

# Regional Economic Activity Report

2014





## MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

HĪKINA WHAKATUTUKI



Scan here to access a new interactive web tool that complements this report or visit [www.mbie.govt.nz/what-we-do/business-growth-agenda/regions](http://www.mbie.govt.nz/what-we-do/business-growth-agenda/regions)

It allows you to access selected additional information on sub-regional areas, not included in the published report.

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# Minister's foreword

New Zealand's economy is made up of diverse regions, each of which specialises in different activities and achieves different outcomes depending on its natural resource endowments, its infrastructure and its people. All regions make important contributions to the national economy, whether by providing national services and infrastructure, primary products for export earnings or centres for education, research and innovation.

To understand the New Zealand economy we need to understand its regional parts. To build that understanding I launched the first of an annual series of regional economic activity reports in 2013. This is the second report of the series.

The reports provide high-quality, consistent data that allows us to compare regional performance and better understand the roles that different regions play in the New Zealand economy. They support decision-making at all levels and help generate discussion on how best to build our future.

For the first time, in response to local stakeholders' requests, we are providing an interactive web tool that can be used online, or on the go as a download for tablets. The tool gives access to selected additional information on sub-regional areas not included in the published report.

This report includes a range of new data. I asked Statistics New Zealand to develop a regional GDP series to provide a new and more meaningful indicator to measure economic activity alongside employment.

We also have a new section on Māori economic development – both its significant potential and the challenges that will need to be addressed in different regions to grasp that potential. Effective implementation of the Māori economic development strategy and action plan – *He kai kei aku ringa* – will require a strong regional focus.

The report has increased information on housing as this is a key contributor to people's living standards. Finally, the report provides a new section on regional demographics, which includes growth and age structures of regional populations. These trends influence future regional labour markets and local demand for services and infrastructure, and we need to start considering now how we plan for future change.

A year on from the 2013 report we see further evidence of the regions and New Zealand continuing to prosper, despite the impacts of the worldwide recession. New Zealand is one of the best-performing economies in the OECD, and different regions have played important roles in creating that outcome. All regions have experienced GDP growth over the last four years, with Auckland's growth being overtaken by

Canterbury's rebuild, and by provincial areas such as Gisborne and Southland. This new economic activity is flowing through into increased job opportunities and incomes in most regions.

This report provides a picture of what has been happening to our regional economies structurally and over the long term. Financial institutions and consulting agencies release quarterly regional economic reports that provide complementary information about more recent, short term trends. Recent editions of these reports suggest that regional economic activity has been continuing to grow over the last twelve months through to the March 2014 quarter, along with rising levels of business and consumer confidence.

The government is working to ensure that New Zealand as a whole and the 16 regions continue to grow and succeed. We have just refreshed the Business Growth Agenda, our blueprint for growing the economy. Many of the actions in the Business Growth Agenda, whether they are Primary Growth Partnership initiatives, Māori and Pasifika Trades Training, or roading projects, are regionally customised to strengthen local business environments.

I constantly meet people all over New Zealand who are proof that each region has great potential for innovation and for providing a good standard of living and jobs for its people. The challenge is not a lack of opportunities – it's how we continue to do better at creating wealth and jobs from the opportunities we have.



**Hon Steven Joyce**

Minister for Economic Development  
Minister of Science and Innovation  
Minister for Tertiary Education, Skills and Employment  
Minister for Small Business  
Associate Minister of Finance



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# 16 regions

9 NORTH    7 SOUTH



Geographic boundaries of regional and unitary councils (regions) and city and district councils. Some districts span across several regions  
Source: Statistics New Zealand

# Introduction

This report provides consistent information for each of New Zealand's 16 regions. This allows us to compare the regions' economic performance, distinguish their attributes and specialisations, and understand the different roles they play in the New Zealand economy. The report is the second of an annual series.

The report is complemented by a new interactive web tool that provides selected information on sub-regional areas not included in the published report. This provides greater flexibility and finer-grained information on regional economies. This is available at [www.mbie.govt.nz/what-we-do/business-growth-agenda/regions](http://www.mbie.govt.nz/what-we-do/business-growth-agenda/regions)

Regions are defined in the report by regional council and unitary authority boundaries as shown on the adjacent map. These boundaries reflect the local governance structures that largely approximate 'economic regions'. However, regions could alternatively be defined by labour markets or industry interdependencies, which might then disaggregate regions with distinct sub-regional markets, or alternatively aggregate some regions with strong economic interdependencies. Some economic data is only available for aggregated regions, such as Tasman and Nelson, and this is reflected in this report.

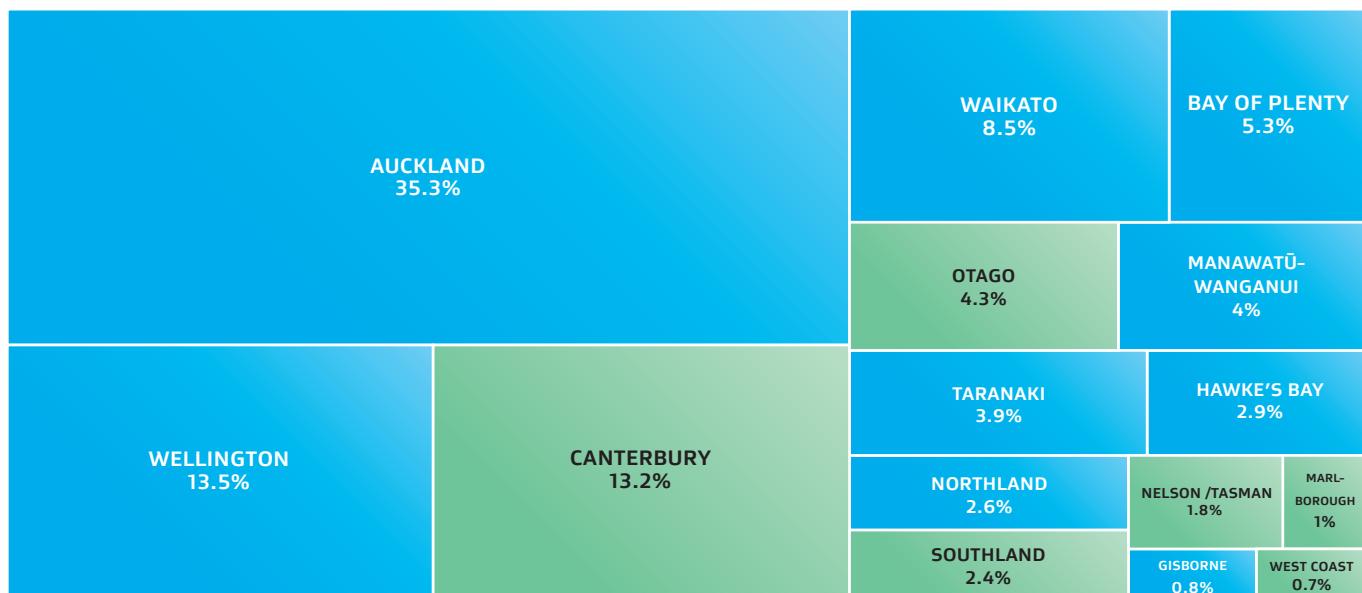
We have improved some data sources this year. Employment data now includes self-employed, which increases employment numbers in all regions and particularly in some sectors. In addition we are using 2013 Census income figures

for this year as they enable us to provide accurate income data for small regions and for sub-regional areas. Therefore some employment and income data should not be directly compared with the 2013 report. All data sources and methods are listed at the back of the report.

The regional shares of national GDP in Figure 1 show significant variation in the size of each regional economy. This is related to differences in population size and industry composition, rather than land area. Not surprisingly the most populous centres of Auckland, Wellington and Canterbury generate 62 per cent of New Zealand's GDP, while half of our 16 regions make up only 16.1 per cent of the national economy. The regional shares of national GDP have remained relatively stable in recent years, with small changes due to the impact on different regions of events such as the global financial crisis, drought, and the Christchurch earthquakes and rebuild.

All regions contribute in different ways to the New Zealand economy. Their relative strengths and challenges and their national roles are explored throughout the sections of this report.

## 1. Regional shares of national GDP, 2013

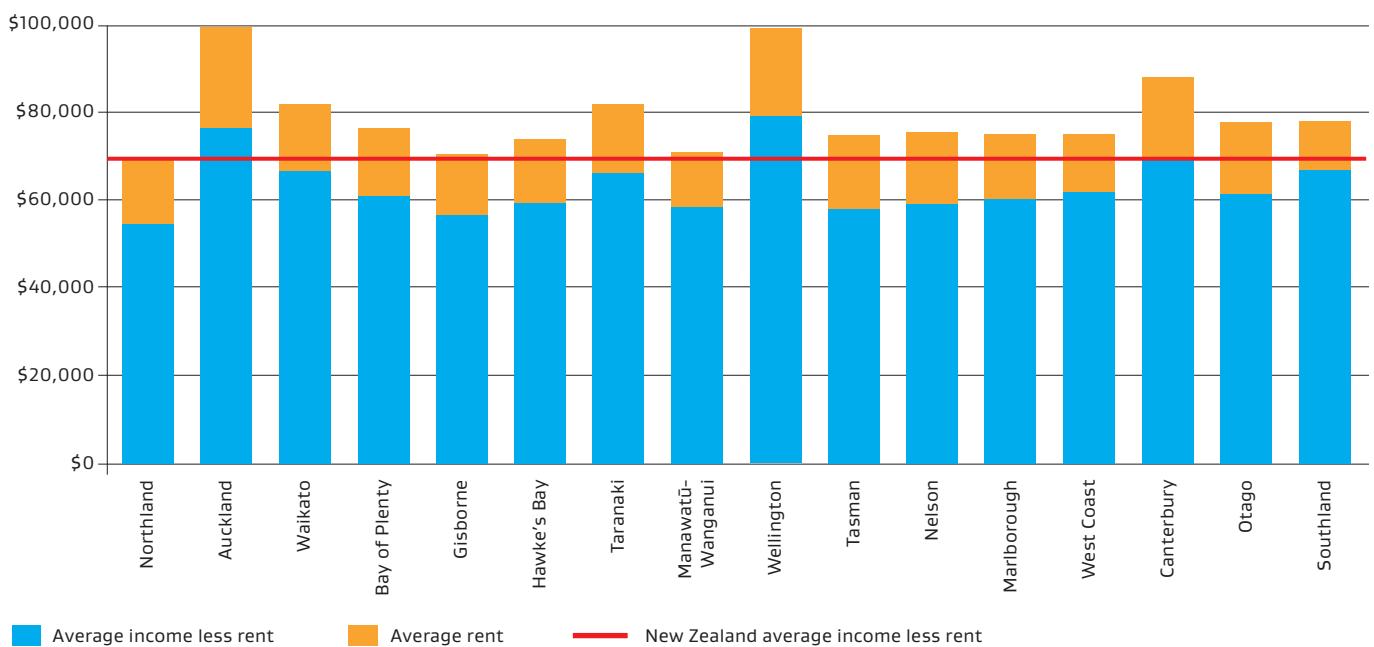


Source: Statistics New Zealand

## 2. Household income 2013 and employment growth, 2003–2013



## 3. Average annual household income and rent, 2013



# Regional economic outcomes

The economic growth of regions varies, and has done so for a long time across the world. The differential between New Zealand regions is similar to regions of other OECD countries (OECD 2013). As well as looking at growth, this report focuses on the extent to which regional economies are delivering on two goals: good living standards and job opportunities. It measures living standards in terms of household income less rent, as housing costs are a key price differential between regions. Regional job opportunities are indicated either by employment growth or the proportion of working age people who are in employment.

## Drivers of living standards and job opportunities

The conceptual diagram in Figure 4 illustrates factors which contribute to regional income and employment. At the base are six inputs that businesses generally need in order to succeed: natural resources, infrastructure, international connections, capital, innovation and skills. These are the main areas of focus in the government's Business Growth Agenda. They come together in different ways in regions, underpinning regional sectors and specialisations, and their productivity. External influences such as world prices and climate can have a significant bearing on regional sectors and the income and jobs that they generate.

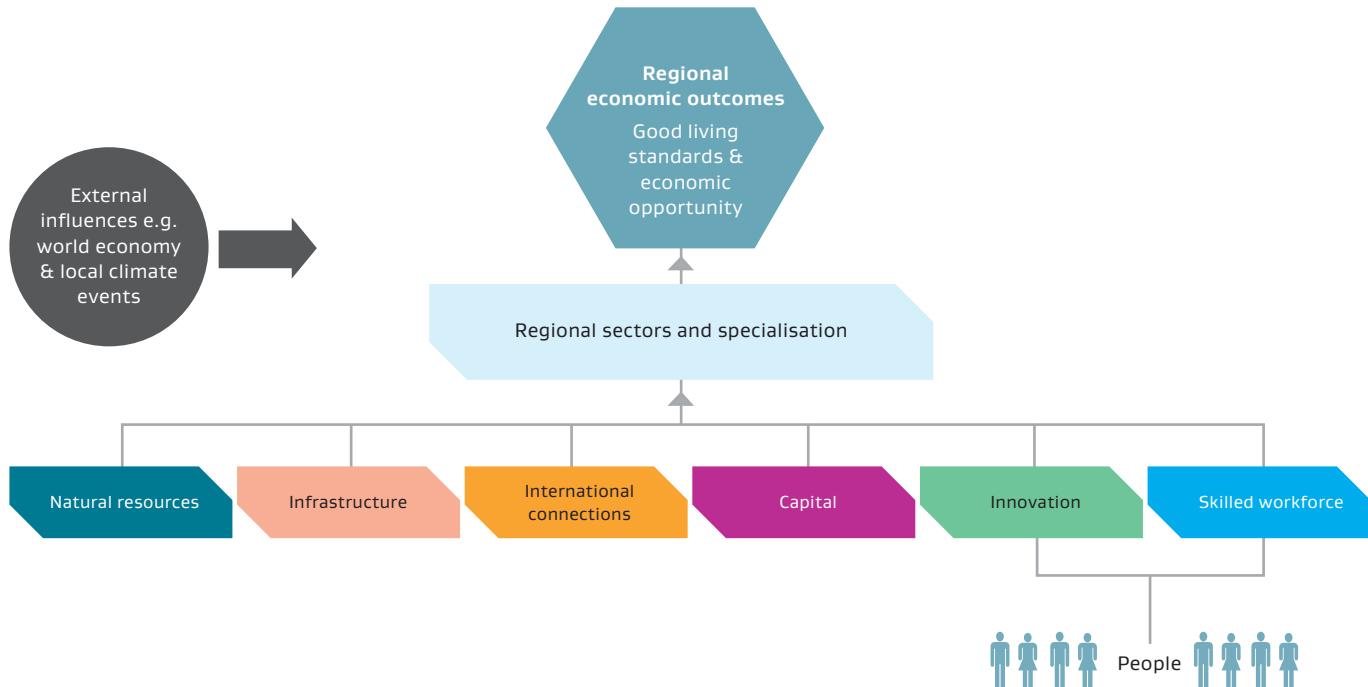
This report provides information about all of these drivers. It also looks at the interplay between regional economic outcomes and population characteristics.

## Living standards

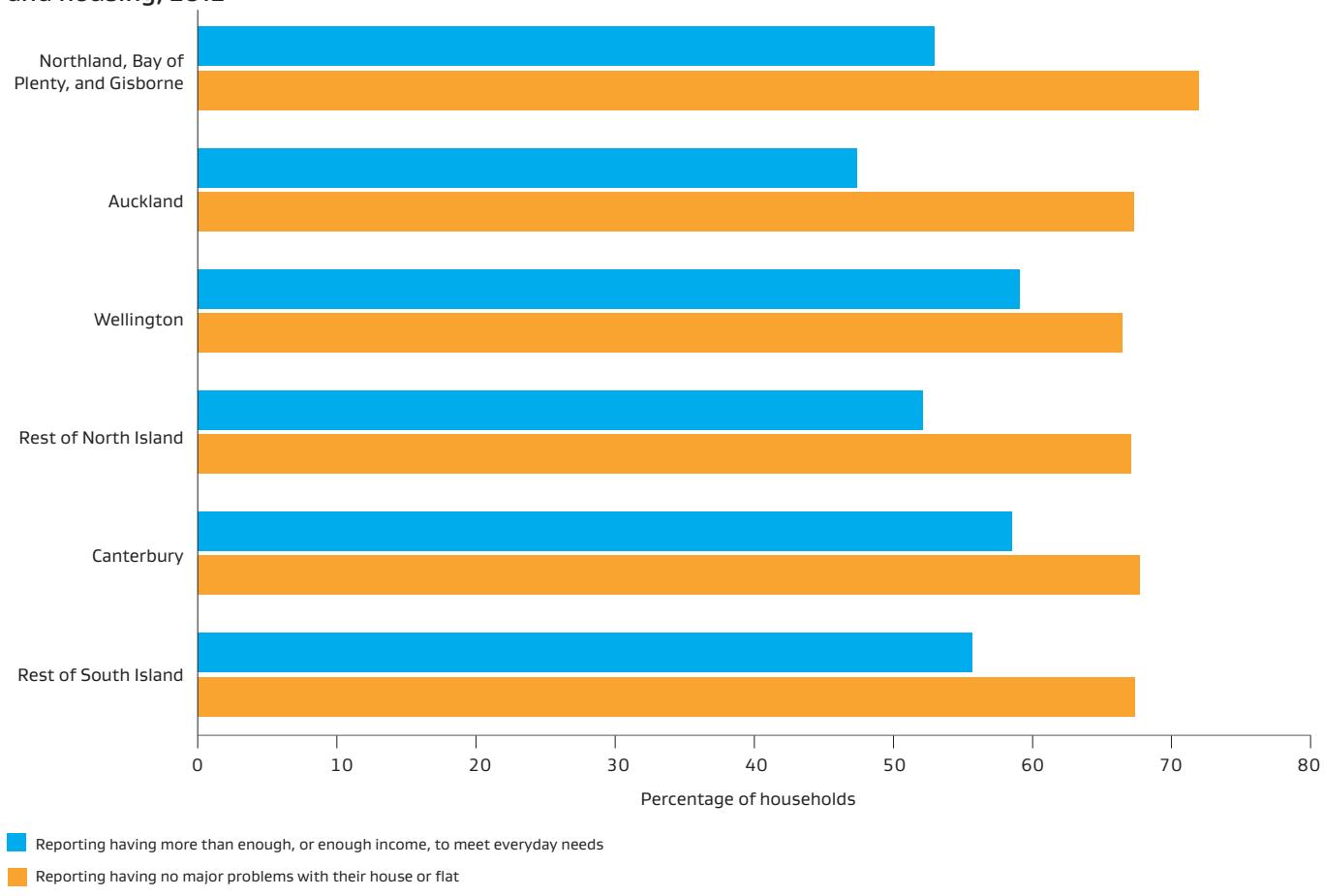
Figures 2 and 3 show that the highest average household incomes are earned in our largest, most urban regions, Auckland, Wellington and Canterbury, where skill levels are highest. As in 2013, Waikato and Taranaki also benefit from relatively higher household incomes, primarily earned from resource-based dairy, and oil and gas exports.

Household income is also affected by demographic factors. The high proportion of retired people in Northland, Bay of Plenty, Marlborough and Tasman reduces the average incomes of these regions, while the significant percentage of working age people in Wellington contributes to the higher incomes there. People live in larger households in Auckland and this also boosts average household incomes in that region. Higher income is somewhat offset by higher housing costs.

## 4. Conceptual diagram of drivers of regional economic outcomes



## 5. People's perceptions on the adequacy of their income and housing, 2012



Source: Statistics New Zealand

For most regions, rent as a proportion of average household income is around 20 per cent. However, rent is 23 per cent of average income in Auckland and only 14 per cent in Southland.

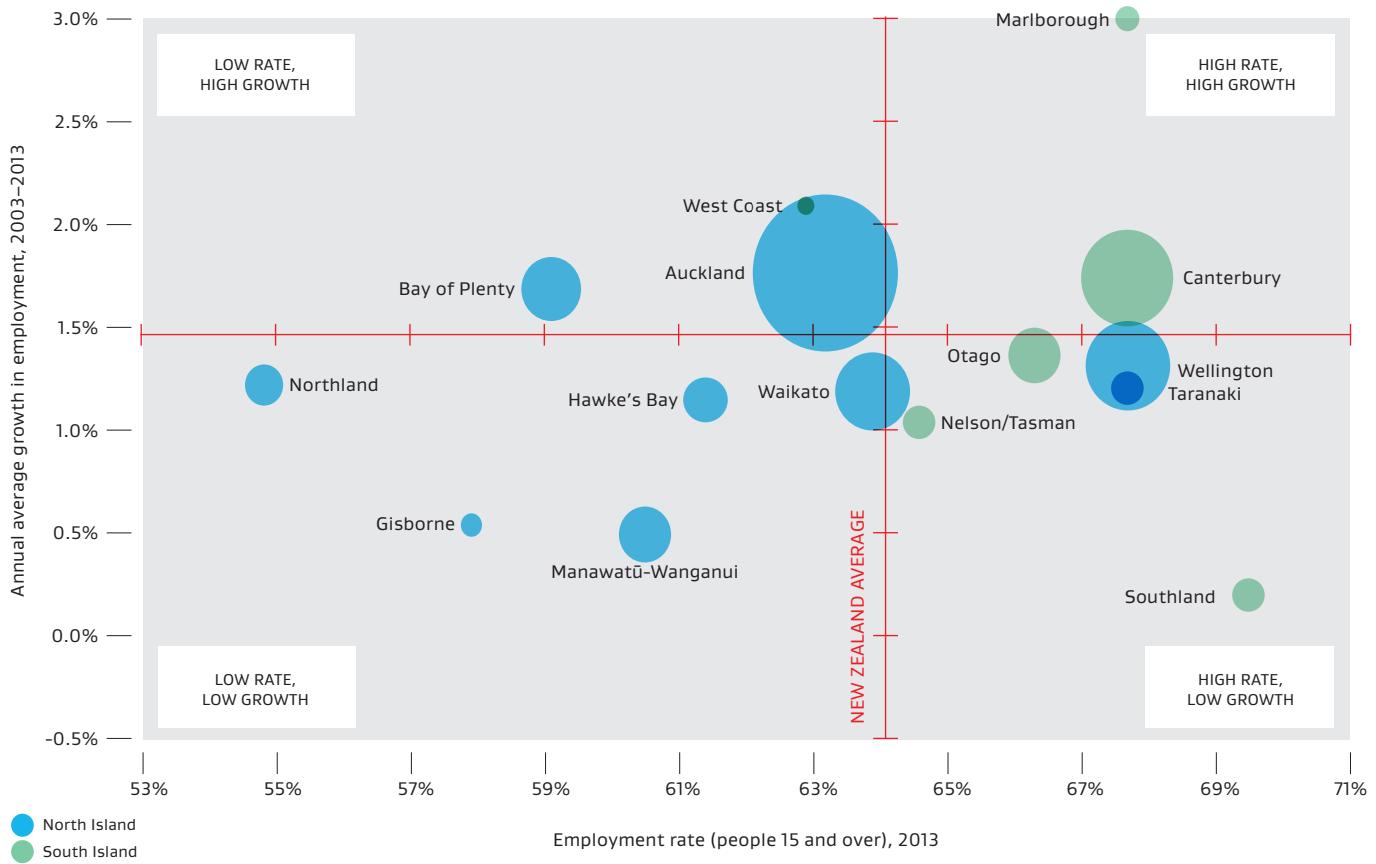
Figure 5 shows people's perceptions of regional income and housing, providing a complementary picture to the hard statistics. While Aucklanders earn the highest average incomes, they are least likely to perceive that they have enough income to meet everyday needs. People in Wellington and Canterbury seem most likely to consider their incomes adequate. Meanwhile, warmer regions like Northland, Bay of Plenty and Gisborne appear most likely to be happy with their housing.

## Employment opportunities

Figure 6 shows two different indicators of regional job opportunities: employment growth and employment rates, ie the proportion of people aged 15 and over who are in work.

Marlborough and Canterbury are two regions that have had a lot of employment growth, and which also have a high proportion of their populations in work. Construction for the Canterbury rebuild has boosted the region's employment data, while viticulture and supporting industries have been rapidly expanding in Marlborough. The fast growth of these labour-intensive sectors is requiring these regions to supplement their local workforces with migration from elsewhere.

## 6. Employment opportunity across regions



**Note:** Circle area indicates region's share of national employment.

**Source:** Statistics New Zealand, Ministry of Business, Innovation and Employment

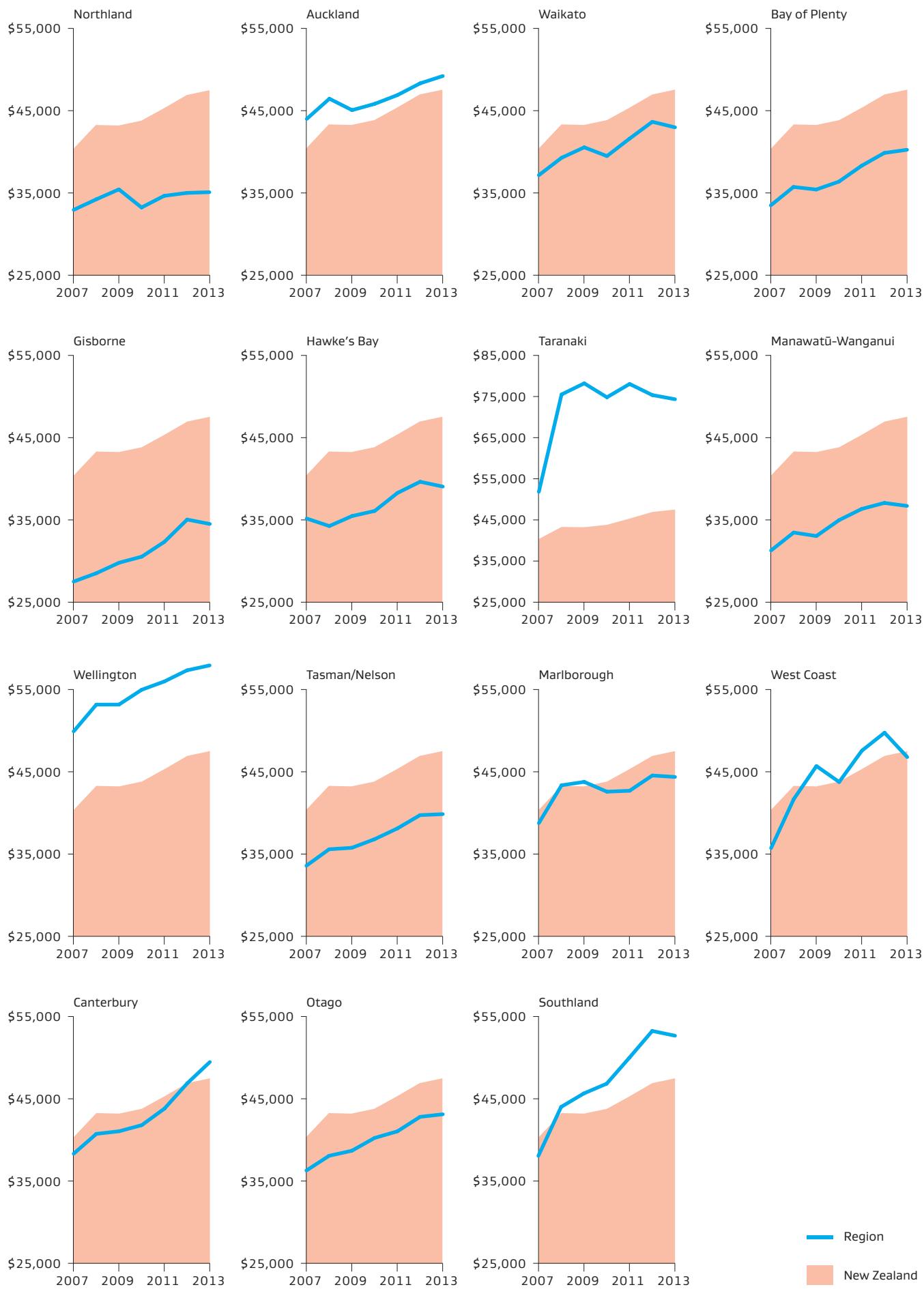
Southland, Wellington, Taranaki and Otago are examples of slower growing regional workforces. However, their population growth is also relatively slow, and their economies sufficiently buoyant that working age people in these regions have a high likelihood of being employed.

Auckland has lower than average employment rates, which might seem surprising. While Auckland has high employment growth it also has high population growth, and it appears that significant groups within that population – including migrants

and young Māori and Pasifika people – are not participating fully in the economy.

Māori are on average less skilled than non-Māori, and less equipped to participate in the workforce, particularly in tight economic times. This may partly explain the lower employment rates in the North Island than the South Island. Northland, Gisborne and Manawatū-Wanganui seem to be performing the poorest in terms of job opportunities and the ability of local people to take these up.

## 7. Regional GDP per capita, 2007–2013



Source: Statistics New Zealand, Ministry of Business, Innovation and Employment

Region  
New Zealand

## Trends over the last 10 years

Each of our regional economies has experienced considerable change over the last decade. Figure 7 shows movements in each region's GDP per capita since 2007, reflecting changes in both the value of regional production and in populations.

Over this period, agricultural regions in the South Island have benefited from increasing world prices for commodities, particularly dairy products, and until recently minerals.

Even with a high exchange rate and some price volatility, the demand for our commodities has generated significant new income for these regions.

The global financial crisis affected all regions, hitting some in 2009 and others in 2010, with most now beginning to return to former levels of growth.

In 2013 drought reduced agricultural production, particularly affecting Waikato, Gisborne and Hawke's Bay.

In addition, regions have unique stories to tell:

- Taranaki's GDP grew by 46 per cent in 2008 due to increases in oil and gas production from the Pohukura and Tui oil fields. Oil and gas production has not been maintained at these levels, but growth in dairy farming over the period has kept the region's GDP per head of population very high. The capital intensive nature of these sectors means that Taranaki's employment growth does not match its GDP growth.
- The West Coast has experienced volatile and, in some years, very high GDP growth, driven by the impact of world prices on its mining sector.
- Southland's GDP has grown very strongly over most of the period because of the expansion of its dairy production. Southland has had one of the highest rates of dairy conversions in New Zealand over the last decade.
- Marlborough has had relatively flat GDP growth over the period. Significantly increased grape production between 2007 and 2009 was followed by falling prices, which flowed through into a decline in manufacturing. Despite this the region's employment has continued to grow at high rates, because of the labour intensive nature of viticulture and support services.
- Canterbury has been the fastest-growing economy in the last two years because of the post-earthquake rebuild, and expanding agricultural production.
- Auckland has not shared in the commodity-driven growth of other regions, with the gap between Auckland and the rest of New Zealand closing throughout the period.





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# The regions

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# Northland



The Northland region is a small to medium-sized economy with a prominent primary sector and a strong manufacturing base. Northland contributes 2.6 per cent to national GDP and provides 3.0 per cent of national employment.



## Business Growth Agenda actions relevant to Northland

Pūhoi to Wellsford Road of National Significance

Ultra-Fast Broadband in Whangārei

Rural Broadband upgrade throughout Northland

National Cycle Trail

Increased Youth Guarantee places

Expand trades and services academies' flexible school-based provision

New Zealand Apprenticeships and Apprenticeship Reboot

Improving health and safety in Forestry

Kauri dieback management programme

Lift Māori school leaver achievement

Māori and Pasifika Trades Training

Petroleum block offers

Minerals exploration permits

Aquaculture reform

Freshwater reform

Leverage cultural and asset base of Māori economy for growth

Regional Investment Attraction Programme

Callaghan Innovation R&D Grants Programme

Northland is home to 3.5 per cent of New Zealand's population, and Māori make up a significant proportion of its people.

While Northland performs below the national average on several key economic indicators, it also has a range of opportunities for development.

In 2013, Northland had the second lowest GDP per capita nationally. It also had the lowest employment rate and labour force participation rate in New Zealand, while the rate of youth not in employment, education or training (NEET) and the unemployment rate were the highest. Household incomes were the lowest in New Zealand.

However, economic activity in Northland is relatively diverse and it has a range of sectors with growth opportunities.

The region has a moderate revealed comparative advantage (or concentration of employment above the national average) in the dairy and beef cattle sectors. Forestry and logging also exhibits a modest revealed comparative advantage. The manufacturing sector (including the Marsden Point oil refinery) is the most significant contributor to regional GDP, despite being a modest contributor in terms of employment.

The Marsden Point oil refinery is nationally significant, producing around two-thirds of all New Zealand's liquid fuels.

Domestic migration to the region was positive over the period 2008–2013, although net international migration was negative. It appears that working age people tend to migrate out from

Northland, while older people migrate in to Northland from Auckland, which contributes to Northland's high dependency ratio and poor labour force metrics.

GDP growth from 2007–2013 was lower than the national average and quite volatile. Northland was particularly affected by droughts at the beginning and end of this period.

Northland's natural resources are a foundation for economic growth. Aquaculture, petroleum and minerals, and Māori agri-business could increasingly contribute to regional economic development. Similarly, enhancing local skills and employment opportunities would help improve economic and social outcomes. There is also potential to develop cultural and special interest tourism products to leverage Northland's proximity to Auckland.

Callaghan Innovation and New Zealand Trade and Enterprise provide funding to *Northland Inc.* and the *Northland Chamber of Commerce* to provide services to businesses in Northland. In the 2012/13 year, companies in the region received approximately \$430,000 from Callaghan Innovation towards research and development, and \$164,000 was distributed between 45 Northland companies for business development.

Along with these agencies, local councils, the Northland Economic Action Group and iwi all have a key role in improving Northland's economic outlook.

PEOPLE	Northland	NZ	% of NZ
Population	158,700	4,471,100	3.5
Share of population (%): 0–14 years	22	20	3.8
15–24 years	12	14	3.0
25–64 years	48	52	3.3
65 years+	18	14	4.5
Māori share of population (%)	30	14	7.4
Net internal migration, 2008–2013	315	–	
Net international migration, 2008–2013	-3,850	51,152	
Projected population growth 2013–2031, annual average	0.5	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	66   89	52   65	
LIVING STANDARDS & JOBS	Northland	NZ	% of NZ
Regional GDP (\$m)	5,562	211,639	2.6
GDP per capita (\$)	35,068	47,532	
Household income, annual average (nearest \$100)	69,300	88,400	
Rental cost, annual average (nearest \$100)	14,500	18,700	
Rent share, of household income (%)	20.9	21.2	
Median house price (\$)	300,000	397,000	
Total employment	70,245	2,316,214	3.0
Employment growth 2003–2013, annual average	1.2	1.5	
Employment rate, 2014 March year	55.6	64.5	
Unemployment rate, 2014 March year	8.6	6.1	
Labour force participation rate, 2014 March year	60.9	68.7	
SKILLS & INNOVATION	Northland	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	76.1	77.2	
NEET rate, 2014 March year <sup>2</sup>	20.2	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	39.3	52.4	
Patent applications (per million heads, 2010)	0.0	37.1	
Skilled and highly skilled jobs (share of total employment)	60.2	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Northland	NZ	% of NZ
Broadband internet (% of households), 2012	60.0	75.0	
Cargo traded through ports (\$m): exports	862	49,470	1.7
imports	5,635	48,241	11.7
International tourism expenditure (\$m)	157	6,318	2.5
International tourism expenditure as a share of regional GDP	2.8	3.0	
Number of international students	538	95,619	0.6
PUBLIC SECTOR EXPENDITURE	Northland	NZ	% of NZ
Central government expenditure per capita, 2012	19,014	17,826	
Local government capital expenditure per capita 2002–2012, annual average	837	676	
Local government operational expenditure per capita, 2012	1,907	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	NORTHLAND	NZ	NORTHLAND	NZ
Dairy	2,548	3.6%	1.7%	-2.7%	0.0%
Sheep, beef cattle and grain farming	1,986	2.8%	1.5%	-1.2%	-2.1%
Other agriculture, forestry, and fishing	1,741	2.5%	1.8%	2.3%	1.6%
Wood, paper and printing manufacturing	1,352	1.9%	1.4%	-1.3%	-3.0%
Administrative and support services	3,867	5.5%	5.1%	7.1%	2.5%
Public administration and safety	3,089	4.4%	4.8%	4.4%	3.5%

## POPULATION



158,700

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



88%

## GDP PER CAPITA



\$35,068

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated.

# Auckland



Auckland is New Zealand's largest city and international gateway. It contributes 35.3 per cent of national GDP, accounts for a third of all national employment and is home to 34.2 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Auckland

Western Ring Route Road of National Significance

Auckland Commuter rail upgrade and electrification

The Auckland 2014 Transport Package

Ultra-Fast Broadband across Auckland

Tāmaki Regeneration

Hobsonville Housing Development

Housing Accord Special Housing Areas Act

National Science Challenges

AUT South Campus development

Health Innovation Hub

Wynyard Innovation Precinct

Encourage increased research in NZ by multinational companies

Review immigration settings to attract greater migrant skills and investment

New Zealand Apprenticeships and Apprenticeship Reboot

Lift Māori and Pasifika school leaver achievement

Māori and Pasifika Trades Training

Negotiate Air Services Agreements to build transport connections

International Convention Centre

Promote commercial services export projects

Double value of international education by 2025

Kauri dieback management programme

Callaghan Innovation R&D Grants Programme

Auckland has a history of much higher population and economic growth than other regions, reflecting urbanisation trends and the very high rate of international migration to Auckland.

The region's population is predicted to reach over 1.9 million by 2031, requiring ongoing urban and infrastructure development.

Economic growth appears to have slowed since 2007. Auckland's GDP has not grown as fast as some other regions which have benefited from high commodity prices, because agriculture only has a small presence in the region. Auckland's GDP per capita now equals Canterbury's. However, Auckland still had higher than average employment growth over the last decade.

In the last year it seems that the improving national economy and international migration are also now beginning to drive a return to higher growth rates in Auckland.

