribution to overall growth in Wanganui District between 2014 and 2015. The industry grew by 3.8% over the year and contributed 0.42 percentage points to the district's total growth of 2.7%.
- The next largest contributor was construction services (0.38 percentage points) followed by property operators & real estate services (0.37 percentage points).
- The largest detractor from growth over the year was Education & Training which declined by 2.6% and contributed -0.18 percentage points to the total growth of 2.7%. Finance (-0.15 percentage points) was the next largest detractor.

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

Industry	2014	2015	% point contribution to growth	Annual Growth
Health Care & Social Assistance	147.2	152.8	0.4%	3.8%
Construction Services	46.8	51.9	0.4%	10.9%
Property Operators & Real Estate Services	62.6	67.6	0.4%	8.0%
Sheep, Beef Cattle & Grain Farming	34.5	38.6	0.3%	11.8%
Heavy & Civil Engineering Construction	19.4	23.4	0.3%	20.9%
Electricity & Gas Supply	19.3	22.6	0.2%	17.4%
Postal, Courier & Warehousing Services	23.5	26.5	0.2%	12.7%
Dairy Cattle Farming	18.1	20.5	0.2%	13.1%
Transport Equipment Manufacturing	5.9	7.6	0.1%	28.6%
Agric Support Services & Hunting	11.1	12.4	0.1%	11.7%
Meat & Meat Product Manufacturing	38.0	39.3	0.1%	3.4%
Building Construction	16.4	17.6	0.1%	7.0%
Poultry, Deer & Other Livestock Farming	3.8	4.9	0.1%	30.2%
Professional, Scientific & Tech Services	62.3	63.4	0.1%	1.8%
Horticulture & Fruit Growing	5.6	6.6	0.1%	18.0%
Central Gov Admin, Defence & Safety	97.9	98.9	0.1%	1.0%
Accommodation & Food Services	24.8	25.4	0.1%	2.8%
Arts & Recreation Services	16.6	17.2	0.0%	3.5%
Wood Product Manufacturing	8.3	8.9	0.0%	6.9%
Other Store & Non Store Retailing	48.7	49.2	0.0%	1.0%
Telecomms, Internet & Library Services	6.5	6.9	0.0%	7.0%
Machinery & Other Equipment Manu	14.5	14.9	0.0%	3.0%
Rental & Hiring Services	9.8	10.2	0.0%	4.0%
Non-Metallic Mineral Product Manu	6.5	6.9	0.0%	5.8%
Water, Sewerage & Waste Services	10.6	10.9	0.0%	2.6%
Seafood Processing	0.0	0.1	0.0%	-
Other Services	22.7	22.8	0.0%	0.5%
Printing	3.1	3.3	0.0%	3.5%
Primary Metal & Metal Product Manu	0.7	0.7	0.0%	13.8%
Fishing & Aquaculture	0.7	0.8	0.0%	11.3%
Road Transport	26.0	26.1	0.0%	0.2%
Mining	0.0	0.0	0.0%	-
Pulp & Paper Product Manufacturing	0.0	0.0	0.0%	-
Petroleum & Coal Product Manufacturing	0.0	0.0	0.0%	-
Auxiliary Finance & Insurance Services	11.1	11.1	0.0%	-0.3%
Beverage & Tobacco Product Manu	0.5	0.4	0.0%	-20.0%
Basic Chemical & Chemical Product Manu	1.9	1.8	0.0%	-5.8%
Textile, Leather, Clothing, Footwear Manu	20.1	19.9	0.0%	-1.0%
Local Government Administration	9.4	9.2	0.0%	-2.2%
Rail, Water, Air & Other Transport	2.3	2.0	0.0%	-10.4%
Information Media Services	4.4	4.2	0.0%	-5.5%
Fruit, Cereal & Other Food Product Manu	18.3	18.0	0.0%	-1.9%
Dairy Product Manufacturing	1.8	1.4	0.0%	-21.3%
Insurance & Superannuation Funds	2.3	1.9	0.0%	-17.0%
Motor Vehicle, Parts & Fuel Retailing	15.5	15.1	0.0%	-2.5%
Supermarket & Specialised Food Retailing	29.4	29.0	0.0%	-1.5%
Forestry & Logging	35.7	35.3	0.0%	-1.3%
Fabricated Metal Product Manufacturing	13.0	12.5	0.0%	-4.0%
Polymer Product & Rubber Product Manu	7.0	6.4	0.0%	-8.8%
Wholesale Trade	41.9	41.1	-0.1%	-1.8%
Furniture & Other Manufacturing	8.6	7.5	-0.1%	-12.0%
Administrative & Support Services	12.6	11.4	-0.1%	-9.5%
Finance	20.7	18.8	-0.1%	-9.5%
Education & Training	95.3	92.8	-0.2%	-2.6%
Owner-Occupied Property Operation	89.8	88.8	-0.1%	-1.0%
Unallocated	99.1	102.1	0.2%	3.0%
<b>Total</b>	<b>1,353</b>	<b>1,390</b>	<b>2.7%</b>	<b>2.7%</b>

## In which industries does Wanganui District have a comparative advantage?

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

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

- The industries in which Wanganui District has the largest comparative advantages are Textile, Leather, Clothing, Footwear Manu (location quotient = 5.1), Forestry & Logging (3.9), and Meat & Meat Product Manufacturing (3.5).

Table 5: Location Quotient 2015

Industry	Wanganui District		New Zealand
	Location Quotient	Share of total GDP	Share of total GDP
Textile, Leather, Clothing, Footwear Manu	5.1	1.4%	0.3%
Forestry & Logging	3.9	2.5%	0.7%
Meat & Meat Product Manufacturing	3.5	2.8%	0.8%
Poultry, Deer & Other Livestock Farming	2.3	0.4%	0.2%
Sheep, Beef Cattle & Grain Farming	2.1	2.8%	1.3%
Central Gov Admin, Defence & Safety	1.9	7.1%	3.8%
Furniture & Other Manufacturing	1.9	0.5%	0.3%
Health Care & Social Assistance	1.8	11.0%	6.1%
Motor Vehicle, Parts & Fuel Retailing	1.7	1.1%	0.7%
Water, Sewerage & Waste Services	1.6	0.8%	0.5%
Supermarket & Specialised Food Retailing	1.6	2.1%	1.3%
Education & Training	1.6	6.7%	4.3%
Fruit, Cereal & Other Food Product Manu	1.4	1.3%	0.9%
Other Store & Non Store Retailing	1.4	3.5%	2.6%
Agric Support Services & Hunting	1.4	0.9%	0.7%
Road Transport	1.3	1.9%	1.4%
Local Government Administration	1.3	0.7%	0.5%
Construction Services	1.2	3.7%	3.0%
Transport Equipment Manufacturing	1.1	0.6%	0.5%
Wood Product Manufacturing	1.1	0.6%	0.6%
Fabricated Metal Product Manufacturing	1.0	0.9%	0.9%
Building Construction	1.0	1.3%	1.2%
Postal, Courier & Warehousing Services	1.0	1.9%	1.8%
Non-Metallic Mineral Product Manu	1.0	0.5%	0.5%
Heavy & Civil Engineering Construction	0.9	1.7%	1.8%
Other Services	0.9	1.6%	1.8%
Accommodation & Food Services	0.9	1.8%	2.1%
Auxiliary Finance & Insurance Services	0.9	0.8%	0.9%
Arts & Recreation Services	0.9	1.2%	1.4%
Horticulture & Fruit Growing	0.9	0.5%	0.5%
Machinery & Other Equipment Manu	0.8	1.1%	1.3%
Property Operators & Real Estate Services	0.8	4.9%	6.0%
Printing	0.8	0.2%	0.3%
Polymer Product & Rubber Product Manu	0.8	0.5%	0.6%
Electricity & Gas Supply	0.7	1.6%	2.5%
Rental & Hiring Services	0.6	0.7%	1.2%
Professional, Scientific & Tech Services	0.6	4.6%	7.7%
Dairy Cattle Farming	0.6	1.5%	2.6%
Wholesale Trade	0.6	3.0%	5.3%
Administrative & Support Services	0.4	0.8%	2.1%
Fishing & Aquaculture	0.4	0.1%	0.1%
Finance	0.3	1.4%	3.9%
Information Media Services	0.3	0.3%	0.9%
Telecomms, Internet & Library Services	0.2	0.5%	2.3%
Basic Chemical & Chemical Product Manu	0.2	0.1%	0.6%
Primary Metal & Metal Product Manu	0.2	0.1%	0.3%
Dairy Product Manufacturing	0.2	0.1%	0.6%
Rail, Water, Air & Other Transport	0.2	0.1%	0.9%
Insurance & Superannuation Funds	0.1	0.1%	1.1%
Seafood Processing	0.0	0.0%	0.2%
Beverage & Tobacco Product Manu	0.0	0.0%	0.9%
Mining	0.0	0.0%	1.7%
Pulp & Paper Product Manufacturing	0.0	0.0%	0.3%
Petroleum & Coal Product Manufacturing	0.0	0.0%	0.5%

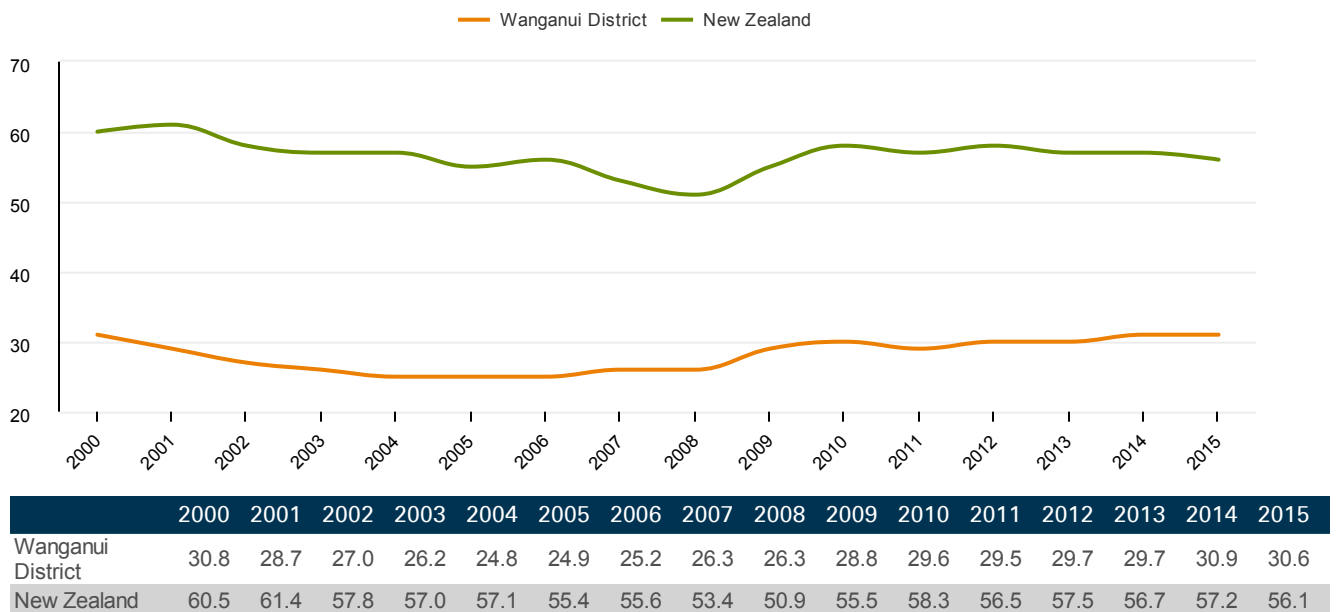
## How diversified is Wanganui District's economy?

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

The HHI Index for New Zealand is measured as the average HHI across all 66 territorial authorities.

- Wanganui District had a standardised HHI of 30.6 in 2015.
- Since 2000 Wanganui District's HHI has decreased from 30.8 indicating a increase in industrial diversity. During the same period New Zealand's economy has become more diversified with the HHI decreasing from 60.5 to 56.1.