Auckland has the highest average household incomes in New Zealand. The concentration of high-skilled, knowledge-intensive employment in Auckland contributes to a high proportion of households earning more than \$100,000. However, once Auckland's high housing costs are taken into account, household incomes slip to second highest, behind Wellington.

Auckland had positive net international migration from 2008–2013, (around 38,620 migrants annually), making Auckland one of the world's most diverse cities. Currently, 45 per cent of Auckland's workforce was born overseas. But while international migration is high, domestic movements in and out of Auckland are fairly even.

Educational outcomes for young Aucklanders are higher than nationally, but there are large disparities in educational attainment. Māori and Pasifika participation and achievement, although rising, still remain lower. Unemployment has remained higher in Auckland than nationally since the global financial crisis, with the least-skilled disproportionately affected – a typical pattern during times of recession.

Auckland's industry mix has changed over the past decade as evidenced by its growing revealed comparative advantage (or concentration of employment above the national average) in the knowledge-intensive sectors. Information, media and telecommunications, financial and insurance services, and professional services have contributed a large share of overall regional employment growth. Professional, scientific and technical services, and administrative and support services experienced 15.7% GDP growth from 2007–2011. In contrast, while manufacturing remains the largest contributor to Auckland's GDP, employment in this sector has contracted during the past decade. However within manufacturing, the food and beverage sub-sector experienced strong employment growth.

There are opportunities for Auckland to lift its innovation performance and continue to grow the knowledge-intensive sectors of the economy, focusing on high-value goods and services for a global market.

Auckland's future success will largely depend on making the most of its key resource: people.

PEOPLE	Auckland	NZ	% of NZ
Population	1,529,400	4,471,100	34.2
Share of population (%): 0–14 years	20	20	35.0
15–24 years	15	14	35.8
25–64 years	53	52	35.4
65 years+	11	14	27.1
Māori share of population (%)	10	14	24.4
Net internal migration, 2008–2013	-4,662	–	
Net international migration, 2008–2013	38,642	51,152	
Projected population growth 2013–2031, annual average	1.4	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	46   55	52   65	
LIVING STANDARDS & JOBS	Auckland	NZ	% of NZ
Regional GDP (\$m)	74,746	211,639	35.3
GDP per capita (\$)	49,217	47,532	
Household income, annual average (nearest \$100)	99,700	88,400	
Rental cost, annual average (nearest \$100)	22,900	18,700	
Rent share, of household income (%)	23.0	21.2	
Median house price (\$)	565,000	397,000	
Total employment	775,313	2,316,214	33.5
Employment growth 2003–2013, annual average	1.8	1.5	
Employment rate, 2014 March year	63.7	64.5	
Unemployment rate, 2014 March year	6.8	6.1	
Labour force participation rate, 2014 March year	68.3	68.7	
SKILLS & INNOVATION	Auckland	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	81.1	77.2	
NEET rate, 2014 March year <sup>2</sup>	9.7	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	57.0	52.4	
Patent applications (per million heads, 2010)	47.7	37.1	
Skilled and highly skilled jobs (share of total employment)	76.0	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Auckland	NZ	% of NZ
Broadband internet (% of households), 2012	80.0	75.0	
Cargo traded through ports (\$m): exports	9,936	49,470	20.1
imports	27,810	48,241	57.6
International tourism expenditure (\$m)	2,458	6,318	38.9
International tourism expenditure as a share of regional GDP	3.3	3.0	
Number of international students	57,727	95,619	60
PUBLIC SECTOR EXPENDITURE	Auckland	NZ	% of NZ
Central government expenditure per capita, 2012	16,839	17,826	
Local government capital expenditure per capita 2002–2012, annual average	727	676	
Local government operational expenditure per capita, 2012	1,898	1,899	

SECTORS OF REGIONAL SPECIALISATION based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	AUCKLAND	NZ	AUCKLAND	NZ
Information media and telecommunications	21,826	2.8%	1.9%	1.6%	0.1%
Financial and insurance services	29,801	3.8%	2.7%	4.0%	2.4%
Wholesale trade	54,625	7.0%	5.0%	0.5%	0.5%
Professional, scientific and technical services	88,343	11.4%	9.0%	3.1%	3.1%
Food and beverage manufacturing	19,855	2.6%	3.6%	2.2%	0.5%
Public administration and safety	32,005	4.1%	4.8%	4.3%	3.5%

#### POPULATION



1,529,400

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



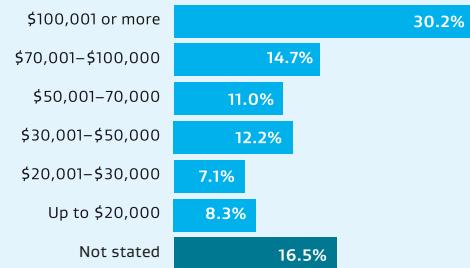
87%

#### GDP PER CAPITA



\$49,217

#### HOUSEHOLD INCOME DISTRIBUTION



#### EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated

Educational disparities and barriers to workforce entry for younger people represent significant unrealised potential. In addition, the region could harness the benefits of its growing diversity and turn it into a driving force for enhanced international linkages, innovation and growth. The city's large Asian population and proximate time zone with Asia offer a unique opportunity to benefit from the rapid growth and emerging global dominance of Asia.

### Sub-regional differences

Auckland's overall characteristics mask large sub-regional differences that are common in larger cities. The concentration of high-skilled professional services employment in a centralised core, and lower-skilled manufacturing jobs in areas outside the city centre (Figures A and B) is a typical pattern. Professional services firms seek the agglomeration benefits (such as knowledge workers, knowledge spill overs and scale economies) associated with a dense core, whereas manufacturing requires large land blocks with easy access to transport routes. The geographic distribution of different types of jobs is mirrored in the pattern of income across Auckland. Median annual incomes are significantly higher in central Auckland than South and West Auckland (Figure C).

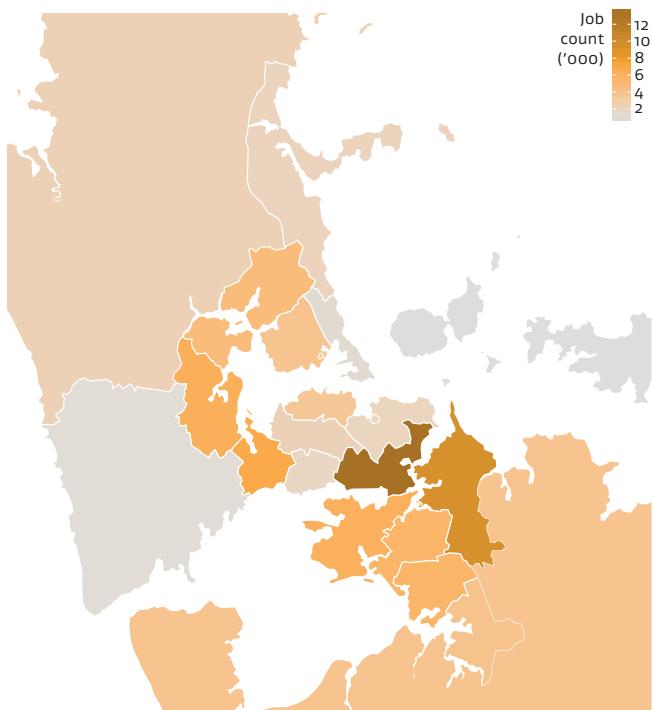
### National role

Auckland plays a crucial role in New Zealand's economy as a commercial service provider and a place of innovation and international connectivity. In the global network of cities, Auckland is

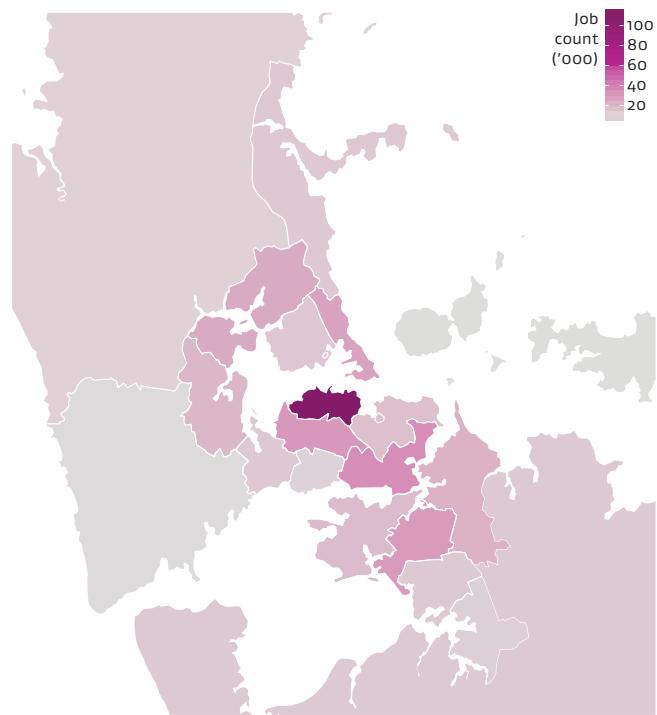
classified as instrumental in linking its country to the world economy (GaWC, 2012). That Auckland's role is markedly different to other New Zealand cities is reflected in its disproportionately higher share of foreign firms, patent applications and foreign-born population. It is also reflected in differences in its industry structure, with a higher share of employment in high tech manufacturing and in knowledge-intensive services (Figure D).

While Auckland already contributes a high share of national GDP, it could be yet more productive and increase its contribution to the New Zealand economy. The pace of demographic change, intensive international competition for talent, ideas and capital, and the need to continually grow international connections, combine to create both challenges and opportunities for Auckland.

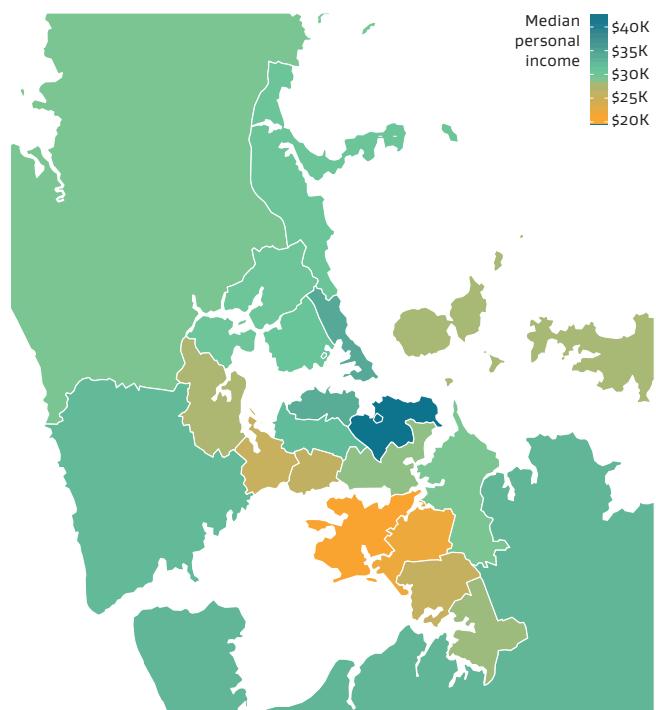
**B. Auckland manufacturing jobs by local board, 2013**



**A. Auckland more skilled services jobs by local board, 2013**



**C. Auckland median personal income by local board, 2013**



Source: Statistics New Zealand

## Auckland's role in the world

International comparisons are inherently difficult, but Figure E compares Auckland to four similar cities around the world for a select number of indicators. While Auckland compares well for quality of life, its 'global appeal as a place to do business' is relatively weak, largely because of New Zealand's overall small market size and geographic location. Auckland's low relative score on 'equity' indicates that not everyone is able to enjoy the high quality of life that the city offers. From an economic perspective it suggests that Auckland's economy is not making the

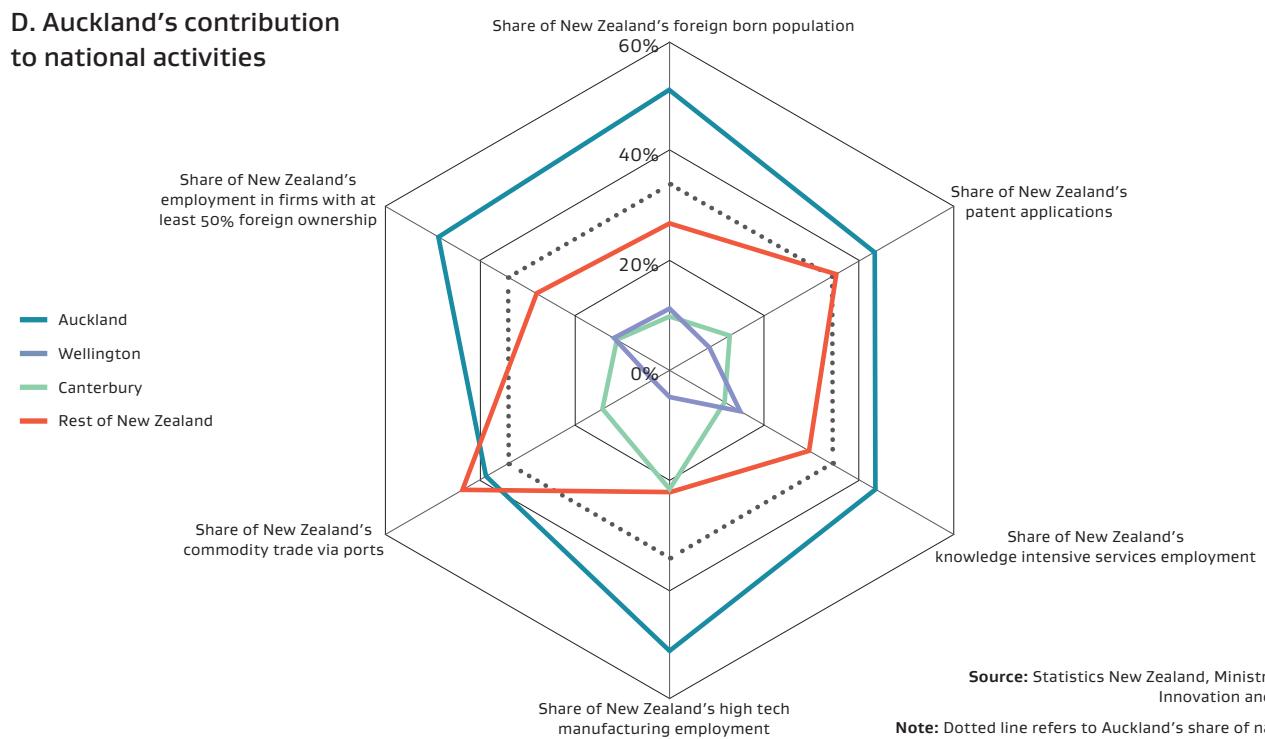
full use of its resources. Auckland does not compare so well on infrastructure and innovation measures, but it is a mid-performer on measures of human capital.

In 2012 Auckland Council adopted a 10-year Auckland Economic Development Strategy to position Auckland as a globally competitive city, and has developed a shared economic agenda of priorities for the next three years to position Auckland as a globally competitive city.

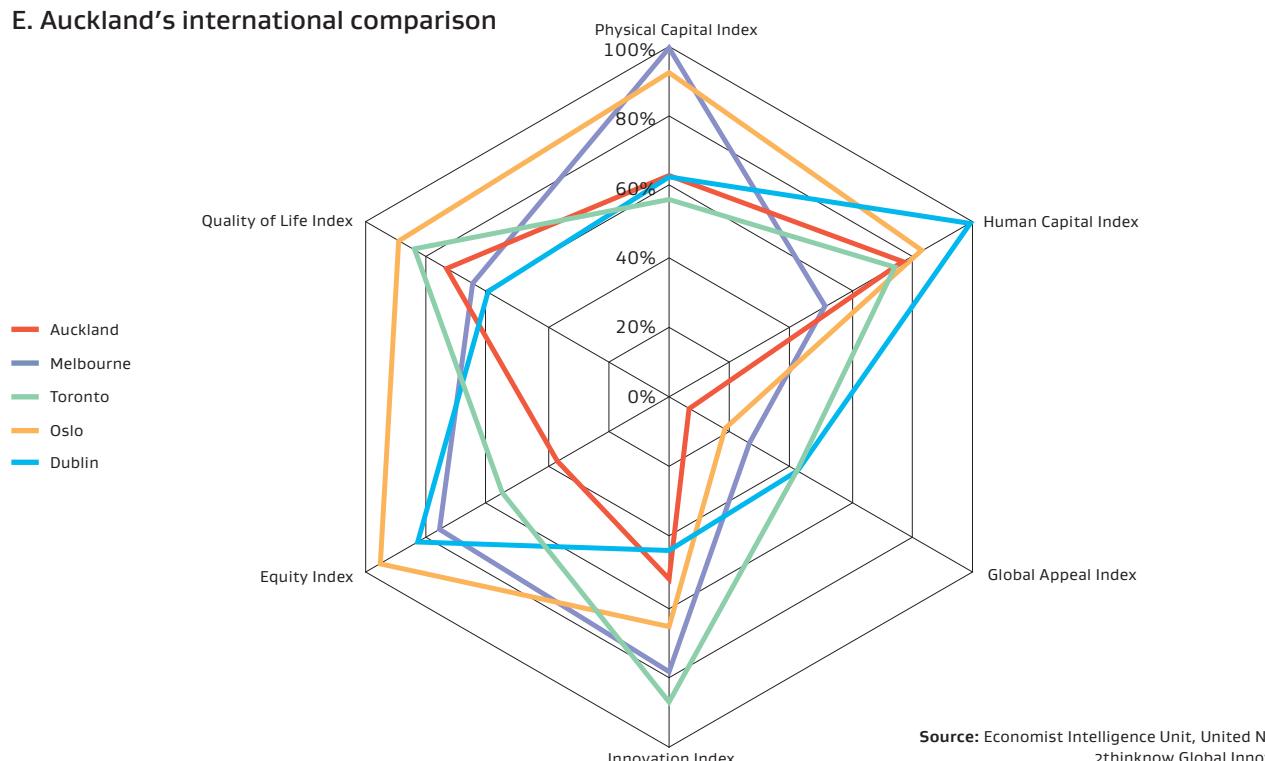
New Zealand Trade and Enterprise and Callaghan Innovation are collaborating with *Auckland Tourism, Events and*

*Economic Development (ATEED)* to build the capability of future innovators and exporters to maximise the benefits of GridAKL (the Wynyard Quarter Innovation Precinct) and to also provide business services and grants in Auckland. Of the 500 internationalising companies that NZTE works with most intensively within New Zealand, 200 are based in Auckland. In addition, 506 companies in the region together received \$1.6 million for business development during 2012/13, and \$44.4 million was distributed to Auckland companies from Callaghan Innovation for research and development.

## D. Auckland's contribution to national activities



## E. Auckland's international comparison



# Waikato



The Waikato region is a medium-sized economy with a strong primary production and agri-manufacturing focus. The region contributes 8.5 per cent of national GDP, provides 9.1 per cent of national employment and is home to 9.4 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Waikato

Waikato Expressway Road of National Significance

Ultra-Fast Broadband in Hamilton, Cambridge, Te Awamutu, Tokoroa and Taupō

Rural Broadband upgrade through Waikato

National Cycle Trail

National Science Challenges

Food Innovation Network

New Zealand Apprenticeships and Apprenticeship Reboot

Increased Youth Guarantee places

Develop creative industries vocational pathways

Improving health and safety in Forestry

Kauri dieback management programme

Expand trades and services academies' flexible school-based provision

Lift Māori school leaver achievement

Māori and Pasifika Trades Training

Mining and petroleum workplace safety reform

Freshwater reform

Primary Growth Partnership to lift private sector investment in innovation

Leverage cultural and asset base of Māori economy for growth

Aquaculture reform

Double value of international education by 2025

Regional Investment Attraction Programme

Callaghan Innovation R&D Grants Programme

Waikato has the fourth highest average annual income. It also has experienced comparatively high population growth and migration from nearby regions during the last five years. Waikato's population has a higher than national average share of Māori and is comparatively youthful.

However there's considerable diversity in population growth, industry composition and economic outcomes across the region, with Hamilton City, Waipa and Waikato districts often performing better than other areas on key indicators.

The Waikato has a strong agricultural, aquaculture and forestry base and significant geothermal resources. Its upper North Island location makes it a nationally significant juncture for freight and transport. The region has good infrastructure provision, including excellent research and education resources. However, Waikato performs below the national average in key skills and education outcomes, and in workplace training provision (Martin Jenkins, 2013).

The region is a predominant dairy centre, although dairy growth has slowed and future growth could be constrained by a lack of new dairy conversion opportunities and the need to manage water and soil resources. The Waikato also has employment above the national average in sheep, beef cattle and grain farming. A strong agri-manufacturing expertise has developed in Waikato to support its primary industry base. This includes a strong and growing revealed comparative advantage (or concentration) of employment above the national

average) in chemicals, minerals and metal manufacturing, and food and beverage manufacturing. The professional, scientific and technical services sector experienced the fastest employment growth over the last decade at an annual average rate of 4 per cent, which is above the New Zealand average. In 2013 GDP fell, due to a decline in agriculture activity. The region was one of the most affected by the 2013 drought.

Most of the Waikato's productive land is well-developed. The region will therefore need to leverage its untapped human and business potential to generate greater value from its natural resource base. Councils, iwi, and the business and education sectors have recently released a joint regional economic strategy to increase added value within the region's key sectors – agriculture and related manufacturing and services, tourism and international education.

This strategy prioritises building skills, strengthening linkages between businesses and research organisations, and making better use of the region's central location and transport network.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to the *Waikato Innovation Park* to provide services to businesses in the region. Together, these organisations allocated \$7.7 million to companies in the region for research and development during 2012/13, and about \$400,000 was distributed between 133 companies for business development.

PEOPLE	Waikato	NZ	% of NZ
Population	418,500	4,471,100	9.4
Share of population (%): 0–14 years	21	20	10.0
15–24 years	14	14	9.4
25–64 years	49	52	9.0
65 years+	15	14	9.8
Māori share of population (%)	21	14	13.8
Net internal migration, 2008–2013	6,102	–	
Net international migration, 2008–2013	-4,745	51,152	
Projected population growth 2013–2031, annual average	0.6	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	57   71	52   65	
LIVING STANDARDS & JOBS	Waikato	NZ	% of NZ
Regional GDP (\$m)	17,935	211,639	8.5
GDP per capita (\$)	42,968	47,532	
Household income, annual average (nearest \$100)	82,100	88,400	
Rental cost, annual average (nearest \$100)	15,200	18,700	
Rent share, of household income (%)	18.5	21.2	
Median house price (\$)	313,000	397,000	
Total employment	210,344	2,316,214	9.1
Employment growth 2003–2013, annual average	1.2	1.5	
Employment rate, 2014 March year	64	64.5	
Unemployment rate, 2014 March year	6.4	6.1	
Labour force participation rate, 2014 March year	68.4	68.7	
SKILLS & INNOVATION	Waikato	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	75.7	77.2	
NEET rate, 2014 March year <sup>2</sup>	14.4	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	47.3	52.4	
Patent applications (per million heads, 2010)	30.4	37.1	
Skilled and highly skilled jobs (share of total employment)	62.4	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Waikato	NZ	% of NZ
Broadband internet (% of households), 2012	71.0	75.0	
Cargo traded through ports (\$m): exports	38	49,470	0.1
imports	0	48,241	0.0
International tourism expenditure (\$m)	343	6,318	5.4
International tourism expenditure as a share of regional GDP	1.9	3.0	
Number of international students	5,655	95,619	5.9
PUBLIC SECTOR EXPENDITURE	Waikato	NZ	% of NZ
Central government expenditure per capita, 2012	17,450	17,826	
Local government capital expenditure per capita 2002–2012, annual average	622	676	
Local government operational expenditure per capita, 2012	1,786	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	WAIKATO	NZ	WAIKATO	NZ
Dairy	10,834	5.2%	1.7%	-1.4%	0.0%
Other agriculture, forestry, and fishing	5,293	2.5%	1.8%	-0.6%	1.6%
Chemicals, minerals and metal manufacturing	6,372	3.0%	2.5%	0.4%	-0.7%
Sheep, beef cattle and grain farming	3,547	1.7%	1.5%	-1.7%	-2.1%
Food and beverage manufacturing	8,396	4.0%	3.6%	1.6%	0.5%
Professional, scientific and technical services	16,143	7.7%	9.0%	4.0%	3.1%
Health care and social assistance	20,409	9.7%	9.2%	3.3%	3.0%

## POPULATION



418,500

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



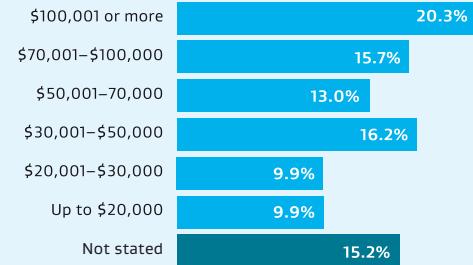
85%

## GDP PER CAPITA



\$42,968

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated

# Bay of Plenty



The Bay of Plenty is a medium-sized economy with a strong primary base and growing urban population and associated economy around New Zealand's fifth largest city, Tauranga.



## Business Growth Agenda actions relevant to Bay of Plenty

Tauranga Eastern Corridor Road of National Significance

Ultra-Fast Broadband in Tauranga, Rotorua and Whakatāne

Rural Broadband Upgrade through Bay of Plenty

National Cycle Trail

New Zealand Apprenticeships and Apprenticeship Reboot

Increased Youth Guarantee places

Expand trades and services academies' flexible school-based provision

Lift Māori school leaver achievement

Māori and Pasifika Trades Training

Improving health and safety in Forestry

Primary Growth Partnership to lift private sector investment in innovation

Leverage cultural and asset base of Māori economy for growth

Aquaculture reform

Kauri dieback management programme

Regional Investment Attraction Programme

Callaghan Innovation R&D Grants Programme

The western districts of the Bay of Plenty have a more service-based economy than the less-populated eastern Bay of Plenty, where the economy is still primary-sector based. The region contributes 5.3 per cent of national GDP, provides 6 per cent of national employment and is home to 6.2 per cent of New Zealand's population. From 2007–2013, the region's GDP increased 25.3 per cent, slightly more than the national movement.

The region's population includes a high proportion of Māori, particularly in the eastern Bay of Plenty. The region also had the third-highest positive net domestic migration nationally in the last five years, with a high share of older people migrating from the Waikato and Auckland regions. Its attraction as a retirement location contributes to its high age dependency ratio, which is second only to Northland. This will put pressure on the region's future labour market.

The Bay of Plenty's warm climate has supported significant regional specialisation in horticulture and, to a lesser extent, forestry and logging. The region also has revealed comparative advantage (or concentration of employment above the national average) in agricultural and forestry support services. The importance of specialised manufacturing is growing in the region, particularly chemicals, minerals and metal manufacturing. The administrative and support services, and health care and social assistance sectors experienced the highest employment growth, partially driven by the region's higher than average population growth. Tauranga Port experienced rapid growth following the Auckland Port strike in 2012, and is currently New Zealand's largest export port in terms of trade value and volume.

Diversification of the region's economy is expected to increase and improve regional outcomes through opportunities such as large-scale aquaculture, harnessing solar and geothermal energy, value-added wood processing, specialist manufacturing, tourism, and leveraging off Māori assets and talent.

The region performs above the national average in key secondary school qualifications but has a less-skilled workforce than New Zealand's other urban regions, reflecting current regional labour market demand. The region has both a smaller than average working-age population and relatively low proportion of working-age people in employment. Bay of Plenty's average annual household income is relatively low at \$76,600, partially reflecting the higher than average proportion of retirees, who are generally on lower incomes.

Economic development is well coordinated between business, the public sector and iwi within the region. For example, the Tertiary Partnership, comprising Bay of Plenty Polytechnic, Te Whare Wānanga O Awanuiārangi based in Whakatāne, and the University of Waikato, is currently working towards the development of a tertiary campus in central Tauranga.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to the *Tauranga, Eastern Bay of Plenty and Rotorua Chambers of Commerce* to provide business services and grants in the Bay of Plenty. In 2012/13, companies in the region received approximately \$963,000 from Callaghan Innovation towards research and development, and \$414,000 was distributed between 135 companies for business development.

PEOPLE	Bay of Plenty	NZ	% of NZ
Population	278,000	4,471,100	6.2
Share of population (%): 0–14 years	21	20	6.6
15–24 years	13	14	5.6
25–64 years	49	52	5.9
65 years+	18	14	7.7
Māori share of population (%)	25	14	10.9
Net internal migration, 2008–2013	2,007	–	
Net international migration, 2008–2013	-5,265	51,152	
Projected population growth 2013–2031, annual average	0.7	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	63   80	52   65	
LIVING STANDARDS & JOBS	Bay of Plenty	NZ	% of NZ
Regional GDP (\$m)	11,174	211,639	5.3
GDP per capita (\$)	40,236	47,532	
Household income, annual average (nearest \$100)	76,600	88,400	
Rental cost, annual average (nearest \$100)	15,400	18,700	
Rent share, of household income (%)	20.1	21.2	
Median house price (\$)	345,000	397,000	
Total employment	138,576	2,316,214	6.0
Employment growth 2003–2013, annual average	1.7	1.5	
Employment rate, 2014 March year	60.2	64.5	
Unemployment rate, 2014 March year	7.4	6.1	
Labour force participation rate, 2014 March year	65	68.7	
SKILLS & INNOVATION	Bay of Plenty	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	79.1	77.2	
NEET rate, 2014 March year <sup>2</sup>	16.2	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	45.7	52.4	
Patent applications (per million heads, 2010)	16.4	37.1	
Skilled and highly skilled jobs (share of total employment)	64.8	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Bay of Plenty	NZ	% of NZ
Broadband internet (% of households), 2012	69.0	75.0	
Cargo traded through ports (\$m): exports	13,812	49,470	27.9
imports	4,757	48,241	9.9
International tourism expenditure (\$m)	361	6,318	5.7
International tourism expenditure as a share of regional GDP	3.2	3.0	
Number of international students	3,628	95,619	3.8
PUBLIC SECTOR EXPENDITURE	Bay of Plenty	NZ	% of NZ
Central government expenditure per capita, 2012	18,952	17,826	
Local government capital expenditure per capita 2002–2012, annual average	733	676	
Local government operational expenditure per capita, 2012	1,696	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	BAY OF PLENTY	NZ	BAY OF PLENTY	NZ
Other agriculture, forestry, and fishing	5,208	3.8%	1.8%	3.1%	1.6%
Wood, paper and printing manufacturing	3,783	2.7%	1.4%	-2.9%	-3.0%
Horticulture (inc. viticulture)	3,424	2.5%	1.6%	-1.7%	-0.6%
Administrative and support services	9,211	6.6%	5.1%	7.2%	2.5%
Chemicals, minerals and metal manufacturing	3,148	2.3%	2.5%	1.6%	-0.7%
Health care and social assistance	14,544	10.5%	9.2%	3.7%	3.0%

## POPULATION



278,000

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



86%

## GDP PER CAPITA

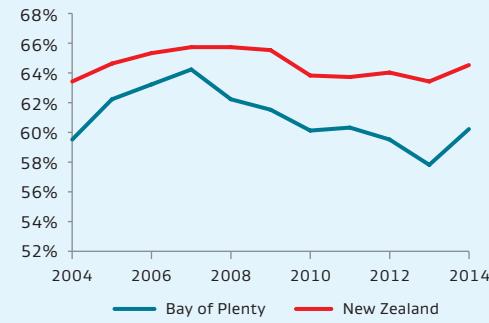


\$40,236

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated

# Gisborne



Gisborne is a small economy underpinned by an export-focused agriculture sector. In 2013, Gisborne contributed 0.8 per cent to national GDP, provided 1 per cent of national employment, and was home to 1 per cent of the national population.



## Business Growth Agenda actions relevant to Gisborne

Improve resilience of State Highway 2 between Gisborne and Napier

Ultra-Fast Broadband in Gisborne city

Rural Broadband across the region

New Zealand Apprenticeships and Apprenticeship Reboot

Lift Māori school leaver achievement

Māori and Pasifika Trades Training

Increased Youth Guarantee places

Expand trades and services academies' flexible school-based provision

Improving health and safety in Forestry

East Coast oil and gas exploration

Leverage cultural and asset base of Māori economy for growth

Primary Growth Partnership to lift private sector investment in innovation

High-impact, multi-firm market development programme for wine

Regional Investment Attraction Programme

Callaghan Innovation R&D Grants Programme

The proportion of Gisborne's people identifying as Māori (45 per cent) is by far the highest in New Zealand. It also has a comparatively young population with 24 per cent under 14 years of age.

On many economic indicators, the Gisborne region performs below the national average and has done so for a long time, but there is evidence that it has been experiencing relatively strong growth in recent years.

Between 2007 and 2013 Gisborne's GDP increased 27.7 per cent, above the national movement (largely due to growth in the forestry industry).

The region has strong competitive advantages in the primary sector – most significantly in forestry and logging, but also in sheep, beef cattle and grain farming, and horticulture.

Gisborne's unemployment rate has consistently been considerably higher than the national average. Its average household income was considerably lower than the New Zealand average at \$70,600. GDP per capita in 2013 was the lowest in New Zealand at \$34,472.

Gisborne's population has been growing relatively slowly and this is projected to continue, despite the region having the highest birth rates in the country. Relatively high proportions of working-age people have been leaving for other regions and for overseas.

One of the consequences is that the region has the lowest national averages in key measurements of skills and educational attainment.

The small and dispersed population, along with the topography of the region, also pose challenges for the construction and maintenance of critical network

infrastructure such as transport, electricity and telecommunications.

Central government operational expenditure per capita in the region is the highest nationally while local government expenditure the lowest. High central government expenditure can be attributed to high per capita spending on education (reflecting the region's youthful population) and social welfare. The region's relatively low incomes and rates base explains the low local government expenditure.

Gisborne's natural resources and its comparatively young and Māori population base present opportunities to boost the region's economic prospects. Forestry (particularly value-added manufacturing), tourism, oil and gas, and Māori agribusiness are all areas which could contribute more to regional economic development. Meanwhile, improving educational attainment rates, and skills and employment opportunities would flow on to better economic and social outcomes. Local stakeholders, the business community and central government are all key to improving Gisborne's economic potential.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to the *Gisborne District Council* and *Gisborne Chamber of Commerce* to provide business services in the region. During 2012/13, companies in the region received approximately \$184,000 from Callaghan Innovation towards research and development, while about \$39,000 was distributed between 14 companies for business development.

PEOPLE	Gisborne	NZ	% of NZ
Population	46,700	4,471,100	1.0
Share of population (%): 0–14 years	24	20	1.3
15–24 years	14	14	1.0
25–64 years	48	52	1.0
65 years+	13	14	1.0
Māori share of population (%)	45	14	3.3
Net internal migration, 2008–2013	-735	–	
Net international migration, 2008–2013	-1,430	51,152	
Projected population growth 2013–2031, annual average	0.1	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	60   79	52   65	
LIVING STANDARDS & JOBS	Gisborne	NZ	% of NZ
Regional GDP (\$m)	1,613	211,639	0.8
GDP per capita (\$)	34,472	47,532	
Household income, annual average (nearest \$100)	70,600	88,400	
Rental cost, annual average (nearest \$100)	13,800	18,700	
Rent share, of household income (%)	19.5	21.2	
Median house price (\$)	270,500	397,000	
Total employment	22,757	2,316,214	1.0
Employment growth 2003–2013, annual average	0.5	1.5	
Employment rate, 2014 March year	58.2	64.5	
Unemployment rate, 2014 March year	8.4	6.1	
Labour force participation rate, 2014 March year	63.5	68.7	
SKILLS & INNOVATION	Gisborne	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	69.9	77.2	
NEET rate, 2014 March year <sup>2*</sup>	17.8	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	38.7	52.4	
Patent applications (per million heads, 2010)	0.0	37.1	
Skilled and highly skilled jobs (share of total employment)	56.7	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Gisborne	NZ	% of NZ
Broadband internet (% of households), 2012*	68.0	75.0	
Cargo traded through ports (\$m): exports	388	49,470	0.8
imports	0	48,241	0.0
International tourism expenditure (\$m)	14	6,318	0.2
International tourism expenditure as a share of regional GDP	0.9	3.0	
Number of international students	27	95,619	0.0
PUBLIC SECTOR EXPENDITURE	Gisborne	NZ	% of NZ
Central government expenditure per capita, 2012	21,364	17,826	
Local government capital expenditure per capita 2002–2012, annual average	503	676	
Local government operational expenditure per capita, 2012	1,608	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	GISBORNE	NZ	GISBORNE	NZ
Forestry and logging	511	2.2%	0.3%	7.1%	-1.6%
Sheep, beef cattle and grain farming	1,396	6.1%	1.5%	-2.3%	-2.1%
Horticulture (inc. viticulture)	1,130	5.0%	1.6%	-2.7%	-0.6%
Other agriculture, forestry, and fishing	1,184	5.2%	1.8%	-0.5%	1.6%
Food and beverage manufacturing	1,196	5.3%	3.6%	3.3%	0.5%

## POPULATION



46,700

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



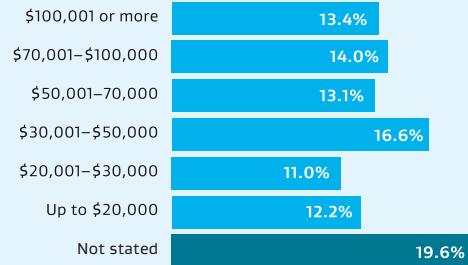
82%

## GDP PER CAPITA



\$34,472

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

\* Aggregated result for Gisborne and Hawke's Bay

<sup>†</sup> All data is for 2013 unless otherwise stated

# Hawke's Bay



Hawke's Bay is a small to medium-sized economy and one of New Zealand's key horticulture and viticulture regions. It contributes 2.9 per cent of national GDP, provides 3.6 per cent of national employment and is home to 3.5 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Hawke's Bay

Improve resilience of State Highway 2 between Napier and Gisborne

Improve resilience of Manawatū Gorge

Ultra-Fast Broadband in Napier and Hastings

Rural Broadband upgrade through Hawke's Bay

National Cycle Trail

New Zealand Apprenticeships and Apprenticeship reboot

Increased Youth Guarantee places

Lift Māori school leaver achievement

Expand trades and services academies' flexible school-based provision

Māori and Pasifika Trades Training

Irrigation development funding

East Coast Oil and Gas exploration

Leverage cultural and asset base of Māori economy for growth

Primary Growth Partnership to lift private sector investment in innovation

High-impact, multi-firm market development programme for wine

Freshwater reform

Regional Investment Attraction Programme

Callaghan Innovation R&D Grants Programme

The region has relatively low average household income and GDP per capita, contributing factors being the dominance of lower earning primary industries and a high proportion of unskilled labour in the workforce. The region performs well in terms of secondary school achievements, but for residents aged 25 to 34 the rate of tertiary level qualifications is lower than the national average. Hawke's Bay also has the second-highest youth NEET rate in New Zealand.