Figure 6: HHI Index in Wanganui District and New Zealand (2000 - 2015)

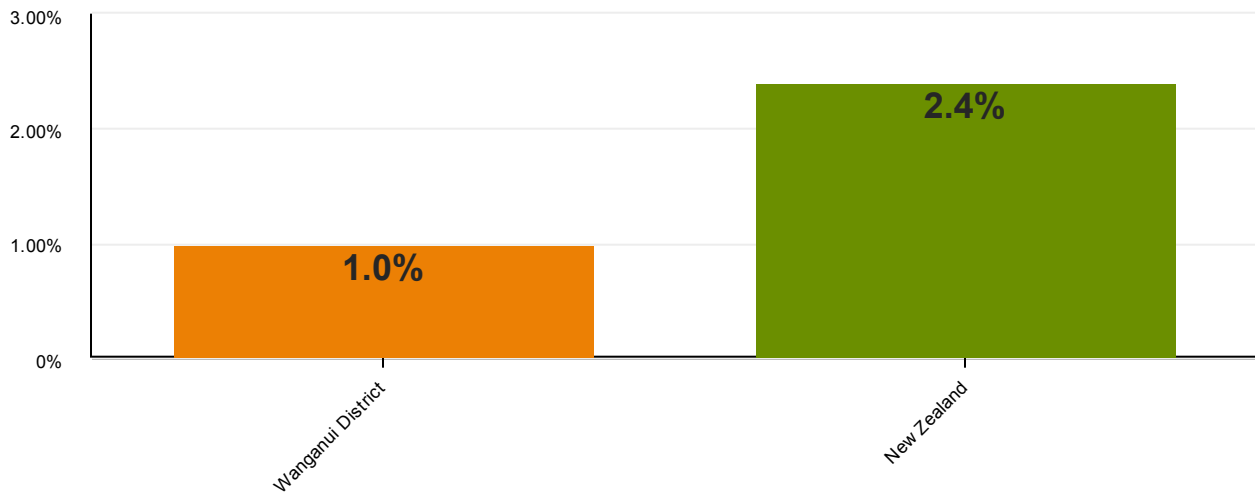


# EMPLOYMENT

## How fast has employment grown in Wanganui District?

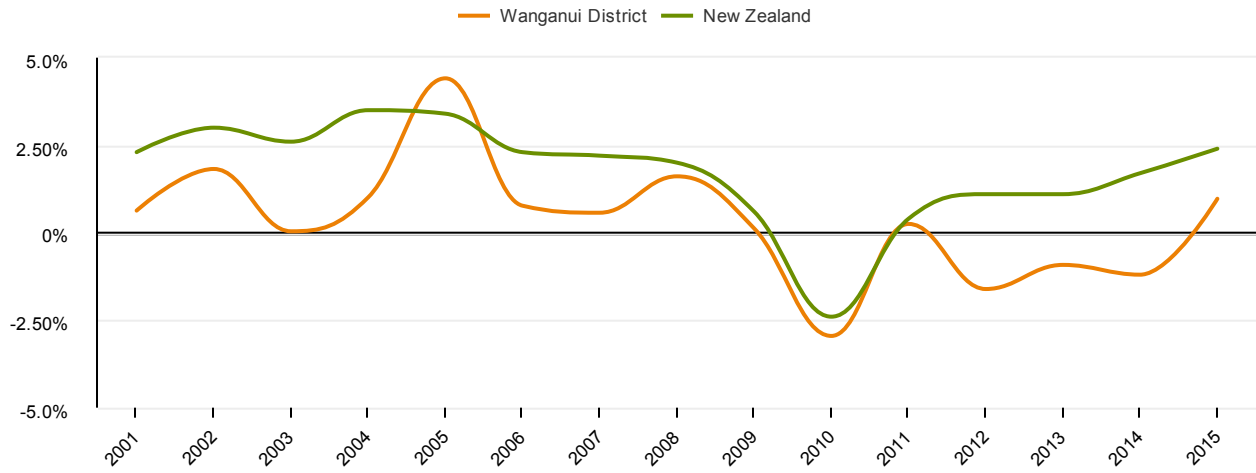
Employment growth provides new opportunities for the region's population to earn income and contribute to the region's economy. This section contrasts Wanganui District's recent performance in creating jobs with other regions in the country.

Figure 7: Employment growth (year to Mar 2015)



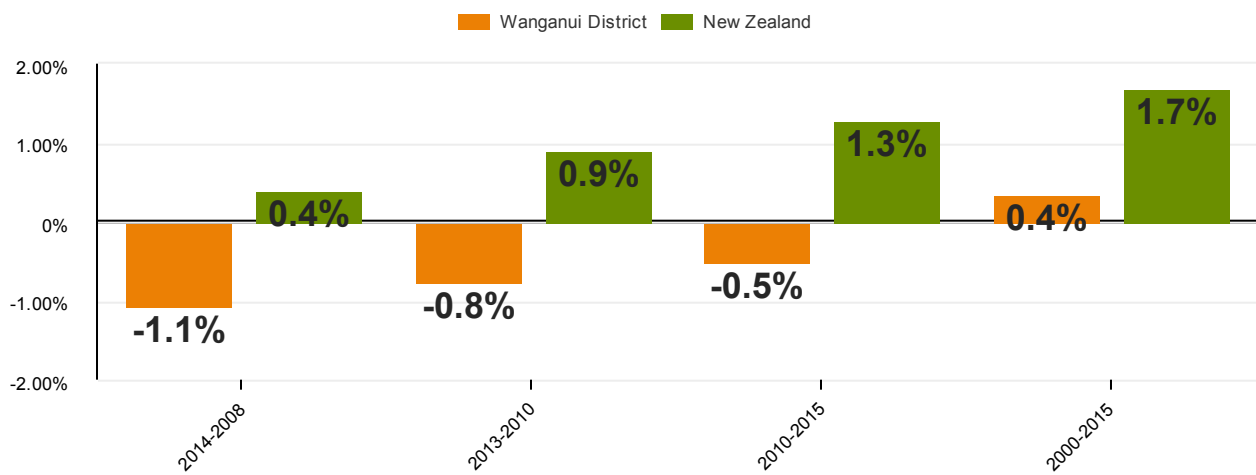
- Total employment in Wanganui District averaged 18,971 in the year to March 2015, up 1.0% from a year earlier. Employment in New Zealand increased by 2.4% over the same period.
- Employment growth in Wanganui District averaged -0.2%pa over the last 10 years compared with 1.1%pa in the national economy.
- Employment growth in Wanganui District reached a high of 4.4% in 2005 and a low of -2.9% in 2010.

Figure 8: Annual average employment growth



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wanganui District	0.6%	1.8%	0.0%	1.0%	4.4%	0.8%	0.6%	1.6%	0.1%	-2.9%	0.2%	-1.6%	-0.9%	-1.2%	1.0%
New Zealand	2.3%	3.0%	2.6%	3.5%	3.4%	2.3%	2.2%	2.0%	0.6%	-2.4%	0.4%	1.1%	1.1%	1.7%	2.4%

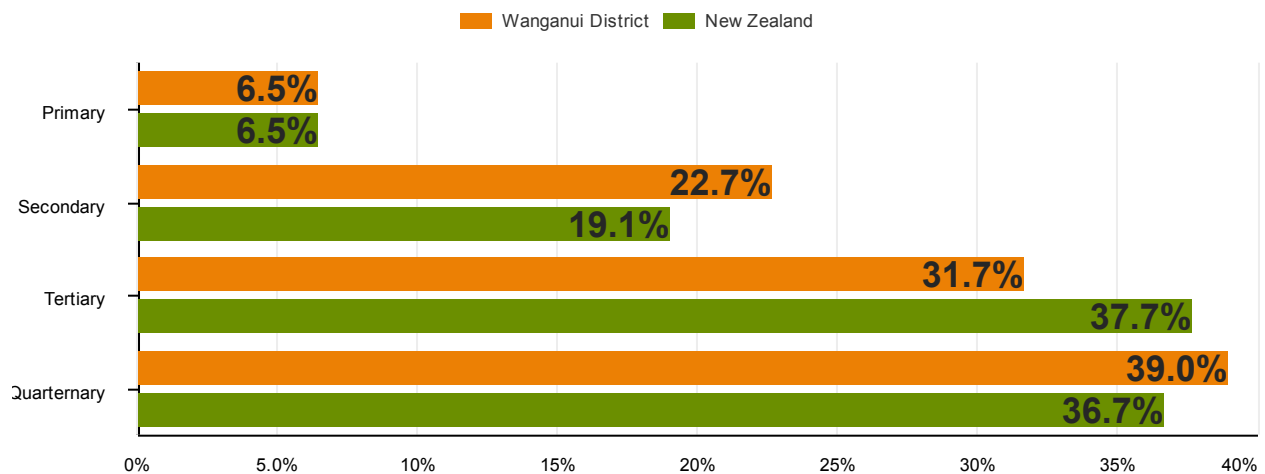
Figure 9: Employment growth over various time periods



## What is the industrial structure of employment in Wanganui District?

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

Figure 10: Employment by broad sector (2015)



- Primary accounted for 6.5% in Wanganui District compared with 6.5% in New Zealand.
- Secondary accounted for 22.7% in Wanganui District compared with 19.1% in New Zealand.
- Tertiary accounted for 31.7% in Wanganui District compared with 37.7% in New Zealand.
- Quaternary industries accounted for the largest proportion of employment (39.0%) in Wanganui District, which is higher than in New Zealand (36.7%).



## Which are the largest employing industries in Wanganui District?

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

**Table 6: 1-digit industries ranked by size of employment (2015)**

Industry	Wanganui District		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	1,242.5	6.5%	142,316.8	6.2%
Mining	0.0	0.0%	6,038.8	0.3%
Manufacturing	2,608.5	13.7%	226,233.8	9.9%
Electricity, Gas, Water and Waste Services	137.8	0.7%	14,639.8	0.6%
Construction	1,567.5	8.3%	196,429.3	8.6%
Wholesale Trade	502.8	2.7%	116,251.8	5.1%
Retail Trade	1,991.3	10.5%	211,917.8	9.3%
Accommodation and Food Services	1,053.3	5.6%	144,228.3	6.3%
Transport, Postal and Warehousing	743.8	3.9%	95,694.0	4.2%
Information Media and Telecommunications	120.5	0.6%	41,521.3	1.8%
Financial and Insurance Services	235.5	1.2%	63,154.3	2.8%
Rental, Hiring and Real Estate Services	284.5	1.5%	53,429.5	2.3%
Professional, Scientific and Technical Services	910.5	4.8%	215,311.5	9.4%
Administrative and Support Services	313.8	1.7%	111,813.8	4.9%
Public Administration and Safety	1,375.3	7.2%	109,860.3	4.8%
Education and Training	1,732.5	9.1%	181,387.5	7.9%
Health Care and Social Assistance	3,024.8	15.9%	227,549.3	9.9%
Arts and Recreation Services	360.5	1.9%	42,518.8	1.9%
Other Services	766.3	4.0%	86,670.8	3.8%
<b>Total</b>	<b>18,971.3</b>	<b>100%</b>	<b>2,286,966.8</b>	<b>100%</b>

- Among broad industries Health Care and Social Assistance was the largest in Wanganui District in 2015 accounting for 15.9% of total.
- The second largest was Manufacturing (13.7%) followed by Retail Trade (10.5%)

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

- Health Care and Social Assistance was the largest 7-digit industry in Wanganui District in 2015 employing 3,025 persons and accounting for 15.9% of total employment in the district. By contrast this industry accounted for 9.9% of total employment in New Zealand.
- The second largest employing industries were manufacturing (2,609) followed by retail trade (1,991).

Table 7: 50 largest employing 7-digit ANZSIC industries (2015)

Rank	Industry	Wanganui District		New Zealand
		Jobs	% of total	% of total
1	Hospitals (except Psychiatric Hospitals)	977	5.1%	2.9%
2	Meat Processing	679	3.6%	0.9%
3	Primary Education	635	3.3%	2.1%
4	Aged Care Residential Services	628	3.3%	1.4%
5	Supermarket and Grocery Stores	598	3.2%	2.4%
6	Secondary Education	467	2.5%	1.6%
7	Cafes and Restaurants	404	2.1%	2.7%
8	Road Freight Transport	353	1.9%	1.3%
9	Preschool Education	340	1.8%	1.1%
10	Correctional and Detention Services	324	1.7%	0.3%
11	Other Allied Health Services	312	1.6%	1.4%
12	Other Residential Care Services	309	1.6%	0.6%
13	Central Government Administration	280	1.5%	1.3%
14	House Construction	275	1.5%	1.6%
15	Leather Tanning, Fur Dressing and Leather Product Manufacturing	260	1.4%	0.1%
16	Takeaway Food Services	230	1.2%	1.1%
17	Accounting Services	228	1.2%	1.0%
18	Prepared Animal and Bird Feed Manufacturing	221	1.2%	0.1%
19	Defence	217	1.1%	0.6%
20	Sheep-Beef Cattle Farming	208	1.1%	0.5%
21	Hardware and Building Supplies Retailing	202	1.1%	0.8%
22	Local Government Administration	186	1.0%	0.9%
23	Department Stores	186	1.0%	0.7%
24	Other Social Assistance Services	180	0.9%	0.8%
25	Dairy Cattle Farming	178	0.9%	1.8%
26	Electrical Services	175	0.9%	0.8%
27	Site Preparation Services	174	0.9%	0.5%
28	Plumbing Services	172	0.9%	0.5%
29	Other Automotive Repair and Maintenance	171	0.9%	0.7%
30	Accommodation	168	0.9%	1.3%
31	Child Care Services	163	0.9%	0.6%
32	Management Advice and Other Consulting Services	158	0.8%	1.6%
33	Sheep Farming (Specialised)	149	0.8%	0.4%
34	General Practice Medical Services	142	0.7%	0.6%
35	Painting and Decorating Services	139	0.7%	0.6%
36	Hairdressing and Beauty Services	137	0.7%	0.6%
37	Postal Services	134	0.7%	0.4%
38	Other Interest Group Services n.e.c.	133	0.7%	0.5%
39	Other Machinery and Equipment Manufacturing n.e.c.	132	0.7%	0.5%
40	Natural Fibre Textile Manufacturing	130	0.7%	0.0%
41	Other Heavy and Civil Engineering Construction	127	0.7%	0.8%
42	Legal Services	123	0.6%	0.8%
43	Car Retailing	122	0.6%	0.5%
44	Higher Education	116	0.6%	1.5%
45	Engineering Design and Engineering Consulting Services	116	0.6%	1.1%
46	Pubs, Taverns and Bars	115	0.6%	0.6%
47	Police Services	113	0.6%	0.6%
48	Other Agriculture and Fishing Support Services	109	0.6%	0.9%
49	Other Fabricated Metal Product Manufacturing n.e.c.	106	0.6%	0.3%
50	Investigation and Security Services	100	0.5%	0.4%
	<b>All other industries total</b>	<b>6,676</b>	<b>35.2%</b>	<b>52.9%</b>
	<b>Total</b>	<b>18,971</b>	<b>100%</b>	<b>100%</b>

## Which industries have created the most jobs?

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

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

Industry	2014	2015	Change	Annual Growth
Construction	1,481	1,568	87	5.9%
Health Care and Social Assistance	2,944	3,025	81	2.8%
Agriculture, Forestry and Fishing	1,171	1,243	71	6.1%
Manufacturing	2,567	2,609	42	1.6%
Transport, Postal and Warehousing	707	744	37	5.2%
Rental, Hiring and Real Estate Services	268	285	16	6.1%
Electricity, Gas, Water and Waste Services	127	138	11	8.5%
Arts and Recreation Services	350	361	10	2.9%
Professional, Scientific and Technical Services	902	911	9	1.0%
Other Services	760	766	6	0.8%
Mining	0	0	0	-
Public Administration and Safety	1,379	1,375	-4	-0.3%
Information Media and Telecommunications	125	121	-4	-3.4%
Wholesale Trade	514	503	-12	-2.3%
Accommodation and Food Services	1,070	1,053	-17	-1.6%
Financial and Insurance Services	253	236	-17	-6.8%
Education and Training	1,761	1,733	-29	-1.6%
Administrative and Support Services	349	314	-35	-10.0%
Retail Trade	2,062	1,991	-70	-3.4%
<b>Total</b>	<b>18,789</b>	<b>18,971</b>	<b>182</b>	<b>1.0%</b>

- Construction made the largest contribution to employment growth in Wanganui District between 2014 and 2015 with the industry adding 87 jobs.
- The next largest contributor was Health Care and Social Assistance (81 jobs) followed by Agriculture, Forestry and Fishing (71 jobs).
- The largest detractor from growth over the year was Retail Trade in which employment declined by 70.

The table on the next page shows the 50 industries (out of a total of approximately 500 industries of the ANZSIC 2006 industry classification<sup>1</sup>) that created the most number of jobs over the past year. Table 15 shows the 50 detailed industries that made the lowest contribution to job creation over the same period.

- Meat Processing was the largest creator of jobs in Wanganui District between 2014 and 2015 generating an additional 43 positions.
- This was followed by Central Government Administration, which added 33 jobs over the same period.
- Buildings Cleaning Services was the largest detractor of jobs in Wanganui District between 2014 and 2015 losing 40 positions.
- This was followed by Defence, which lost 30 jobs over the same period.

Table 9: Table 9. The 50 seven-digit industries that created the most jobs between 2014 and 2015

Rank	Industry	Jobs		Change 2014 - 2015	% of total 2015
		2014	2015		
1	Meat Processing	636	679	43	3.6%
2	Central Government Administration	247	280	33	1.5%
3	Other Allied Health Services	281	312	32	1.6%
4	Takeaway Food Services	201	230	30	1.2%
5	Aged Care Residential Services	599	628	29	3.3%
6	Postal Services	109	134	26	0.7%
7	Shearing Services	67	90	23	0.5%
8	Hospitals (except Psychiatric Hospitals)	955	977	22	5.1%
9	Plumbing Services	155	172	17	0.9%
10	Road and Bridge Construction	76	92	16	0.5%
11	Management Advice and Other Consulting Services	143	158	15	0.8%
12	Pharmaceutical and Toilet Goods Wholesaling	8	22	14	0.1%
13	Non Store Retailing	30	44	14	0.2%
14	Leather Tanning, Fur Dressing and Leather Product Manufacturing	246	260	14	1.4%
15	Boatbuilding and Repair Services	41	54	13	0.3%
16	Other Heavy and Civil Engineering Construction	114	127	12	0.7%
17	Non-Residential Building Construction	66	78	12	0.4%
18	Dairy Cattle Farming	166	178	11	0.9%
19	Beekeeping	28	39	11	0.2%
20	Investigation and Security Services	89	100	11	0.5%
21	Other Construction Services n.e.c.	48	59	10	0.3%
22	Forestry	23	33	10	0.2%
23	Painting and Decorating Services	130	139	9	0.7%
24	Sheep-Beef Cattle Farming	199	208	9	1.1%
25	Site Preparation Services	165	174	9	0.9%
26	Optometry and Optical Dispensing	24	33	9	0.2%
27	Sports and Physical Recreation Venues, Grounds and Facilities Operation	45	54	9	0.3%
28	Non-Residential Property Operators	87	96	8	0.5%
29	Wooden Structural Fittings and Components Manufacturing	51	59	8	0.3%
30	Gas Supply	58	65	8	0.3%
31	Kiwifruit Growing	57	65	8	0.3%
32	Other Motor Vehicle Parts Manufacturing	32	39	8	0.2%
33	Other Personal Services n.e.c.	31	38	7	0.2%
34	Primary Education	629	635	7	3.3%
35	Grain-Sheep and Grain-Beef Cattle Farming	12	19	6	0.1%
36	Other Administrative Services n.e.c.	30	36	6	0.2%
37	Preschool Education	334	340	6	1.8%
38	Sport and Physical Recreation Clubs and Sports Professionals	29	35	6	0.2%
39	Waste Remediation and Materials Recovery Services	13	19	6	0.1%
40	Computer Systems Design and Related Services	49	55	6	0.3%
41	Sport and Physical Recreation Administrative Service	33	39	6	0.2%
42	House Construction	270	275	6	1.5%
43	Gardening Services	74	79	5	0.4%
44	Car Wholesaling	49	55	5	0.3%
45	Other Agriculture and Fishing Support Services	104	109	5	0.6%
46	Plastering and Ceiling Services	19	24	5	0.1%
47	Travel Agency and Tour Arrangement Services	24	29	5	0.2%
48	Other Hardware Goods Wholesaling	17	21	5	0.1%
49	Pathology and Diagnostic Imaging Services	26	31	5	0.2%
50	Sheep Farming (Specialised)	144	149	5	0.8%
	<b>All other industries</b>	<b>11,731</b>	<b>11,312</b>	<b>-419</b>	<b>59.6%</b>
	<b>Total</b>	<b>18,789</b>	<b>18,971</b>	<b>182</b>	<b>100%</b>

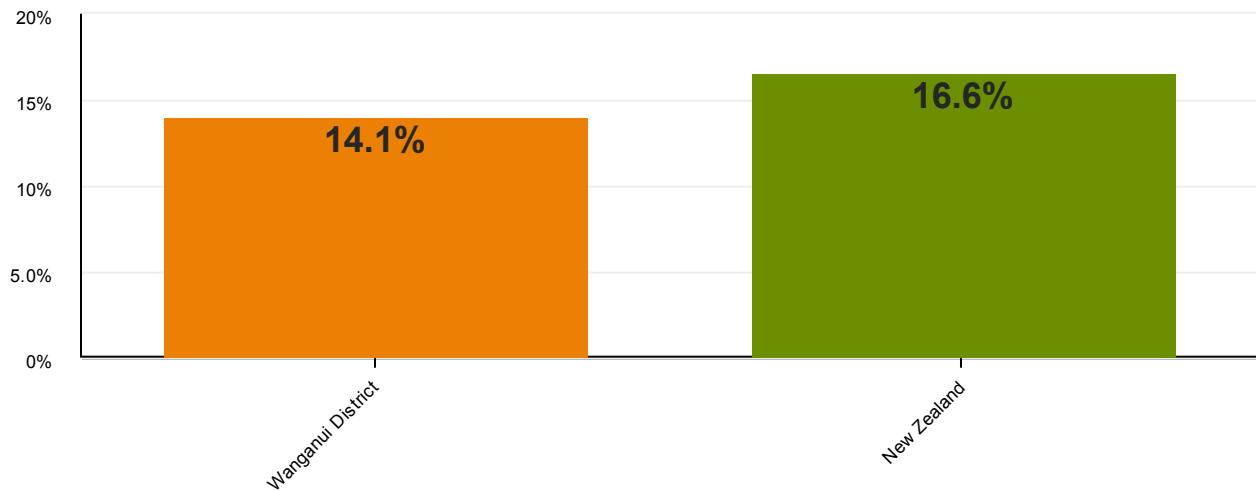
Table 10: Table 9. The 50 seven-digit industries that lost the most jobs between 2014 and 2015

Rank	Industry	Jobs		Change 2014 - 2015	% of total 2015
		2014	2015		
1	Buildings Cleaning Services	130	91	-40	0.5%
2	Defence	247	217	-30	1.1%
3	Supermarket and Grocery Stores	627	598	-29	3.2%
4	Pubs, Taverns and Bars	142	115	-27	0.6%
5	Paper Product Wholesaling	51	24	-27	0.1%
6	Antique and Used Goods Retailing	70	47	-24	0.2%
7	Higher Education	136	116	-20	0.6%
8	Secondary Education	486	467	-19	2.5%
9	Newspaper Publishing	52	36	-17	0.2%
10	Other Social Assistance Services	195	180	-15	0.9%
11	Logging	109	96	-13	0.5%
12	Banking	83	70	-13	0.4%
13	Wooden Furniture and Upholstered Seat Manufacturing	91	78	-12	0.4%
14	Health and Fitness Centres and Gymnasias Operation	66	54	-12	0.3%
15	Air Conditioning and Heating Services	40	29	-11	0.2%
16	Clothing Retailing	76	65	-11	0.3%
17	Other Residential Building Construction	45	34	-11	0.2%
18	Accommodation	178	168	-11	0.9%
19	Other Fabricated Metal Product Manufacturing n.e.c.	117	106	-10	0.6%
20	Local Government Administration	196	186	-10	1.0%
21	Regulatory Services	66	58	-9	0.3%
22	Domestic Appliance Repair and Maintenance	28	20	-8	0.1%
23	Car Retailing	130	122	-8	0.6%
24	Child Care Services	170	163	-8	0.9%
25	Natural Fibre Textile Manufacturing	138	130	-8	0.7%
26	Waste Treatment and Disposal Services	28	21	-8	0.1%
27	Metal Furniture Manufacturing	21	14	-7	0.1%
28	Labour Supply Services	49	42	-7	0.2%
29	Architectural Services	47	40	-7	0.2%
30	Nursery Production (Outdoors)	26	20	-7	0.1%
31	Prefabricated Wooden Building Manufacturing	8	2	-6	0.0%
32	Other Structural Metal Product Manufacturing	30	24	-6	0.1%
33	Other Agricultural Product Wholesaling	26	20	-6	0.1%
34	Other Grocery Wholesaling	84	78	-6	0.4%
35	Rigid and Semi Rigid Polymer Product Manufacturing	65	60	-5	0.3%
36	Catering Services	57	52	-5	0.3%
37	Motor Cycle Retailing	38	33	-5	0.2%
38	Air and Space Transport	14	9	-5	0.0%
39	Auxiliary Insurance Services	80	75	-5	0.4%
40	Accounting Services	233	228	-5	1.2%
41	Forestry Support Services	41	36	-5	0.2%
42	Cafes and Restaurants	409	404	-5	2.1%
43	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	81	76	-4	0.4%
44	Technical and Vocational Education and Training	66	62	-4	0.3%
45	Buildings Pest Control Services	14	9	-4	0.0%
46	General Insurance	14	10	-4	0.1%
47	Garden Supplies Retailing	39	35	-4	0.2%
48	Other Grain Growing	9	5	-4	0.0%
49	Other Specialised Industrial Machinery and Equipment Wholesaling	53	49	-4	0.3%
50	Concrete Product Manufacturing	17	13	-4	0.1%
	<b>All other industries</b>	<b>13,576</b>	<b>14,288</b>	<b>712</b>	<b>75.3%</b>
	<b>Total</b>	<b>18,789</b>	<b>18,971</b>	<b>182</b>	<b>100%</b>

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

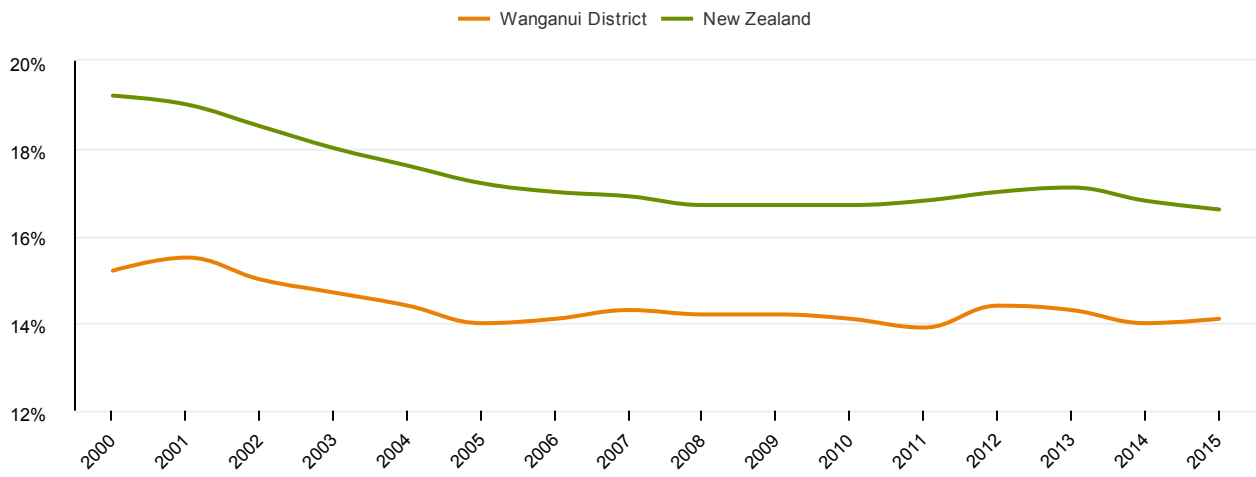
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in Wanganui District with the national economy.