However, lower incomes are partially offset by lower housing costs. In the 2012 general social survey, 90 per cent of Hawke's Bay residents reported feeling satisfied or very satisfied with their lives – the second-highest rate in New Zealand.

Māori make up 23 per cent of the Hawke's Bay population and will account for the majority of working-age population growth over the next two decades.

Hawke's Bay's warm climate and rich soils have supported its primary production. The region has significant revealed comparative advantage (or concentration of employment above the national average) in the horticulture and viticulture sector, which experienced modest employment growth over the last decade in contrast to a national employment decline. Sheep, beef cattle and grain farming, and agricultural services are also regional strengths, with about 70 per cent of total land area used for pastoral farming. Hawke's Bay also specialises in food and beverage manufacturing, having several large multinational food processing companies.

The region's GDP increased 12.9 per cent from 2007–2013, well below the national movement of 24.5 per cent. The regional economy was affected by the closure of

tobacco manufacturing in 2007. Hawke's Bay was also adversely affected by the severe drought in 2013, with GDP and the employment rate falling.

Improvements in irrigation capacity and water management will make the primary sector more resilient to drought, and increase capacity for dairy farming, horticulture, viticulture and arable cropping. There is also potential to increase economic returns from Māori land and sea assets, and for Māori to play a greater role across all sectors.

Other areas of potential include equipment manufacturing, food and wood processing and biotechnology, and development of distribution chains leveraging off Napier Port, which is the North Island's second-largest export port by volume.

It will also be important to focus on encouraging youth into training and employment.

The region has successfully attracted research investment in primary production and food processing through direct business funding and inter-regional partnerships. Innovation support in the region was boosted in 2013 with business growth centre The ICEHOUSE launching in Hawke's Bay – its first branch outside of Auckland.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to the *Hawkes Bay Regional Council* and *Hawke's Bay Chamber of Commerce* to provide business services in the region. During 2012/13 companies in the region received over \$2.7 million from Callaghan Innovation towards research and development, while approximately \$150,000 was distributed between 70 companies for business capability.

PEOPLE	Hawke's Bay	NZ	% of NZ
Population	155,000	4,471,100	3.5
Share of population (%): 0–14 years	21	20	3.7
15–24 years	13	14	3.1
25–64 years	49	52	3.3
65 years+	17	14	4.1
Māori share of population (%)	23	14	5.6
Net internal migration, 2008–2013	-1,191	–	
Net international migration, 2008–2013	-3,080	51,152	
Projected population growth 2013–2031, annual average	0.2	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	62   81	52   65	

## POPULATION



155,000

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>‡</sup>

90%

## GDP PER CAPITA

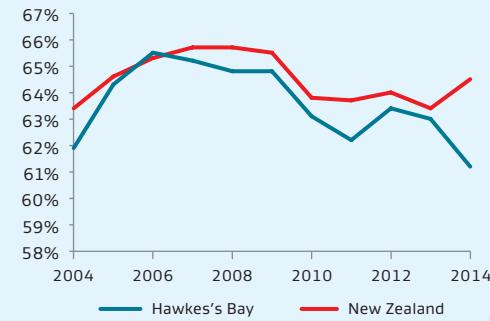


\$39,035

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

\* Aggregated result for Gisborne & Hawke's Bay

† All data is for 2013 unless otherwise stated

LIVING STANDARDS & JOBS	Hawke's Bay	NZ	% of NZ
Regional GDP (\$m)	6,050	211,639	2.9
GDP per capita (\$)	39,035	47,532	
Household income, annual average (nearest \$100)	74,300	88,400	
Rental cost, annual average (nearest \$100)	14,600	18,700	
Rent share, of household income (%)	19.7	21.2	
Median house price (\$)	295,000	397,000	
Total employment	83,558	2,316,214	3.6
Employment growth 2003–2013, annual average	1.1	1.5	
Employment rate, 2014 March year	61.2	64.5	
Unemployment rate, 2014 March year	7.8	6.1	
Labour force participation rate, 2014 March year	66.4	68.7	
SKILLS & INNOVATION	Hawke's Bay	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	77.1	77.2	
NEET rate, 2014 March year <sup>2*</sup>	19.0	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	42.3	52.4	
Patent applications (per million heads, 2010)	6.5	37.1	
Skilled and highly skilled jobs (share of total employment)	60.2	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Hawke's Bay	NZ	% of NZ
Broadband internet (% of households), 2012*	68.0	75.0	
Cargo traded through ports (\$m): exports	4,425	49,470	8.9
imports	911	48,241	1.9
International tourism expenditure (\$m)	85	6,318	1.3
International tourism expenditure as a share of regional GDP	1.4	3.0	
Number of international students	1,183	95,619	1.2
PUBLIC SECTOR EXPENDITURE	Hawke's Bay	NZ	% of NZ
Central government expenditure per capita, 2012	18,493	17,826	
Local government capital expenditure per capita 2002–2012, annual average	535	676	
Local government operational expenditure per capita, 2012	1,652	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	HAWKE'S BAY	NZ	HAWKE'S BAY	NZ
Horticulture (inc. viticulture)	5,846	7.0%	1.6%	2.1%	-0.6%
Other agriculture, forestry, and fishing	3,499	4.2%	1.8%	0.9%	1.6%
Food and beverage manufacturing	6,285	7.5%	3.6%	-0.4%	0.5%
Sheep, beef cattle and grain farming	2,464	2.9%	1.5%	-3.2%	-2.1%
Administrative and support services	5,647	6.8%	5.1%	7.4%	2.5%
Health care and social assistance	8,433	10.1%	9.2%	3.4%	3.0%

# Taranaki



The Taranaki region has leveraged off its rich petroleum and gas resources and established dairy sector to provide the highest GDP per capita in New Zealand and high employment rates. The region contributes 3.9 per cent of national GDP, provides 2.5 per cent of national employment and is home to 2.5 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Taranaki

- Ultra-Fast Broadband in New Plymouth and Hāwera
- Rural Broadband upgrade through Taranaki
- New Zealand Apprenticeships and Apprenticeship Reboot
- Increased Youth Guarantee places
- Expand trades and services academies' flexible school-based provision
- Māori and Pasifika Trades Training
- Mining and petroleum workplace safety reform
- Petroleum block offers
- Primary Growth Partnership to lift private sector investment in innovation
- Regional Investment Attraction Programme
- Callaghan Innovation R&D Grants Programme

Taranaki's GDP expanded 47.5 per cent during 2007-2013, well above the national movement. This reflects significant growth in agriculture, especially dairy, and increased oil and gas production from the Pohokura and Tui oil fields in 2008.

The mining sector, while providing only 3 per cent of the region's employment, generates about 40% of its GDP, and it has stimulated high-value support industries, including transport, machinery and equipment manufacturing, specialist engineering, and construction. The mining sector also experienced the greatest percentage increase in employment growth in the region over the last decade. Rental, hiring and real estate services produced the second-fastest growth in employment over the same period.

The region's share of 18 year olds attaining NCEA Level 2 or equivalent is above the national average, but the proportion with tertiary qualifications falls below the national average. This reflects the regional labour market as Taranaki has the third-lowest share of skilled and highly skilled employment. The region does have several education providers offering sub-degree and trades courses, including qualifications aligned to its mining and engineering activity.

Taranaki's commodity-based export sectors – dairy and petroleum – have helped the region weather the global financial crisis relatively well. Reflecting this, the region has the lowest unemployment rate in the North Island and third-highest labour force participation rate in New Zealand. Taranaki had the fourth-highest annual average household income in 2013 and enjoyed housing rental costs lower than the national average.

There is potential for Taranaki to encourage business growth in areas which can utilise the specialist engineering and related expertise that has developed around the mining and dairy sectors. Enhancing skills within the current labour force, with an emphasis on Māori, and ensuring that all youth meet their potential, will also be critical in order to lift incomes and maintain a skilled labour force into the future.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to *Venture Taranaki* to provide business services in the region. During 2012/13, companies in the region received almost \$1.5 million from Callaghan Innovation towards research and development, while approximately \$288,000 was distributed between 107 companies for business development.

PEOPLE	Taranaki	NZ	% of NZ
Population	110,600	4,471,100	2.5
Share of population (%): 0–14 years	21	20	2.6
15–24 years	13	14	2.2
25–64 years	50	52	2.4
65 years+	17	14	2.9
Māori share of population (%)	17	14	2.9
Net internal migration, 2008–2013	-237	–	
Net international migration, 2008–2013	-688	51,152	
Projected population growth 2013–2031, annual average	0.0	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	60   81	52   65	
LIVING STANDARDS & JOBS	Taranaki	NZ	% of NZ
Regional GDP (\$m)	8,200	211,639	3.9
GDP per capita (\$)	74,341	47,532	
Household income, annual average (nearest \$100)	82,100	88,400	
Rental cost, annual average (nearest \$100)	15,700	18,700	
Rent share, of household income (%)	19.1	21.2	
Median house price (\$)	292,000	397,000	
Total employment	57,978	2,316,214	2.5
Employment growth 2003–2013, annual average	1.2	1.5	
Employment rate, 2014 March year	66.6	64.5	
Unemployment rate, 2014 March year	5.7	6.1	
Labour force participation rate, 2014 March year	70.6	68.7	
SKILLS & INNOVATION	Taranaki	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	78.8	77.2	
NEET rate, 2014 March year <sup>2</sup>	14.4	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	43.5	52.4	
Patent applications (per million heads, 2010)	22.9	37.1	
Skilled and highly skilled jobs (share of total employment)	56.0	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Taranaki	NZ	% of NZ
Broadband internet (% of households), 2012	69.0	75.0	
Cargo traded through ports (\$m): exports	2,273	49,470	4.6
imports	609	48,241	1.3
International tourism expenditure (\$m)	48	6,318	0.8
International tourism expenditure as a share of regional GDP	0.6	3.0	
Number of international students	573	95,619	0.6
PUBLIC SECTOR EXPENDITURE	Taranaki	NZ	% of NZ
Central government expenditure per capita, 2012	17,136	17,826	
Local government capital expenditure per capita 2002–2012, annual average	713	676	
Local government operational expenditure per capita, 2012	1,931	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	TARANAKI	NZ	TARANAKI	NZ
Mining	1,755	3.0%	0.4%	11.2%	7.2%
Dairy	3,641	6.3%	1.7%	-3.4%	0.0%
Food and beverage manufacturing	3,735	6.4%	3.6%	0.4%	0.5%
Chemicals, minerals and metal manufacturing	2,422	4.2%	2.5%	1.0%	-0.7%
Transport and machinery equipment manufacturing	1,455	2.5%	1.9%	2.9%	-0.7%
Rental, hiring and real estate services	1,380	2.4%	2.2%	3.0%	0.6%

## POPULATION



110,600

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



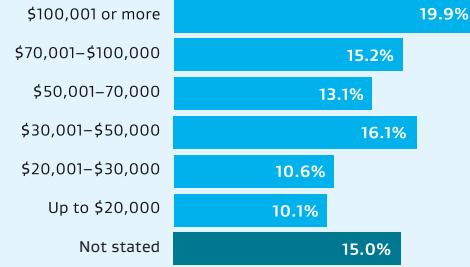
84%

## GDP PER CAPITA



\$74,341

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated



# Manawatū-Wanganui



The Manawatū-Wanganui region contributes 4 per cent of national GDP, provides 4.9 per cent of national employment and is home to 5.2 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Manawatū-Wanganui

- Improve resilience of the Manawatū Gorge
- Wellington Airport to Levin Road of National Significance
- Ultra-Fast Broadband in Palmerston North, Wanganui, Feilding, Levin
- Rural Broadband upgrade through Manawatū-Wanganui
- National Cycle Trail
- National Science Challenges
- Food Innovation Network
- New Zealand Apprenticeships and Apprenticeship reboot
- Increased Youth Guarantee places
- Expand trades and services academies' flexible school-based provision
- Lift Māori school leaver achievement
- Māori and Pasifika Trades Training
- Freshwater reform
- Primary Growth Partnership to lift private sector investment in innovation
- Centre for Greenhouse Gas research
- Double value of international education by 2025
- Regional Investment Attraction Programme
- Callaghan Innovation R&D Grants Programme

The Manawatū-Wanganui region is one of the lower income and slower growing regions in New Zealand. However, economic outcomes vary across the region. Palmerston North and Manawatū have experienced more growth and have higher average incomes than other districts.

The region has fertile productive land, with about 80 per cent of its area being grassland. Agricultural production has been the foundation for a strong food innovation and agri-business research hub in Palmerston North, recently rebranded Food HQ.

Manawatū-Wanganui has a significant revealed comparative advantage (or concentration of employment above the national average) in sheep, beef and grain farming, although employment in this sector has declined regionally over the last decade. Dairy farming and food-based manufacturing are also strengths, with manufacturing employment growing well above the national average over the last decade.

Palmerston North and surrounding districts also form a natural transport and logistics hub for the lower North Island, providing the primary sector with good road and rail transport routes to markets. The recent upgrade of the Manawatū Gorge has improved the resilience of inter-regional transport routes. Investigations into improving the alternative route, Saddle Road, are nearing completion, with construction expected during 2014 and 2015.

Tongariro National Park, a UNESCO world heritage site, and Wanganui National Park, which are both internationally renowned tourist destinations, are situated in the north-west of the region.

Education is another key sector, with Massey University located in Palmerston North. However, despite this, the proportion of 25 to 34 year olds with advanced trade qualifications, diplomas or degrees in Manawatū-Wanganui is lower than the national average. In addition, the youth NEET rate is high.

Manawatū-Wanganui has opportunities to improve its economic performance by combining its various strengths. For example, it is leveraging food and agri-business research to add value in primary production and further develop the agri-service sector. It can continue to improve the quality of the region's rivers (for example through the Manawatū River Clean-Up Fund). The region can also provide greater capacity for agriculture growth through increased irrigation capacity and water management. Supporting youth into education and employment to reduce youth unemployment rates is also a priority.

New Zealand Trade and Enterprise provides funding to *Vision Manawatu* and the *Bio Commerce Centre (BCC)* to provide business services in Manawatū-Wanganui, while Callaghan Innovation funds the *BCC*. During 2012/13, companies in the region received \$2.9 million from Callaghan Innovation towards research and development, while approximately \$183,000 was distributed between 102 companies for business development.

PEOPLE	Manawatū-Wanganui	NZ	% of NZ
Population	232,700	4,471,100	5.2
Share of population (%): 0–14 years	20	20	5.2
15–24 years	15	14	5.6
25–64 years	48	52	4.9
65 years+	17	14	6.0
Māori share of population (%)	20	14	7.2
Net internal migration, 2008–2013	-1,878	–	
Net international migration, 2008–2013	-1,682	51,152	
Projected population growth 2013–2031, annual average	0.2	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	57   76	52   65	
LIVING STANDARDS & JOBS	Manawatū-Wanganui	NZ	% of NZ
Regional GDP (\$m)	8,534	211,639	4.0
GDP per capita (\$)	36,688	47,532	
Household income, annual average (nearest \$100)	71,300	88,400	
Rental cost, annual average (nearest \$100)	12,500	18,700	
Rent share, of household income (%)	17.5	21.2	
Median house price (\$)	227,500	397,000	
Total employment	114,103	2,316,214	4.9
Employment growth 2003–2013, annual average	0.5	1.5	
Employment rate, 2014 March year	60.1	64.5	
Unemployment rate, 2014 March year	7.5	6.1	
Labour force participation rate, 2014 March year	64.9	68.7	
SKILLS & INNOVATION	Manawatū-Wanganui	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	77.0	77.2	
NEET rate, 2014 March year <sup>2</sup>	15.8	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	42.7	52.4	
Patent applications (per million heads, 2010)	22.9	37.1	
Skilled and highly skilled jobs (share of total employment)	63.0	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Manawatū-Wanganui	NZ	% of NZ
Broadband internet (% of households), 2012	66.0	75.0	
Cargo traded through ports (\$m): exports	0	49,470	0.0
imports	11	48,241	0.0
International tourism expenditure (\$m)	77	6,318	1.2
International tourism expenditure as a share of regional GDP	0.9	3.0	
Number of international students	3,160	95,619	3.3
PUBLIC SECTOR EXPENDITURE	Manawatū-Wanganui	NZ	% of NZ
Central government expenditure per capita, 2012	18,924	17,826	
Local government capital expenditure per capita 2002–2012, annual average	579	676	
Local government operational expenditure per capita, 2012	1,695	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	MANAWATŪ-WANGANUI	NZ	MANAWATŪ-WANGANUI	NZ
Sheep, beef cattle and grain farming	5,020	4.4%	1.5%	-1.4%	-2.1%
Dairy	3,204	2.8%	1.7%	-0.3%	0.0%
Other manufacturing	1,792	1.6%	1.0%	-4.4%	-5.4%
Food and beverage manufacturing	6,060	5.3%	3.6%	1.4%	0.5%
Health care and social assistance	12,451	10.9%	9.2%	2.4%	3.0%
Construction	8,559	7.5%	7.9%	2.0%	3.1%

## POPULATION



232,700

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



84%

## GDP PER CAPITA

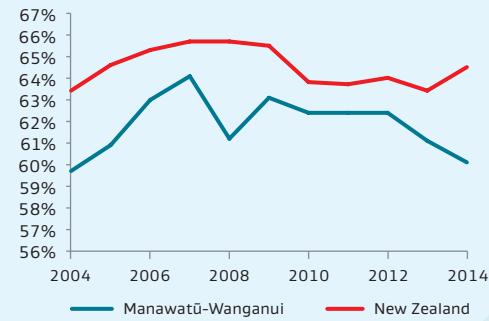


\$36,688

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated

# Wellington



The Wellington region is the seat of New Zealand's government, with related national administrative functions and international connections, and with strengths in knowledge-intensive business services. The region contributes 13.5 per cent of national GDP, provides 11.5 per cent of national employment and is home to 11 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Wellington

Wellington Airport to Levin Road of National Significance

Wellington Commuter rail upgrade

Ultra-Fast Broadband in Wellington, Porirua, Lower Hutt, Upper Hutt, Kapiti and Masterton

Rural Broadband upgrade through Wairarapa and Kapiti Coast

National Science Challenges

ICT Graduate Schools

Develop creative industries vocational pathway

New Zealand Apprenticeships and Apprenticeship Reboot

Māori and Pasifika Trades Training

Irrigation development funding

Freshwater reform

Secure export opportunities using public sector intellectual property

Promote commercial services export projects

Double value of international education by 2025

High-impact, multi-firm market development programme for wine

Callaghan Innovation R&D Grants Programme

Wellington is relatively prosperous, with the second-highest GDP per capita after Taranaki, well above that of Auckland and Canterbury. However, Wellington's GDP growth was relatively slow from 2007–2013 as national industries which grew strongly (such as agriculture) have a small presence in Wellington.

The Wellington region is largely urban, with rural activity concentrated in the Kapiti Coast and Wairarapa districts. The region has good infrastructure provision, with a number of major roading projects underway, and is home to a large number of tertiary and research institutions.

The region has a significant and growing revealed comparative advantage (or concentration of employment above the national average) in public administration and safety. There was considerable growth in this sector in the early part of the last decade, but this tailed off after 2009.

The largest share of Wellington's workforce is employed in providing professional, scientific and technical services. The financial and insurance services sector is also important. Wellington is home to many of the head offices of firms within these sectors.

The region also specialises in information, media and telecommunications, particularly in technology, internet and library services, and has the highest concentration of web and digital companies in New Zealand. The arts and recreation services sector is another regional strength, and generated the fastest employment growth over the last decade.

Wellington's workforce has the highest education attainment levels and skills in New Zealand. The proportion of working-aged people in Wellington's population, and its employment rate, are also both higher than the national average.

These factors drive Wellington's high GDP per capita and incomes. Over the last 12 months, Wellington households earned the highest average annual household incomes in New Zealand after housing costs are taken into account. Like Auckland, a significantly higher share of households earned more than \$100,000 compared to the rest of New Zealand.

There are opportunities for Wellington's knowledge-intensive industries and firms to diversify the market for their services. Currently the New Zealand Government is the main customer for many of these businesses. However, there are some examples of firms successfully exporting and/or undertaking overseas investment in commercial services. Wellington could also further develop its creative and digital industries, tertiary and research institutions, manufacturing, arts and recreation services, tourism, and high-end food and wine sectors.

New Zealand Trade and Enterprise and Callaghan Innovation work with *Grow Wellington* to provide business services in the region. During 2012/13, companies in the region received approximately \$16.3 million from Callaghan Innovation towards research and development, while over \$520,000 was distributed between 158 companies for business development.

PEOPLE	Wellington	NZ	% of NZ
Population	492,500	4,471,100	11.0
Share of population (%): 0–14 years	19	20	10.6
15–24 years	14	14	11.0
25–64 years	53	52	11.4
65 years+	13	14	10.3
Māori share of population (%)	12	14	9.7
Net internal migration, 2008–2013	498	–	
Net international migration, 2008–2013	-2,280	51,152	
Projected population growth 2013–2031, annual average	0.5	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	48   60	52   65	
LIVING STANDARDS & JOBS	Wellington	NZ	% of NZ
Regional GDP (\$m)	28,472	211,639	13.5
GDP per capita (\$)	57,941	47,532	
Household income, annual average (nearest \$100)	99,600	88,400	
Rental cost, annual average (nearest \$100)	20,000	18,700	
Rent share, of household income (%)	20.1	21.2	
Median house price (\$)	395,000	397,000	
Total employment	265,518	2,316,214	11.5
Employment growth 2003–2013, annual average	1.3	1.5	
Employment rate, 2014 March year	68.4	64.5	
Unemployment rate, 2014 March year	6.0	6.1	
Labour force participation rate, 2014 March year	72.7	68.7	
SKILLS & INNOVATION	Wellington	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	81.8	77.2	
NEET rate, 2014 March year <sup>2</sup>	12.3	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	60.0	52.4	
Patent applications (per million heads, 2010)	37.7	37.1	
Skilled and highly skilled jobs (share of total employment)	78.2	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Wellington	NZ	% of NZ
Broadband internet (% of households), 2012	80.0	75.0	
Cargo traded through ports (\$m): exports	1,292	49,470	2.6
imports	2,234	48,241	4.6
International tourism expenditure (\$m)	447	6,318	7.1
International tourism expenditure as a share of regional GDP	1.6	3.0	
Number of international students	6,569	95,619	7.0
PUBLIC SECTOR EXPENDITURE	Wellington	NZ	% of NZ
Central government expenditure per capita, 2012	17,699	17,826	
Local government capital expenditure per capita 2002–2012, annual average	523	676	
Local government operational expenditure per capita, 2012	1,915	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	WELLINGTON	NZ	WELLINGTON	NZ
Public administration and safety	28,643	10.8%	4.8%	4.4%	3.5%
Financial and insurance services	12,230	4.6%	2.7%	2.0%	2.4%
Information media and telecommunications	8,046	3.0%	1.9%	-1.5%	0.1%
Professional, scientific and technical services	34,948	13.2%	9.0%	2.3%	3.1%
Arts and recreation services	6,041	2.3%	1.8%	4.7%	2.8%

## POPULATION



492,500

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



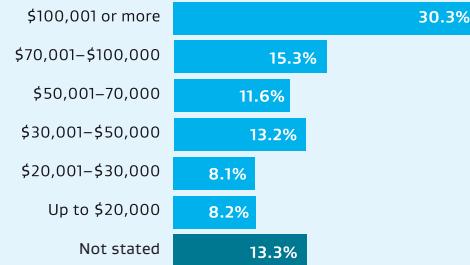
88%

## GDP PER CAPITA



\$57,941

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64.

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated

# Nelson



Nelson is the smallest of New Zealand's regions by land area, and is the urban complement to the more rural surrounding regions of Tasman and Marlborough.



## Business Growth Agenda actions relevant to Nelson

[Ultra-Fast Broadband across Nelson](#)

[Rural Broadband in Nelson](#)

[National Cycle Trail](#)

[New Zealand Apprenticeships and Apprenticeship Reboot](#)

[National Science Challenges](#)

[Primary Growth Partnership to lift private sector investment in innovation](#)

[Improving health and safety in Forestry](#)

[Irrigation development funding](#)

[Aquaculture reform](#)

[Grow business opportunities on conservation land](#)

[High-impact, multi-firm market development programme for wine](#)

[Regional Investment Attraction Programme](#)

[Callaghan Innovation R&D Grants Programme](#)

The Nelson region provides 1.3 per cent of national employment and is home to 1 per cent of New Zealand's population. The population is somewhat older than the New Zealand average, with 17 per cent of people aged over 64 years.

Annual average household incomes in Nelson are below the national average at \$75,700, which is partially a result of its higher than average share of retired residents, who tend to have lower annual incomes.

Although a small region, Nelson has good infrastructure, including Port Nelson, which handles major export cargoes such as pip fruit, seafood and forest products, as well as imports (mainly fuel). Nelson Airport is the fourth-busiest commercial airport in New Zealand.

Nelson has the highest percentage of 18 year olds attaining NCEA Level 2 or equivalent and the sixth-highest percentage of 25 to 34 year olds with advanced qualifications. As an urban region, it also has an above-average share of skilled and highly skilled employment as a share of total regional employment. Nelson's unemployment rate is, like other South Island regions, well below the national average. The Nelson economy<sup>1</sup> is remarkably diverse for its size and provides many consumer and business services to Tasman and Marlborough, with a high proportion of its employment in the health care and social assistance, retail, and professional, scientific and technical services sectors. Professional, scientific and technical services, and administrative

and support services have been the fastest growing sectors in Nelson over the past 10 years.

Nelson also has a significant revealed comparative advantage (or concentration of employment above the national average) in fishing and aquaculture. It is home to the Cawthron Institute, New Zealand's largest independent science organisation, which undertakes research and testing for the marine and freshwater environment and industry. Aquaculture is one of the fastest growing sectors of the international food industry so there is potential for the region to take advantage of this and increase the value of its exports.

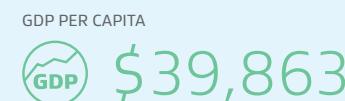
Nelson also specialises in wood, paper and printing manufacturing and food and beverage manufacturing.

The region has also developed niche marine construction and aviation manufacturing engineering clusters, which provide opportunities to accelerate growth and employment in these sectors.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to the *Nelson Regional Economic Development Agency* to provide business services in Nelson, Tasman and Marlborough. During 2012/13 approximately \$191,000 was distributed between 114 companies in the Nelson, Tasman and Marlborough regions for business development. Companies in the Nelson and Tasman regions together received about \$1.2 million from Callaghan Innovation towards research and development.

<sup>1</sup> Nelson has a shared labour market with suburbs in the Tasman region adjacent to Nelson City. Employment numbers by sector derive from the Linked Employer-Employee Data (LEED) and reflect where people live versus where they work.

PEOPLE	Nelson	NZ	% of NZ
Population	46,800	4,471,100	1.0
Share of population (%): 0–14 years	18	20	1.0
15–24 years	13	14	0.9
25–64 years	52	52	1.1
65 years+	17	14	1.2
Māori share of population (%)	9	14	0.7
Net internal migration, 2008–2013	66	–	
Net international migration, 2008–2013	206	51,152	
Projected population growth 2013–2031, annual average	0.5	0.8	
Dependency ratio 2013   2031 <sup>†</sup>	54   75	52   65	
LIVING STANDARDS & JOBS	Nelson	NZ	% of NZ
Regional GDP (\$m)*	3,795	211,639	1.8
GDP per capita (\$)*	39,863	47,532	
Household income, annual average (nearest \$100)	75,700	88,400	
Rental cost, annual average (nearest \$100)	16,400	18,700	
Rent share, of household income (%)	21.7	21.2	
Median house price (\$)	355,000	397,000	
Total employment	30,475	2,316,214	1.3
Employment growth 2003–2013, annual average	0.3	1.5	
Employment rate, 2014 March year	63.6	64.5	
Unemployment rate, 2014 March year	4.2	6.1	
Labour force participation rate, 2014 March year	66.4	68.7	
SKILLS & INNOVATION	Nelson	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	82.7	77.2	
NEET rate, 2014 March year <sup>‡**</sup>	10.2	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	46.3	52.4	
Patent applications (per million heads, 2010) <sup>***</sup>	23.9	37.1	
Skilled and highly skilled jobs (share of total employment)	69.3	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Nelson	NZ	% of NZ
Broadband internet (% of households), 2012 <sup>**</sup>	75.0	75.0	
Cargo traded through ports (\$m): exports	1,710	49,470	3.5
imports	287	48,241	0.6
International tourism expenditure (\$m)	68	6,318	1.1
International tourism expenditure as a share of regional GDP*	3.4	3.0	
Number of international students	860	95,619	0.9
PUBLIC SECTOR EXPENDITURE	Nelson	NZ	% of NZ
Central government expenditure per capita, 2012	16,942	17,826	
Local government capital expenditure per capita 2002–2012, annual average	785	676	
Local government operational expenditure per capita, 2012	1,873	1,899	



HOUSEHOLD INCOME DISTRIBUTION



EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

\* Aggregated result for Tasman & Nelson.

\*\* Aggregated result for Tasman, Nelson, Marlborough & West Coast

\*\*\* Aggregated result for Tasman, Nelson & Marlborough

† All data is for 2013 unless otherwise stated

**SECTORS OF REGIONAL SPECIALISATION** based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	NELSON	NZ	NELSON	NZ
Aquaculture and fishing	752	2.5%	0.2%	-2.5%	-1.8%
Wood, paper and printing manufacturing	726	2.4%	1.4%	-2.4%	-3.0%
Health care and social assistance	3,691	12.1%	9.2%	3.2%	3.0%
Food and beverage manufacturing	1,371	4.5%	3.6%	-4.3%	0.5%
Administrative and support services	1,525	5.0%	5.1%	4.9%	2.5%
Wholesale trade	1,466	4.8%	5.0%	1.8%	0.5%
Professional, scientific and technical services	2,627	8.6%	9.0%	4.1%	3.1%

# Tasman



Tasman is the most rural of New Zealand's regions. It provides 0.9 per cent of national employment and is home to 1.1 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Tasman

Rural Broadband upgrade across Tasman

National Cycle Trail

Implementation of New Zealand Apprenticeships and Apprenticeship Reboot

Improving health and safety in Forestry

Primary Growth Partnership to lift private sector investment in innovation

Irrigation development funding

Aquaculture reform

Grow business opportunities on conservation land

Regional Investment Attraction Programme

Callaghan Innovation R&D Grants Programme

Tasman is closely linked to the nearby, more urban, Nelson region, and to Marlborough.

Household incomes are below the national average at \$75,100, reflecting the fact that a significant share of employment in Tasman is in sectors that tend to pay lower wages and provide seasonal employment.

Tasman's good soil and favourable climate offer a fertile growing environment. Around a quarter of the region's population is employed in the primary sector, much of which is export-focused. Horticulture is the largest single employment driver in the region, with 13.5 per cent of the region's employment in this sector, compared to 1.6 per cent nationally. The region's second-largest industry of revealed comparative advantage (or concentration of employment above the national average) is the agriculture, fishing and forestry support services sector. The sectors with the greatest increase in revealed comparative advantage from 2003–2013, and with the greatest increase in employment, were administrative and support services, and health care and social assistance, reflecting a nationwide trend towards growth in the services sectors.

Over the last decade the region's employment growth averaged 2.3 per cent per annum, well above the national average.

Domestic migration to the region was positive over the period 2008–2013, although net international migration was negative, reflecting the fact that working-age people from the region are moving

overseas for work, whereas older people are moving to the area to retire. The region is also projected to have a high ratio of people over 64 to people of working-age by 2031, which will put pressure on the region's future labour market.

The Tasman region has the fifth-lowest share of 18 year olds attaining NCEA Level 2 or equivalent and a slightly below average share of 25 to 34 year olds with higher qualifications. This possibly reflects the region's agricultural focus and lower than average share of highly skilled employment.

Opportunities exist for the Tasman region to build on its existing strengths and take advantage of rising world demand and prices for primary produce, particularly through the introduction of new horticulture varieties and aquaculture species. Adaptation of new technologies and techniques could also generate economies of scale and increased levels of production in the primary sector. Water rationing has been a constraint on the regional economy, but the planned Lee Valley Dam should help address this.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to the *Nelson Regional Economic Development Agency* to provide business services in Tasman, Nelson and Marlborough. During 2012/13 approximately \$191,000 was distributed between 114 companies in the Tasman, Nelson and Marlborough regions for business development. Companies in the Tasman and Nelson regions together received about \$1.2 million from Callaghan Innovation towards research and development.

PEOPLE	Tasman	NZ	% of NZ
Population	48,600	4,471,100	1.1
Share of population (%): 0–14 years	20	20	1.1
15–24 years	11	14	0.9
25–64 years	52	52	1.1
65 years+	18	14	1.4
Māori share of population (%)	7	14	0.6
Net internal migration, 2008–2013	1,317	–	
Net international migration, 2008–2013	-848	51,152	
Projected population growth 2013–2031, annual average	0.6	0.8	
Dependency ratio 2013   2031 <sup>†</sup>	59   85	52   65	
LIVING STANDARDS & JOBS	Tasman	NZ	% of NZ
Regional GDP (\$m)*	3,795	211,639	1.8
GDP per capita (\$)*	39,863	47,532	
Household income, annual average (nearest \$100)	75,100	88,400	
Rental cost, annual average (nearest \$100)	16,700	18,700	
Rent share, of household income (%)	22.2	21.2	
Median house price (\$)	390,000	397,000	
Total employment	19,907	2,316,214	0.9
Employment growth 2003–2013, annual average	2.3	1.5	
Employment rate, 2014 March year	65.1	64.5	
Unemployment rate, 2014 March year <sup>s</sup>	-	6.1	
Labour force participation rate, 2014 March year	67.4	68.7	
SKILLS & INNOVATION	Tasman	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	75.8	77.2	
NEET rate, 2014 March year <sup>**</sup>	10.2	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	44.0	52.4	
Patent applications (per million heads, 2010) ***	23.9	37.1	
Skilled and highly skilled jobs (share of total employment)	57.9	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Tasman	NZ	% of NZ
Broadband internet (% of households), 2012**	75.0	75.0	
Cargo traded through ports (\$m): exports	0	49,470	0.0
imports	0	48,241	0.0
International tourism expenditure (\$m)	63	6,318	1.0
International tourism expenditure as a share of regional GDP*	3.4	3.0	
Number of international students	153	95,619	0.2
PUBLIC SECTOR EXPENDITURE	Tasman	NZ	% of NZ
Central government expenditure per capita, 2012	16,555	17,826	
Local government capital expenditure per capita 2002–2012, annual average	664	676	
Local government operational expenditure per capita, 2012	1,959	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	TASMAN	NZ	TASMAN	NZ
Horticulture (inc. viticulture)	2,686	13.5%	1.6%	1.5%	-0.6%
Other agriculture, forestry, and fishing	581	2.9%	1.8%	1.0%	1.6%
Food and beverage manufacturing	1,143	5.7%	3.6%	0.4%	0.5%
Wood, paper and printing manufacturing	417	2.1%	1.4%	-2.2%	-3.0%
Administrative and support services	939	4.7%	5.1%	8.9%	2.5%
Health care and social assistance	1,610	8.1%	9.2%	6.2%	3.0%

## POPULATION



48,600

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



83%

## GDP PER CAPITA

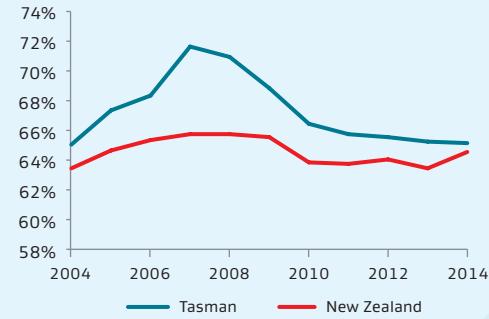


\$39,863

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

\* Aggregated result for Tasman & Nelson.

\*\* Aggregated result for Tasman, Nelson, Marlborough & West Coast

\*\*\* Aggregated result for Tasman, Nelson & Marlborough

§ Value is suppressed due to small sample size

† All data is for 2013 unless otherwise stated

# Marlborough



Marlborough is a small export-focused economy producing a range of primary and manufactured products. The region contributes 1 per cent of national GDP, provides 1.3 per cent of national employment and is home to 1 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Marlborough

- Ultra-Fast Broadband in Blenheim
- Rural Broadband upgrade across Marlborough
- New Zealand Apprenticeships and Apprenticeship Reboot
- Primary Growth Partnership to lift private sector investment in innovation
- Aquaculture reform
- New rent setting for high country Crown pastoral land
- Grow business opportunities on conservation land
- High-impact, multi-firm market development programme for wine
- Regional Investment Attraction Programme
- Callaghan Innovation R&D Grants Programme

Marlborough's GDP per capita is close to the national average.

Marlborough has plentiful natural resources, making it an attractive base for a diverse range of business opportunities. In particular, the fertile soil of the Wairau river valley and temperate weather have enabled the region to become a centre of the New Zealand wine industry. The extensive coastline in the Marlborough Sounds (one-fifth of New Zealand's coastline) provides an ideal environment for aquaculture as well as nature and marine-based tourist experiences.