Figure 11: Self employment rate, 2015



- Self-employed workers accounted for 14.1% of the workforce in Wanganui District in 2015, which was a lower rate than in the national economy (16.6%)
- A total of 2,683.5 workers were self-employed in Wanganui District in 2015.

Figure 12: Self employment rate



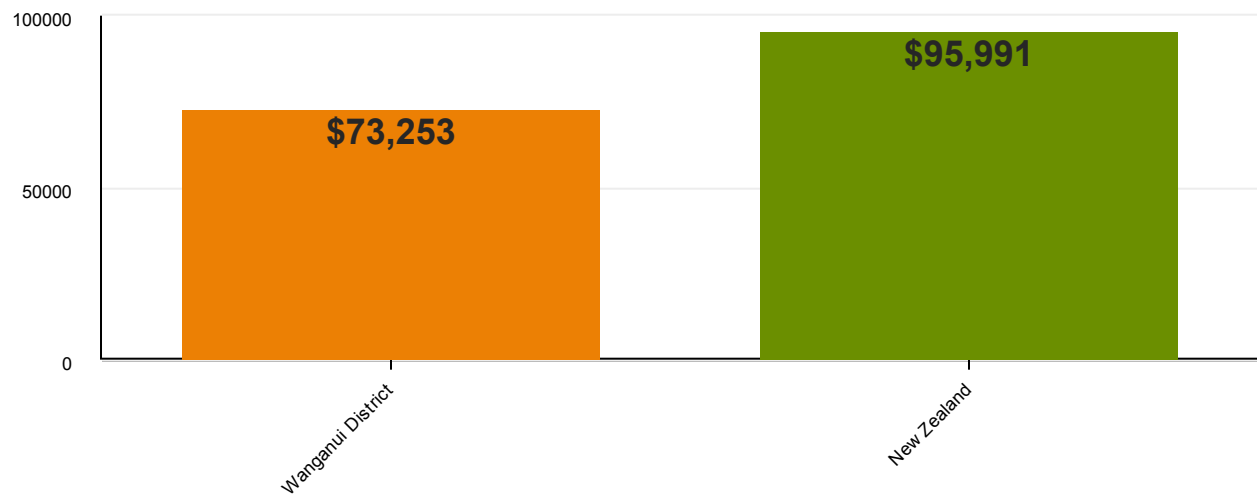
Level	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wanganui District	15.5%	15.0%	14.7%	14.4%	14.0%	14.1%	14.3%	14.2%	14.2%	14.1%	13.9%	14.4%	14.3%	14.0%	14.1%
New Zealand	19.0%	18.5%	18.0%	17.6%	17.2%	17.0%	16.9%	16.7%	16.7%	16.7%	16.8%	17.0%	17.1%	16.8%	16.6%

# PRODUCTIVITY

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

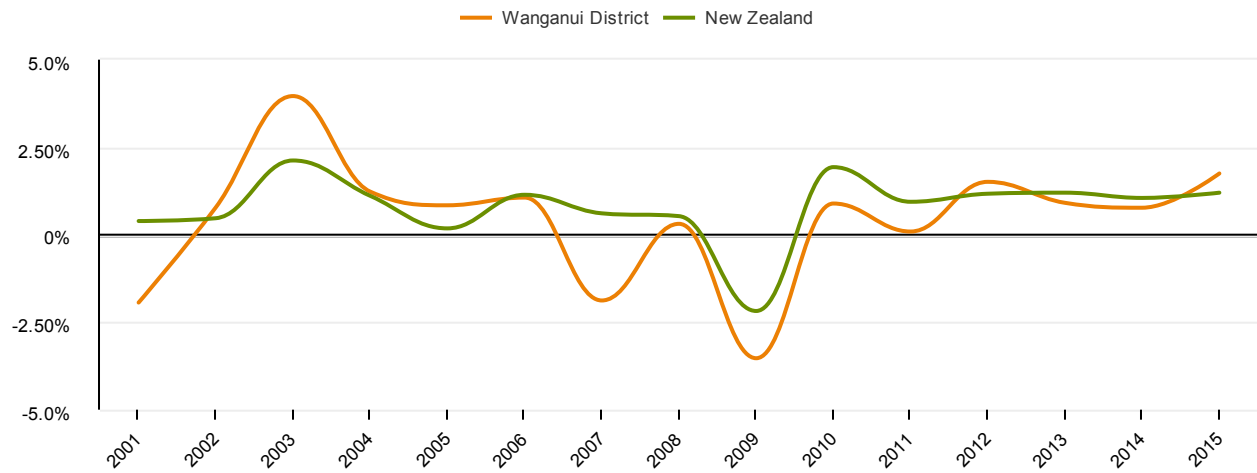
This section describes Wanganui District's productivity level during the year to March 2015 and previous years. Productivity is measured by GDP per employee (in constant 2010 prices).

Figure 13: Productivity 2015



- GDP per employee in Wanganui District measured \$73,253 in the year to March 2015, which was 24% lower than in New Zealand.
- Productivity in Wanganui District increased by 1.7% from a year earlier compared with an increase of 1.2% in New Zealand).
- Productivity growth in Wanganui District averaged 0.2%pa over the last ten years compared with an average of 0.8%pa in New Zealand.

Figure 14: Productivity growth



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wanganui District	-1.9%	0.8%	4.0%	1.2%	0.8%	1.1%	-1.9%	0.3%	-3.5%	0.9%	0.1%	1.5%	0.9%	0.8%	1.7%
New Zealand	0.4%	0.5%	2.1%	1.1%	0.2%	1.1%	0.6%	0.5%	-2.2%	1.9%	0.9%	1.2%	1.2%	1.0%	1.2%



## What are the most productive industries in Wanganui District

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

**Table 11: 1-digit industries ranked by productivity (2015)**

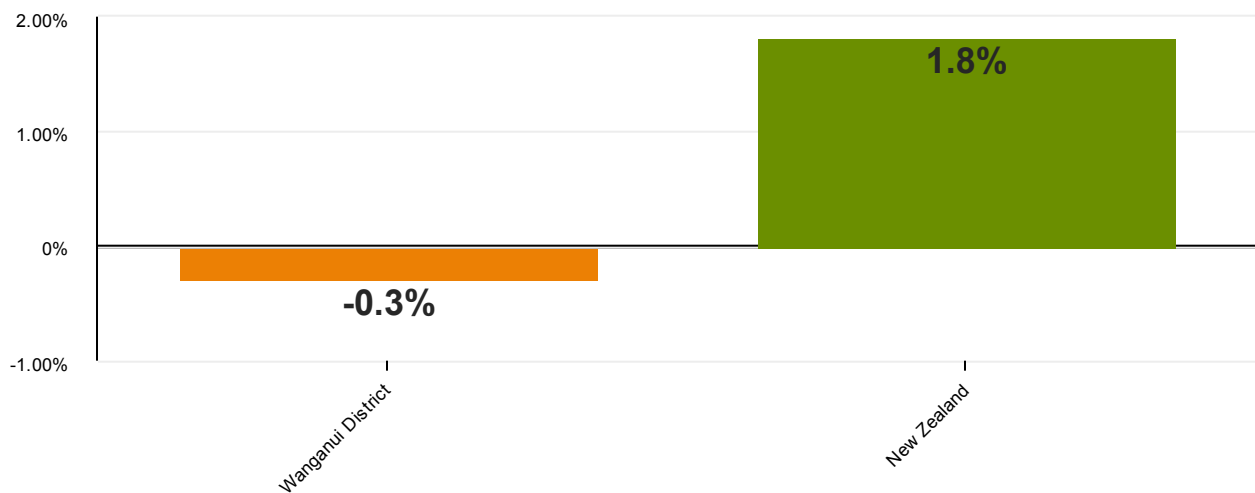
Industry	Productivity		Capital intensity
	Wanganui District	New Zealand	New Zealand
Agriculture, Forestry and Fishing	95,885	94,093	0.58
Mining	0	623,639	0.81
Manufacturing	57,375	98,836	0.38
Electricity, Gas, Water and Waste Services	243,130	439,625	0.81
Construction	59,267	67,398	0.22
Wholesale Trade	81,724	99,362	0.38
Retail Trade	46,849	47,452	0.26
Accommodation and Food Services	24,152	31,221	0.33
Transport, Postal and Warehousing	73,420	93,977	0.42
Information Media and Telecommunications	91,981	165,963	0.56
Financial and Insurance Services	134,783	204,056	0.48
Rental, Hiring and Real Estate Services	273,459	292,741	0.83
Professional, Scientific and Technical Services	69,665	78,296	0.20
Administrative and Support Services	36,275	40,272	0.18
Public Administration and Safety	78,587	85,654	0.18
Education and Training	53,582	51,481	0.24
Health Care and Social Assistance	50,527	59,033	0.12
Arts and Recreation Services	47,788	72,086	0.45
Other Services	29,717	44,813	0.26
<b>Total</b>	<b>73,253</b>	<b>95,991</b>	

# BUSINESS GROWTH

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

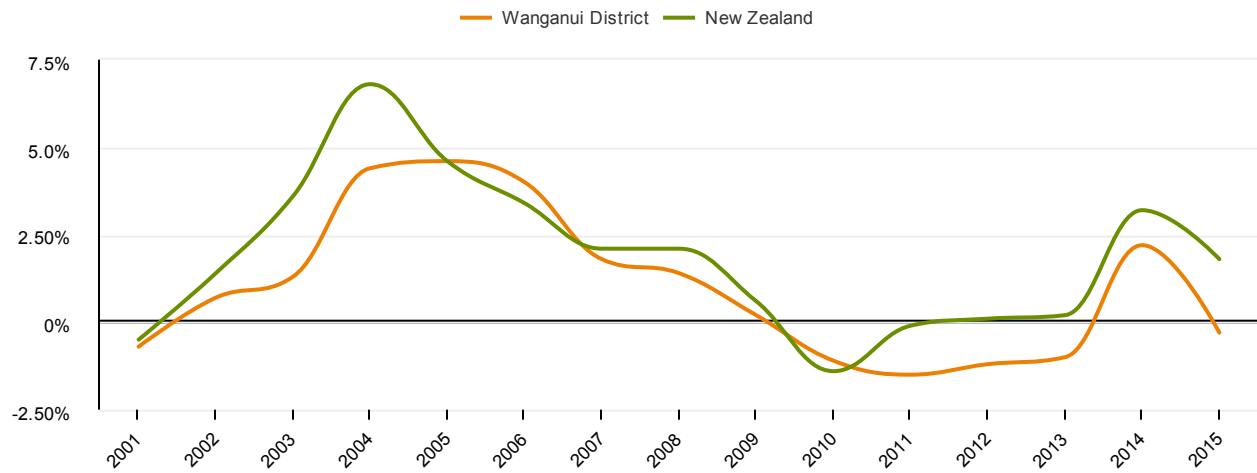
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts Wanganui District's recent performance in business unit growth with other regions in the country.

Figure 15: Business unit growth (year to Mar 2015)



- A total of 4,067 business units were recorded in Wanganui District in 2015, down 0.3% from a year earlier.
- The number of business units in New Zealand increased by 1.8% over the same period.
- Growth in the number of business units in Wanganui District averaged 0.5%pa over the past 10 years compared with 1.2%pa in the national economy.
- Business unit growth in Wanganui District varied from a high of 4.6% in 2005 to a low of -1.5% in 2011.

Figure 16: Annual average business unit growth



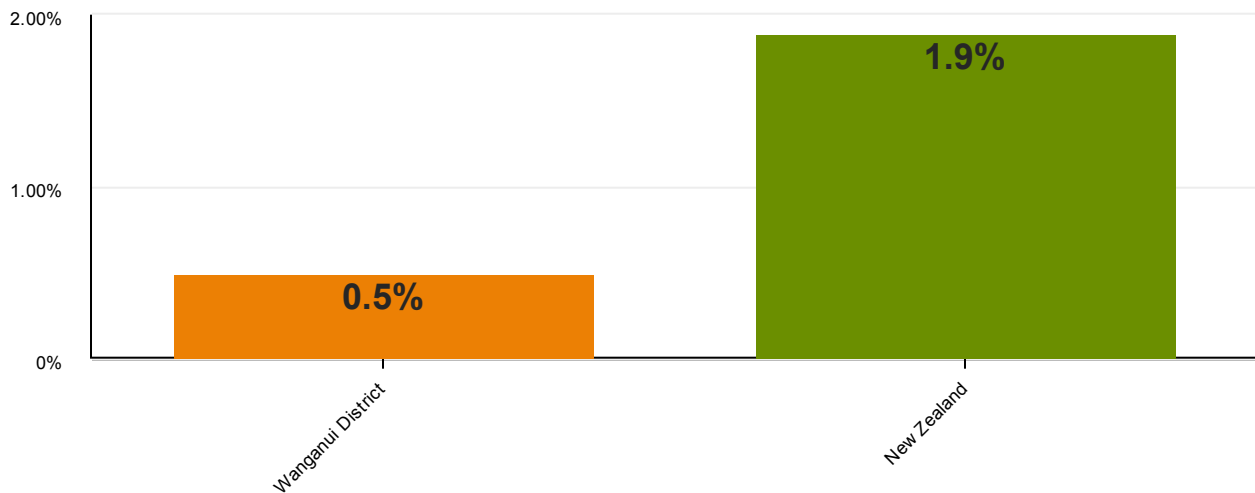
Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wanganui District	-0.7%	0.7%	1.3%	4.4%	4.6%	4.0%	1.8%	1.4%	0.2%	-1.1%	-1.5%	-1.2%	-1.0%	2.2%	-0.3%
New Zealand	-0.5%	1.4%	3.6%	6.8%	4.6%	3.4%	2.1%	2.1%	0.6%	-1.4%	-0.1%	0.1%	0.2%	3.2%	1.8%

# POPULATION GROWTH

## How fast has Wanganui District's population grown?

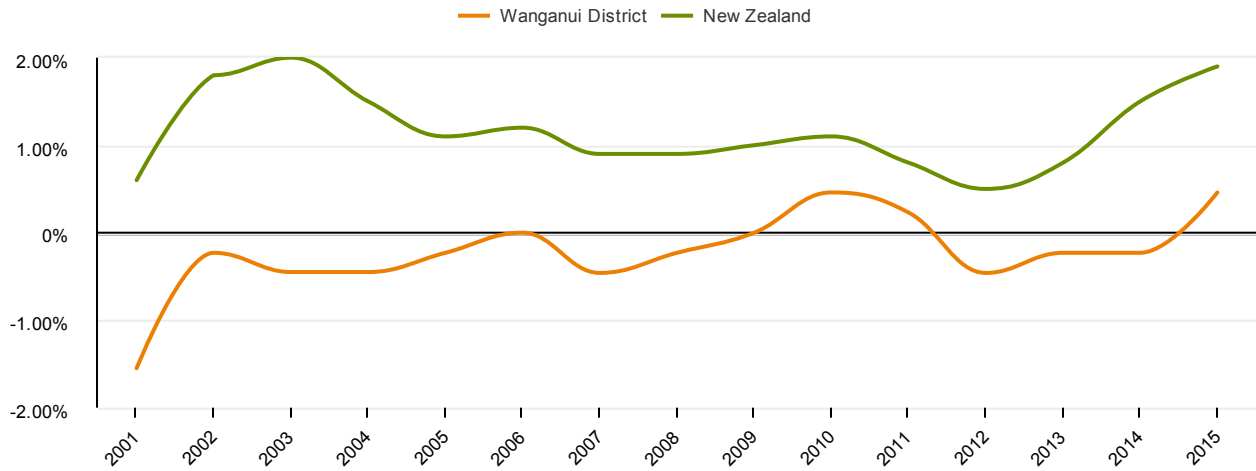
Population growth is an indicator of a region's attractiveness as a place to live and work. A strong regional economy with plentiful job opportunities will help a region retain its population and attract new residents from other regions and abroad. This section contrasts Wanganui District's recent population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

Figure 17: Population growth (year to Mar 2015)



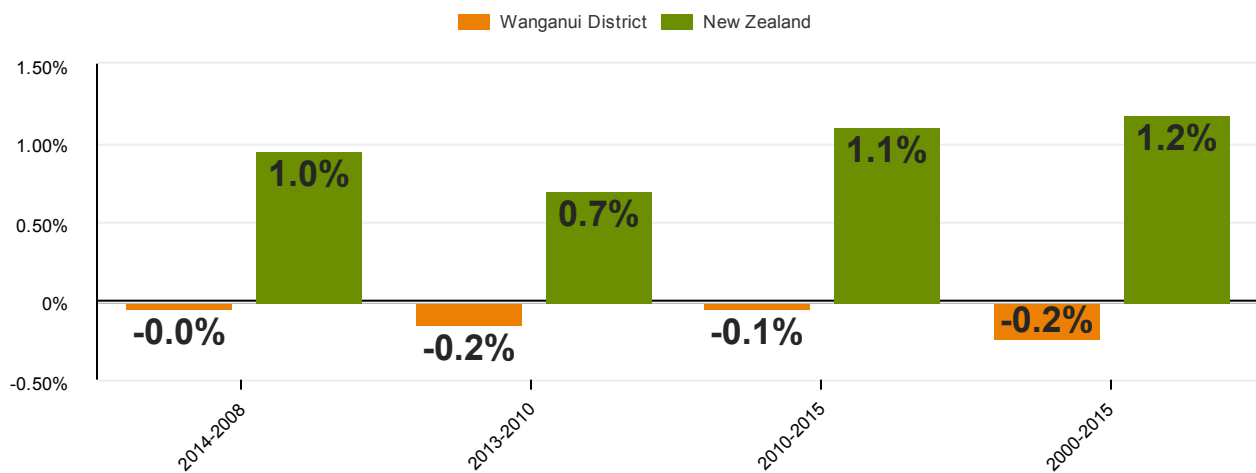
- Wanganui District's population was 43,600 in 2015, up 0.5% from a year earlier. New Zealand's total population grew by 1.9% over the same period.
- Population growth in Wanganui District averaged 0.0%pa over the last 10 years compared with 1.1%pa in New Zealand.
- Since 2000 growth in Wanganui District reached a high of 0.5%pa in 2015 and a low of -1.6%pa in 2001.

Figure 18: Annual population growth



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wanganui District	-1.6%	-0.2%	-0.5%	-0.5%	-0.2%	0.0%	-0.5%	-0.2%	0.0%	0.5%	0.2%	-0.5%	-0.2%	-0.2%	0.5%
New Zealand	0.6%	1.8%	2.0%	1.5%	1.1%	1.2%	0.9%	0.9%	1.0%	1.1%	0.8%	0.5%	0.8%	1.5%	1.9%

Figure 19: Population growth last 1,2,5 and 10 years

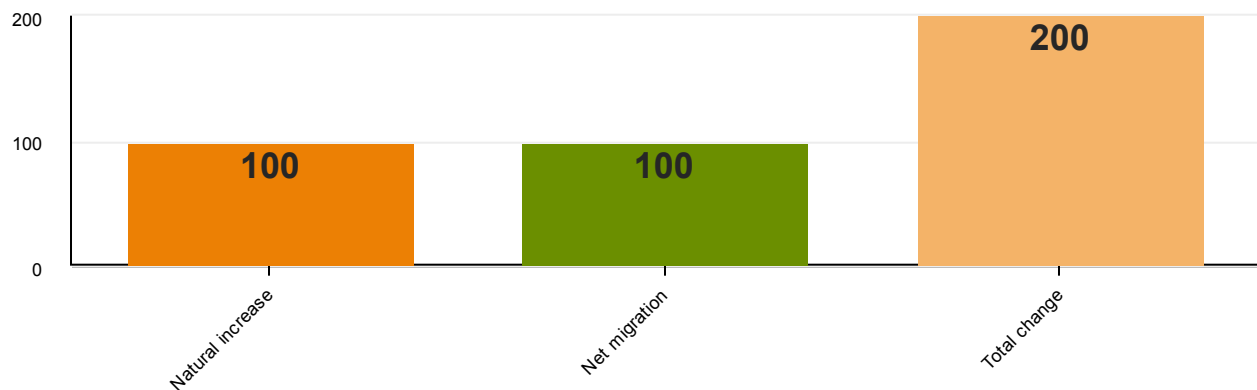


## What is the source of Wanganui District's population growth?

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

- Wanganui District's population increased by 200 people in the year to June 2015. This net increase was made up of net migration of 100 and natural increase of 100.

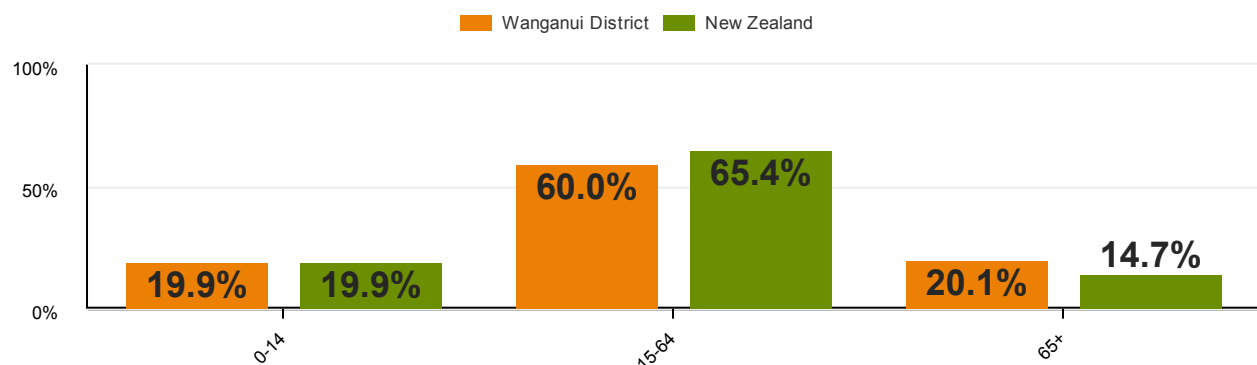
Figure 20: Source of population growth (year to June 2015)



## What is the age structure of Wanganui District's population?

- In 2015, 60.0% of Wanganui District's population was of working age (15-64). This was significantly lower than the proportion of the national population (65.4%).
- Wanganui District had a slightly higher proportion (19.9%) of young people (0-14) than the country as a whole (19.9%) and a significantly higher proportion (20.1%) of people 65 years and older compared with New Zealand (14.7%).
- Overall the dependency ratio in Wanganui District (66.8%) was higher than in the national economy (52.9%). The dependency ratio expresses the number of persons outside of the working age as a proportion of the number of persons of working age (15 to 64 years).

Figure 21: Age composition of the population (year to June 2015)



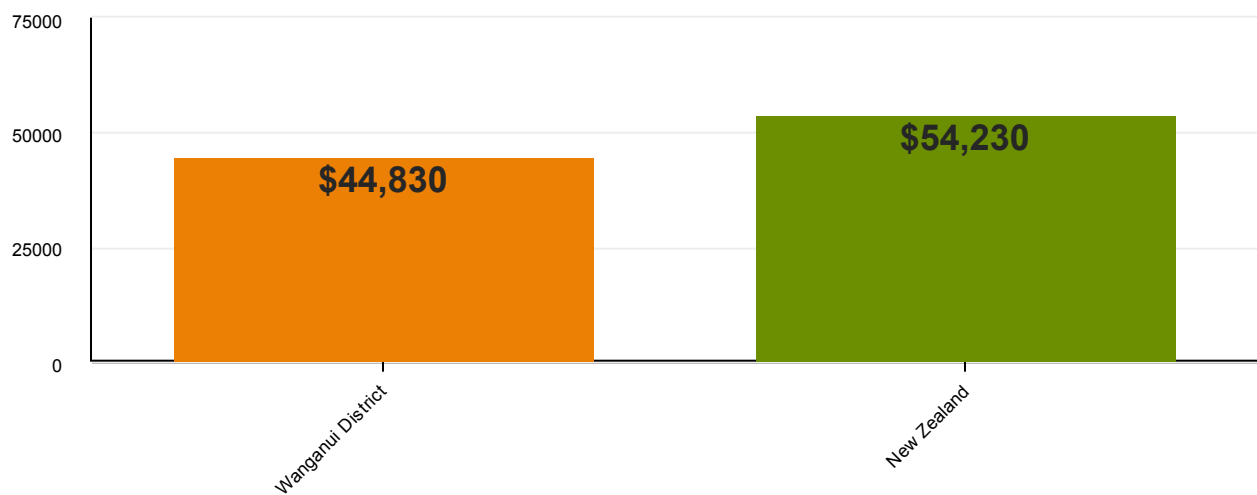
# STANDARD OF LIVING

This section describes a few indicators of economic standard of living. It investigates average earnings, house prices and housing affordability. Note that due to data constraints earnings data are provided for the year to March 2014.