In recent years, much of the land in the region has been converted to viticulture and Marlborough is by far New Zealand's largest grape-growing region. The region also has a revealed comparative advantage (or concentration of employment above the national average) in agriculture, fishing and forestry support services, and in the manufacturing of specialist foods, both of which experienced employment growth over the last decade. The region also has strengths in aviation manufacturing and wood product manufacturing.

Employment has grown at an average annual rate of 3 per cent over the last decade in Marlborough, much faster than other regions. However, regional GDP has grown below the national movement over the same period, highlighting that economic growth has been in labour-intensive industries including horticulture and viticulture. Marlborough's growth has also been quite volatile, with significant increase in grape production from

2007–2009, followed by falling prices and then drought.

Marlborough has an above average proportion of 18 year olds attaining NCEA Level 2 or equivalent, and a below average NEET rate. However, the region has one of the lowest proportions nationally of people aged 15 to 64, which constrains its labour supply. Employment opportunities appear to have been growing faster than working age population, resulting in high labour force participation and low unemployment.

There are opportunities for Marlborough to develop more added-value products in the agriculture and forestry sectors, and further diversify into services that support these sectors. Other potential growth sectors include tourism, where there is potential to increase international visitor numbers and spend per visitor, and aquaculture, where significant international export opportunities lie.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to the *Nelson Regional Economic Development Agency* to provide business services in Marlborough, Tasman and Nelson. During 2012/13, approximately \$191,000 was distributed between 114 companies in these three regions for business development. Companies in Marlborough also received about \$222,000 from Callaghan Innovation towards research and development.

PEOPLE	Marlborough	NZ	% of NZ
Population	45,900	4,471,100	1.0
Share of population (%): 0–14 years	18	20	0.9
15–24 years	10	14	0.7
25–64 years	51	52	1.0
65 years+	21	14	1.5
Māori share of population (%)	11	14	0.8
Net internal migration, 2008–2013	-714	–	
Net international migration, 2008–2013	-637	51,152	
Projected population growth 2013–2031, annual average	0.4	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	62   88	52   65	

## POPULATION



45,900

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>‡</sup>

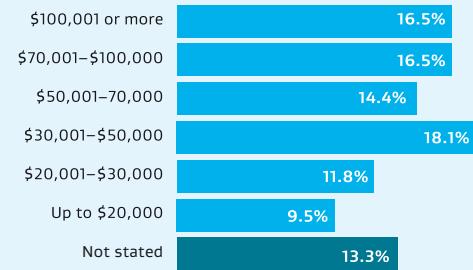
89%

## GDP PER CAPITA

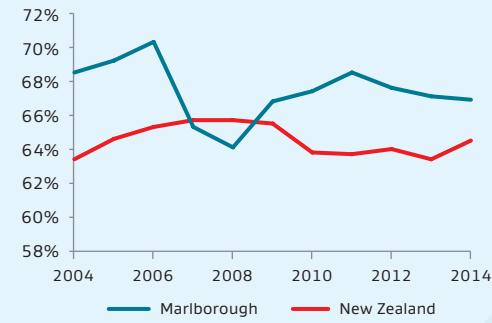


\$44,357

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

\* Aggregated result for Tasman, Nelson, Marlborough &amp; West Coast

\*\* Aggregated result for Tasman, Nelson &amp; Marlborough

† All data is for 2013 unless otherwise stated

LIVING STANDARDS & JOBS	Marlborough	NZ	% of NZ
Regional GDP (\$m)	2,032	211,639	1.0
GDP per capita (\$)	44,357	47,532	
Household income, annual average (nearest \$100)	75,200	88,400	
Rental cost, annual average (nearest \$100)	14,700	18,700	
Rent share, of household income (%)	19.5	21.2	
Median house price (\$)	300,000	397,000	
Total employment	30,356	2,316,214	1.3
Employment growth 2003–2013, annual average	3.0	1.5	
Employment rate, 2014 March year	66.9	64.5	
Unemployment rate, 2014 March year	4.9	6.1	
Labour force participation rate, 2014 March year	70.3	68.7	
SKILLS & INNOVATION	Marlborough	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	78.4	77.2	
NEET rate, 2014 March year <sup>2*</sup>	10.2	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	44.5	52.4	
Patent applications (per million heads, 2010) **	23.9	37.1	
Skilled and highly skilled jobs (share of total employment)	57.7	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Marlborough	NZ	% of NZ
Broadband internet (% of households), 2012*	75.0	75.0	
Cargo traded through ports (\$m): exports	76	49,470	0.2
imports	2	48,241	0.0
International tourism expenditure (\$m)	81	6,318	1.3
International tourism expenditure as a share of regional GDP	4.0	3.0	
Number of international students	80	95,619	0.1
PUBLIC SECTOR EXPENDITURE	Marlborough	NZ	% of NZ
Central government expenditure per capita, 2012	16,937	17,826	
Local government capital expenditure per capita 2002–2012, annual average	678	676	
Local government operational expenditure per capita, 2012	1,961	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	MARLBOROUGH	NZ	MARLBOROUGH	NZ
Other agriculture, forestry, and fishing	3,359	11.1%	1.8%	12.0%	1.6%
Horticulture (inc. viticulture)	1,695	5.6%	1.6%	0.9%	-0.6%
Food and beverage manufacturing	3,103	10.2%	3.6%	2.6%	0.5%
Sheep, beef cattle and grain farming	549	1.8%	1.5%	-3.3%	-2.1%
Administrative and support services	1,500	4.9%	5.1%	11.1%	2.5%

# West Coast



The West Coast is New Zealand's most sparsely populated region. It contributes 0.7 per cent of national GDP, provides 0.8 per cent of national employment and is home to 0.7 per cent of the population.



## Business Growth Agenda actions relevant to West Coast

Ultra-Fast Broadband in Greymouth

Rural Broadband upgrade across West Coast

National Cycle Trail

New Zealand Apprenticeships and Apprenticeship Reboot

Increased Youth Guarantee places

Expand trades and services academies' flexible school-based provision

Mining and petroleum workplace safety reform

Grow business opportunities on conservation land

Primary Growth Partnership to lift private sector investment in innovation

Regional Investment Attraction Programme

Callaghan Innovation R&D Grants Programme

The West Coast has experienced high employment growth for most of the last decade, and very strong GDP growth from 2007–2012. However the region has faced a number of challenges, most notably the Pike River Mine collapse and recent mining closures, and a fall in international tourism over the past year. As a consequence the region's GDP fell in 2013.

The West Coast's rich natural resources underpin its main industries. The region's main revealed comparative advantages (or concentration of employment above the national average) lie in mining and dairy, which together account for 12.2 per cent of all employment. The region's average annual employment growth over the past decade in these sectors has also exceeded their national employment growth. Mining contributed greatly to employment growth over the 10 years to 2013, but in recent years the mining sector has been hit by a severe downturn in world commodity prices, resulting in job losses. The dairy sector has performed strongly, with dairy cooperative Westland Milk Products' most recent pay-out reaching record levels on the back of strong global demand.

A large proportion of the labour force is employed in tourism-related industries. International tourism expenditure amounted to 9.3 per cent of regional GDP, the second-highest of any region in New Zealand. International visitor expenditure in the region was reduced because of the Christchurch earthquakes. However, confirmed bookings for the 2013–2014 season indicate that the slump has largely passed.

Measures of skills and educational attainment are among the lowest in New Zealand, most likely because of the low-skilled nature of most employment opportunities in the region. The West Coast has a relatively low share of skilled and high-skilled employment (55 per cent compared to 69 per cent nationally).

The West Coast population has remained fairly stagnant over the past decade, although migration patterns have shown some volatility, largely in response to events in the mining industry. The population is ageing more rapidly than many other regions, and is expected to grow only slightly by 2031.

GDP per capita in 2013 was \$46,793, only slightly below the national average, while average household income was \$75,400, compared to the national average of \$88,400.

Economic development opportunities for the West Coast region rest on further developing and leveraging its natural resources and existing strengths to develop higher value-added businesses. Building the skills of its young people should also be a priority for the region to ensure that the human resources are available for businesses to grow and diversify.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to *Development West Coast* to provide business services in the West Coast. During 2012/13, approximately \$44,000 was distributed between 30 West Coast companies for business development.

PEOPLE	West Coast	NZ	% of NZ
Population	32,700	4,471,100	0.7
Share of population (%): 0–14 years	19	20	0.7
15–24 years	12	14	0.6
25–64 years	52	52	0.7
65 years+	17	14	0.9
Māori share of population (%)	10	14	0.5
Net internal migration, 2008–2013	-312	–	
Net international migration, 2008–2013	-201	51,152	
Projected population growth 2013–2031, annual average	0.1	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	56   85	52   65	
LIVING STANDARDS & JOBS	West Coast	NZ	% of NZ
Regional GDP (\$m)	1,535	211,639	0.7
GDP per capita (\$)	46,793	47,532	
Household income, annual average (nearest \$100)	75,400	88,400	
Rental cost, annual average (nearest \$100)	13,200	18,700	
Rent share, of household income (%)	17.5	21.2	
Median house price (\$)	212,000	397,000	
Total employment	18,217	2,316,214	0.8
Employment growth 2003–2013, annual average	2.1	1.5	
Employment rate, 2014 March year	63.6	64.5	
Unemployment rate, 2014 March year <sup>5</sup>	–	6.1	
Labour force participation rate, 2014 March year	66.6	68.7	
SKILLS & INNOVATION	West Coast	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	74.5	77.2	
NEET rate, 2014 March year <sup>2*</sup>	10.2	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	40.8	52.4	
Patent applications (per million heads, 2010)	0.0	37.1	
Skilled and highly skilled jobs (share of total employment)	54.6	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	West Coast	NZ	% of NZ
Broadband internet (% of households), 2012*	75.0	75.0	
Cargo traded through ports (\$m): exports	0	49,470	0.0
imports	0	48,241	0.0
International tourism expenditure (\$m)	143	6,318	2.3
International tourism expenditure as a share of regional GDP	9.3	3.0	
Number of international students	76	95,619	0.1
PUBLIC SECTOR EXPENDITURE	West Coast	NZ	% of NZ
Central government expenditure per capita, 2012	19,825	17,826	
Local government capital expenditure per capita 2002–2012, annual average	760	676	
Local government operational expenditure per capita, 2012	2,321	1,899	

SECTORS OF REGIONAL SPECIALISATION		based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years				
INDUSTRY		SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
		EMPLOYMENT COUNT	WEST COAST	NZ	WEST COAST	NZ
Mining		1,156	6.3%	0.4%	8.9%	7.2%
Dairy		1,074	5.9%	1.7%	0.1%	0.0%
Wood, paper and printing manufacturing		487	2.7%	1.4%	1.5%	-3.0%
Sheep, beef cattle and grain farming		375	2.1%	1.5%	2.6%	-2.1%
Rental, hiring and real estate services		391	2.1%	2.2%	6.1%	0.6%
Administrative and support services		771	4.2%	5.1%	6.5%	2.5%

## POPULATION



32,700

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



88%

## GDP PER CAPITA



\$46,793

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

\* Aggregated result for Tasman, Nelson, Marlborough & West Coast

§ Value is suppressed due to small sample size

† All data is for 2013 unless otherwise stated

# Canterbury



Canterbury is the most populous region in the South Island and the largest New Zealand region by area. It contributes 13.2 per cent of national GDP, provides 13.4 per cent of national employment and is home to 12.7 per cent of New Zealand's population.



## Business Growth Agenda actions relevant to Canterbury

Christchurch Rebuild

Christchurch Motorways Roads of National Significance

Ultra-Fast Broadband in Christchurch, Rocolston, Rangiora, Ashburton and Timaru

Rural Broadband upgrade

National Cycle Trail

Invest Christchurch

National Science Challenges

Health Innovation Hub

Lincoln Hub & Christchurch Innovation Precinct

ICT Graduate Schools

Construction trades training places

Māori and Pasifika Trades Training

Canterbury Skills and Employment Hub

New Zealand Apprenticeships and Apprenticeship Reboot

Freshwater reform

Irrigation development funding

Primary Growth Partnership to lift private sector investment in innovation

Aquaculture reform

New rent setting for high country Crown pastoral land

Negotiate Air Services Agreements to build transport connections

Christchurch Convention Centre

Support recovery of Christchurch Export Education

High-impact, multi-firm market development programme for wine

Callaghan Innovation R&D Grants Programme

From 2007-2013 Canterbury's GDP increased 33.5 per cent, significantly higher than the national movement. By 2013 Canterbury's GDP per capita equalled Auckland's. Expansion of the construction industry for the Christchurch earthquake rebuild is driving recent high growth. However, over the whole period Canterbury has also experienced strong growth in agriculture, especially dairy farming. The integral relationship between Christchurch and the rest of the region has contributed to the region's resilience following the earthquakes of 2010 and 2011.

The region has vast agricultural plains and a large proportion of New Zealand's freshwater, the latter being an important resource for primary industries, power generation and the tourism sector. The region also has significant infrastructure, including an international airport, deep-water sea port and several tertiary education providers. All of the Crown Research Institutes have a regional presence.

Canterbury has a balance of agriculture, manufacturing and services activities. Dairy farming had the greatest increase in revealed comparative advantage (or concentration of employment above the national average) in Canterbury over the last decade. This reflects the rapid conversion of land to dairy farming. Manufacturing, and particularly high-tech transport and machinery manufacturing, also has a revealed comparative advantage in Canterbury. The construction sector provides 10.7 per cent of all employment in Canterbury and is growing rapidly due to the Christchurch earthquake rebuild.

In 2013, the number of people employed in Canterbury grew by 5.9 per cent. The unemployment rate for the year to March 2014 was 3.8 per cent, the lowest

in New Zealand. Canterbury also has a lower than average youth NEET rate. Indicators are that the labour market is tight and employers are finding it more difficult to attract employees. To address this, various sector workforce plans are being developed in the region and several significant training initiatives are underway.

There are a range of opportunities to sustain the growing economy. The dairy farming sector could still increase productivity, particularly through sustainable water management, adapting new technologies and expanding into new markets. There is also opportunity for more added-value processing of rural products. With a population that is older, and ageing at a faster rate than the national average, there may be opportunities to grow the health care and social assistance sector.

The Christchurch Economic Development Strategy, released in 2013, identifies opportunities for increasing employment in high value manufacturing and agri-tech, growing exports to China, and improving the skills levels of the workforce.

New Zealand Trade and Enterprise provides funding to the *Canterbury Development Corporation* and *Canterbury Chamber of Commerce* to provide business services in the region (with the assistance of *Aoraki Development*, *Enterprise North Canterbury*, *Selwyn District Council* and *Grow Mid Canterbury*). Callaghan Innovation provides funding to the *Canterbury Employers Chamber of Commerce*. During 2012/13, these organisations allocated about \$9.2 million to companies in the region for research and development, while approximately \$436,000 was distributed between 240 companies for business development.

PEOPLE	Canterbury	NZ	% of NZ
Population	566,100	4,471,100	12.7
Share of population (%): 0–14 years	18	20	11.5
15–24 years	14	14	12.6
25–64 years	52	52	12.8
65 years+	16	14	14.0
Māori share of population (%)	8	14	7.0
Net internal migration, 2008–2013	-4,065	–	
Net international migration, 2008–2013	4,956	51,152	
Projected population growth 2013–2031, annual average	0.8	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	51   69	52   65	

## POPULATION



566,100

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>

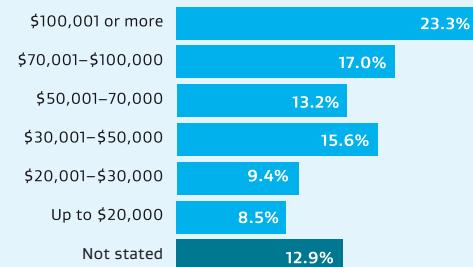
86%

## GDP PER CAPITA

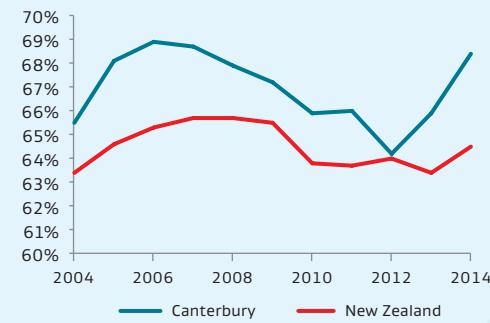


\$49,447

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and over 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated

LIVING STANDARDS & JOBS	Canterbury	NZ	% of NZ
Regional GDP (\$m)	27,843	211,639	13.2
GDP per capita (\$)	49,447	47,532	
Household income, annual average (nearest \$100)	88,300	88,400	
Rental cost, annual average (nearest \$100)	18,900	18,700	
Rent share, of household income (%)	21.4	21.2	
Median house price (\$)	370,000	397,000	
Total employment	310,636	2,316,214	13.4
Employment growth 2003–2013, annual average	1.7	1.5	
Employment rate, 2014 March year	68.4	64.5	
Unemployment rate, 2014 March year	3.8	6.1	
Labour force participation rate, 2014 March year	71.1	68.7	
SKILLS & INNOVATION	Canterbury	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	78.3	77.2	
NEET rate, 2014 March year <sup>2</sup>	8.8	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	51.5	52.4	
Patent applications (per million heads, 2010)	32.5	37.1	
Skilled and highly skilled jobs (share of total employment)	65.6	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Canterbury	NZ	% of NZ
Broadband internet (% of households), 2012	75.0	75.0	
Cargo traded through ports (\$m): exports	8,974	49,470	18.1
imports	4,924	48,241	10.2
International tourism expenditure (\$m)	711	6,318	11.3
International tourism expenditure as a share of regional GDP	2.6	3.0	
Number of international students	8,142	95,619	8.5
PUBLIC SECTOR EXPENDITURE	Canterbury	NZ	% of NZ
Central government expenditure per capita, 2012	19,092	17,826	
Local government capital expenditure per capita 2002–2012, annual average	646	676	
Local government operational expenditure per capita, 2012	2,163	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	CANTERBURY	NZ	CANTERBURY	NZ
Transport and machinery equipment manufacturing	8,600	2.8%	1.9%	-0.5%	-0.7%
Sheep, beef cattle and grain farming	6,396	2.1%	1.5%	-1.9%	-2.1%
Construction	33,141	10.7%	7.9%	7.2%	3.1%
Food and beverage manufacturing	12,884	4.1%	3.6%	0.5%	0.5%
Dairy	6,033	1.9%	1.7%	5.5%	0.0%

## The Christchurch earthquakes

Figures F–Q illustrate the economic impact of the earthquakes that hit Christchurch in September 2010 and February 2011.

Three years on, many indicators are positive and show that the rebuild is generating construction growth and that other sectors in the regional economy have also been quite resilient. The population of the region is increasing once again. While there was a net loss of people in 2011 and 2012, there was a net population gain in 2013. Consumer spending continues to increase and now almost matches national levels, showing confidence in the local economy. Business activity was well above the national average in the year to December 2013.

Despite the earthquakes, Canterbury remains the second-largest manufacturing centre in New Zealand. The manufacturing sector continues to expand and is the biggest contributor to regional GDP. Orders for rebuild-related products are likely to continue to drive expansion in the sector.

The agriculture sector continues to perform well, and does not appear to have

been overly affected by the earthquakes. Exports from Lyttelton Port, primarily agricultural exports, increased yet again in 2012, giving the port its best year ever.

The service sector, which is primarily based in urban areas, was particularly badly hit by the Christchurch earthquakes and has been slower to recover than other sectors. The tourism sector saw very slight growth in 2013, with a marginal increase in international guest nights, but levels are still far below what they were in 2010 and remain well below the national average. As hotels and visitor attractions continue to re-open, visitor numbers in the city and wider region should improve. The export education sector similarly saw a very slight increase in international student visas granted in 2013, but levels are still significantly down on 2010.

Demand for labour continues to increase. The year to December 2013 saw a large increase in advertised vacancies in the construction and engineering sector in particular. Services sectors such as information technology, accounting, human resources, legal and administration, and hospitality and tourism also saw an increase in advertised

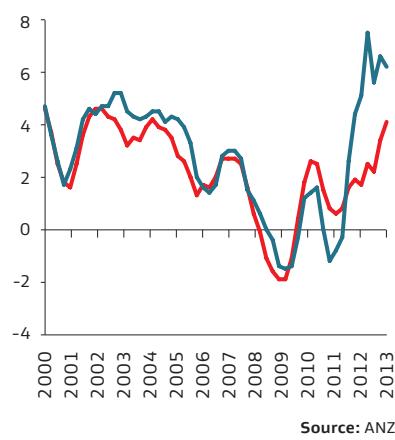
vacancies in the year to December 2013. As the earthquake rebuild progresses, it is likely to continue to challenge the Canterbury labour market and employers may have to look to other parts of New Zealand, and overseas, for this labour. This could put pressure on Canterbury's infrastructure and supply of affordable housing. The increasing cost of temporary accommodation is already leading to an increase in fly-in/fly-out workers, evidenced by domestic passenger arrivals to Christchurch being up 80 per cent in the first half of 2013 and a large number of new flights being put on by Air New Zealand.

Housing costs – both purchase and rental – have increased in the greater Christchurch area, with house purchase prices being well above the national average. This trend is expected to continue, due to factors such as the region's recent return to population growth, accommodation being required for construction workers involved in the rebuild, and homeowners seeking temporary accommodation while they carry out repairs to their earthquake-damaged homes.

## OVERALL ACTIVITY

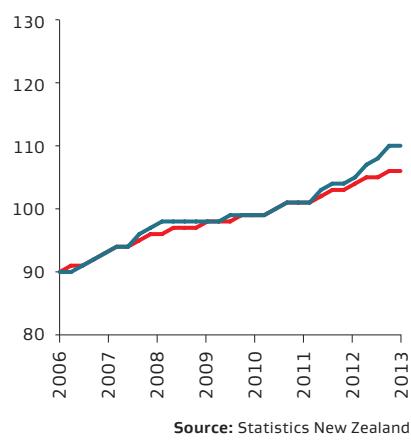
### F. Business Activity

Estimated GDP, annual % growth



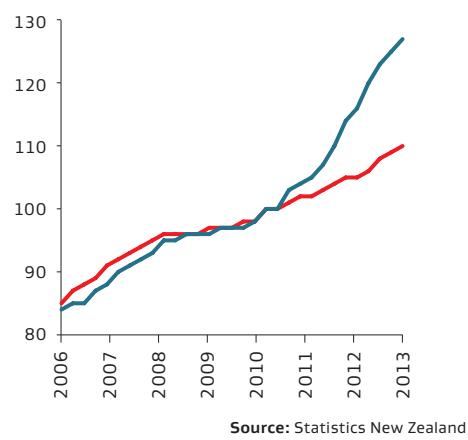
### G. Housing Costs – Rents

Rental prices index, March 2011 = 100



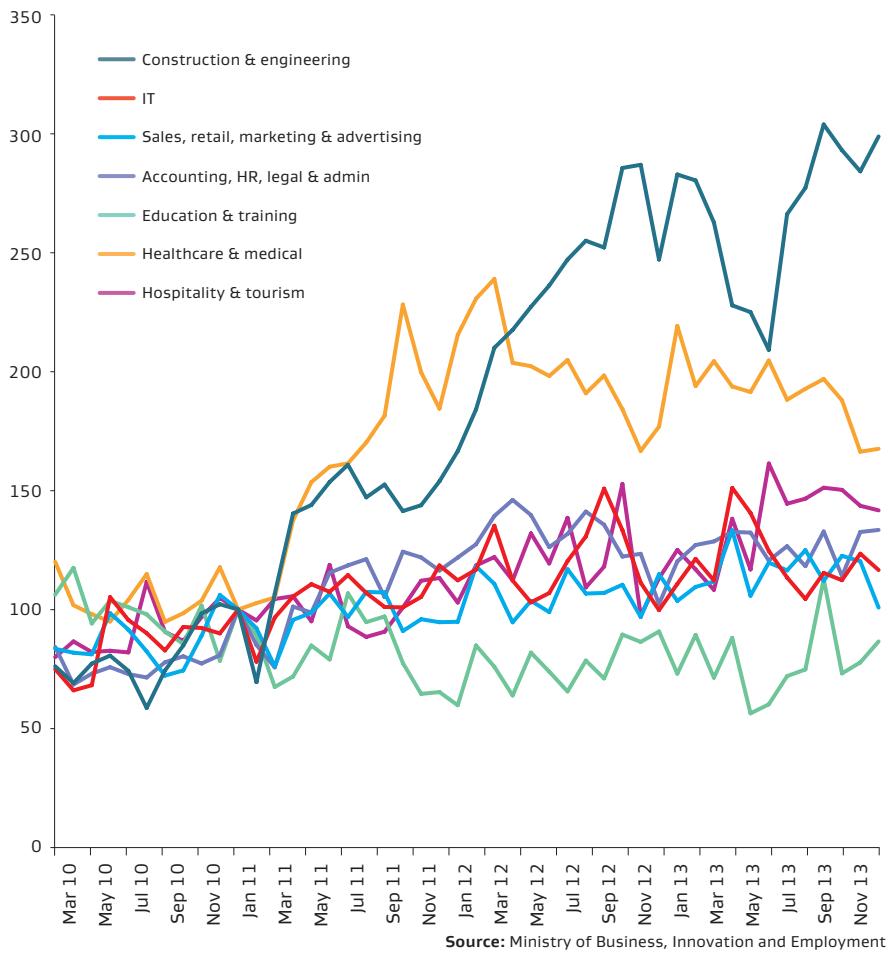
### H. Housing Costs – House Purchases

House purchases prices index, March 2011 = 100



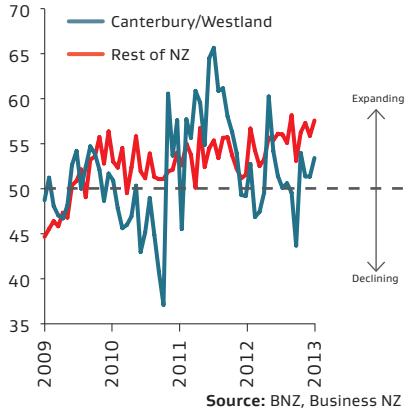
## I. Skilled Job Vacancies

Estimate of skilled job vacancies by industry, Indexed to March 2010 = 100



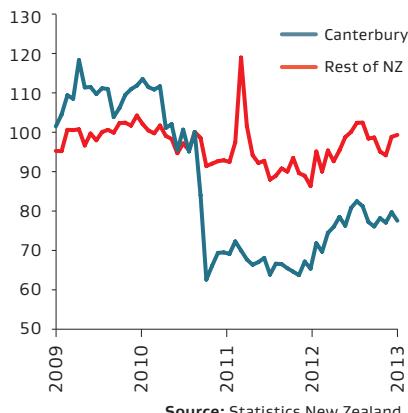
## L. Services

## Performance of Services Index, Seasonally Adjusted



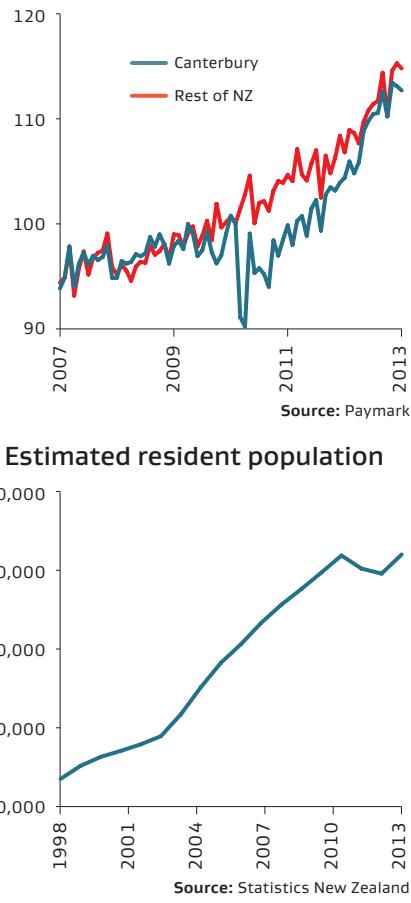
## O. Tourism

International Guest Nights, Seasonally Adjusted  
Indexed to January 2011 = 100

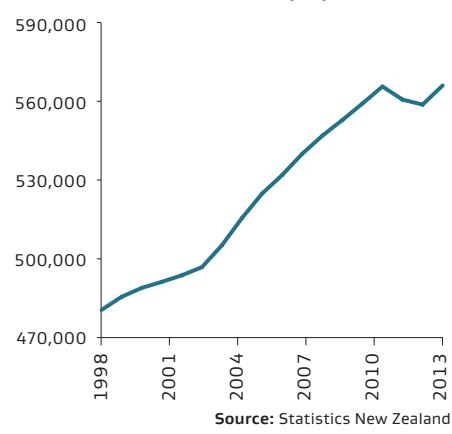


## J. Consumer Spending

Paymark electronic card spending, excl. GST,  
Seasonally Adjusted  
Indexed to December 2010 = 100

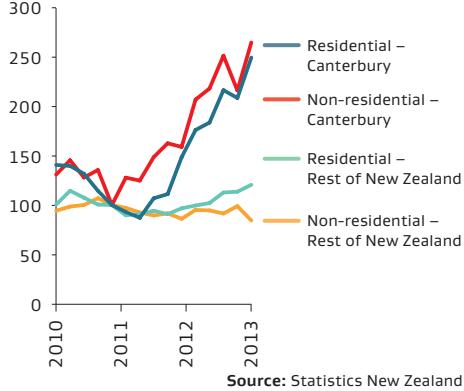


#### K. Estimated resident population



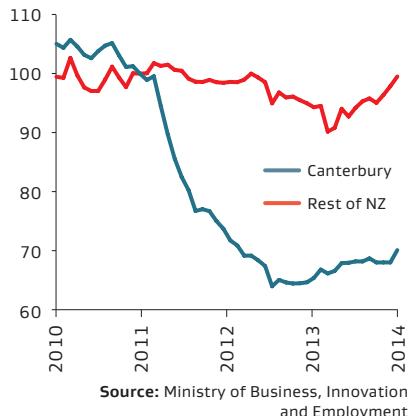
## M. Construction

Value of Building Consents, Indexed to March 2011 = 100  
Seasonally Adjusted



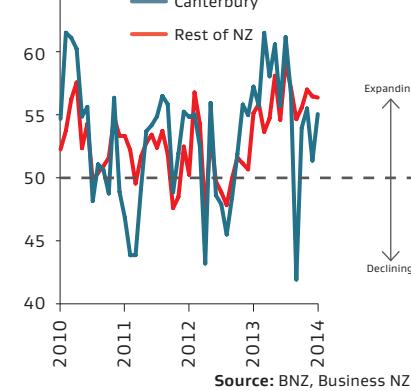
P. International Education

International Student Visas  
Indexed to 1 January 2011 = 100  
Seasonally Adjusted



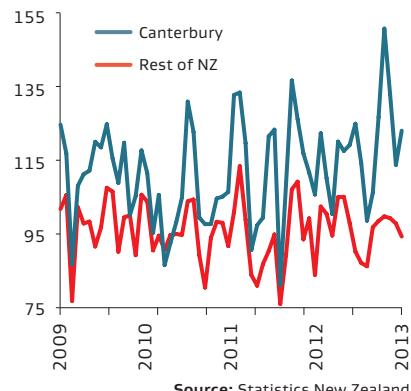
N. Manufacturing

## Performance of Manufacturing Index, Seasonally Adjusted



## Q. Agriculture

Livestock slaughter graded for export  
Indexed to January 2010 = 100  
Seasonally Adjusted



# Otago



The Otago region has a diverse economy with strengths in education, tourism, agriculture, niche manufacturing and design.



## Business Growth Agenda actions relevant to Otago

- Ultra-Fast Broadband in Dunedin, Queenstown and Oamaru
- Rural Broadband upgrade through Otago
- National Cycle Trail
- New Zealand Apprenticeships and Apprenticeship Reboot
- Develop creative industries vocational pathways
- National Science Challenges
- Irrigation development funding
- Petroleum block offers
- Primary Growth Partnership to lift private sector investment in innovation
- New rent setting for high country Crown pastoral land
- Double value of international education by 2025
- High-impact, multi-firm market development programme for wine
- Queenstown Convention Centre
- Freshwater reform
- Regional Investment Attraction Programme
- Callaghan Innovation R&D Grants Programme

The Otago region contributes 4.3 per cent of national GDP, provides 5 per cent of national employment and is home to 4.8 per cent of New Zealand's population.

From 2007–2013 Otago's GDP increased by 25.6 per cent, slightly above the national average. However, it is likely that economic growth is unevenly distributed across the region. Over the last 10 years, population growth in Queenstown Lakes and Central Otago has been among the highest in New Zealand. Population growth in the rest of the region, including Dunedin City, which makes up half the region's population, has been slower. In the last five years, the region has experienced the second-highest positive net migration in the country, with a high proportion of migrants from Southland and Canterbury, the latter possibly due to the Canterbury earthquakes.

The region's natural resources provide a strong primary sector base, hydropower generation and world-renowned tourist destinations. Otago University is a high research performer and contributes to the region's high national share of patent applications. The region has a strong angel investment network. It is also highly export focused.

Otago has a significant revealed comparative advantage (or concentration of employment above the national average) in sheep, beef cattle and grain farming, with activity primarily concentrated in Waitaki and Clutha, and growing specialisation and significant employment growth in dairy farming. Central Otago has strengths in stone and pip fruit, grape growing and wine production. International tourism, concentrated in Queenstown Lakes, generates a very high share of regional GDP and has shown solid growth over the last five years. Professional,

scientific and technical services experienced 4 per cent annual average employment growth over the last decade, while education and training employment grew 2.1 per cent over the same period, reflecting Dunedin's strong tertiary education and research role.

The region's people have high levels of education attainment and skills. The region also enjoys a below average unemployment rate and low youth NEET rate. However, the region's average annual household income and GDP per capita sit below the national average. This is likely to be partially driven by the region's high share of tertiary students and seasonal workers earning part-time wages.

Otago can generate higher returns in its tourist sector through greater product and market segmentation with the aim of generating greater tourist expenditure per night. Improved broadband access from the rural broadband upgrade is expected to support education outcomes and facilitate business growth, including tourism in rural areas. New irrigation schemes should increase the capacity for high-value primary production in rural Otago, while Dunedin can continue to develop high-value niches within health technologies and biotechnology, food processing, manufacturing, engineering, ICT and education.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to the *Dunedin City Council* and *Otago Chamber of Commerce* to provide business services in Otago. During 2012/13, companies in the region received about \$4.7 million from Callaghan Innovation towards research and development, while approximately \$222,000 was distributed between 101 companies for business development.

PEOPLE	Otago	NZ	% of NZ
Population	213,300	4,471,100	4.8
Share of population (%): 0–14 years	17	20	4.0
15–24 years	17	14	5.8
25–64 years	51	52	4.7
65 years+	15	14	5.2
Māori share of population (%)	7	14	2.4
Net internal migration, 2008–2013	4,701	–	
Net international migration, 2008–2013	801	51,152	
Projected population growth 2013–2031, annual average	0.5	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	47   61	52   65	
LIVING STANDARDS & JOBS	Otago	NZ	% of NZ
Regional GDP (\$m)	9,147	211,639	4.3
GDP per capita (\$)	43,086	47,532	
Household income, annual average (nearest \$100)	78,000	88,400	
Rental cost, annual average (nearest \$100)	16,300	18,700	
Rent share, of household income (%)	20.9	21.2	
Median house price (\$)	280,000	397,000	
Total employment	114,890	2,316,214	5.0
Employment growth 2003–2013, annual average	1.4	1.5	
Employment rate, 2014 March year	66.9	64.5	
Unemployment rate, 2014 March year	5.0	6.1	
Labour force participation rate, 2014 March year	70.4	68.7	
SKILLS & INNOVATION	Otago	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	82.7	77.2	
NEET rate, 2014 March year <sup>2</sup>	8.2	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	54.3	52.4	
Patent applications (per million heads, 2010)	26.5	37.1	
Skilled and highly skilled jobs (share of total employment)	66.4	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Otago	NZ	% of NZ
Broadband internet (% of households), 2012	73.0	75.0	
Cargo traded through ports (\$m): exports	4,496	49,470	9.1
imports	219	48,241	0.5
International tourism expenditure (\$m)	1,124	6,318	17.8
International tourism expenditure as a share of regional GDP	12.3	3.0	
Number of international students	5,786	95,619	6.0
PUBLIC SECTOR EXPENDITURE	Otago	NZ	% of NZ
Central government expenditure per capita, 2012	18,647	17,826	
Local government capital expenditure per capita 2002–2012, annual average	967	676	
Local government operational expenditure per capita, 2012	2,014	1,899	

## SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	OTAGO	NZ	OTAGO	NZ
Sheep, beef cattle and grain farming	3,500	3.0%	1.5%	-2.0%	-2.1%
Arts and recreation services	3,279	2.9%	1.8%	3.0%	2.8%
Accommodation and food services	11,237	9.8%	6.6%	2.5%	2.5%
Education and training	11,480	10.0%	7.8%	2.1%	1.7%
Dairy	2,305	2.0%	1.7%	4.5%	0.0%
Rental, hiring and real estate services	2,886	2.5%	2.2%	3.1%	0.6%
Professional, scientific and technical services	7,241	6.3%	9.0%	4.0%	3.1%

## POPULATION



213,300

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>†</sup>



86%

## GDP PER CAPITA



\$43,086

## HOUSEHOLD INCOME DISTRIBUTION



## EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

<sup>†</sup> All data is for 2013 unless otherwise stated

# Southland



Southland is a small to medium-sized economy with a strong agriculture and manufacturing base. In 2013, Southland contributed 2.4 per cent to national GDP, 2.3 per cent of national employment, and 2.1 per cent of the national population.



## Business Growth Agenda actions relevant to Southland

Ultra-Fast Broadband in Invercargill

Rural Broadband upgrade through Southland

National Cycle Trail

New Zealand Apprenticeships and Apprenticeship Reboot

Freshwater reform

Primary Growth Partnership to lift private sector investment in innovation

Aquaculture reform

Grow business opportunities on conservation land

New rent setting for high country Crown pastoral land

Regional Investment Attraction Programme

Callaghan Innovation R&D Grants Programme

Southland has many attributes which make it a solid regional performer, as measured by a range of economic indicators.