## What are the mean earnings in Wanganui District?

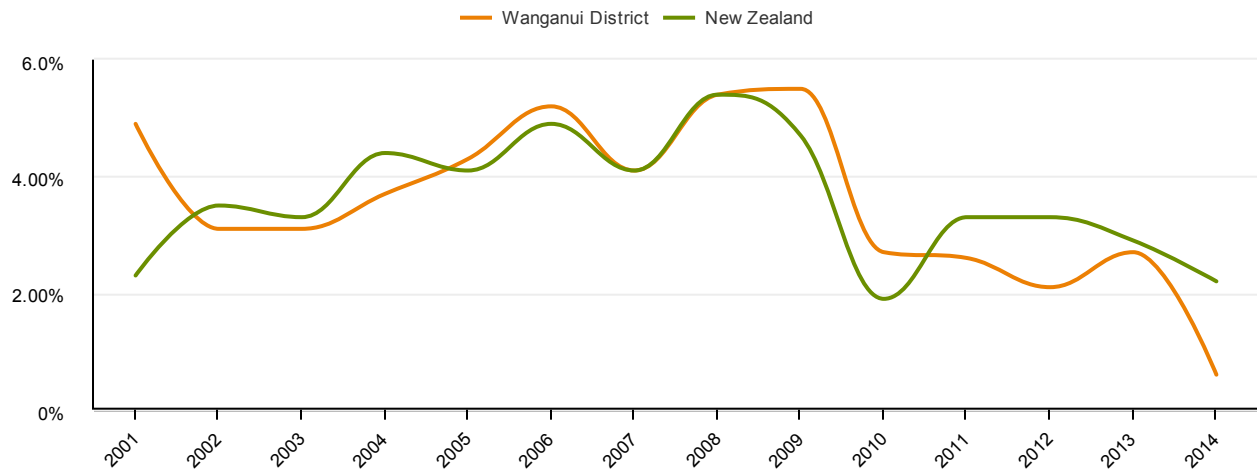
Income earned in the labour market is an important source of household income. This section contrasts Wanganui District's mean annual earnings with the country as a whole.

Figure 22: Earnings, 2014



- Mean annual earnings in Wanganui District was \$44,830 in the year to March 2014, which was lower than the New Zealand mean of \$54,230.
- Mean earnings in Wanganui District increased by 0.6% over the year to March 2014 compared with an increase of 2.2% in New Zealand.
- Over the last ten years earnings growth in Wanganui District reached a maximum of 5.5% in 2009 and a minimum of 0.6% in 2014.

Figure 23: Annual earnings growth



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Wanganui District	4.9%	3.1%	3.1%	3.7%	4.3%	5.2%	4.1%	5.4%	5.5%	2.7%	2.6%	2.1%	2.7%	0.6%
New Zealand	2.3%	3.5%	3.3%	4.4%	4.1%	4.9%	4.1%	5.4%	4.7%	1.9%	3.3%	3.3%	2.9%	2.2%

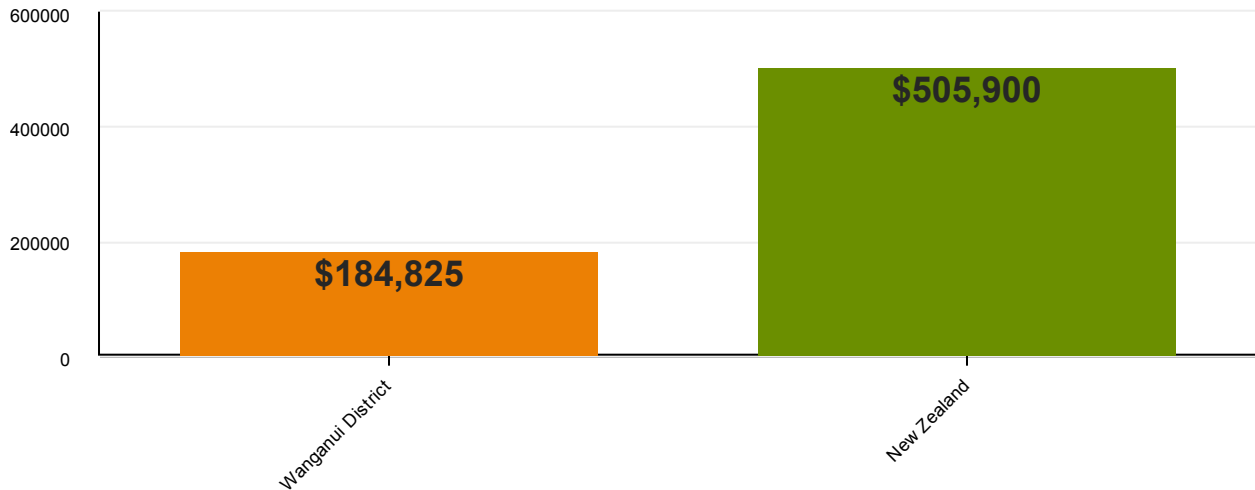
- Mean annual earnings in Wanganui District was \$44,830 in the year to March 2014, which was lower than the New Zealand mean of \$54,230.
- Mean earnings in Wanganui District increased by 0.6% over the year to March 2014 compared with an increase of 2.2% in New Zealand.
- Over the last ten years earnings growth in Wanganui District reached a maximum of 5.5% in 2009 and a minimum of 0.6% in 2014.



## How do house prices in Wanganui District compare?

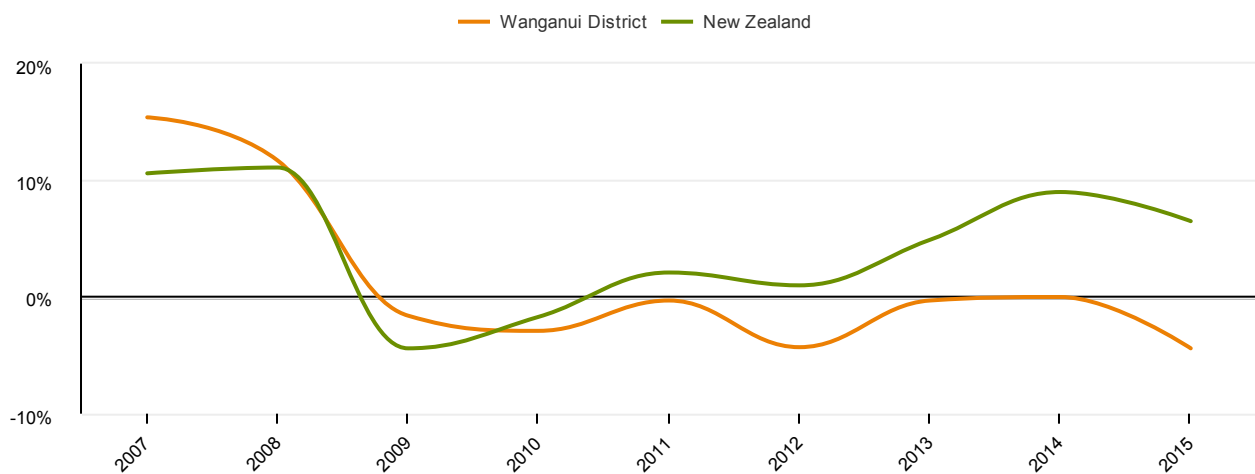
The cost of housing is a major component of household spending. This section describes the cost of housing in Wanganui District relative to the rest of the country.

Figure 24: Average current house value, 2015



- The Average current house value in Wanganui District was \$184,825 in 2015, which was lower than the New Zealand median of \$505,900.
- House price growth in Wanganui District was -4.4% for the year to March 2015. Growth was weaker than in New Zealand (6.5%).

Figure 25: Annual Average current house value growth

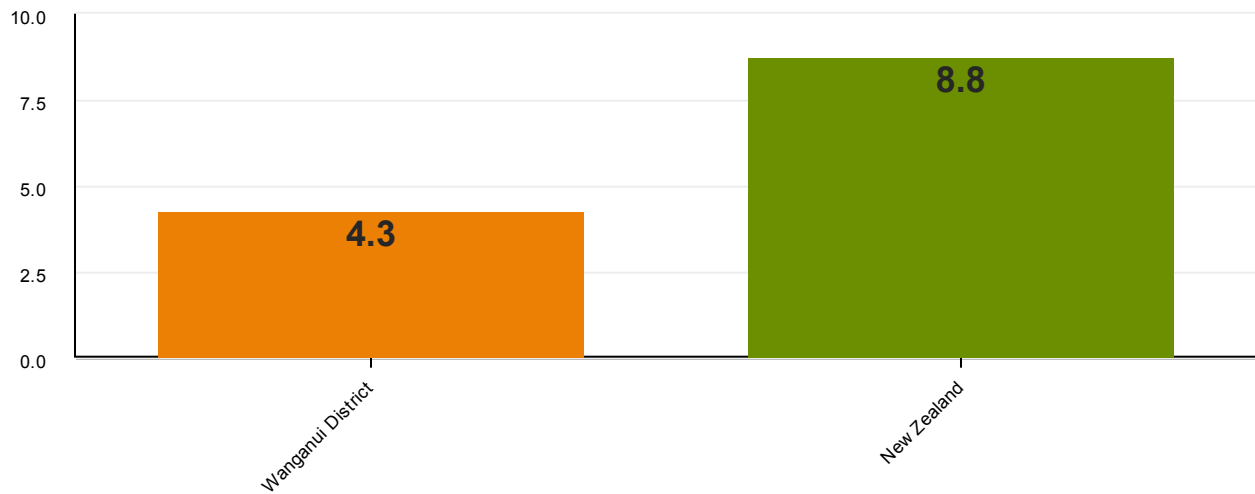


Change	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wanganui District	15.4%	11.7%	-1.6%	-2.9%	-0.3%	-4.3%	-0.3%	0.0%	-4.4%
New Zealand	10.6%	11.1%	-4.4%	-1.7%	2.1%	1.0%	4.9%	9.0%	6.5%

## How affordable is housing in Wanganui District?

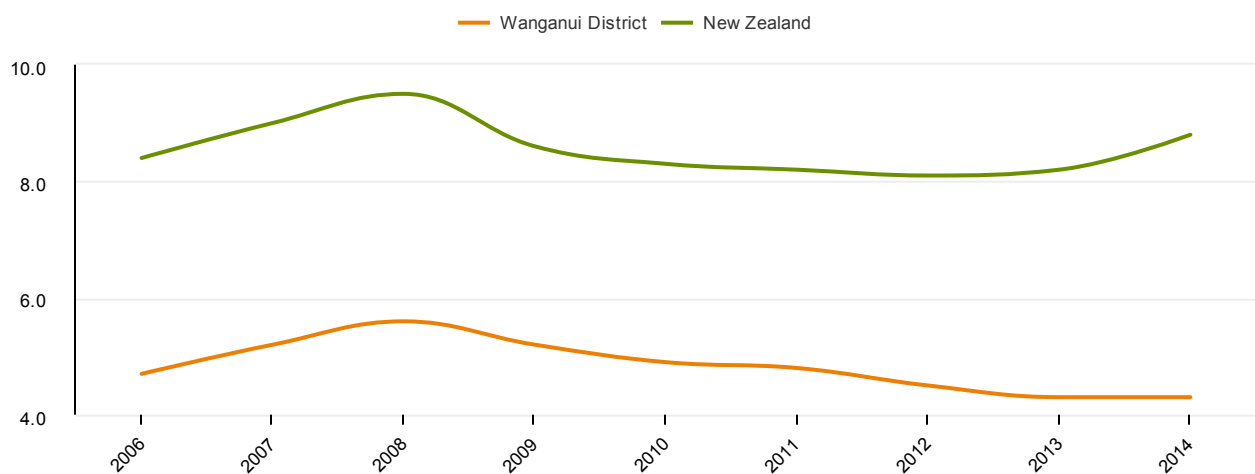
This section investigates the affordability of housing by comparing Average current house values with average earnings. We have estimated a housing affordability index which is the ratio of the Average current house value to annual average earnings measured in the Linked Employer Employee Data. A higher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

Figure 26: Housing affordability index 2014



- The housing affordability index in Wanganui District was 4.3 in the year to March 2014, which was lower than New Zealand's index of 8.8. This means that housing is more affordable in Wanganui District than in New Zealand.

Figure 27: Housing affordability



Level	2007	2008	2009	2010	2011	2012	2013	2014
Wanganui District	5.2	5.6	5.2	4.9	4.8	4.5	4.3	4.3
New Zealand	9.0	9.5	8.6	8.3	8.2	8.1	8.2	8.8

# WORKFORCE AND SKILLS

## How do skill levels in Wanganui District compare with New Zealand?

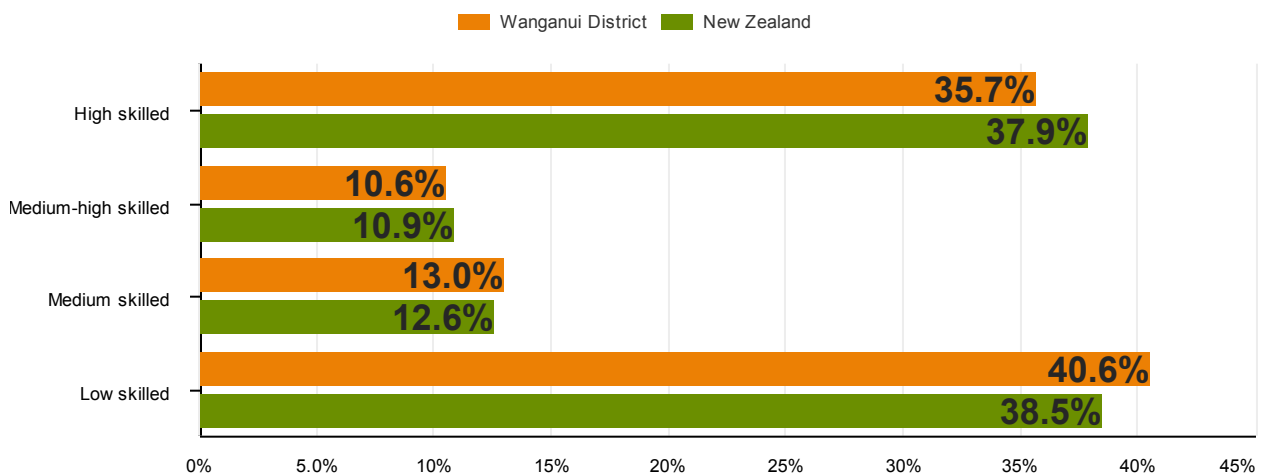
A region that can offer high skilled jobs can generally offer a higher standard of living to its residents. It is also has a better chance of retaining its residents and attracting new skills. This section contrasts the skill levels required by jobs in Wanganui District with those required in the national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

Table 12: Employment by broad skill level 2015

Skill level	Wanganui District		New Zealand	
	Jobs	% of total	Jobs	% of total
High skilled	6,777	35.7%	867,660	37.9%
Medium-high skilled	2,012	10.6%	249,854	10.9%
Medium skilled	2,474	13.0%	288,208	12.6%
Low skilled	7,708	40.6%	881,245	38.5%
<b>Total</b>	<b>18,971</b>	<b>100%</b>	<b>2,286,967</b>	<b>100%</b>

- Approximately 36% of Wanganui District's workforce was employed in highly skilled occupations in 2015. This is lower than in New Zealand (38%).
- Approximately 41% of Wanganui District's workforce was employed in low-skilled occupations in 2015. This is higher than in New Zealand 39%.

Figure 28: Employment by broad skill level, 2015



## What is the occupational structure of employment in Wanganui District?

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

- Professionals accounted for the largest share of employment (23%) in Wanganui District, which is lower than New Zealand (23%).
- Managers accounted for the second largest share of employment (16%) in Wanganui District, which is lower than New Zealand (19%).
- Machinery operators and drivers accounted for the lowest share of employment (16%) in Wanganui District, which is lower than New Zealand (19%).

Figure 29: Employment by broad occupation, 2015

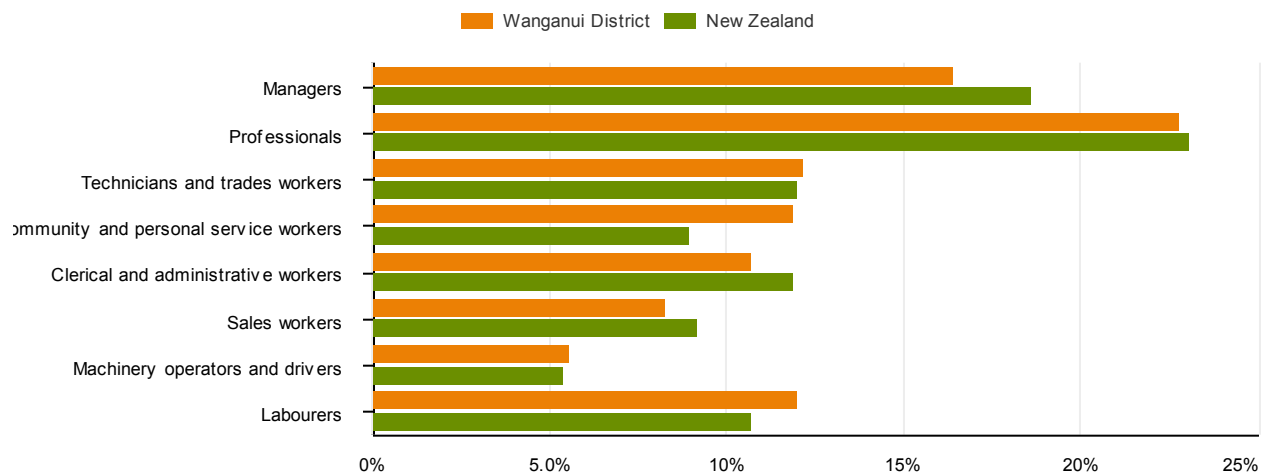


Table 13: Employment by 2-digit occupation (2015)

Occupation	Wanganui District		New Zealand	
	Employment	% of total	Employment	% of total
Chief Execs, General Managers, Legislators	616	3.2%	86,178	3.8%
Farmers & Farm Managers	550	2.9%	67,024	2.9%
Specialist Managers	1,327	7.0%	190,475	8.3%
Hospitality, Retail & Service Managers	623	3.3%	82,840	3.6%
Arts & Media Professionals	97	0.5%	20,282	0.9%
Business, HR & Marketing Professionals	727	3.8%	114,021	5.0%
Design, Engineering, Science Professionals	436	2.3%	71,967	3.1%
Education Professionals	1,365	7.2%	134,298	5.9%
Health Professionals	1,073	5.7%	89,989	3.9%
ICT Professionals	191	1.0%	49,585	2.2%
Legal, Social & Welfare Professionals	430	2.3%	48,968	2.1%
Engineering, ICT & Science Technicians	288	1.5%	42,616	1.9%
Automotive & Engineering Trades Workers	493	2.6%	57,955	2.5%
Construction Trades Workers	460	2.4%	51,880	2.3%
Electrotech & Telecoms Trades Workers	195	1.0%	27,140	1.2%
Food Trades Workers	323	1.7%	36,078	1.6%
Skilled Animal & Horticultural Workers	223	1.2%	23,435	1.0%
Other Technicians & Trades Workers	331	1.7%	34,370	1.5%
Health & Welfare Support Workers	313	1.7%	21,911	1.0%
Carers & Aides	943	5.0%	75,131	3.3%
Hospitality Workers	315	1.7%	43,707	1.9%
Protective Service Workers	436	2.3%	31,034	1.4%
Sports & Personal Service Workers	246	1.3%	34,871	1.5%
Office Managers & Program Administrators	498	2.6%	63,342	2.8%
Personal Assistants & Secretaries	166	0.9%	21,539	0.9%
General Clerical Workers	403	2.1%	52,443	2.3%
Inquiry Clerks & Receptionists	281	1.5%	35,262	1.5%
Numerical Clerks	261	1.4%	44,156	1.9%
Clerical & Office Support Workers	154	0.8%	17,954	0.8%
Other Clerical & Administrative Workers	273	1.4%	38,553	1.7%
Sales Representatives & Agents	409	2.2%	69,207	3.0%
Sales Assistants & Salespersons	950	5.0%	114,161	5.0%
Sales Support Workers	224	1.2%	26,136	1.1%
Machine & Stationary Plant Operators	337	1.8%	32,069	1.4%
Mobile Plant Operators	170	0.9%	20,585	0.9%
Road & Rail Drivers	405	2.1%	49,340	2.2%
Storepersons	159	0.8%	21,072	0.9%
Cleaners & Laundry Workers	342	1.8%	48,032	2.1%
Construction & Mining Labourers	154	0.8%	21,565	0.9%
Factory Process Workers	610	3.2%	45,106	2.0%
Farm, Forestry & Garden Workers	466	2.5%	51,025	2.2%
Food Preparation Assistants	165	0.9%	17,690	0.8%
Other Labourers	547	2.9%	61,971	2.7%
<b>Total employment</b>	<b>18,971</b>	<b>100%</b>	<b>2,286,967</b>	<b>100%</b>

## Employment in knowledge intensive industries in Wanganui District

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

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

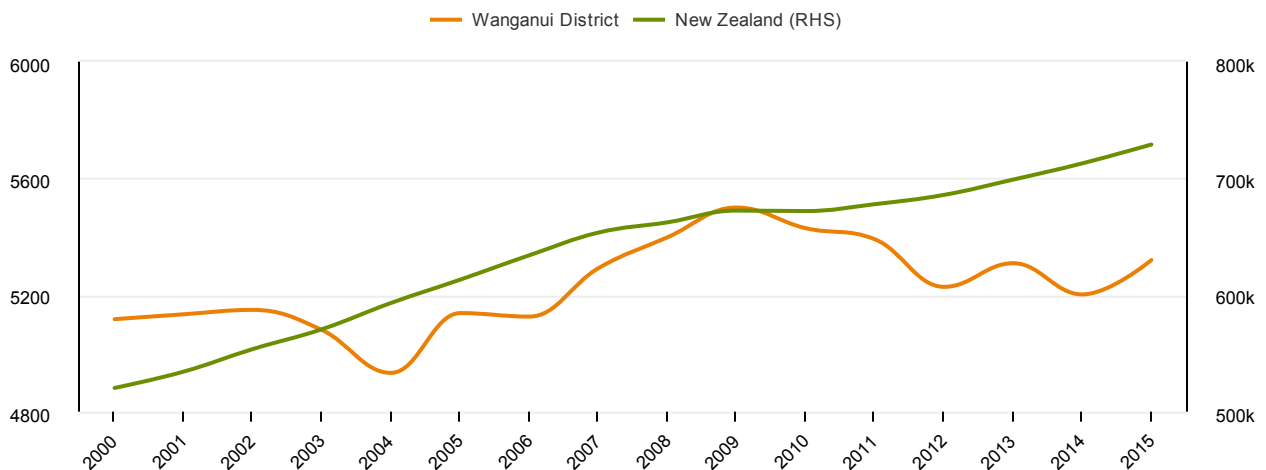
This section describes employment in knowledge intensive industries in Wanganui District.

**Table 14: Employment in knowledge intensive industries (2015)**

	Employment in KI industries 2015	KI employment as share of total employment 2015	Annual growth in KI employment 2015	Annual average growth in KI employment 2005-2015
Wanganui District	5,320	28%	2.3%	0.3%
New Zealand	729,001	32%	2.3%	1.7%

- During 2015, there were 5,320 jobs in Wanganui District's knowledge intensive industries. At 28% of total employment, this was lower than in New Zealand (32%).
- During the year March 2015, growth in employment in knowledge intensive industries was 2.3%, compared with a change of 2.3% in New Zealand.

**Figure 30: Employment in knowledge intensive industries**



## What are the top knowledge intensive industries in Wanganui District?

Table 15: Top 30 knowledge intensive industries in Wanganui District, 2015

Rank	Industry	Wanganui District		New Zealand	
		Employment	% of total employment	Employment	% of total employment
1	Hospitals (except Psychiatric Hospitals)	977	5.1%	67,127	2.9%
2	Primary Education	635	3.3%	49,168	2.1%
3	Secondary Education	467	2.5%	36,241	1.6%
4	Other Allied Health Services	312	1.6%	32,280	1.4%
5	Central Government Administration	280	1.5%	29,832	1.3%
6	Accounting Services	228	1.2%	23,062	1.0%
7	Local Government Administration	186	1.0%	21,644	0.9%
8	Management Advice and Other Consulting Services	158	0.8%	36,387	1.6%
9	General Practice Medical Services	142	0.7%	14,813	0.6%
10	Other Interest Group Services n.e.c.	133	0.7%	11,976	0.5%
11	Legal Services	123	0.6%	17,413	0.8%
12	Higher Education	116	0.6%	33,863	1.5%
13	Engineering Design and Engineering Consulting Services	116	0.6%	24,371	1.1%
14	Adult, Community and Other Education n.e.c.	89	0.5%	11,717	0.5%
15	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	76	0.4%	10,153	0.4%
16	Religious Services	68	0.4%	9,403	0.4%
17	Gas Supply	65	0.3%	642	0.03%
18	Dental Services	65	0.3%	6,983	0.3%
19	Technical and Vocational Education and Training	62	0.3%	10,031	0.4%
20	Specialist Medical Services	59	0.3%	5,408	0.2%
21	Regulatory Services	58	0.3%	6,434	0.3%
22	Justice	55	0.3%	3,928	0.2%
23	Other Health Care Services n.e.c.	55	0.3%	6,015	0.3%
24	Veterinary Services	55	0.3%	5,465	0.2%
25	Computer Systems Design and Related Services	55	0.3%	38,086	1.7%
26	Museum Operation	49	0.3%	2,490	0.1%
27	Medical and Surgical Equipment Manufacturing	48	0.3%	2,968	0.1%
28	Scientific Testing and Analysis Services	43	0.2%	4,568	0.2%
29	Architectural Services	40	0.2%	7,925	0.3%
30	Nature Reserves and Conservation Parks Operation	37	0.2%	3,274	0.1%