The region's economy relies extensively on its natural asset base. For example, both the dairy industry and the Tiwai Point Aluminium Smelter, which are large employers and generators of income, are dependent on freshwater.

Southland has a revealed comparative advantage (or concentration of employment above the national average) in export-focused agri-business, with the sheep and beef cattle and grain farming, and dairy sectors representing 13.7 per cent of total employment in the region. The dairy sector also exhibited strong annual employment growth from 2003–2013. From 2007–2013 Southland's GDP increased by 40.9 per cent, well ahead of the national movement. From 2007–2011 this was driven by large increases in agriculture, especially dairy farming, and in 2012 increased due to sheep and beef farming and manufacturing industries.

Southland has one of the highest employment rates in the country and a low unemployment rate. Southland's economy has been generating new employment opportunities faster than the relatively older population is able to grow.

Southlanders report the highest living satisfaction of anywhere in New Zealand. Southland also has the lowest median house price (\$190,000), and rental cost per annum (\$11,000).

The Southland region has the opportunity to increase economic outputs by continuing to raise productivity in areas of traditional strengths such as sheep and beef cattle farming, dairy and aquaculture. Continuing to diversify the regional economy and promote emerging and existing sectors would be beneficial. Opportunities include tourism, information technology, transformed manufacturing (pharmaceuticals and electronics), grain-based protein systems, the Awarua Earth Observation system and international education.

The supply of skills could prove a constraint to future development. Currently Southland has the lowest proportion of skilled and highly skilled employment in New Zealand at 51.9 per cent, and secondary and tertiary educational attainment rates are lower than the national averages. If Southland moves into higher value and more skilled activities in the future, long-run economic development will likely be dependent on improvements in educational and skills outcomes at all levels, along with appropriate skills attraction and retention.

New Zealand Trade and Enterprise and Callaghan Innovation provide funding to *Venture Southland* to provide business services in Southland.

During 2012/13 NZTE and Callaghan Innovation distributed approximately \$373,000 to Southland businesses for economic development.

PEOPLE	Southland	NZ	% of NZ
Population	94,800	4,471,100	2.1
Share of population (%): 0–14 years	20	20	2.1
15–24 years	13	14	1.9
25–64 years	51	52	2.1
65 years+	16	14	2.4
Māori share of population (%)	12	14	1.9
Net internal migration, 2008–2013	-1,212	–	
Net international migration, 2008–2013	-39	51,152	
Projected population growth 2013–2031, annual average	0.0	0.8	
Dependency ratio 2013   2031 <sup>1</sup>	57   78	52   65	

#### POPULATION

 **94,800**

PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)<sup>‡</sup>

 **91%**

#### GDP PER CAPITA

 **\$52,701**

#### HOUSEHOLD INCOME DISTRIBUTION



#### EMPLOYMENT RATE, 2004–2014 MARCH YEAR



1. The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

2. Total number of youth aged 15–24 years not in employment, education or training as a % of total youth working age population

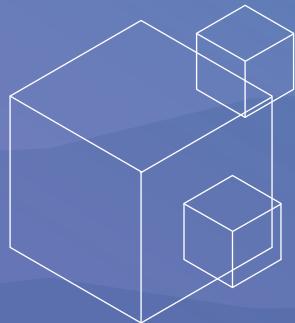
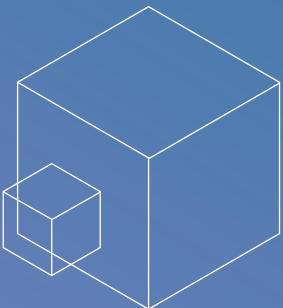
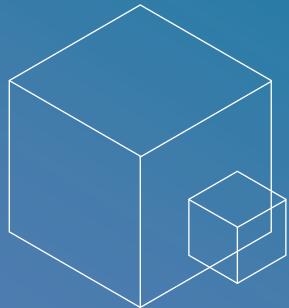
<sup>‡</sup> All data is for 2013 unless otherwise stated

LIVING STANDARDS & JOBS	Southland	NZ	% of NZ
Regional GDP (\$m)	5,001	211,639	2.4
GDP per capita (\$)	52,701	47,532	
Household income, annual average (nearest \$100)	78,300	88,400	
Rental cost, annual average (nearest \$100)	11,000	18,700	
Rent share, of household income (%)	14.0	21.2	
Median house price (\$)	190,000	397,000	
Total employment	52,348	2,316,214	2.3
Employment growth 2003–2013, annual average	0.2	1.5	
Employment rate, 2014 March year	68.9	64.5	
Unemployment rate, 2014 March year	5.2	6.1	
Labour force participation rate, 2014 March year	72.6	68.7	
SKILLS & INNOVATION	Southland	NZ	% of NZ
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	74.1	77.2	
NEET rate, 2014 March year <sup>2</sup>	11.5	11.7	
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	42.3	52.4	
Patent applications (per million heads, 2010)	0.0	37.1	
Skilled and highly skilled jobs (share of total employment)	51.9	68.8	
INTERNATIONAL & NATIONAL CONNECTIONS	Southland	NZ	% of NZ
Broadband internet (% of households), 2012	76.0	75.0	
Cargo traded through ports (\$m): exports	1,181	49,470	2.4
imports	819	48,241	1.7
International tourism expenditure (\$m)	137	6,318	2.2
International tourism expenditure as a share of regional GDP	2.7	3.0	
Number of international students	955	95,619	1.0
PUBLIC SECTOR EXPENDITURE	Southland	NZ	% of NZ
Central government expenditure per capita, 2012	17,334	17,826	
Local government capital expenditure per capita 2002–2012, annual average	457	676	
Local government operational expenditure per capita, 2012	1,889	1,899	

#### SECTORS OF REGIONAL SPECIALISATION

based on regional comparative advantage in employment, increased comparative advantage over the last 10 years or high employment growth over the last 10 years

INDUSTRY	SHARE OF TOTAL EMPLOYMENT			EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	
	EMPLOYMENT COUNT	SOUTHLAND	NZ	SOUTHLAND	NZ
Sheep, beef cattle and grain farming	3,337	6.4%	1.5%	-3.8%	-2.1%
Dairy	3,842	7.3%	1.7%	5.1%	0.0%
Food and beverage manufacturing	4,727	9.0%	3.6%	-1.0%	0.5%
Other agriculture, forestry, and fishing	2,031	3.9%	1.8%	-0.7%	1.6%
Wholesale Trade	2,048	3.9%	5.0%	0.7%	0.5%
Construction	3,868	7.4%	7.9%	2.5%	3.1%





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# Regional sectors and specialisations

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# Sectors and specialisations

Local leaders often seek to develop particular sectors to grow their economy. An in-depth understanding of their regional industry composition and specialisations, market opportunities and regional business environments will help them understand how they can influence their regional and national economic performance.

While every region produces a range of goods and services, each also specialises in something – whether this is oil and gas in Taranaki, viticulture in Marlborough or public administration in Wellington.

These sectoral specialisations have developed over time, based on different regional physical endowments and capabilities. To some degree they make our regions economically interdependent.

Different industries make different contributions to employment and incomes, and these fluctuate alongside factors like world prices and climate. More specialised regional economies can show considerable volatility.

Regions can become more resilient in employment opportunities and income by developing their current specialisations, for example, through increasing skills, applying technology or innovative practices, or growing markets.

They can also develop related activities that provide inputs to their specialist sectors (such as farm machinery or advice), or that add value through processing or providing services to consumers. Regions can also develop new uses for existing resources or skills, such as moving from sheep and beef to dairy farming.

## The contribution of sectors to economic outcomes

Figure 8 shows how labour intensive each of New Zealand's sectors are (as defined by the Australia NZ Standard Industrial Classification or ANZSIC), and their relative contribution to national GDP and exports.

Consumer service industries (retail, accommodation and food, education and health services) are the most labour intensive, with higher shares of employment than GDP. Horticulture is another labour-intensive sector, with seasonal demands. Mining, forestry and dairy are more capital-intensive sectors. Together with rental, hiring and real estate services they generate relatively high production per worker.

## 8. Employment, export and capital characteristics of different sectors nationally

(ANZSIC 2006)

	% of employment 2013	% of GDP 2011	% of exports 2007
Agriculture, forestry and fishing	6.0	7.2	5.6
Dairy farming	1.5	3.2	0.1
Sheep, beef cattle and grain farming	1.3	1.7	0.7
Horticulture (inc. viticulture)	1.3	0.6	2.6
Forestry and logging	0.2	0.8	1.2
Fishing and aquaculture	0.2	0.1	0.3
Other	1.5	0.8	0.7
Mining	0.3	2.4	2.2
Manufacturing	8.9	12.2	61.9
Food and beverage	3.1	4.2	35.5
Wood, paper and printing	1.2	1.6	5.8
Chemicals, minerals and metal	2.2	3.7	10.3
Machinery and equipment	1.6	2.1	6.6
Other	0.8	0.7	3.8
Electricity, gas, water and waste services	0.6	3.6	0.1
Construction	6.8	5.6	0.4
Wholesale trade	4.3	5.6	4.5
Retail trade	8.1	4.6	1.8
Accommodation and food services	5.7	2.3	4.0
Transport, postal and warehousing	3.5	4.7	7.0
Information, media and telecommunications	1.6	3.1	1.8
Financial and insurance services	2.3	5.6	0.6
Rental, hiring and real estate services	1.9	13.6	0.7
Professional, scientific and technical services	7.7	7.6	2.3
Administrative and support services	4.4	2.1	1.0
Public administration and safety	4.1	4.7	0.3
Education and training	6.7	4.9	2.3
Health care and social assistance	7.9	6.7	0.3
Arts and recreation services	1.5	1.5	0.8
Other services	2.9	2.1	1.1

Source: Statistics New Zealand, Ministry of Business, Innovation and Employment

Manufacturing provides almost 62 per cent of our exports, with half of that made up of food and beverage manufacturing. (This includes semi-processed agricultural products such as milk powder.)

High production sectors and those with the potential to generate high export returns can bring important income into regions. On the other hand, labour-intensive activities such as tourism and personal services could also be important to regions with high unemployment.

## 9. Industry concentration by region, 2013

(ANZSIC 2006)

SHARE OF INDUSTRY EMPLOYMENT BY REGION, PER CENT

	Northland	Auckland	Waikato	Bay of Plenty	Gisborne	Hawke's Bay	Taranaki	Manawatū-Wanganui	Wellington	Tasman	Nelson	Marlborough	West Coast	Canterbury	Otago	Southland	New Zealand	
Agriculture, forestry and fishing	5	10	15	8	3	8	4	8	3	3	1	4	1	14	6	7	100	
Dairy	6	4	27	7	0	2	9	8	2	1	0	1	3	15	6	10	100	
Sheep, beef cattle and grain farming	6	4	11	3	4	7	2	15	4	1	0	2	1	19	10	10	100	
Horticulture (inc. viticulture)	4	20	9	10	3	16	1	4	4	7	0	5	0	10	5	2	100	
Forestry and logging	11	6	16	16	8	8	1	6	4	4	0	3	2	6	5	3	100	
Fishing and aquaculture	6	8	11	5	2	2	1	1	3	4	17	9	2	16	4	9	100	
Other	4	12	13	13	3	9	2	7	4	1	0	8	1	12	6	5	100	
Mining	3	5	16	8	0	1	23	2	5	1	1	1	1	15	6	9	3	100
Manufacturing	3	33	10	6	1	5	4	5	6	1	1	2	1	15	4	3	100	
Food and beverage	2	24	10	5	1	8	4	7	5	1	2	4	1	15	5	6	100	
Wood, paper and printing	4	31	10	12	1	4	2	4	9	1	2	0	2	11	4	2	100	
Chemicals, minerals and metal	3	41	11	5	1	2	4	4	7	1	1	1	1	14	3	3	100	
Machinery and equipment	2	40	10	6	0	2	3	4	5	0	1	1	0	20	3	2	100	
Other	2	42	5	3	1	5	1	8	9	0	1	1	1	16	3	1	100	
Electricity, gas, water and waste services	5	27	15	6	1	3	4	5	12	1	1	1	0	13	5	2	100	
Construction	3	29	9	6	1	3	3	5	11	1	1	1	1	18	5	2	100	
Wholesale trade	2	47	8	5	0	3	2	4	8	0	1	1	0	13	4	2	100	
Retail trade	3	33	9	6	1	3	2	5	10	1	2	1	1	14	6	2	100	
Accommodation and food services	3	35	8	6	1	3	2	4	12	1	1	1	1	13	7	2	100	
Transport, postal and warehousing	3	39	8	7	1	3	2	4	10	1	1	1	1	14	4	2	100	
Information, media and telecommunications	1	50	5	2	0	2	1	2	19	0	1	0	0	10	4	1	100	
Financial and insurance services	2	47	5	4	0	2	2	3	19	0	1	0	0	10	3	1	100	
Rental, hiring and real estate services	4	36	8	6	1	3	3	4	9	1	2	1	1	14	6	2	100	
Professional, scientific and technical services	2	43	8	4	1	2	2	3	17	1	1	1	0	12	3	1	100	
Administrative and support services	3	41	7	8	1	5	2	3	10	1	1	1	1	12	4	1	100	
Public administration and safety	3	29	7	5	1	3	2	7	26	0	1	1	0	11	4	2	100	
Education and training	3	31	10	6	1	3	2	6	12	1	1	1	1	13	6	2	100	
Health care and social assistance	4	30	10	7	1	4	2	6	11	1	2	1	1	14	5	2	100	
Arts and recreation services	2	31	10	6	1	3	2	4	15	1	1	1	1	12	8	2	100	
Other services	3	34	9	6	1	3	3	5	12	1	2	1	1	13	5	2	100	
<b>TOTAL</b>	<b>3</b>	<b>34</b>	<b>8</b>	<b>6</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>14</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>12</b>	<b>4</b>	<b>1</b>	<b>100</b>	

Source: Statistics New Zealand, Ministry of Business, Innovation and Employment

### Regional sectoral specialisations

Figure 9 shows how employment in New Zealand's sectors is concentrated across our regions. Figure 10 (on page 55) provides the complementary picture, the industrial composition of each regional economy.

Figure 9 (above) shows the distribution across regions of employment in each of the ANZSIC industries. So, for example, of all the employment in agriculture, forestry and fishing, 5 per cent is in Northland. Figure 10 gives the complementary picture of the breakdown of each region's employment into the ANZSIC industries. So, for example, 12 per cent of all Northland's employment is in agriculture, forestry and fishing.

Nationally, much of New Zealand's employment is concentrated in the Auckland region (34 per cent). This is consistent with global trends of urbanisation, growth in the services industry and concentration of activity in city-regions.

The workforce in our largest urban regions – Auckland, Wellington and Canterbury – provides national commercial services, while small regions such as Gisborne, Tasman, Marlborough and Southland produce various agricultural products.

Auckland is home to half of New Zealand's employment in wholesale trade, information, media and telecommunications, and financial and insurance services. Wellington plays a complementary role in these services with almost another 20 per cent of employment in information, media and telecommunications; and financial and insurance services.

## 10. Employment concentration by region, 2013

(ANZSIC 2006)

SHARE OF REGIONAL EMPLOYMENT BY INDUSTRY, PER CENT

	Northland	Auckland	Waikato	Bay of Plenty	Gisborne	Hawke's Bay	Taranaki	Manawatū-Wanganui	Wellington	Tasman	Nelson	Marlborough	West Coast	Canterbury	Otago	Southland	New Zealand
Agriculture, forestry and fishing	12	2	12	10	20	16	10	11	2	23	4	22	12	7	9	20	7
Dairy	4	0	5	2	1	1	6	3	0	2	0	1	6	2	2	7	2
Sheep, beef cattle and grain farming	3	0	2	1	6	3	1	4	1	2	0	2	2	2	3	6	1
Horticulture (inc. viticulture)	2	1	1	2	5	7	1	1	0	14	0	6	1	1	1	1	2
Forestry and logging	1	0	0	1	2	1	0	0	0	1	0	1	1	0	0	0	0
Fishing and aquaculture	0	0	0	0	0	0	0	0	0	1	2	1	1	0	0	1	0
Other	2	1	3	4	5	4	2	2	1	3	1	11	2	2	2	4	2
Mining	0	0	1	0	0	0	3	0	0	1	0	0	6	0	1	0	0
Manufacturing	9	10	11	10	10	13	15	12	6	11	11	15	11	12	8	16	10
Food and beverage	2	3	4	3	5	8	6	5	2	6	5	10	5	4	4	9	4
Wood, paper and printing	2	1	2	3	2	2	1	1	1	2	2	1	3	1	1	1	1
Chemicals, minerals and metal	2	3	3	2	1	2	4	2	1	2	2	2	2	3	2	3	3
Machinery and equipment	1	2	2	2	1	1	3	2	1	1	2	2	1	3	1	1	2
Other	1	1	1	1	1	1	1	2	1	1	1	1	1	1	1	0	1
Electricity, gas, water and waste services	1	1	1	1	0	0	1	1	1	0	1	1	0	1	1	0	1
Construction	9	7	8	8	7	6	8	8	8	8	9	7	11	11	9	7	8
Wholesale trade	3	7	4	4	2	4	4	4	4	2	5	3	3	5	4	4	5
Retail trade	10	9	9	10	8	9	9	10	9	8	12	9	10	10	11	9	9
Accommodation and food services	6	7	6	7	6	5	6	6	7	7	7	7	9	6	10	5	7
Transport, postal and warehousing	4	5	4	5	3	4	4	3	3	3	4	4	4	4	4	4	4
Information, media and telecommunications	1	3	1	1	1	1	1	1	3	0	1	1	1	1	1	1	2
Financial and insurance services	2	4	1	2	1	2	2	2	5	1	2	1	1	2	2	2	3
Rental, hiring and real estate services	3	2	2	2	2	2	2	2	2	2	3	2	2	2	3	2	2
Professional, scientific and technical services	6	11	8	7	6	6	7	5	13	6	9	4	4	8	6	4	9
Administrative and support services	6	6	4	7	5	7	3	3	5	5	5	5	4	5	4	2	5
Public administration and safety	4	4	4	4	3	4	3	7	11	2	4	4	3	4	3	3	5
Education and training	8	7	8	8	10	7	7	10	8	7	7	5	6	7	10	7	8
Health care and social assistance	12	8	10	11	11	10	9	11	9	8	12	8	9	10	10	9	9
Arts and recreation services	1	2	2	2	1	1	1	2	2	2	2	1	2	2	3	1	2
Other services	3	3	4	4	3	3	4	3	4	3	4	3	3	3	3	3	3

Source: Statistics New Zealand, Ministry of Business, Innovation and Employment

Auckland and Wellington provide head office functions for these sectors to nearby regions.

Nelson is New Zealand's centre of the fishing and aquaculture industry. Waikato has high concentrations in dairying.

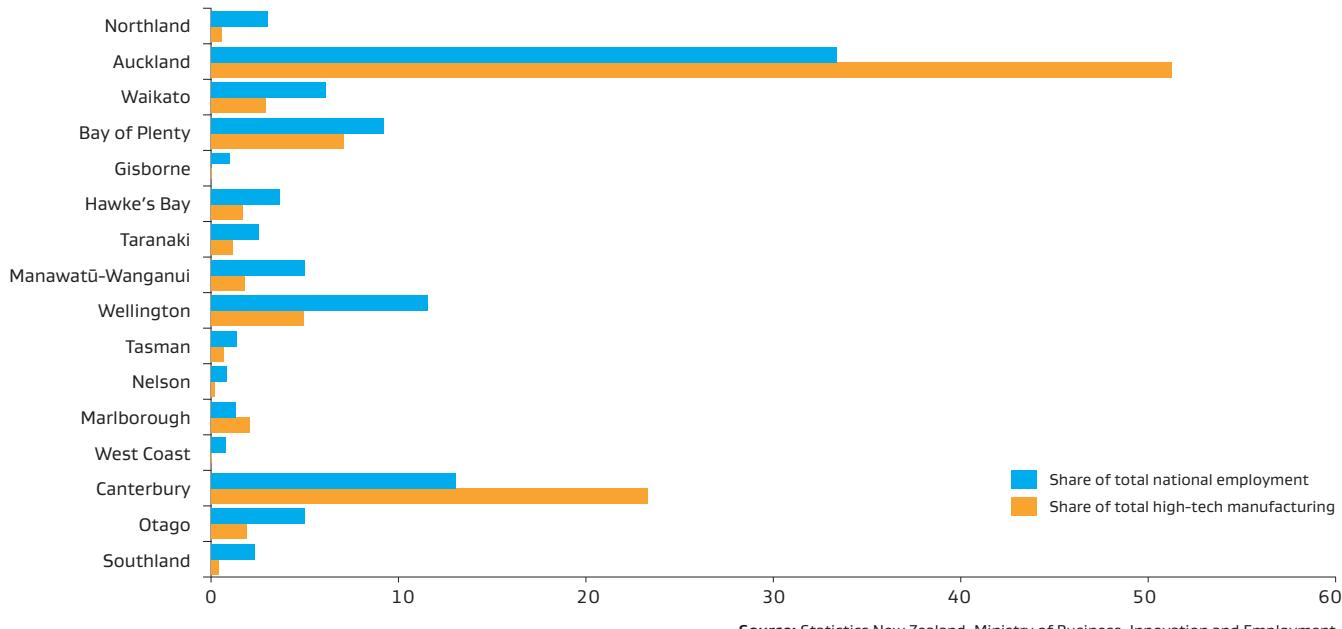
Sheep and beef farming is concentrated in Canterbury and Manawatū-Wanganui.

Mining, (including petroleum exploration and production), is New Zealand's most geographically concentrated sector, with most employment spread across Taranaki, Waikato and the West Coast. There has been significant change in the relative shares of mining employment between these three regions in the last year. Falling mineral prices contributed to job losses on the West Coast and Waikato, while oil and gas exploration permits awarded in Taranaki have increased employment there.

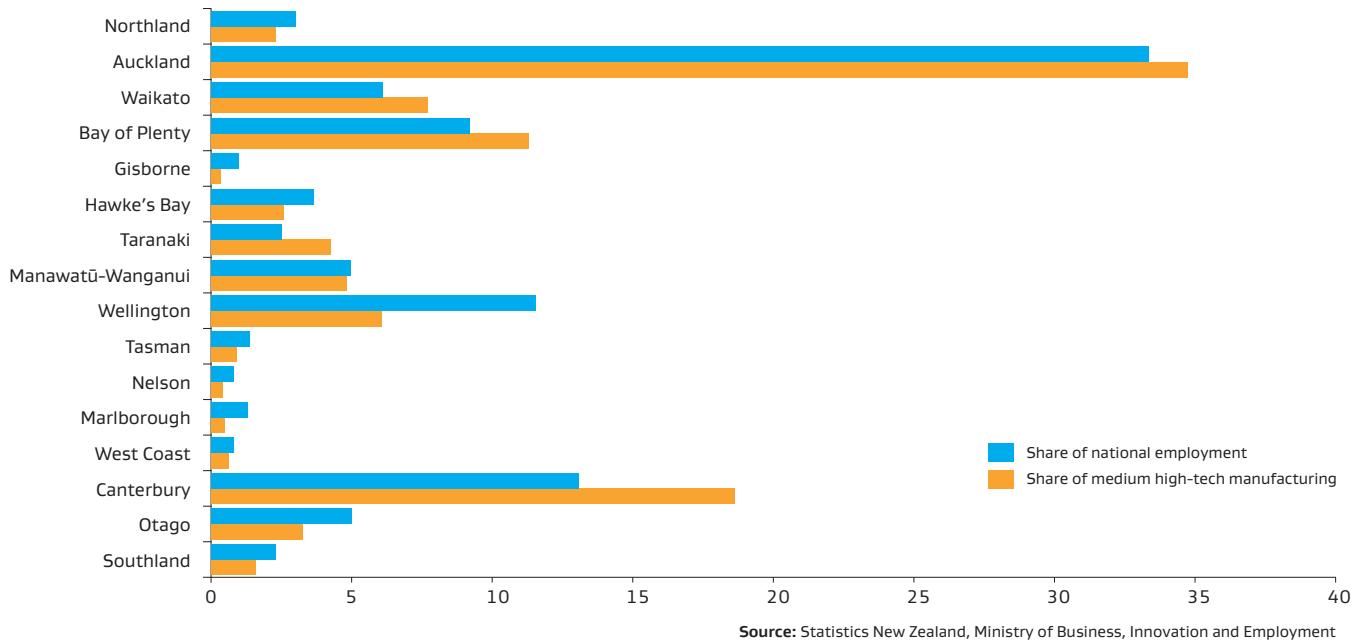
Some sectors have a similar presence in the economies of all regions. These are domestically focused consumer industries, including rental, hiring and real estate services, arts and recreation services, construction, electricity, gas, water and waste services, health care and social assistance, education and training, and retail trade.

The spread of employment in transport, postal and warehousing indicates the port and distribution functions of many regions around New Zealand. Higher employment in this industry in Auckland and Bay of Plenty highlights the importance of Port of Auckland and Port of Tauranga to New Zealand's export and import trade.

## 11. High-tech manufacturing employment, 2012



## 12. Medium high-tech manufacturing employment, 2012



### Cross-cutting sectors

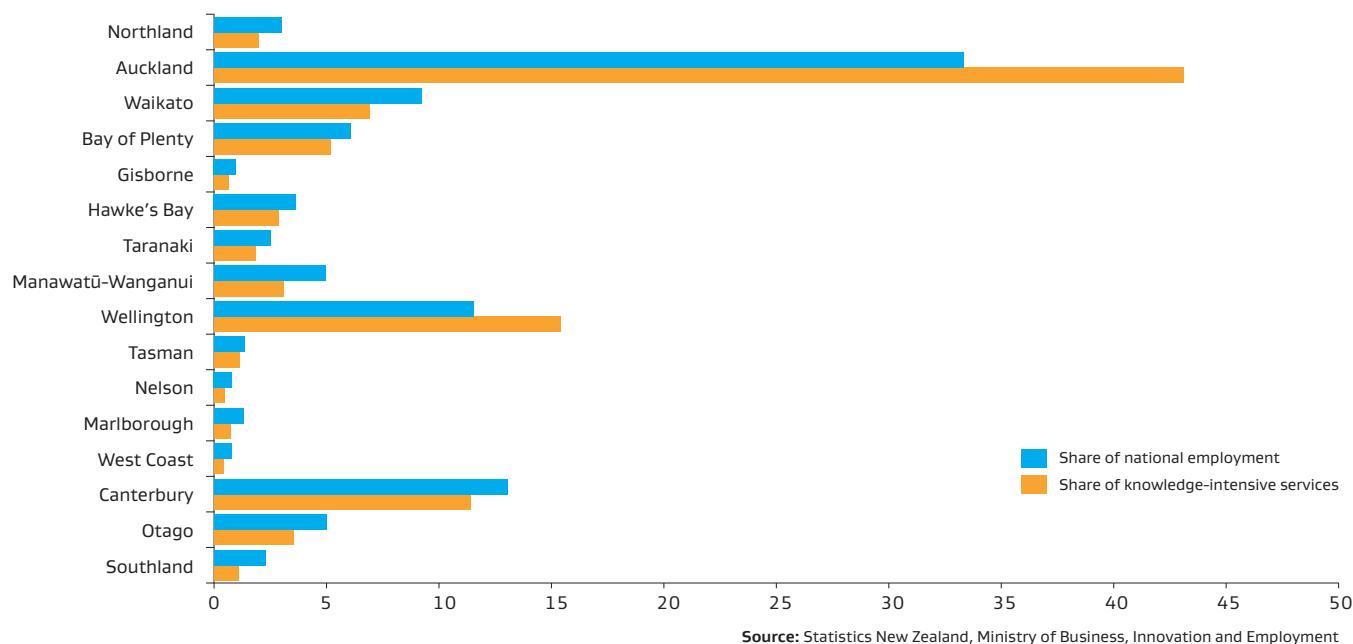
Four 'cross-cutting' sectors, which are amalgamations or subsets of ANZSIC industries, are of particular interest: high-tech manufacturing, medium-high tech manufacturing, commercial services and tourism.

High and medium-high tech manufacturing is relatively small but is important because it generates relatively high income

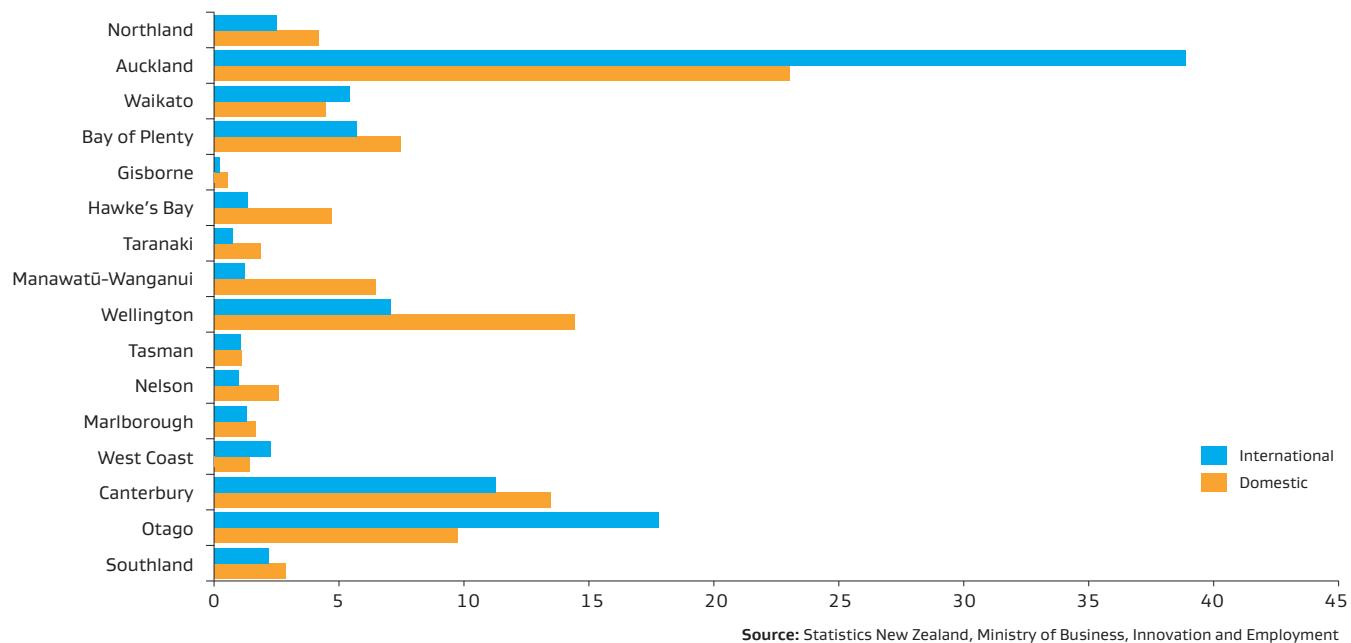
and exports per worker and often involves innovations that add value to local products. Examples of such manufacturing include agricultural machinery, pharmaceutical, health care, aircraft and scientific equipment manufacturing.

Figures 11 and 12 show that this activity is concentrated in Auckland and Canterbury.

### 13. Commercial knowledge-intensive services employment, 2012



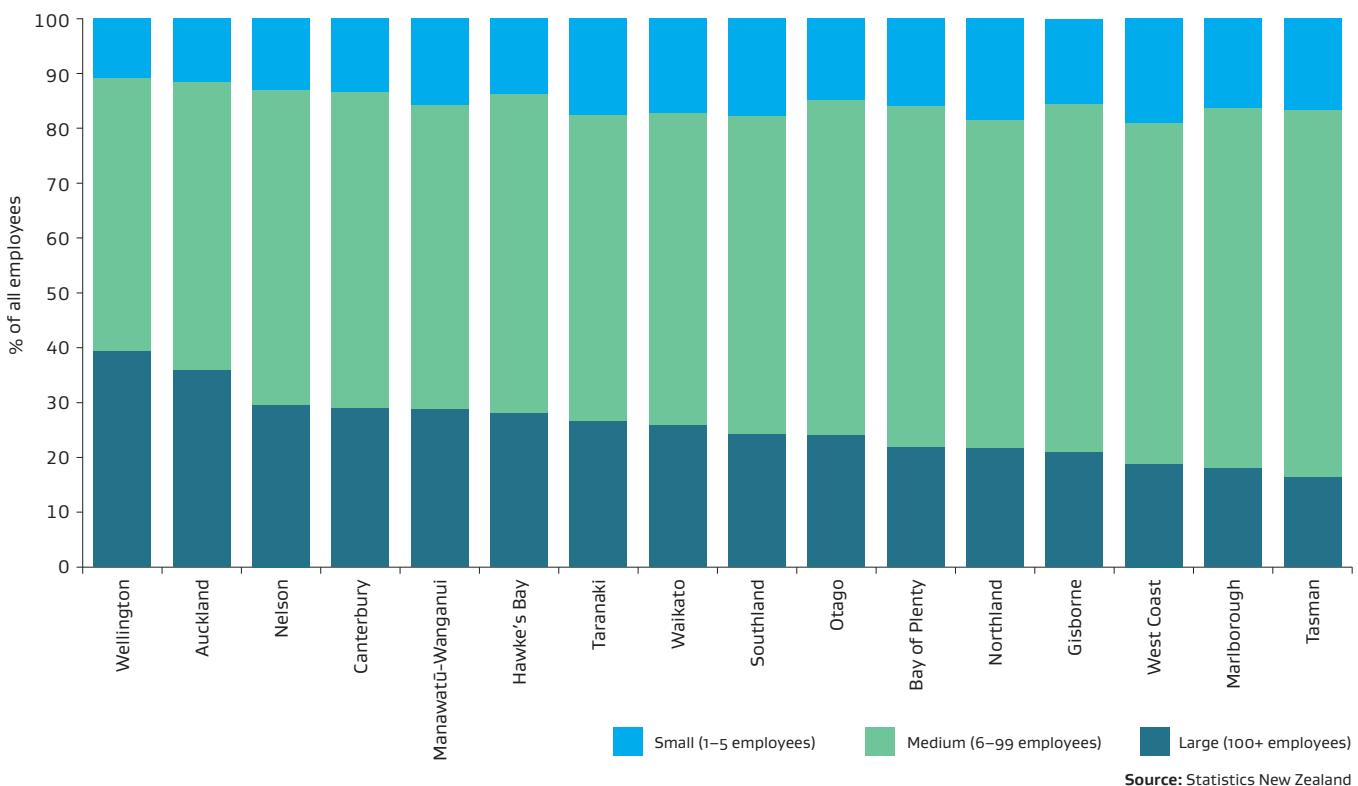
### 14. Share of tourism spend by region, 2013



Commercial knowledge intensive services (such as research, legal, finance and marketing services) are often combined with high-tech manufacturing. These also tend to generate high incomes per worker and are a significant area of innovation and growth internationally. Auckland, Wellington and Canterbury have high shares of commercial knowledge intensive services employment (Figure 13), and much of this is nationally focused.

Tourism businesses contribute to New Zealand's export receipts and provide significant employment in some regions. Tourism spend is concentrated in the regions of Auckland, Otago, Canterbury and Wellington (Figure 14). These regions have built on natural advantages to specialise in this sector.

## 15. Concentration of firms by size in the regions, 2013



### The influence of firm size

The size of firms differs by sector. The rental, hiring and real estate services, financial and insurance services, agriculture, forestry and fishing, and construction sectors have high rates of self-employment and small firms. Larger firms are found in the mining, manufacturing, public administration and safety, and education and training sectors.

Relative to the OECD mean, New Zealand has a similar proportion of small to medium-sized enterprises and large firms. However, New Zealand's large firms are smaller on average and there are fewer very large firms. It is the larger and very large businesses which generate the majority of New Zealand's employment, innovation, GDP and exports, therefore playing an important role in their regions.

Large firms are concentrated in urban regions like Wellington and Auckland (Figure 15). But there are also high concentrations in key primary and manufacturing regions (such as Manawatū-Wanganui, Hawke's Bay and Nelson), reflecting the influence of firms like Fonterra, Heinz-Watties and Sealord.

Auckland has the largest number of firms with more than 100 employees (Figure 16). Many of Wellington's large enterprises are government departments and agencies. Smaller, more remote regions have much smaller numbers of firms with more than 100 employees, but some of these are critical to the local economy.

### Sectoral change

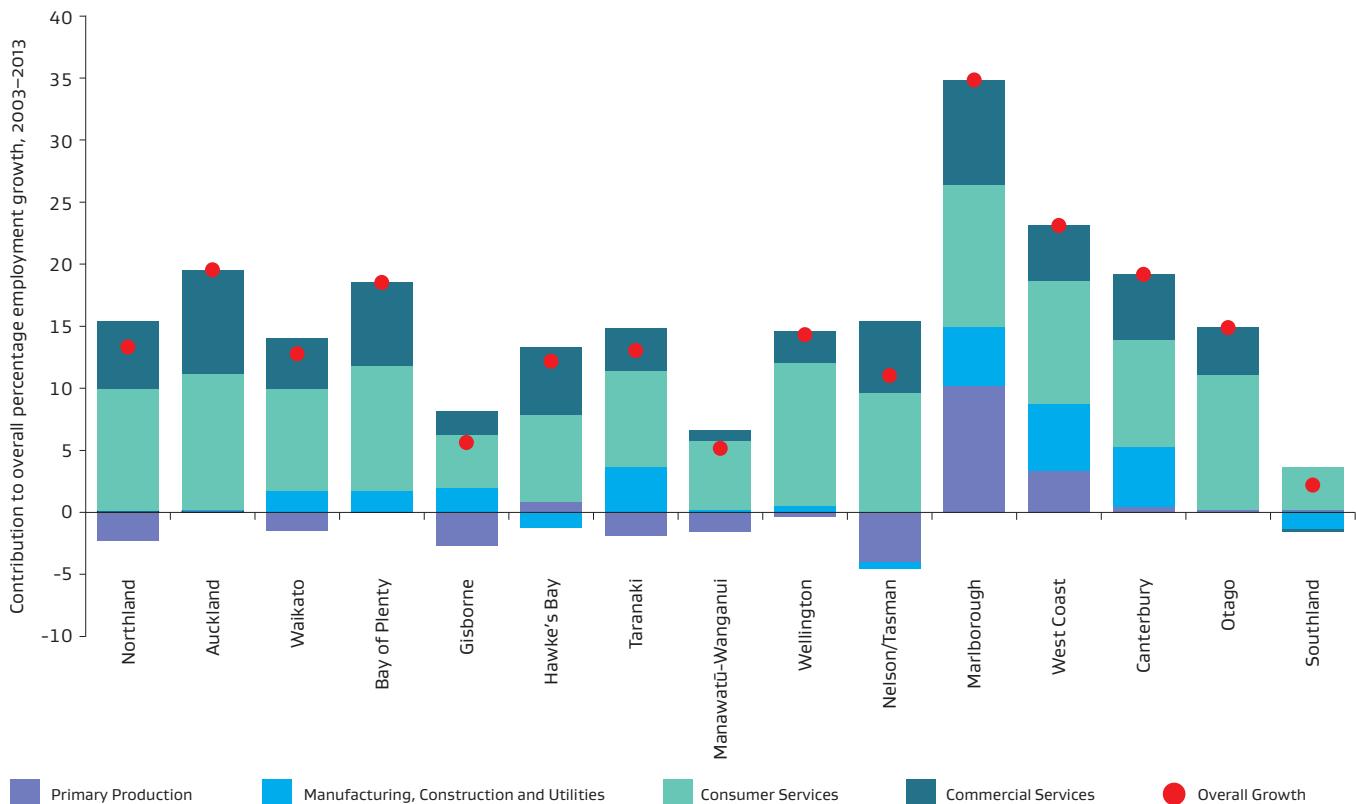
New Zealand, like other countries around the world, has experienced major changes to its industry structure. The long-term trend has been one of much greater expansion in services relating to the primary or manufacturing sectors.

## 16. Number of firms with more than 100 employees

Region	Number of firms
Auckland	887
Wellington	347
Canterbury	303
Waikato	188
Bay of Plenty	117
Manawatū-Wanganui	106
Otago	93
Hawke's Bay	84
Taranaki	63
Northland	56
Southland	47
Nelson	36
Gisborne	24
Marlborough	18
Tasman	17
West Coast	13

Technology has enabled labour to be released from agriculture and manufacturing, and much large scale manufacturing has shifted to countries with lower costs. Meanwhile, population ageing and rising incomes have stimulated the consumption of services.

## 17. Sector contribution to regional employment growth, 2003–2013



**Source:** Statistics New Zealand, Ministry of Business, Innovation and Employment

Figure 17 shows that this general trend has affected employment in all of New Zealand's regions over the last 10 years. This is despite the fact that high commodity prices have meant that agriculture and mining have driven GDP growth for much of this period. Primary production employment has increased in Marlborough and the West Coast, but has fallen in most other regions.

### Economic intensity versus diversity

Economic diversity helps regions to be more resilient to economic shocks and long-term change. But specialisation is associated with strong labour markets, higher capabilities, collaboration and innovation, which in turn contribute to economic growth.

Most New Zealand regions are small economies and as a consequence are dependent on specific sectors or even single companies. It may not be possible or desirable for them to try and grow totally new activities. Rather, the best growth opportunities exist where they already have an advantage – diversifying based on current strengths.

This may involve expanding 'up the value chain'. An example of this is the Waikato region, which is seeking to capitalise on the growing agri-business, research services and advanced

manufacturing sectors by leveraging its existing capabilities in the primary industries.

Diversification strategies also include developing new customer segments or markets. For example, tourism in the Queenstown Lakes district has traditionally had high visitor numbers from Australia. A diversification strategy may include broadening the market to target visitors from Asia or the higher-end luxury market.

In addition, regions can move resources and capability from current activities to similar, faster-growing or higher-income industries or products. Rapidly changing land use is evidence that this has been happening all over New Zealand in the agriculture sector. A more sophisticated example is in Southland, which has leveraged strengths in dairy, meat and aluminium production to diversify into more knowledge-intensive sectors (for example, marine, biotechnology, food processing and engineering).

Finally, regional specialisations contribute to the national economy, so local leaders also play an important role in contributing to strong physical and institutional links between regions. The Upper North Island Strategic Alliance is one example of regions working together to enhance regional and national economies.





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# Regional business environments

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# International connections

International connections include the flows of people, capital, trade and ideas between countries, which are crucial to productivity and economic growth in small economies like New Zealand. There is considerable diversity in the extent and way in which each of our regions is internationally connected.

Exports expand markets for local businesses and bring income into regions. Imports provide essential inputs to production, as well as goods and services for end consumers. International trade also exposes New Zealand firms to competition and innovation.

Overseas investment is another way for businesses to sell their products in foreign markets. New Zealand's overseas investments are growing more slowly than those of other countries and lag behind foreign investment in New Zealand. However, foreign investment in New Zealand injects additional capital into regions and can scale-up local businesses and connect them to international innovations and markets.

Inward international migration provides regions with additional skilled or seasonal labour, and potential sources of investment, new ideas and trade connections. New Zealanders overseas can also provide such connections.

## Exports

The government has a target to increase the contribution of exports to the economy from 30 per cent of GDP to 40 per cent by 2025.

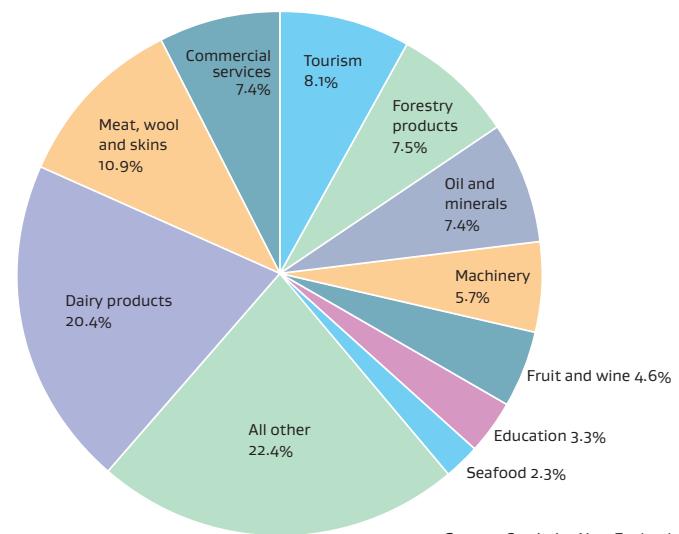
The scale and sectoral diversity of exports are relatively low in New Zealand compared with other small advanced economies. Figure 18 shows that while commercial services, tourism and export education are important exports, over half of our exports are made up of primary sector-based products. Dairy products alone make up 20 per cent.

In the last seven years world commodity prices have significantly increased, reinforcing our primary sector-based export profile and generating good returns to agricultural regions. Figure 19 shows how dramatic and volatile world price increases have been, particularly for dairy products.

Figure 20 shows regional employment in 'export-related' sectors – those sectors that contribute most to the value of New Zealand's exports. (As this figure uses employment data it emphasises sectors that employ a lot of people, such as horticulture and tourism, rather than capital-intensive sectors such as oil and gas or forestry).

Not surprisingly, most of New Zealand's export-related employment is in the larger regional economies of Auckland and Canterbury. Auckland earns export income from commercial services, tourism, export education, and food and beverage and other manufacturing. Canterbury produces significant agricultural and manufactured exports.

**18. New Zealand's top exports – percentage contribution by sector, 2013**



Source: Statistics New Zealand

Wellington's total and regional share of exports is relatively low, reflecting its nationally focused services role and very small manufacturing and agriculture sectors.

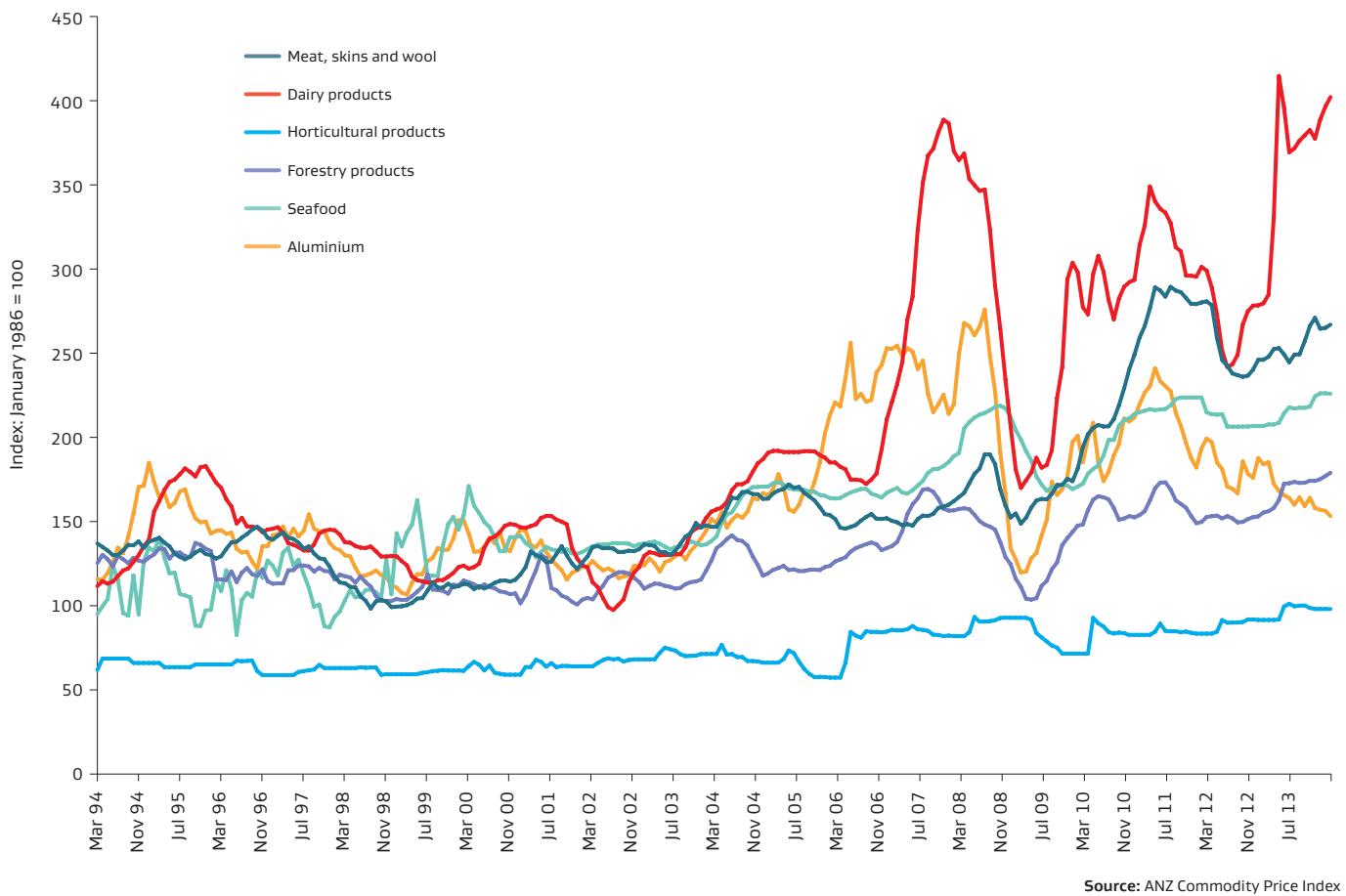
However, it is New Zealand's rural economies that are the most export focused. Export-related jobs make up the highest proportion of employment in Marlborough, Tasman, Hawke's Bay and Southland. This reflects the high proportion of food and beverage processing, horticulture and viticulture, forestry and aluminium for export in these regional economies.

The production of New Zealand's exports often involves inputs from several regions – for example, a primary product may be transported from one region to another for processing, and then to another for shipping to market, while marketing and other services may be provided from yet another region.

## International tourism

In the year to March 2013, expenditure in New Zealand by international visitors totalled \$9.7 billion and the sector employed 5.6 per cent of New Zealand's total workforce (105,400 workers).

## 19. World commodity prices 1994–2014



## 20. Employment in export-related sectors, share of employment by region, 2013

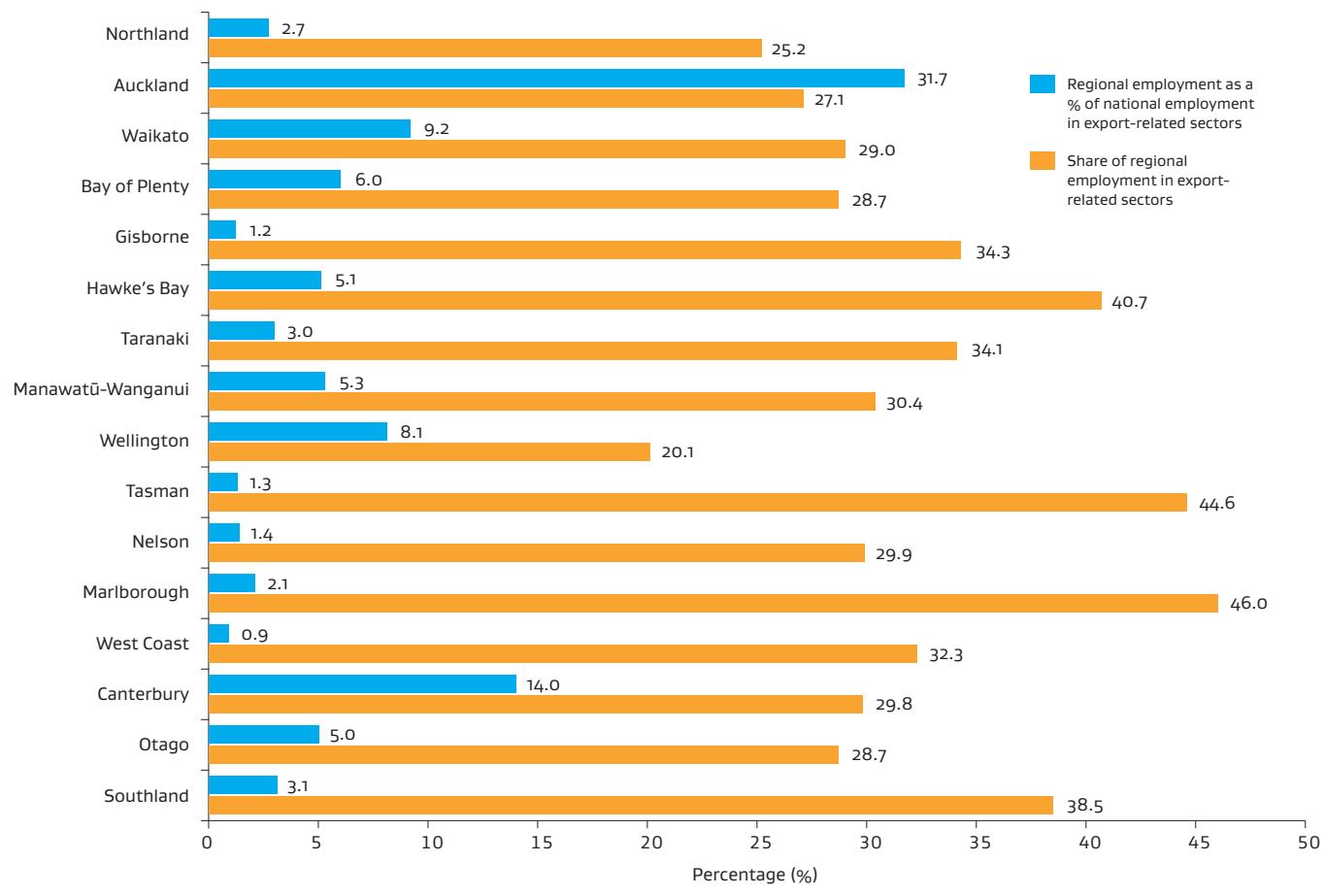


Figure 21 shows the size of international tourism expenditure and total visitor nights in each region for the year ended March 2013. It also shows how important international tourism is to each region's economy.

International visitors to New Zealand spend most of their money in Auckland, followed by Otago (particularly Queenstown) and Canterbury. However, international tourism expenditure is particularly important to smaller regional economies such as Otago and the West Coast, where it makes up between 10 and 15 per cent of regional GDP (and an even higher proportion of jobs).

Figure 22 shows where international tourism expenditure has grown or declined from 2009–2013 (measured by compound average growth rate). The negative impact that the Christchurch earthquakes had on international tourism in Canterbury, and to some extent other South Island regions, is clearly evident. The earthquakes caused long-term damage with the loss of accommodation stock, closure of some attractions for repair and the adjustment of tour itineraries.

However, international tourism expenditure in the Otago region has grown very strongly with an increase in flights

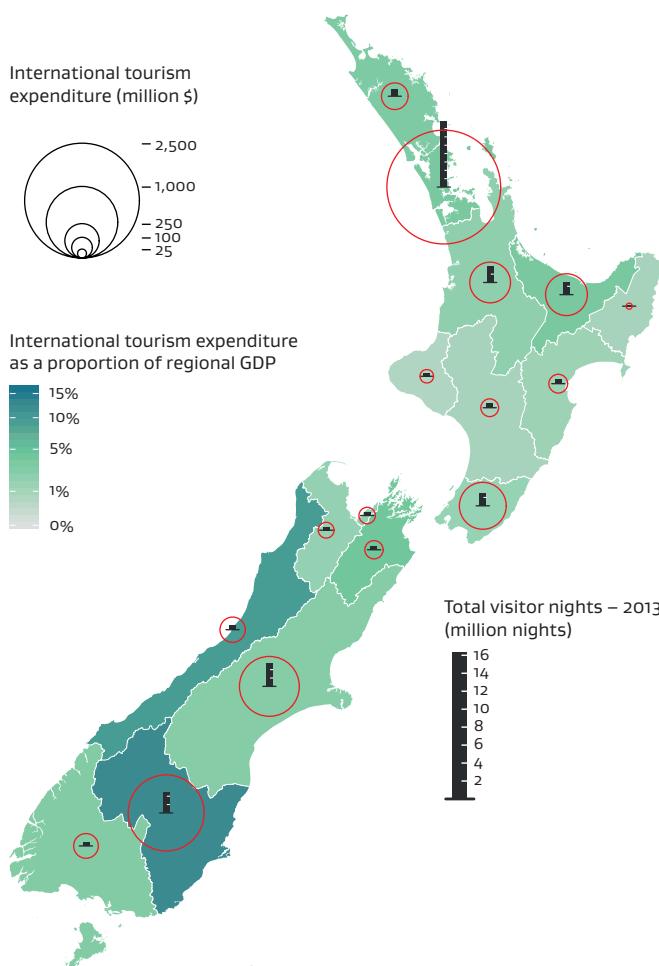
and capacity from Brisbane, Sydney and Melbourne to Queenstown. International tourism has also increased in North Island regions.

New Zealand's changing international visitor mix has affected regions in different ways. Nationally during this period, the number of visitors from Australia and China increased, while those visiting from the UK, Europe and the US declined, (although these markets have begun to grow again since the end of 2013).

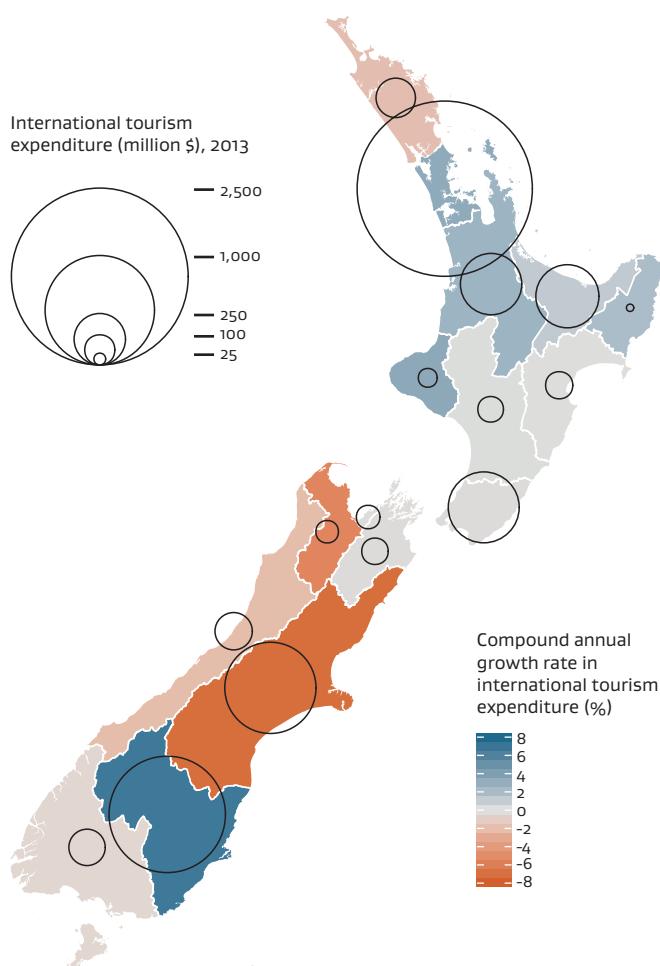
Visitors from the UK and mainland Europe are more likely to stay longer and visit more regions. The decline in visitors from these markets may have had a more significant impact on regions like Northland, West Coast and Tasman.

A challenge for the regional tourism sector is to generate higher returns, increasing the value of per-night expenditure. This can be achieved, in part, through identifying a compelling tourism proposition and targeting the right visitor segments and markets. There is potential for more remote regions to make use of their natural attractions and entice visitors to stay longer and spend more.

## 21. International visitor spending by region – March 2013 year



## 22. Compound annual growth rate in international tourism expenditure, 2009–2013



It is expected that the 23 Great Rides that make up Nga Haerenga – the New Zealand Cycle Trail will drive further investment in related business opportunities and encourage international visitors to explore more of regional New Zealand.

### International education

International education is a significant export earner in some regions. In addition, New Zealand's permanent international migration is increasingly sourced from people who have come to New Zealand temporarily for study.

Figure 23 shows the economic contribution (tuition and spending) of international education to New Zealand by region. As estimated in the *Economic impact of international education 2012/13*, the economic impact of international education is most felt in Auckland, where it is estimated to contribute \$1,653 million per annum. The Auckland region captures 63 per cent of New Zealand's international education economic impact.

Auckland is followed by Canterbury (estimated at \$195 million per annum, 7 per cent) and Wellington (estimated at \$177 million per annum, 7 per cent).

Canterbury's economic contribution from international education was higher prior to the earthquakes as the number of international students in Canterbury more than halved, falling from 16,009 in 2010 to 7,330 in 2012. In early 2012 the Government allocated \$5 million to assist with the recovery of the international education industry in Canterbury and subsequently the number of students has risen.

In 2013, international students in Canterbury made up 8.5 per cent of international students nationally compared to 15.4 per cent in 2010.

The government has a goal to double the annual economic value of international education services delivered in New Zealand to \$5 billion by 2026. Education New Zealand, the lead organisation marketing New Zealand's education industry overseas, has a regional partnership programme designed to support the growth of international education across regions, balancing the strength of Auckland in the education sector.

### Foreign investment

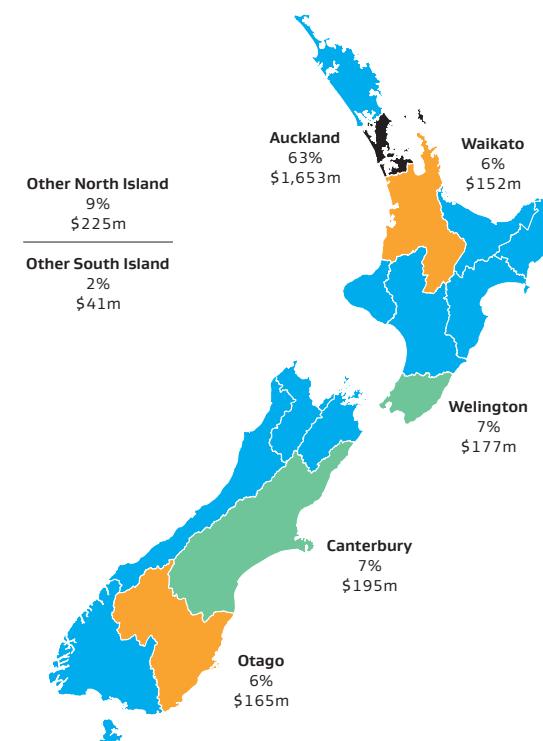
Foreign investment is unevenly distributed across sectors and regions.

Foreign ownership of businesses located in regions is one indicator of regional access to foreign investment. Figure 24 shows that 25 per cent of the Auckland workforce is employed in businesses that are more than 50 per cent foreign-owned. About 16 per cent of people employed in Wellington, Taranaki and Nelson work for foreign-owned companies.

The variety of foreign-owned firms with a presence in Auckland reflects its size and its role in linking New Zealand to the world economy. As New Zealand's capital, Wellington is also an important location for a range of foreign-owned companies. Foreign-owned oil and gas firms and supporting businesses are located in Taranaki, while foreign-owned forestry undertakings are important in Nelson.

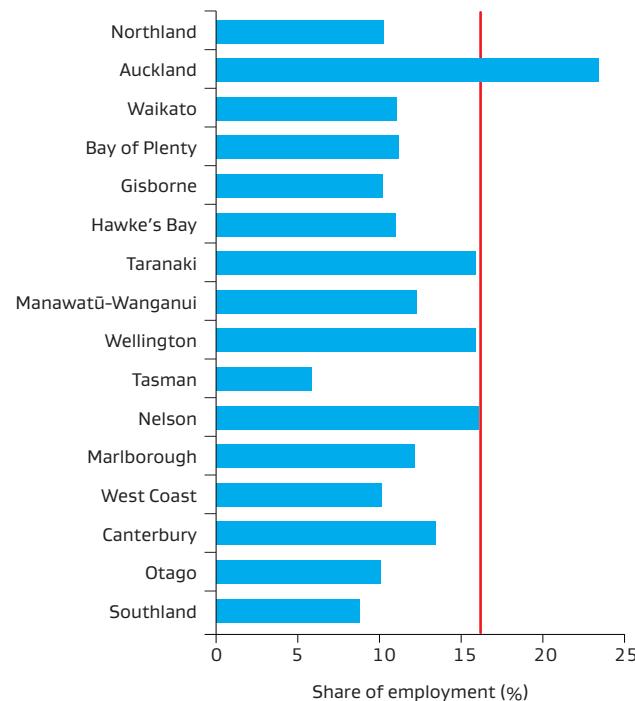
New Zealand Trade and Enterprise (NZTE) is working in partnership with regional economic development agencies to encourage more international companies to invest in opportunities that benefit regional economies. This is part of NZTE's work to mobilise capital to help lift exports and grow New Zealand's economy.

### 23. Regional contribution to value of New Zealand international education, 2012



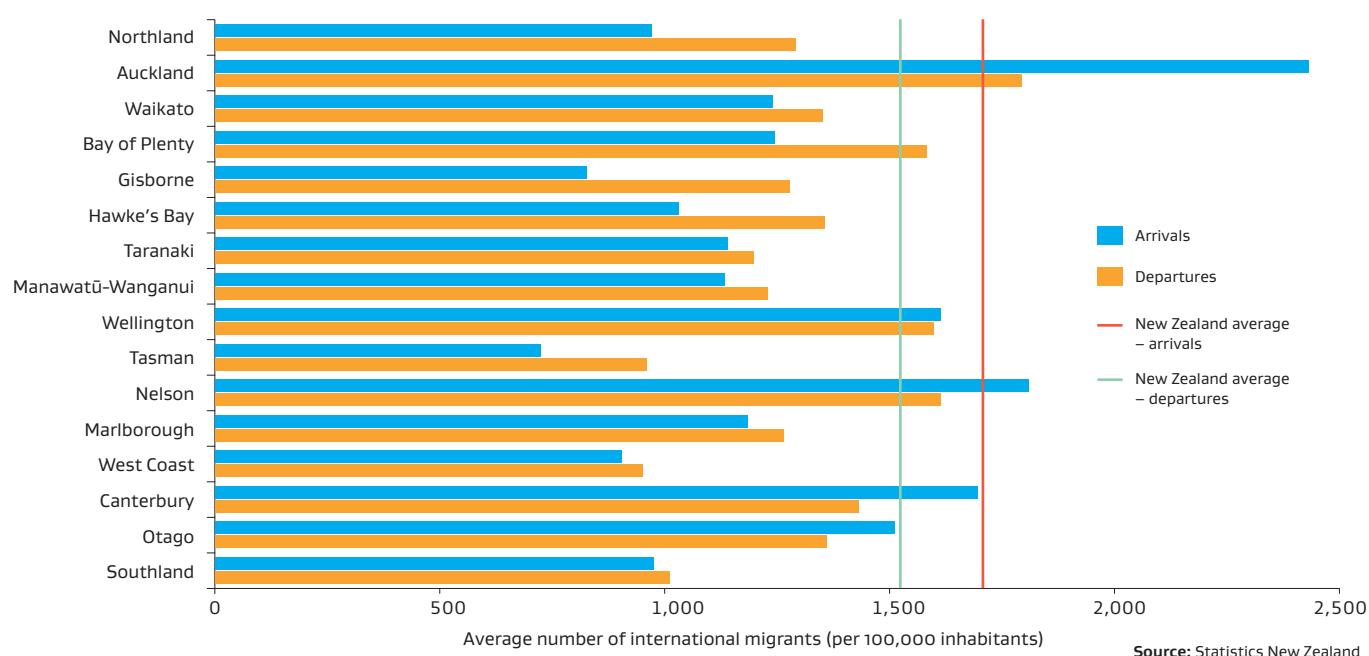
Source: Education New Zealand

### 24. Employment in firms with 50% or more foreign ownership, 2013



Source: Statistics New Zealand

## 25. International migrant flows per capita (per 100,000 inhabitants) by region, 2003–2013 average



Source: Statistics New Zealand

NZTE is creating investment profiles, in consultation with regional and government agencies, that outline the strengths of each regional economy, areas of opportunity for investment, and what the region can offer investors. Specific opportunities for investment are being identified, documented and introduced to potential investors via NZTE's international networks. NZTE will also work with Economic Development Agencies NZ (EDANZ) to help regional economic development agencies better support investor engagement, guidance and due diligence.

### International migration

International migration is interconnected with foreign investment, international tourism and trade, and influences the population composition of different regions (see also the *People* section). Flows of people migrating in and out of New Zealand are high compared to other countries. However, these movements vary considerably by region. Over the last decade, between 60 and 70 per cent of people arriving in New Zealand (including returning New Zealanders) settled in Auckland, at least for the short term. As Figure 25 shows, Auckland has also had the most international arrivals as a proportion of its population, rapidly becoming one of the most diverse cities in the OECD with 37 per cent of its population and 45 per cent of its workforce categorised as foreign born.

New Zealand relies heavily on international migrants for building a skilled workforce (see also the *Skilled workforce* section). On average these migrants have relatively high educational qualifications.

International migration to Canterbury has grown more recently, as the earthquake rebuild accelerates. The Business Growth Agenda has an immigration package targeted to support the rebuild of Canterbury, including the establishment of a Skills and Employment Hub. Most of New Zealand's regions have had more people leave for other countries, than they have had inflows of international migrants. However some migrants who first settle in Auckland later move to other regions, and these inter-regional movements are reflected as internal migration statistics.

# Innovation

Innovation is important for regional economies as it supports the creation of new products and jobs, increased labour productivity and regional competitiveness. It can also help to address regionally unique social and environmental challenges. Innovating businesses are more likely to report improvements in sales, productivity and market share than non-innovating businesses. This all leads to greater prosperity and wellbeing for regions.

While innovation is often equated with new or better products or services, it also includes improvements to an organisation (such as design, structure, business model or strategy) and developing new markets and channels to market.

Various indicators are used internationally to provide a picture of innovation at the regional level. New Zealand has very limited regional data on innovation. In this report we provide in-depth regional data on patent applications as compared to international OECD regions. Patents are a useful indicator of a firm's ability to innovate technologically, although they do not cover all aspects of firm and sectoral innovation.

## Population and innovation

Successful innovation requires capability, skills, capital and investment flows, and science and technology. Because so many things are required to come together for innovation, population density and size are significant.

Most innovation usually takes place in cities, because population density and size appear to facilitate more rapid

exchange of new ideas and practices. Cities are also where there is generally a large proportion of research providers, specialised workers, innovative businesses and capital within close proximity. In 2008, 65 per cent of all patent applications in the OECD were granted in metropolitan areas (OECD 2013).

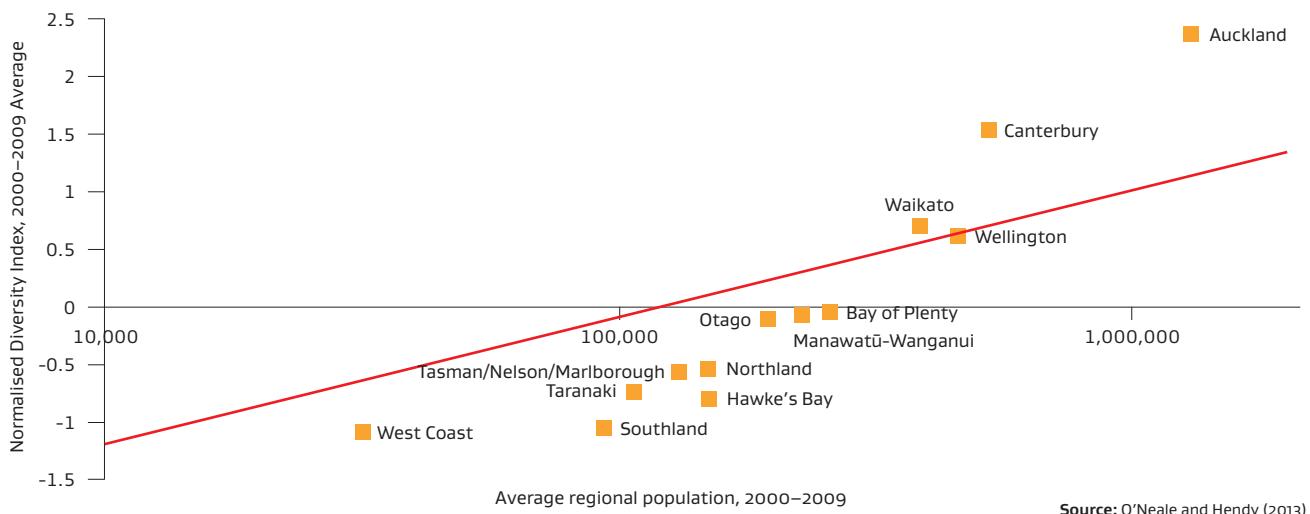
Figure 26 compares New Zealand regions to the OECD pattern. The red line shows the trend line for patent applications per capita in OECD regions of different population size. Otago, Waikato and Manawatū-Wanganui sit above the red line, showing that these regions are performing above the OECD average for their size. Patent applications are similar to the OECD average for population size in Auckland, Wellington, Tasman/Nelson/Marlborough, Taranaki and the West Coast. Other New Zealand regions are below the OECD average for their size. A key factor affecting New Zealand regional trends is likely to be the presence of, and funding for, universities, Crown Research Institutes and other research organisations. These are geographically concentrated (in places like Otago, Waikato and Manawatū-Wanganui) rather than being distributed in proportion to population.

**26. Patents per 1 million inhabitants and population size, 2000–2009**



**Source:** O'Neale and Hendy (2013) **Note:** Average population figures are presented as their (natural) logged values to enable their relative sizes to be compared within one chart

## 27. Level of diversity of patents by region, 2000–2009 average



Source: O’Neale and Hendy (2013)

### The influence of size and distance

Business size also matters for innovation. Larger firms tend to innovate more and have the capacity to introduce effective human resources systems that support managing for innovation. New Zealand has a relatively small number of large firms, and these fund less research and development (R&D) than their international counterparts. This is a contributing factor to New Zealand’s level of business R&D expenditure which, while growing, remains low by international standards. New Zealand’s smaller firms (fewer than 50 employees) invest at a similar rate to those in other countries. As highlighted in the *Regional sectors and specialisations* section, New Zealand’s larger enterprises are mostly found in the most populous regions: Auckland, Wellington and Canterbury.

High-tech manufacturers (such as pharmaceutical, engineering and technology firms) invest the highest proportions of their income into R&D. New Zealand has relatively few of these, concentrated in Auckland and Canterbury.

Because New Zealand is a small, distant and dispersed country, national and international connections are critical for innovation.

### Collaboration

Clustering research providers and innovative firms in the same geographic location is a proven technique internationally for encouraging innovation, as it allows highly skilled individuals to work in close proximity. The success of Silicon Valley is attributed to this type of activity.

While New Zealand business and sector clusters have been developed for a range of reasons, few have been specifically developed just for collaboration for innovation. The Wynyard Quarter Marine Precinct and West Haven Marina cluster in Auckland is one example. This includes almost 150 specialist marine-related businesses which work together to undertake super yacht building, refits and repairs. It includes a super yacht refit facility and there are currently suggestions for a more formal alliance with the Yacht Research Unit at the University of Auckland.

### Regional patent diversity

Economic diversity is related to the number of different products that a region makes. Diversity of patents is an indicator of diversity of prospective commercialisation efforts. High levels of diversity can mean that a region has capabilities and advantages in lots of different areas, making it relatively flexible to meet changing market demands.

Figure 27 plots the diversity of patents within each of New Zealand’s regions, relative to its population. (The straight red line shows the trend line for patent diversity in OECD regions of different sizes.) This shows that Auckland, Canterbury and Waikato are relatively diverse in their patents, Wellington is in line with the OECD and other New Zealand regions appear to be relatively narrow in their patents when compared to OECD regions of similar size.