## Which qualifications are in demand in Wanganui District?

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

**Table 16: Employment by level of qualification and field of study in Wanganui District**

Field of study	Certificate (level 1-3)	Certificate (level 4)	Diploma (level 5-6)	Degree (level 7+)	Total
<b>Number</b>					
Natural and Physical Sciences	306	72	121	328	827
Information Technology	290	30	62	163	544
Engineering and Related Technologies	1,367	1,037	325	580	3,309
Architecture and Building	465	665	105	164	1,398
Agriculture, Environmental and Related Studies	495	284	47	101	928
Health	649	155	223	1,198	2,225
Education	406	73	99	1,053	1,632
Management and Commerce	1,548	323	495	1,046	3,413
Society and Culture	1,054	202	342	915	2,513
Creative Arts	496	102	106	285	989
Food, Hospitality and Personal Services	660	359	113	62	1,194
Totals	7,737	3,302	2,038	5,894	18,971
<b>% of total</b>					
Natural and Physical Sciences	1.6%	0.4%	0.6%	1.7%	4.4%
Information Technology	1.5%	0.2%	0.3%	0.9%	2.9%
Engineering and Related Technologies	7.2%	5.5%	1.7%	3.1%	17.4%
Architecture and Building	2.5%	3.5%	0.6%	0.9%	7.4%
Agriculture, Environmental and Related Studies	2.6%	1.5%	0.2%	0.5%	4.9%
Health	3.4%	0.8%	1.2%	6.3%	11.7%
Education	2.1%	0.4%	0.5%	5.6%	8.6%
Management and Commerce	8.2%	1.7%	2.6%	5.5%	18.0%
Society and Culture	5.6%	1.1%	1.8%	4.8%	13.2%
Creative Arts	2.6%	0.5%	0.6%	1.5%	5.2%
Food, Hospitality and Personal Services	3.5%	1.9%	0.6%	0.3%	6.3%
Totals	40.8%	17.4%	10.7%	31.1%	100%

- The greatest demand in Wanganui District in 2015 was for qualifications at the level of Certificate (level 1-3). Approximately 41% of all positions in Wanganui District required this level of qualification.
- By field of study, the highest demand was for Management and Commerce. Approximately 18% of all positions in Wanganui District required this field of study.



**Table 17: Change in employment by level of qualification and field of study in Wanganui District 2005 - 2015**

Field of study	Certificate (level 1-3)	Certificate (level 4)	Diploma (level 5-6)	Degree (level 7+)	Total
<b>Absolute change</b>					
Natural and Physical Sciences	-43	-9	5	28	-19
Information Technology	-37	-4	5	32	-5
Engineering and Related Technologies	-192	-159	-12	47	-316
Architecture and Building	-42	-38	10	9	-62
Agriculture, Environmental and Related Studies	-84	-41	4	4	-117
Health	-54	-17	63	186	178
Education	-34	-15	22	115	87
Management and Commerce	-210	-69	83	128	-69
Society and Culture	-90	-32	71	27	-25
Creative Arts	-71	-17	9	-5	-84
Food, Hospitality and Personal Services	-66	5	6	7	-48
Totals	-924	-397	265	577	-478
<b>annual average % change</b>					
Natural and Physical Sciences	-1.3%	-1.1%	0.4%	0.9%	-0.2%
Information Technology	-1.2%	-1.3%	0.8%	2.2%	-0.1%
Engineering and Related Technologies	-1.3%	-1.4%	-0.4%	0.8%	-0.9%
Architecture and Building	-0.9%	-0.6%	1.0%	0.6%	-0.4%
Agriculture, Environmental and Related Studies	-1.6%	-1.3%	0.9%	0.4%	-1.2%
Health	-0.8%	-1.0%	3.4%	1.7%	0.8%
Education	-0.8%	-1.9%	2.5%	1.2%	0.5%
Management and Commerce	-1.3%	-1.9%	1.9%	1.3%	-0.2%
Society and Culture	-0.8%	-1.5%	2.3%	0.3%	-0.1%
Creative Arts	-1.3%	-1.5%	0.9%	-0.2%	-0.8%
Food, Hospitality and Personal Services	-0.9%	0.1%	0.6%	1.1%	-0.4%
Totals	-1.1%	-1.1%	1.4%	1.0%	100%

- The number of positions in Wanganui District requiring a Degree (level 7+) increased by 577 between 2005 and 2015, ranking it as the qualification level with the largest absolute increase in demand.
- By field of study, Health experienced the highest increase in demand between 2005 and 2015. The number of positions requiring this field of study increased by 178 over the 10 year period.

# TOURISM

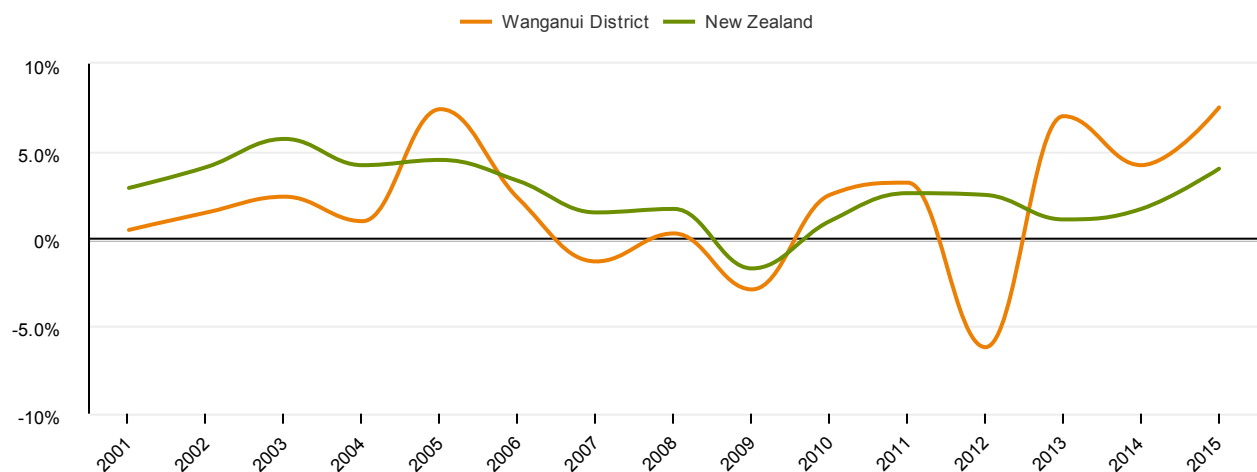
Tourism has grown rapidly in New Zealand since 2000. Not only has the number of overseas tourist arrivals increased substantially, but the level of domestic tourism has also expanded rapidly as spending on leisure by New Zealand residents increased. This section describes the contribution of tourism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

## Tourism GDP

Table 18: Tourism GDP (2001-2015)

Year	Wanganui District		New Zealand	
	Level	Change	Level	Change
2000	\$36.2m		\$5,615m	
2001	\$36.4m	0.5%	\$5,778m	2.9%
2002	\$36.9m	1.5%	\$6,012m	4.1%
2003	\$37.8m	2.4%	\$6,354m	5.7%
2004	\$38.2m	1.0%	\$6,622m	4.2%
2005	\$41.0m	7.4%	\$6,919m	4.5%
2006	\$41.9m	2.3%	\$7,150m	3.3%
2007	\$41.4m	-1.3%	\$7,260m	1.5%
2008	\$41.5m	0.3%	\$7,385m	1.7%
2009	\$40.3m	-2.9%	\$7,261m	-1.7%
2010	\$41.3m	2.5%	\$7,335m	1.0%
2011	\$42.6m	3.2%	\$7,525m	2.6%
2012	\$39.9m	-6.2%	\$7,712m	2.5%
2013	\$42.7m	7.0%	\$7,800m	1.1%
2014	\$44.5m	4.2%	\$7,935m	1.7%
2015	\$47.9m	7.5%	\$8,249m	4.0%

Figure 31: Annual average tourism GDP growth (2001-2015)



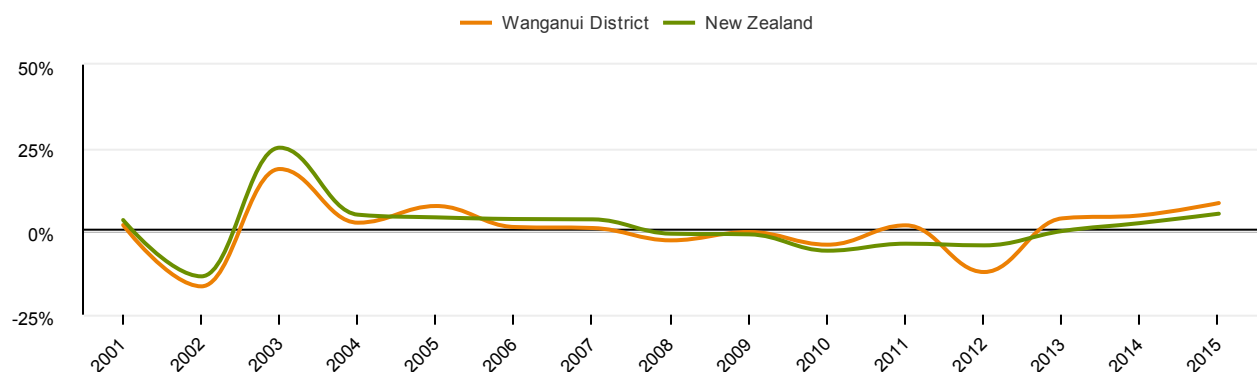
- The tourism industry contributed \$47.9m towards GDP in Wanganui District in 2015. This amounted to 3.4% of the Wanganui District's economic output in 2015, up from 2.9% ten years ago.
- Economic output in Wanganui District's tourism industry increased by 7.5% in 2015, compared with a 4.0% increase in New Zealand.
- Growth in the industry in New Zealand has averaged 1.6% over the last ten years, compared with 1.8% in New Zealand.

## Tourism Employment

Table 19: Tourism employment (2001-2015)

Year	Wanganui District		New Zealand	
	Level	Change	Level	Change
2000	1,075		138,222	
2001	1,095	1.9%	142,857	3.4%
2002	914	-16.5%	123,609	-13.5%
2003	1,086	18.7%	154,674	25.1%
2004	1,114	2.6%	162,384	5.0%
2005	1,199	7.6%	169,281	4.2%
2006	1,215	1.3%	175,557	3.7%
2007	1,227	1.0%	181,842	3.6%
2008	1,194	-2.7%	180,612	-0.7%
2009	1,191	-0.2%	178,902	-0.9%
2010	1,144	-4.0%	168,582	-5.8%
2011	1,165	1.8%	162,363	-3.7%
2012	1,023	-12.2%	155,502	-4.2%
2013	1,064	3.9%	155,733	0.1%
2014	1,115	4.8%	159,618	2.5%
2015	1,210	8.5%	168,012	5.3%

Figure 32: Annual average tourism employment growth (2001-2015)



- The tourism-related industry employed an average of 1,210 people in Wanganui District in 2015. This amounted to 6.4% of the Wanganui District's total employment in 2015, up from 6.2% in 2005.
- Employment growth in the industry in New Zealand has averaged 0.09% over the last ten years, compared with -0.08% in New Zealand.
- Employment in the tourism industry increased by 8.5% in 2015, compared with a 5.3% increase in New Zealand.

# TECHNICAL NOTES

## Time period

This economic profile reports on March years (eg. 2015 refers to the 12 months to March 2015) for all indicators except population (June year), dairy sector statistics (May year), and government social service expenditure and beneficiary data (June years).

## Gross Domestic Product

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

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

In this profile Gross Domestic Product for each region and territorial authority (TA) is estimated by Infometrics. A top down approach breaks national production-based GDP (published by Statistics New Zealand) down to territorial authority level by applying TA shares to the national total. Each TA's share of industry output is based on the share of earnings measured in the Linked Employer Employee Data (LEED), which is, in turn, based on taxation data. This approach captures differences in productivity between TAs and changes in productivity over time. Our estimates are benchmarked on regional GDP published by Statistics New Zealand for the period 2007-2010.

GDP is measured in constant 2010 prices .

## Prices

In this profile, we present all GDP estimates in constant 2010 prices. GDP presented in constant prices is sometimes referred to as real GDP. By using constant prices we remove the distractionary effect of inflation. It enables us to meaningfully compare GDP from one year to the next. Our GDP estimates differ from those published by Statistics New Zealand which are at 1995/6 prices.

## Industrial classification

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

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

## Unallocated

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

## Broad economic sectors

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

## HHI Index

Economic diversity is measured using the Herfindahl–Hirschman Index. It is calculated by squaring the share of each industry (at 54 industry level), and then summing the resulting numbers. The HHI number can theoretically range from close to zero (diversified economy) to 10,000 (concentrated economy). The HHI for New Zealand is calculated as the average for the 66 territorial authorities.

## Employment by industry

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

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

## Self-employment

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

## Employment by occupation

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

## Productivity

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

## Earnings

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

## House prices

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

## Population

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

The estimated resident population at 30 June 2013–14 is based on the 2013 census usually resident population count, updated for:

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

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

The estimated resident population is sourced from Statistics New Zealand.

## Dependency ratio

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

## Business Units

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

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

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

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

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