### Specialisation and comparative advantage

Internationally, nationally and regionally, governments and policy makers are turning to the notion of ‘smart specialisation’. Smart specialisation emphasises the need for regions to focus their resources in niche areas of competitive strengths, using entrepreneurship to develop unique assets and capabilities.

Figures 28 and 29 illustrate the extent to which regional innovation efforts reflect regional strengths in unique product areas. Figure 28 lists the patent areas in which each region has some comparative advantage, indicating areas of prospective innovation and commercialisation effort. The table shows that Auckland specialises to a high degree in biotechnology, construction, electrical engineering, and food and beverages. The West Coast has low patent diversity and is mildly specialised in a few areas, including biotechnology.

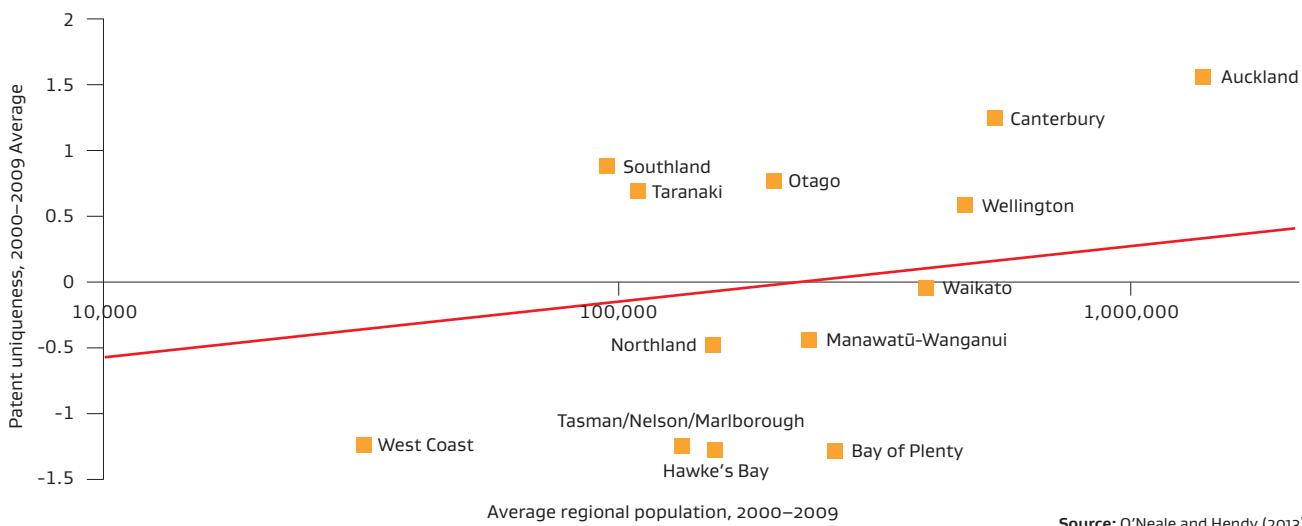
Figure 29 plots the uniqueness of regional patents and regional population size. The chart measures the extent to which a region’s prospective commercialisation efforts are in relatively unique patent areas: high uniqueness indicates that patents are made in relatively few places. This would suggest that a region has comparative advantage in some key areas which, applying a ‘smart specialisation’ framework, should continue to be fostered. Auckland, Canterbury, Wellington, Otago, Taranaki and Southland all have patents in areas that other regions in the OECD do not have a lot of patents in.

## 28. Patent communities with a significant comparative advantage by region, 2000–2009 average

Region	Patent communities with a significant revealed comparative advantage by region
Northland	Apparatuses with moving parts (including toys & games); bio-tech, bio-chemical & microbiological; combustion engines; foodstuffs (especially fats & oils); mechanical machines; medical & surgical.
Auckland	Apparatuses with moving parts (including toys & games); bio-tech, bio-chemical & microbiological; clothing; combustion technology; construction & woodworking.
Waikato	Bicycles, sports equip.; bio-tech, bio-chemical & microbiological; combustion technology; foodstuffs (especially fats & oils); measurement technology; medical & surgical.
Bay of Plenty	Apparatuses with moving parts (including toys & games); bio-tech, bio-chemical & microbiological; construction & woodworking; food-tech, biotech; medical & surgical; paints, inks, glues & similar items.
Hawke's Bay	Bio-tech, bio-chemical & microbiological; combustion technology; communications; foodstuffs (especially fats & oils); military vehicles & machines; textiles, fibres, & paper.
Taranaki	Bio-tech, bio-chemical & microbiological; construction & woodworking; foodstuffs (especially fats & oils); hydrocarbon chemicals; mechanical machines; printing & imaging.
Manawatū-Wanganui	Apparatuses with moving parts (including toys & games); bio-tech, bio-chemical & microbiological; construction & woodworking; food & beverages production; foodstuffs (especially fats & oils); measurement technology.
Wellington	Apparatuses with moving parts (including toys & games); bio-tech, bio-chemical & microbiological; camping equipment; food & beverages production; foodstuffs (especially fats & oils); measurement technology; small arms.
Tasman-Nelson-Marlborough	Combustion technology; measurement technology; medical & surgical; switches, electric circuits, motors; textiles, fibres, & paper; turbines & combustion.
West Coast	Bio-tech, bio-chemical & microbiological; military vehicles & machines; switches, electric circuits, motors.
Canterbury	Apparatuses with moving parts (including toys & games); bio-tech, bio-chemical & microbiological; food & beverages production; foodstuffs (especially fats & oils); switches, electric circuits, motors; textiles, fibres, & paper
Otago	Apparatuses with moving parts (including toys & games); bio-tech, bio-chemical & microbiological; combustion technology; food & beverages production; foodstuffs (especially fats & oils); hydrocarbon chemicals.
Southland	Bio-tech, bio-chemical & microbiological; switches, electric circuits, motors; vehicles.

Source: O'Neale and Hendy (2013)

## 29. Level of uniqueness of patents by region, 2000–2009 average



Source: O'Neale and Hendy (2013)

# Skilled workforce

Thriving regional economies have, at their heart, skilled people who are employed, businesses that effectively use and develop the skills of those people, and sectors and industries that are aware of their skills needs and how to meet them. If all of these factors are present, along with others such as resources, infrastructure, innovation and capital, it helps to grow businesses, generate innovation and increase productivity.

By international standards, New Zealand has high levels of educational attainment, but each region has its own skills challenges, and these are constantly changing in response to market demand and technology. Regional differences in the availability of a skilled workforce are caused by a number of interrelated factors, including quality of available education services (particularly access to university tertiary education), demographics, inward skilled migration and regional labour market requirements.

## **Education outcomes**

While regional labour market requirements vary, all businesses need people with good foundation education and training. New Zealand's school-level education outcomes are among the best in the world. However, there is a significant tail of under-achievement, particularly among Māori, Pasifika and learners from low socio-economic backgrounds. A significant number of students are still becoming disengaged from education too early or are entering employment before they have the skills necessary to stay connected to the workforce. This impacts on both their personal outcomes and on regions' labour markets.

The government has established three education-related goals which aim to boost skills and employment. These are:

- In 2016, 98 per cent of children starting school will have participated in quality early childhood education.
- In 2017, 85 per cent of young people will have achieved NCEA Level 2 or an equivalent qualification.
- In 2017, 55 per cent of 25 to 34 year olds will have a qualification at Level 4 or above.

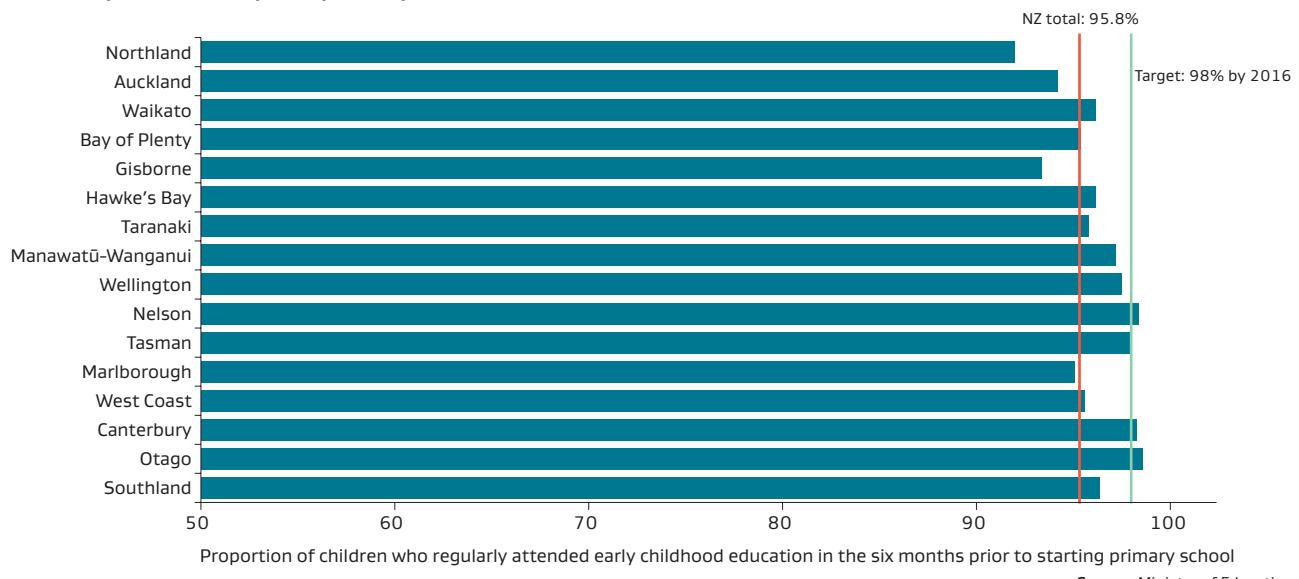
Figures 30, 31 and 32 shows aspects of the pipeline of education which are important for ensuring that all children gain the basic skills and knowledge they need to make a successful transition from school into further education or employment.

Early childhood education plays a valuable role in a child's development, building strong foundations for ongoing education, learning and development. Figure 30 shows that four regions – Nelson, Tasman, Canterbury and Otago – are already achieving the government's early childhood education (ECE) goal. A number of regions – notably Northland, Auckland and Gisborne, where there are larger numbers of Māori and Pasifika children and children from low socio-economic backgrounds – are well below the national average.

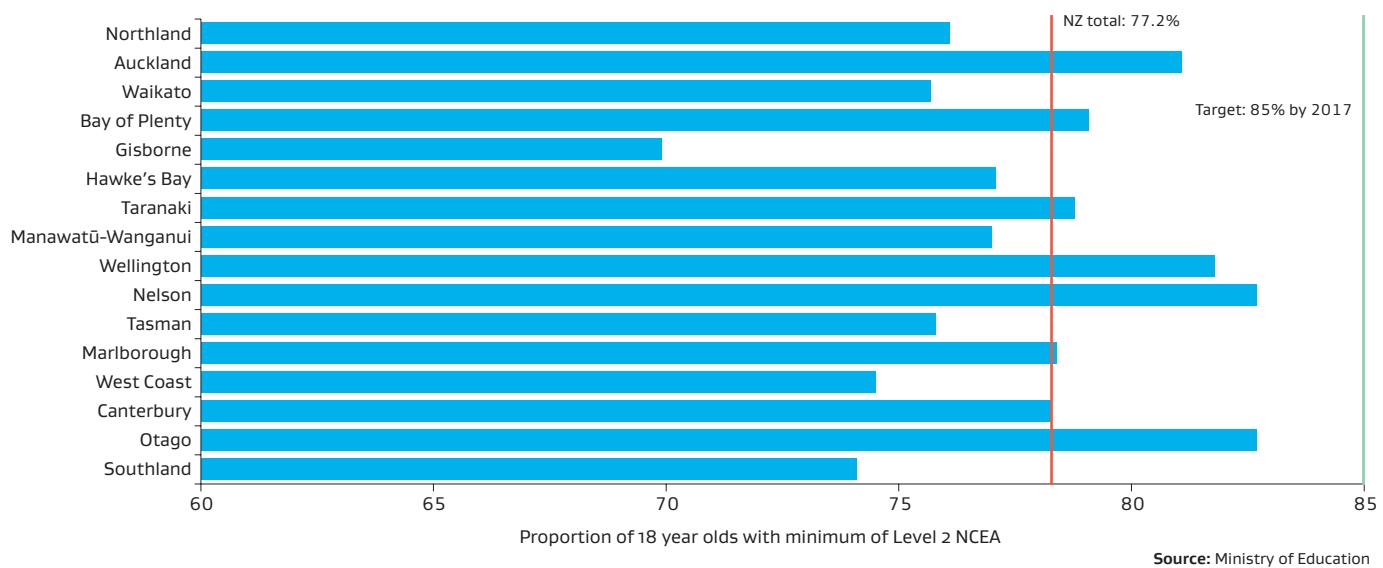
No region has yet reached the NCEA Level 2 goal, as shown in Figure 31. Having at least an NCEA Level 2 qualification gives people the foundation-level skills they need to have better opportunities for further education, employment and wellbeing. The highest overall rates of attainment for NCEA Level 2 occur in the predominantly urban regions of Nelson, Wellington and Auckland, and in Otago. Bay of Plenty, Taranaki, Marlborough and Canterbury also have Level 2 qualification levels above the national average. The lowest attainment levels tend to be in more geographically remote regions such as Gisborne, Southland and the West Coast.

Discrepancies between the regions increase further along the education pipeline. Figure 32 shows the significant gap in tertiary attainment levels between the regions. It is these higher-level qualifications, particularly at degree-level and above, that contribute most to growing the regions' economies and lifting the incomes of individuals. Auckland and Wellington have both surpassed the government's target for the percentage of 25 to 34 year olds with Level 4 qualifications, and Canterbury and Otago also have Level 4 qualification levels near or above the national average. However, most other regions have lower rates of attainment. These discrepancies are not only a function of education levels within regions but also of regions' ability to attract and retain skilled workers.

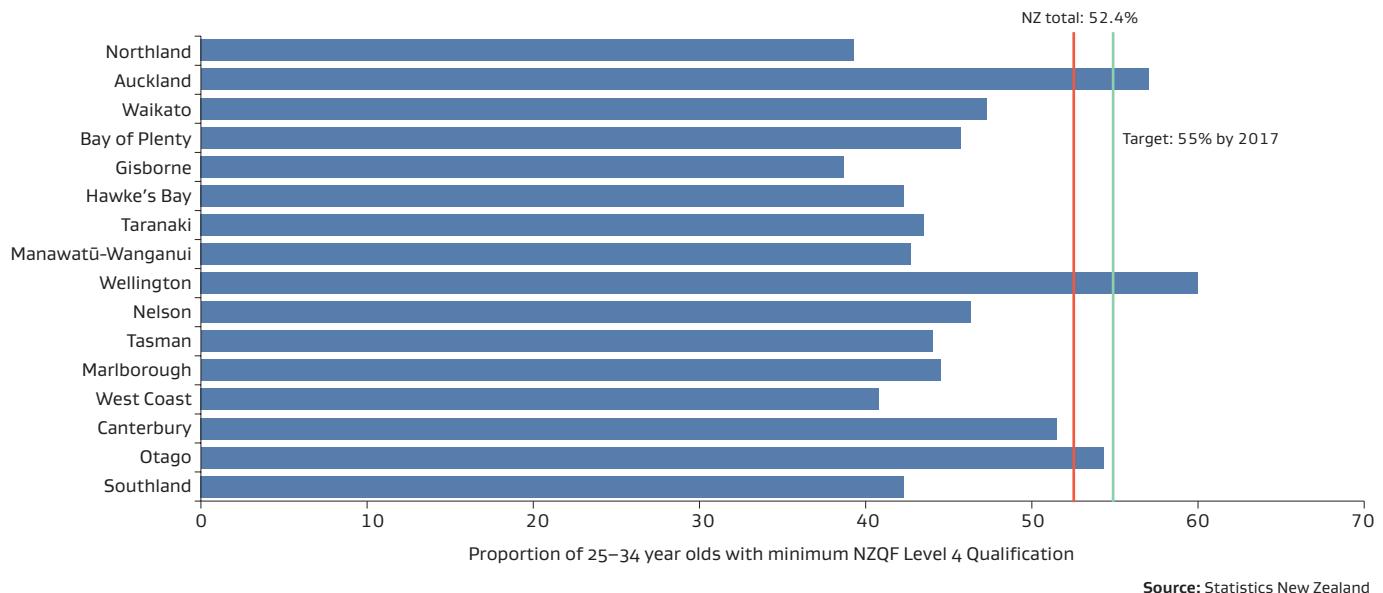
### 30. Early childhood prior participation rate, 2013



### 31. 18 year olds with minimum of Level 2 NCEA qualifications, 2012



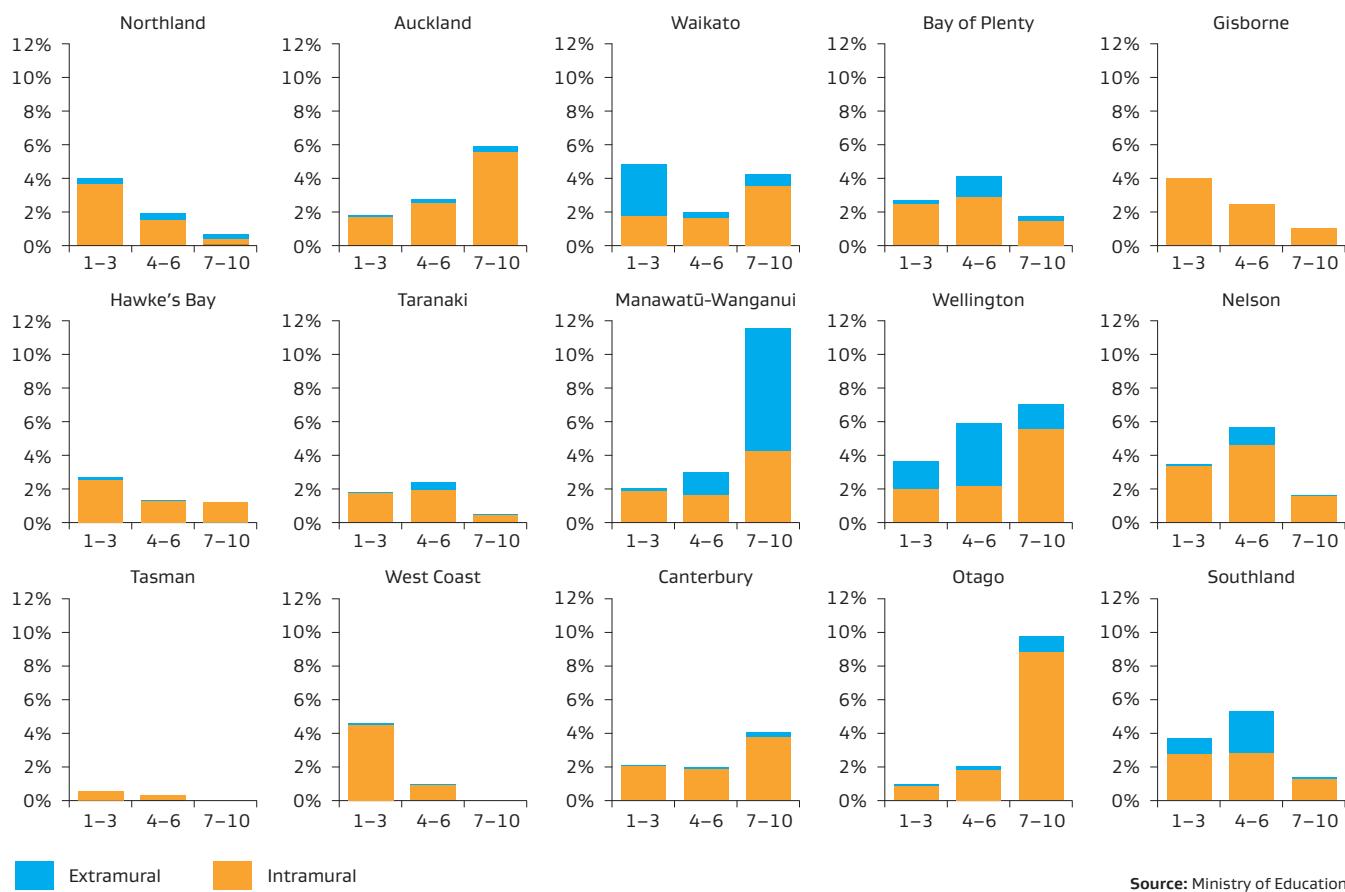
### 32. 25–34 year olds with minimum of Level 4 NZQF qualifications, 2013



**Note:** Figure 32 uses Census data captured in March 2013 to enable a robust regional breakdown of results. This provides a lower national average compared to the Better Public Service Result 6 which uses the most current Household Labour Force Survey result (see <http://www.ssc.govt.nz/bps-booster-skills-employment>)

### 33. Regional tertiary education provision 2013

#### Tertiary Student Enrolments as a proportion of the Region's Population, NZQF Levels 1–10



Source: Ministry of Education

#### Access to tertiary education

A proportion of tertiary education is provided as a national service but from specific locations – notably Auckland, Wellington, Canterbury and Otago. For example, over 75 per cent of Otago's students in 2012 came from outside the region. There is considerable movement of young people to regions with universities in order to pursue tertiary education, which is likely to be reflected in lower skills levels in those regions without universities. Figure 33 shows student enrolment by NZQF levels in each region relative to regional populations. Otago's national education role stands out, with 12 per cent of the region's current resident population (including people who have migrated from other regions) enrolled as students in tertiary institutions. Likewise, the other regions with universities have higher student enrolment rates than those without.

Extramural education provides people with the flexibility to study certain courses regardless of where they currently live. Figure 33 also distinguishes extramural – or distance learning – enrolments, and shows that Manawatū-Wanganui and Wellington are large providers of education, although many of the students are located outside of those regions. Southland and Waikato also have a larger proportion of extramural students than other regions.

#### New Zealand's mobile workforce

New Zealand has a very dynamic and mobile labour market, with more inward and outward international migration and inter-regional migration than most other developed countries. While skills can be improved through formal education of the existing population and employer training, New Zealand is also reliant on international migration for skills supply.

Immigration is regionally concentrated, with the majority of long-term international migrants arriving in New Zealand settling at least initially in Auckland. Currently, 45 per cent of Auckland's workforce comprises people born overseas. Some of these migrants' skills are, however, being under-utilised, and migrants could potentially be driving even higher productivity if they were employed at the level of their education and experience. Other regions have more seasonal and lower-skilled labour needs, for example Nelson, Marlborough and Hawke's Bay which have large horticulture sectors and require labourers at various times of year.

Significant inter-regional migration of the working age population also occurs in response to relative job opportunities. This migration is not even across regions. Figure 34 shows that between March 2011 and March 2012, regions close to Auckland, such as Northland and Waikato, had a higher percentage of people moving to Auckland for employment than to other regions. Likewise, in the South Island, regions such as Otago, the West Coast, Nelson, Tasman and Marlborough saw a greater proportion of people moving to Christchurch for employment than to other regions. Auckland had the lowest percentage of its workforce moving to other regions for employment, as you would expect of New Zealand's largest labour market. However, the number of workers moving to Auckland from other regions (about 15,000) was about the same as the number leaving Auckland for the rest of New Zealand. Most of the growth in Auckland's labour force comes not from New Zealand, but from international migrants.

International and internal migration is explored in further detail in the *International connections* and *People* sections.

### 34. Inter-regional worker migration, 2011–2012

People moving to employment in another region as a percentage of employment in region of origin  
From year ending 31 March 2011 to year ending 31 March 2012

FROM	TO											
	Northland	Auckland	Waikato	Bay of Plenty	Gisborne/Hawke's Bay	Taranaki/Manawatū-Wanganui	Wellington	Tasman/Nelson/Marlborough/West Coast	Canterbury	Otago	Southland	Total
Northland		2.1%	0.6%	0.3%	0.2%	0.3%	0.3%	0.1%	0.3%	0.1%	0.1%	4.5%
Auckland	0.2%		0.6%	0.3%	0.1%	0.2%	0.3%	0.1%	0.3%	0.2%	0.0%	2.3%
Waikato	0.1%	2.1%		1.3%	0.2%	0.4%	0.3%	0.1%	0.2%	0.1%	0.1%	5.1%
Bay of Plenty	0.1%	1.4%	2.0%		0.4%	0.3%	0.4%	0.2%	0.3%	0.1%	0.0%	5.2%
Gisborne/Hawke's Bay	0.1%	1.0%	0.5%	0.5%		0.6%	0.8%	0.2%	0.3%	0.1%	0.1%	4.1%
Taranaki/Manawatū-Wanganui	0.1%	0.8%	0.6%	0.3%	0.4%		0.9%	0.2%	0.3%	0.1%	0.1%	3.8%
Wellington	0.1%	1.0%	0.2%	0.2%	0.3%	0.6%		0.2%	0.4%	0.2%	0.0%	3.1%
Tasman/Nelson/Marlborough/West Coast	0.1%	0.7%	0.2%	0.2%	0.2%	0.2%	0.7%		1.4%	0.4%	0.1%	4.1%
Canterbury	0.1%	0.9%	0.2%	0.1%	0.1%	0.2%	0.4%	0.6%		0.5%	0.2%	3.3%
Otago	0.1%	1.0%	0.2%	0.2%	0.1%	0.2%	0.6%	0.3%	1.3%		0.6%	4.6%
Southland	0.1%	0.5%	0.2%	0.1%	0.1%	0.2%	0.2%	0.3%	1.0%	1.5%		4.3%

Source: Statistics New Zealand

### Regional skills needs differ

As regions have different industrial compositions, employment opportunities and demand for skills vary across New Zealand, as illustrated in Figure 35. Regions with primary sector-based industries have higher than average levels of people employed as general labourers and machine operators. Regions that have large services sectors – such as Auckland and Wellington – have higher than average levels of people employed in highly skilled and skilled occupations such as law, finance, engineering and IT, and lower than average levels of people employed in elementary labour.

While we know from the data that the supply of skills varies across the New Zealand regions, it is difficult to tell how well these skills are matched with regional employers' needs and whether they are, in fact, constraining regional economies. Businesses report difficulties in finding the right skills, and also suggest there is a lack of young entrepreneurs coming through to start new businesses. This is true in regions with low unemployment, such as Canterbury, where there are particular skills shortages because of the earthquake rebuild effort, in smaller regions such as Southland, which is fully utilising its existing labour market, and also in regions of high unemployment such as Northland, where the population may not have the skills required by employers.

In addition, the nature of work is changing rapidly. Information technology is becoming increasingly pervasive, and work is becoming more flexible and international. Technological advances across industry sectors are demanding increasing levels of skills from our workforce. People in elementary and semi-skilled level occupations are now more likely to require specialist skills. For example, farm labourers now often need to have expertise in operating sophisticated farm machinery. Collectively these trends are impacting on regional labour markets, the talent businesses require and the skills people need in order to get employment and earn higher salaries.

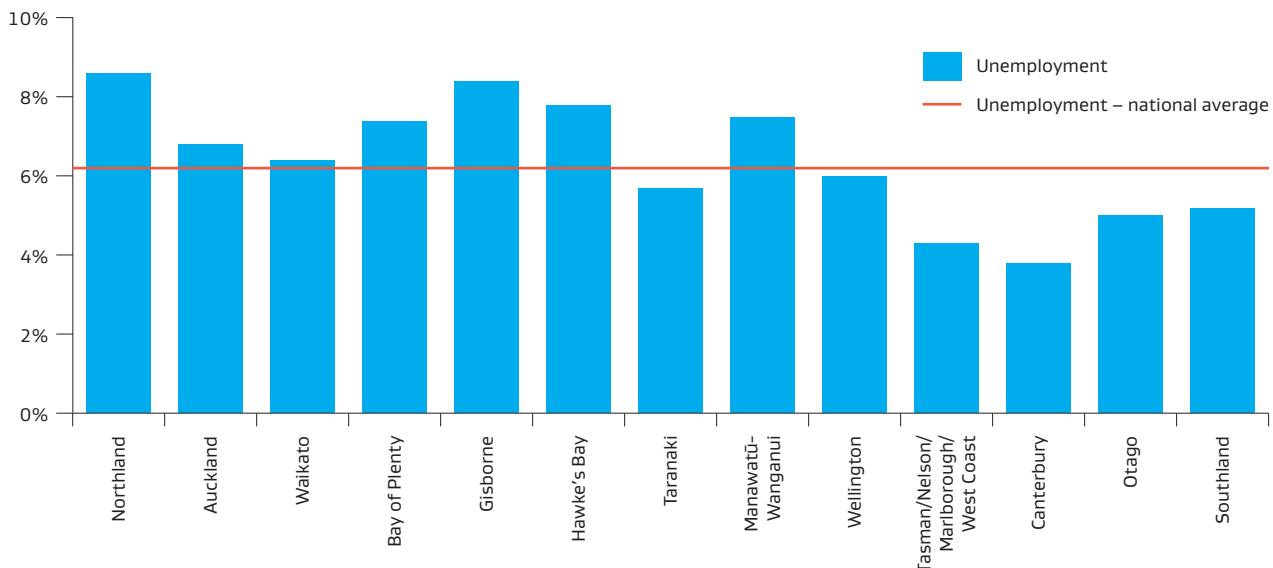
### 35. Regional workforce by skill level, per cent of employed based on current occupation, 2013

	Elementary	Semi-skilled	Skilled	Highly skilled
Northland	12	28	22	38
Auckland	10	14	24	52
Waikato	11	27	22	40
Bay of Plenty	12	23	24	41
Gisborne	14	30	21	36
Hawke's Bay	13	27	23	38
Taranaki	13	31	21	35
Manawatū-Wanganui	12	25	25	38
Wellington	9	12	25	54
Nelson	12	18	25	44
Tasman	12	30	21	37
Marlborough	12	30	23	35
West Coast	13	33	22	33
Canterbury	11	23	23	42
Otago	11	23	25	41
Southland	12	36	21	31
Total New Zealand	11	20	24	45

■ above national average   ■ at national average   ■ below national average

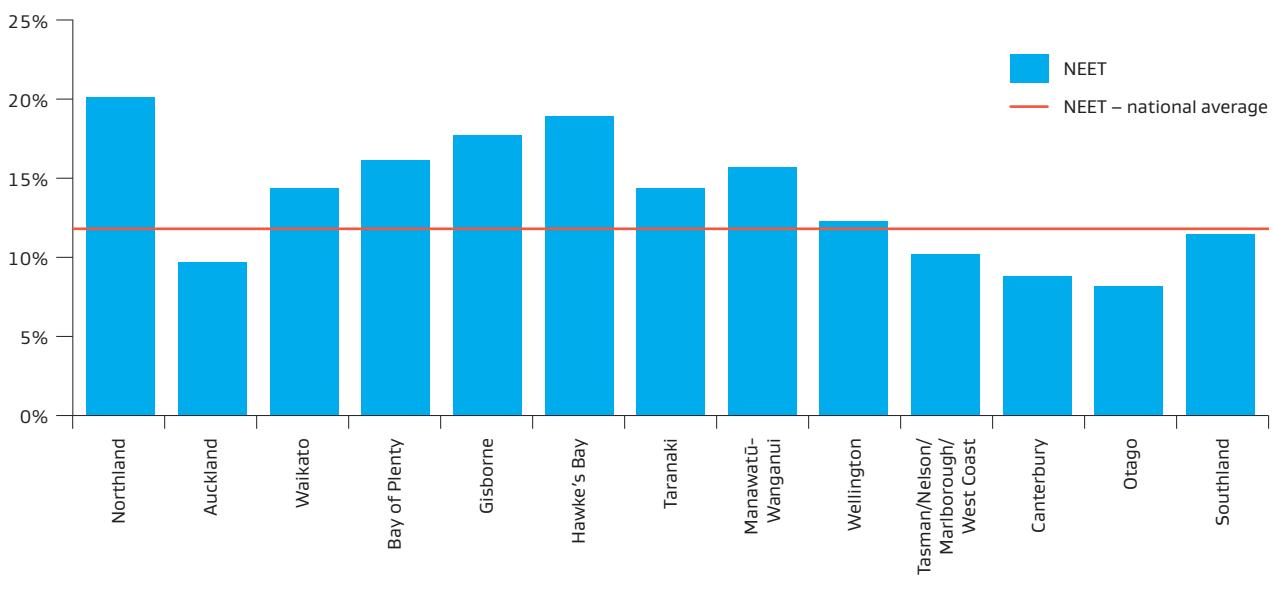
Source: Statistics New Zealand

### 36. Unemployment Rates, 2014 March year



Source: Statistics New Zealand Note: For unemployment rate definitions, see Sources and notes section

### 37. 15–24 year olds not in employment, education, or training (NEET) as a % of all 15–24 year olds, 2014 March year



Source: Statistics New Zealand

## Unemployment and youth not in education, employment or training (NEET)

Figure 36 shows unemployment rates by region. The lowest unemployment rates are in Canterbury, Southland, Otago and the Upper South Island.

Northland and Gisborne have had persistently high unemployment rates in recent years, suggesting that employment opportunities have not been keeping up with population growth or that particular groups do not have the skills required to match jobs in those regions, or both.

Figure 36 shows that unemployment rates tend to fall the further you go south. This has been consistent over the last decade. Unemployment rates in North Island regions have also fluctuated more strongly with the business cycle while the South Island has proved to be relatively less affected. The gap between north and south unemployment rates has widened since 2008. In the 2014 March year unemployment in the North Island was 6.8 per cent compared to 4.3 per cent in the South Island. South Island regions have been recovering more quickly because of increasing commodity prices and the Canterbury rebuild.

Higher rates of youth unemployed (and not otherwise in education or training) are of particular concern as the

experience of prolonged unemployment at this age may have long-term negative impacts on an individual's employment outcomes.

In New Zealand, those most likely to be NEET are Māori, young mothers and early school leavers. The NEET group is not evenly spread throughout New Zealand. Otago, Canterbury and Auckland have below average NEET rates, while Northland, Gisborne, Hawke's Bay and Bay of Plenty have significantly higher NEET rates than other regions. High NEET rates could be due to a lack of jobs opportunities for young people in these regions, and also a symptom of more significant underlying barriers to employment or post-school study, such as low qualifications, learning difficulties or health problems.

In developed countries, youth unemployment rates historically have been about double that of general unemployment rates. Similarly in New Zealand the proportion of young people aged 15 to 24 years not in education, employment or training (NEET) is about double the unemployment rate. However there is some regional variation in this pattern. In particular, NEET rates in Auckland and Otago are relative to their low unemployment rates (Figures 36 and 37).

# People

Local economies are about local people. Regional economic performance is interrelated with the size and characteristics of regional populations – and these vary considerably in terms of growth rates, age composition and ethnicity.

Regional economic growth attracts population growth, which in turn fuels further economic growth. Larger regional populations provide larger markets and more diverse labour forces and supplier networks.

The average age of each regional population is increasing, and this phenomenon is slowing population growth and increasing the proportion of dependants to working-aged people. This is happening more quickly in southern and smaller regions.

Regional economic outcomes also vary with ethnicity. Currently there is a gap between the average skill levels of Māori and Pacific people, and other groups. Many international migrants of other ethnicities bring higher skills that are not fully utilised.

International migration and the movement of people between regions, partly in response to relative economic opportunities, are having a significant impact on population growth, age and ethnic structure. New Zealand's population is highly mobile, but this mobility and its impact are, again, regionally divergent.

## Current population distribution across New Zealand

This report uses New Zealand sub-national population estimates, which are higher than the population counted on Census night for all regions. This is because the sub-national population estimates include people that the Census does not count. The estimates are more accurate when making regional comparisons.<sup>1</sup>

New Zealand's population is distributed across its regions in a similar pattern to the value of economic activity (see Figure 1 in the *Introduction* section). Over three-quarters of the population is located in the North Island. The Auckland region accounts for about one-third of the national population. In contrast, the eight least populated regions collectively make up 12.9 per cent of the national population.

## Regional population growth

Patterns of population growth are accentuating the concentration of people in Auckland and their dispersal across other places. From 2006–2013, just over half of New Zealand's population growth occurred in Auckland. Auckland's population grew by an estimated 1.6 per cent

per annum while other regions grew at between 0.2 and 0.9 per cent per annum (except Gisborne, which declined). Population growth in Auckland has long been higher than in other regions, in line with global urbanisation trends, where populations and employment are shifting to larger cities.

As Figure 38 shows, there was significant variation between sub-regional population growth rates between 2006 and 2013. Selwyn, Waimakariri and Queenstown-Lakes were the fastest growing districts, expanding more quickly than Auckland. Growth in the first two partly reflects the migration of people out of Christchurch City to surrounding districts within Canterbury following the earthquakes. Meanwhile, the populations of 13 territorial authority areas declined. Overall, the North Island experienced greater growth in terms of sheer numbers (driven by Auckland) than the South Island.

While population growth stimulates further economic growth, it is also placing pressure on infrastructure in Auckland and some other fast growing areas. On the other hand, declining regional populations are confronted with the challenge of reducing infrastructure capacity or standards, or continuing to maintain them from a dwindling local funding base.

Population projections suggest slower population growth across New Zealand in the future, with Auckland continuing to experience the fastest growth among the regions. An increasing number of territorial authority areas are projected to have gradual small declines in population as their populations' age.<sup>2</sup>

## International migration

This section highlights the impact of international migration<sup>3</sup> on regional populations. The wider regional economic impacts of international migration are addressed in the *International connections* and *Skilled workforce* sections.

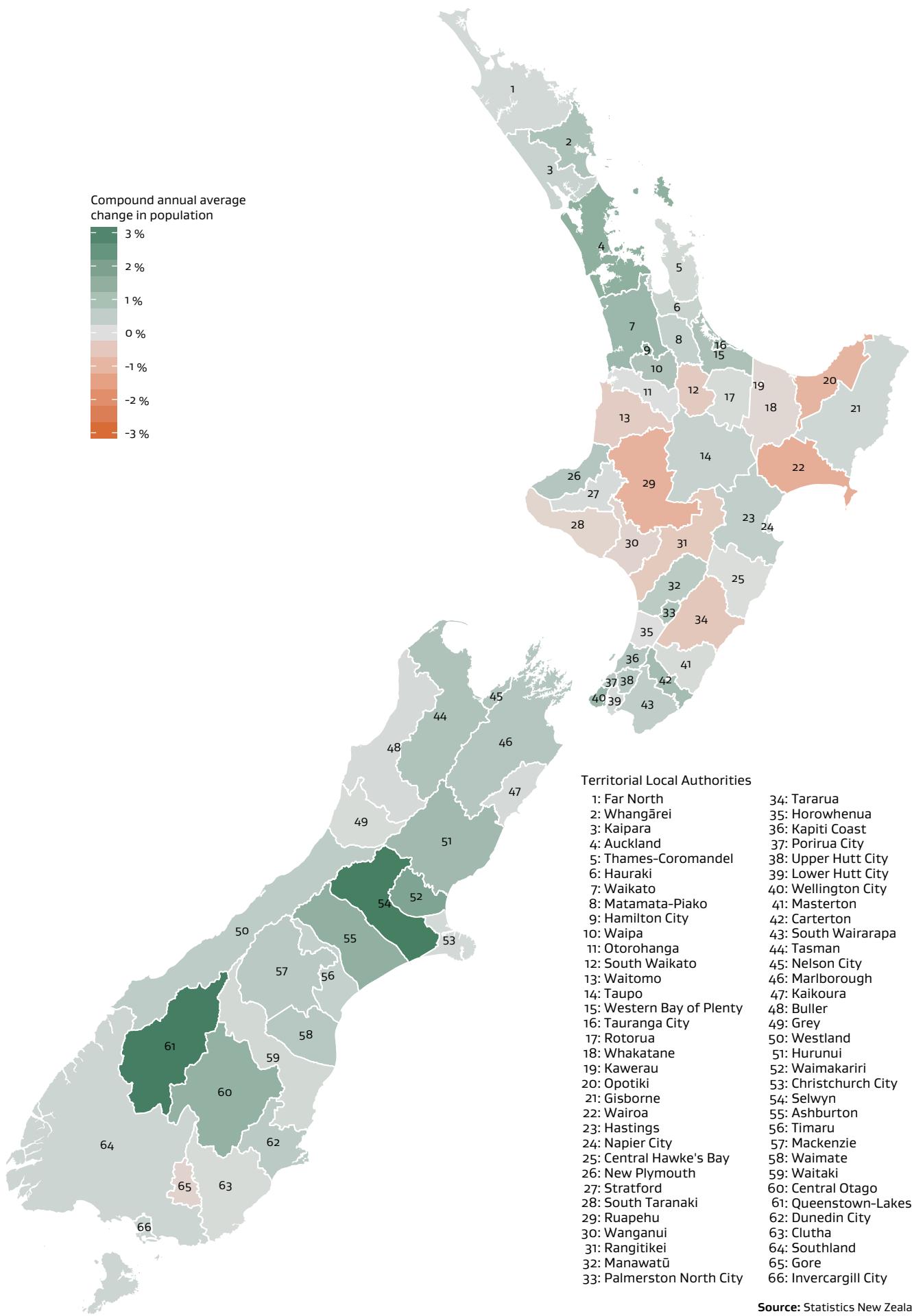
Over the last twenty years international immigration to New Zealand has been high as a proportion of its resident population compared with other countries, generally more than offsetting the numbers of people leaving for overseas. From year to year there is considerable fluctuation in net migration numbers (arrivals minus departures), depending on relative economic opportunities between New Zealand and other countries – particularly Australia.

<sup>1</sup> The Census does not count people temporarily overseas on census night, and misses some people in New Zealand (Census undercount). In past censuses, young adults, Māori, Pacific, and Asian peoples – who are more significant in some regions than others – are disproportionately undercounted. Statistics New Zealand will be revising population estimates to incorporate the 2013 Census results in 2014. The Regional Economic Activity Report website charts on population will then be revised accordingly at [www.mbie.govt.nz/what-we-do/business-growth-agenda/regions](http://www.mbie.govt.nz/what-we-do/business-growth-agenda/regions)

<sup>2</sup> Current population projections are informed by the 2006 Census. Statistics New Zealand will update and release these projections in 2014/15.

<sup>3</sup> International migration refers to 'permanent and long-term' arrivals and departures. Arrivals include people from overseas arriving to live in New Zealand for 12 months or more (including permanently), and New Zealanders returning after an absence of 12 months or more overseas. Departures include New Zealanders departing for an absence of 12 months or more (including permanently), and people from overseas who are departing after a stay of 12 months or more.

### 38. Compound annual average change in population (%) by Territorial Authority, 2006–2013



There is also significant regional variation. International migration is a key driver of Auckland's population growth, but not so significant in other regions. Figure 39 shows the international migrants going to each region, net of people emigrating overseas, on an annual average basis over the last decade. This shows that in Auckland there was a net addition of 650 international migrants per 100,000 residents, each year. Net migration also added to the populations in Otago and Canterbury (with international migrants to Canterbury increasing recently for the Canterbury rebuild). The impact on other regions has tended to be either neutral or that more people have left than arrived. Northland, Bay of Plenty, Gisborne and Hawke's Bay in particular experienced a net loss of population overseas.

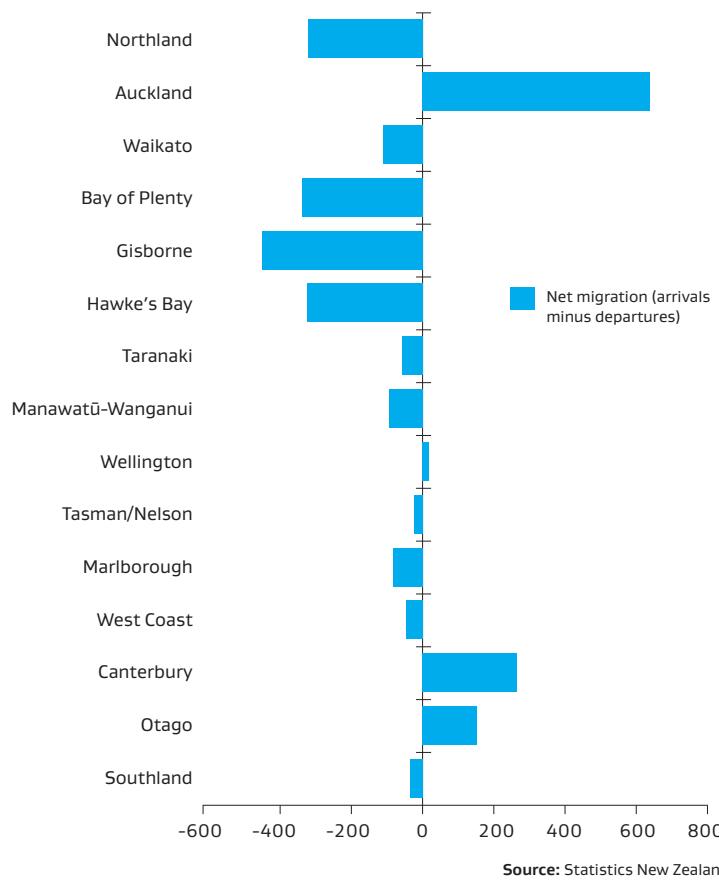
### Migration between regions

New Zealand also has relatively high rates of internal migration (people moving between regions) when compared with other countries. This section discusses total population movements between regions, while the *Skilled workforce* section focuses on movements of the working age population.

Patterns of internal migration are quite different to patterns of international migration. For example, the net impact of inter-regional movements of the total population on Auckland is negative: more people leave Auckland for other regions than arrive to Auckland from other regions. This movement slightly offsets the gains from international migration to Auckland. The inter-regional patterns are strongly age-related, with Auckland having a net gain of people at ages 15–29 years, but a net loss of people at other ages. Historically, the northward drift dominated New Zealand's internal migration, with Auckland gaining more internal migrants than it lost. However, by 2001 the net flow reversed; data indicates that Auckland lost more people to other regions than it gained during 1996–2001, 2001–2006 and 2008–2013.

Internal migration comprises a complex mix of different movements. Migration is highest between adjacent regions;

**39. Net international migrant flows per capita (per 100,000 residents) by region, 2003–2013 average**



Source: Statistics New Zealand

however, people between the ages of 15 and 64 tend to shift to education centres and larger job markets, while older migrants tend to retire to smaller areas. International migrants (including New Zealanders returning from overseas) make up some of the people who move between regions.

Figure 40 shows the net movements between regions from 2008–2013, expressed as percentages of the population of

### 40. People moving between regions, 2008–2013, movements as a percentage of the population of the source region

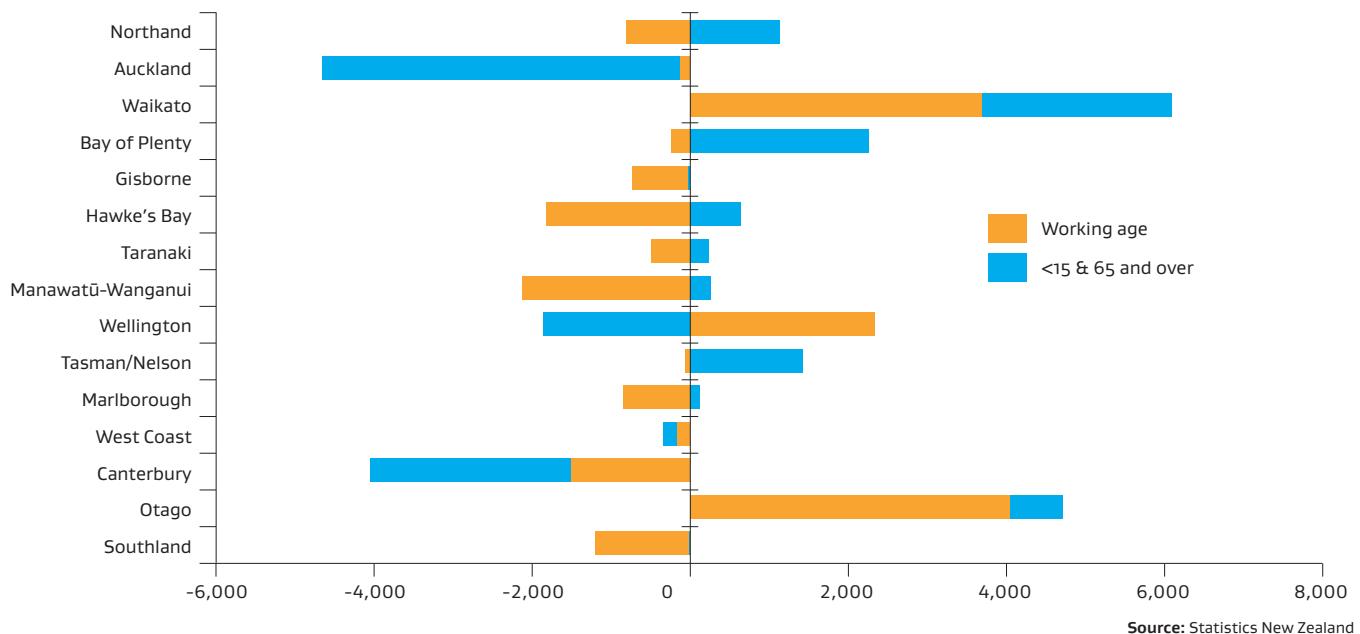
FROM	TO																		Net internal migration (2008–2013) (N)
	Regional Council Area of Usual Residence (2013)																		
Usual Residence Five Years ago (2008)	Northland Region	Auckland Region	Waikato Region	Bay of Plenty Region	Gisborne Region	Hawke's Bay Region	Taranaki Region	Manawatū-Wanganui Region	Wellington Region	Tasman Region	Nelson Region	Marlborough Region	West Coast Region	Canterbury Region	Otago Region	Southland Region	Outflows (2008–2013) (%)	Net internal migration (2008–2013) (N)	
Northland		5.9%	2%	0.9%	0.1%	0.3%	0.3%	0.5%	0.7%	0.1%	0.1%	0.1%	0%	0.8%	0.5%	0.1%	12.5%	315	
Auckland	0.8%		1.5%	0.7%	0.1%	0.2%	0.2%	0.3%	0.7%	0%	0.1%	0.1%	0%	0.6%	0.4%	0.1%	5.8%	-4,662	
Waikato	0.6%	3.7%		2.5%	0.2%	0.5%	0.4%	0.8%		1%	0.1%	0.1%	0.1%	0.7%	0.4%	0.2%	11.2%	6,102	
Bay of Plenty	0.4%	3.1%	4%		0.3%	0.5%	0.3%	0.7%	1.1%	0.1%	0.1%	0.1%	0.1%	0.8%	0.5%	0.2%	12.2%	2,007	
Gisborne	0.4%	2.4%	2.1%	2.1%		1.8%	0.3%	1.1%		0.1%	0.1%	0.1%	0%	0.8%	0.5%	0.2%	13.9%	-735	
Hawke's Bay	0.2%	1.9%	1.4%	0.9%	0.5%		0.3%	1.6%	2.4%	0.1%	0.1%	0.1%	0%	0.9%	0.5%	0.1%	11.1%	-1,191	
Taranaki	0.3%	1.9%	1.6%	0.7%	0%	0.3%		1.8%	1.8%	0.1%	0.1%	0.1%	0.1%	0.7%	0.5%	0.1%	10.1%	-237	
Manawatū-Wanganui	0.3%	1.9%	1.8%	1%	0.2%	1.2%	0.9%		3.1%	0.1%	0.1%	0.2%	0.1%	1.2%	0.5%	0.2%	12.7%	-1,878	
Wellington	0.2%	2.5%	0.7%	0.7%	0.1%	0.6%	0.3%	1.6%		0.2%	0.2%	0.2%	0%	1.1%	0.7%	0.1%	9.3%	498	
Tasman	0.2%	1%	0.5%	0.7%	0.1%	0.2%	0.1%	0.4%	1.6%		6.6%	0.7%	0.8%	3.2%	1.1%	0.4%	17.6%	1,317	
Nelson	0.2%	1.8%	0.6%	0.5%	0.1%	0.2%	0.2%	0.4%	2.7%	7.8%		1.2%	0.9%	3.6%	1.2%	0.4%	21.5%	66	
Marlborough	0.2%	1.8%	0.7%	0.7%	0.1%	0.4%	0.2%	0.9%	2.2%	1.1%	1.5%		0.5%	5.4%	1.3%	0.4%	17.4%	-714	
West Coast	0.2%	0.7%	0.7%	0.3%	0.1%	0.2%	0.2%	0.4%	0.8%	1.4%	1.3%	0.8%		7.3%	1.5%	0.6%	16.7%	-312	
Canterbury	0.2%	2%	0.6%	0.4%	0%	0.2%	0.1%	0.4%	1.1%	0.4%	0.4%	0.4%	0.4%		1.7%	0.5%	8.9%	-4,065	
Otago	0.2%	2.3%	0.6%	0.5%	0.1%	0.2%	0.2%	0.4%	1.8%	0.2%	0.3%	0.2%	0.2%	4%		1.6%	12.9%	4,701	
Southland	0.2%	0.7%	0.6%	0.4%	0.1%	0.2%	0.2%	0.3%	0.5%	0.2%	0.2%	0.2%	0.2%	3.2%	4.7%		11.7%	-1,212	

Note: Colour tone indicate the percentage of people moving out to another region from 2008 to 2013 as a percentage of residents (aged 15 and above) in the source region.

Darker tones indicate higher outflows in percentage terms

Source: Statistics New Zealand

#### 41. Net internal migration by region and age group, 2008–2013



the source region.<sup>4</sup> Figure 41 shows net internal migration by region from 2008–2013, split into working age people and those aged under 15 or 65 and over.

During that period, Northland, Bay of Plenty, Hawke's Bay, Taranaki, Manawatū-Wanganui and Marlborough gained children or retired people from other regions, while losing young adults and working age people.

Auckland and Wellington experienced the reverse, losing people aged under 15 or 65 and over; Wellington gained working age people while Auckland gained 15–29 year olds but lost as many people aged 30–64. Canterbury experienced a net loss of population in both age groups (an aberration due to the Christchurch earthquakes), as did Southland, the West Coast and Gisborne. Meanwhile, Waikato and Otago experienced a net gain of both age groups, Waikato particularly from Auckland, and Otago from Canterbury and Southland.

Internal migration movements are partly a symptom of relative economic opportunities between regions. They also affect the economic outcomes of regions by altering their population numbers and age composition.

#### Ageing

As is the case internationally, people aged 65 and over are increasing in number and as a proportion of New Zealand's population.<sup>5</sup> This is slowing population growth. It is also increasing the proportion of economically "dependent" people (classified as those under the age of 15, or 65 and over) relative to those most able to work.<sup>6</sup> Higher age dependency ratios globally will increase competition for skilled migrants, and will require our working age population to produce more,

4 Figure 34 in the Skilled workforces section shows movements of workers between regions, as a percentage of total employment in the source region.

5 New Zealand's ageing reflects a global trend in the 58 more developed countries. The population aged 65 and over in these countries is projected to grow by 98 million over the next 20 years, while all other age groups will likely decline by 41 million (US Census Bureau International database). New Zealand is one of the most youthful developed countries so is ageing later.

6 There is no official retirement age in New Zealand and many people continue working after reaching 65 years. However employment rates and hours worked decline significantly beyond age 65.

either by increasing employment participation or by increasing output per worker. Ageing is also generating market demand for health care and personal services.

Population ageing is occurring in all regions in New Zealand but at markedly different rates, particularly at sub-regional levels. Those ageing the fastest are likely to experience gradual population decline as deaths increasingly outnumber births. In the three years ended December 2013, deaths exceeded births in Thames-Coromandel, Kapiti Coast, Horowhenua, and Timaru districts. Deaths are projected to exceed births in 16 territorial authorities by 2031. In addition, 56 out of 67 territorial authorities will see all of their population growth in the 65 and over age group between 2011 and 2031 (Figure 42) (Jackson N.O. 2013). These are all smaller, more rural areas and many of them are in the South Island.

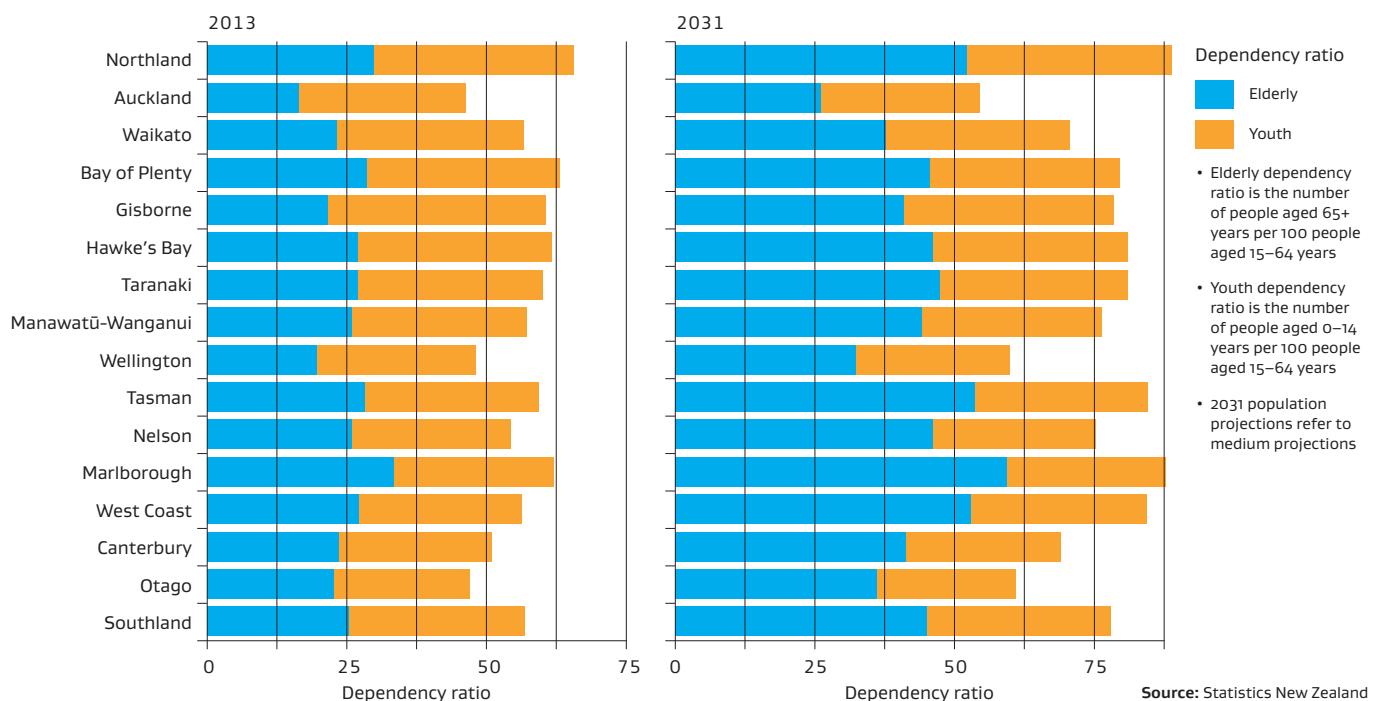
#### 42. Projected percentage of population growth at 65+ years 2011–2031, medium projection

Auckland, Hamilton City, Queenstown-Lakes District	36–37%
Tauranga City, Wellington City, Selwyn District	44–46%
Waikato District, Palmerston North City, Waimakariri District	60–63%
Whangārei District, Christchurch City	95%
The other 56 Territorial Authority areas	100%

Source: Statistics New Zealand, N.O. Jackson (2013)

Figure 43 shows the impact of the ageing population on each region's dependency ratio in 2013 and in 2031. Currently, for every 100 working age people in New Zealand, there are 52 young or older dependants. Auckland, Wellington and Otago have lower dependency ratios than other areas. The gap between these centres and other regions is projected to widen over the next 20 years. By 2031, it is projected that there will be 64 age dependants for every 100 workers in New Zealand. However, there are likely to be 80 plus dependants per 100 workers in Northland, Bay of Plenty, Taranaki, Hawke's Bay, Tasman, Marlborough and the West Coast. While these small regions may offer a good lifestyle, younger people are drawn

### 43. Dependency ratio, 2013 estimates and 2031 projections



away to other regions for tertiary education and a greater choice of jobs.

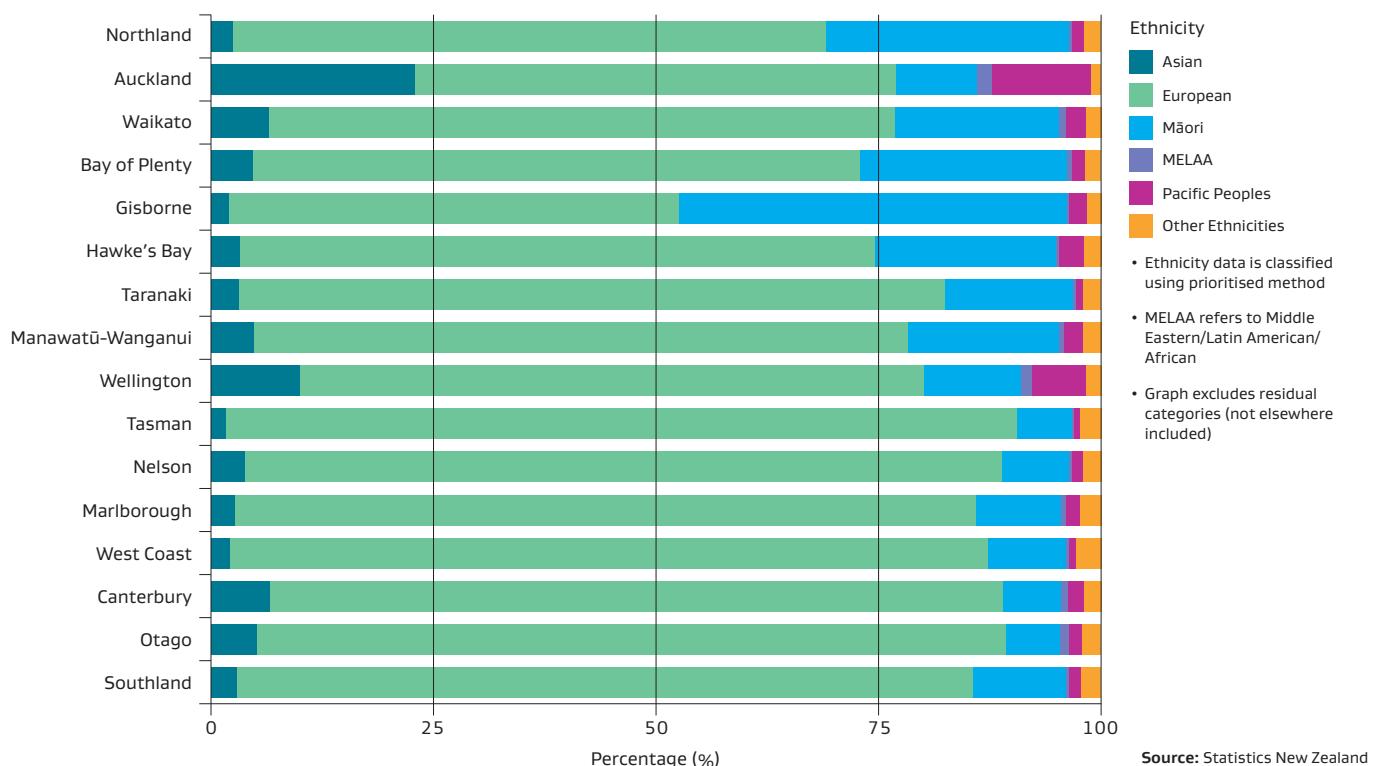
More detailed investigations into New Zealand's patterns of ageing and migration are being undertaken by the National Institute of Demographic and Economic Analysis <http://www.waikato.ac.nz/nidea/>.

#### Ethnicity

The majority of residents in all New Zealand regions identify with a European ethnicity (figure 44), but some regions are diversifying relatively quickly. Māori are much more likely to live in North Island than South Island regions and make

up 45.1 per cent of Gisborne's population. Auckland is the most ethnically diverse community, with 70 per cent of New Zealand's Pacific and Asian people, and 24 per cent of New Zealand's Māori population. Māori and Pacific populations are particularly youthful and, along with the Asian population, are growing faster than the New Zealand population overall. As a result, these three ethnic groups will constitute an increasing share of the population, particularly in Auckland. Improving the ability of these groups to participate in the economy will benefit New Zealand. Opportunities to improve regional economic outcomes of Māori are further discussed in the next section.

### 44. Ethnic composition of the New Zealand population, 2013



# Māori economic development

To achieve economic growth and higher living standards, every part of New Zealand's economy will need to realise its potential. Māori economic activity is a growing part of the economy and will play an increasingly vital role in achieving our economic outcomes as a nation.

The Crown and Māori have entered into an economic growth partnership, *He kai kei aku ringa*, (literally, "to provide food with your own hands"). The partnership has six areas of focus:

- greater educational participation and performance
- skilled and successful workforce
- increased financial literacy and savings
- government, in partnership with Māori, enabling growth
- active discussions about development of natural resources
- Māori Inc as a driver of economic growth.

A regional approach to implementing this partnership is key.

## Regional Māori economic activity

The majority of Māori economic activity is made up of the work of Māori wage and salary earners, and Māori who own businesses or are self-employed. A smaller share of total Māori economic activity is derived from traditional land holdings and enterprises that have leveraged off Treaty of Waitangi settlements.

The highest concentrations of Māori economic activity are in the central and upper North Island, including Northland, Auckland, the Waikato, the Bay of Plenty and Gisborne. The majority of the Māori population, along with a high proportion of traditional land holdings and a significant number of the larger historical Treaty of Waitangi settlements, are located in these regions.

The increase in Māori economic activity is driven by several factors. There are increasing numbers of Māori in the working age population and there are changes in the occupational structure of the Māori workforce. In addition more businesses are being developed or are leveraging off Treaty settlements, Māori land is being better utilised, and there has been increased development of Māori social service, education and health providers.

Despite this, Māori lag behind other ethnic groups in New Zealand on many key indicators, especially employment rates, education and income. There is an important regional dimension to this performance, with more than a third (34.6 per cent) of all Māori living in the five regions with the lowest employment rates (Northland, Gisborne, Bay of Plenty, Manawatū-Wanganui, and Hawke's Bay). Four out of five of these regions (except Bay of Plenty) also have the lowest per capita GDP and a lower than national average employment growth rate.

## Māori make up a growing share of the workforce

Māori are becoming a more significant part of the New Zealand workforce. The older working age group (30–64) experienced the largest increase in the Māori population between 2006 and 2013, growing by 8.5 per cent. Māori now make up one in seven of all people living in New Zealand and are a comparatively young group compared to European and Asian ethnic groups. Māori had a median age of 23.9 in 2013 compared to European and Asian ethnic groups which had median ages of 41 and 30.6 respectively (Statistics New Zealand 2014).

The Māori workforce, and Māori businesses, are concentrated in the North Island. Eight of the ten largest iwi are based in the central and upper North Island and more than 56 per cent of the Māori population lives in Auckland, Northland, Waikato and the Bay of Plenty. Nearly a quarter (23.8 per cent) of all Māori live in Auckland and 86 per cent live in the North Island. The regions in which Māori make up the largest share of the regional population are Gisborne, Northland and the Bay of Plenty at 45 per cent, 30 per cent and 25 per cent respectively (Figure 44).

Nationally, the Māori employment rate (the proportion of people of working age 15 and over who are employed) is 57.9 per cent compared to 64.5 per cent for non-Māori. Regionally, the Māori employment rate varies widely, from Northland at 49.3 per cent to Southland at 68.6 per cent (Figure 45).



## Employment and incomes vary by region

The gap between employment rates for Māori and non-Māori also varies by region (Figure 46). The gap is largest in Northland, Auckland and Gisborne-Hawke's Bay. The gap narrows in the lower North Island and is very small in Canterbury. In the remainder of the South Island, Māori have a slightly higher employment rate than non-Māori.

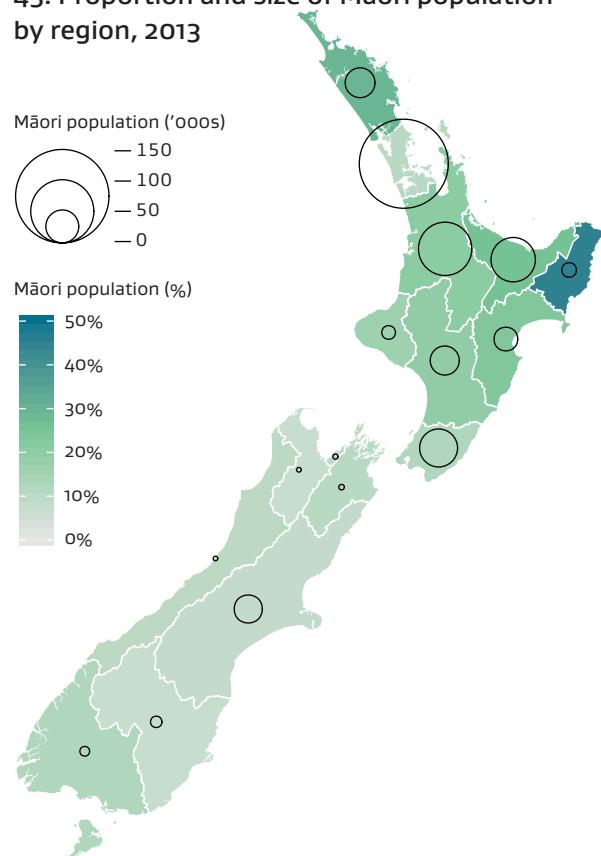
There is disparity between Māori and non-Māori income at national level. The national median personal annual income for Māori was \$22,500 compared with \$29,400 for non-Māori. Regionally, differences are also notable (Figures 47 and 48). The median personal income for Māori in Northland, Bay of Plenty, Gisborne, Hawke's Bay and Manawatū-Wanganui was about \$20,000 in 2013. Median personal incomes for Māori in Canterbury, Auckland, Wellington and Southland were around 25 per cent higher (Figure 47).

The key factors influencing Māori employment and incomes are poorer outcomes in education, a younger population with a smaller share of people in the older higher-earning age group, and a concentration of Māori in regions with lower average incomes and fewer employment opportunities.

## Education drives changes in Māori employment and income outcomes

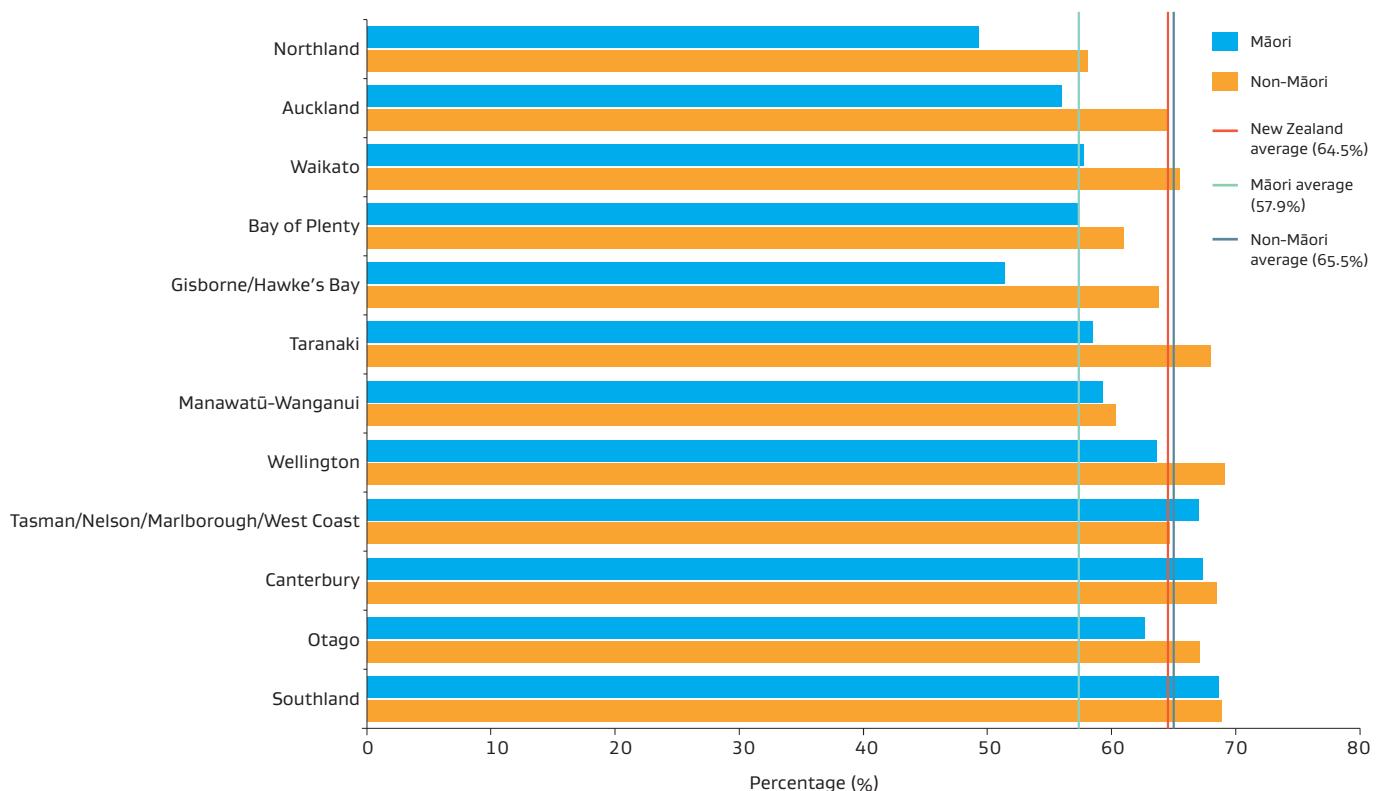
Historical disparities in educational outcomes have led to a narrower occupational structure for Māori, concentrated in unskilled and less skilled occupations which earn lower incomes (Figure 48).

## 45. Proportion and size of Māori population by region, 2013



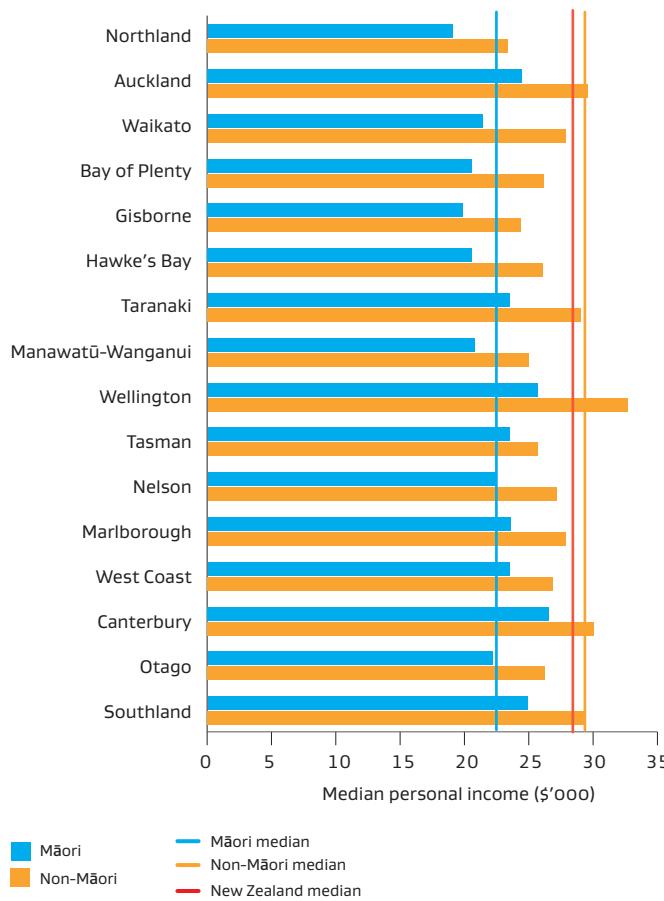
Source: Statistics New Zealand

## 46. Māori and non-Māori employment rate by region (annual average), 2014 March year

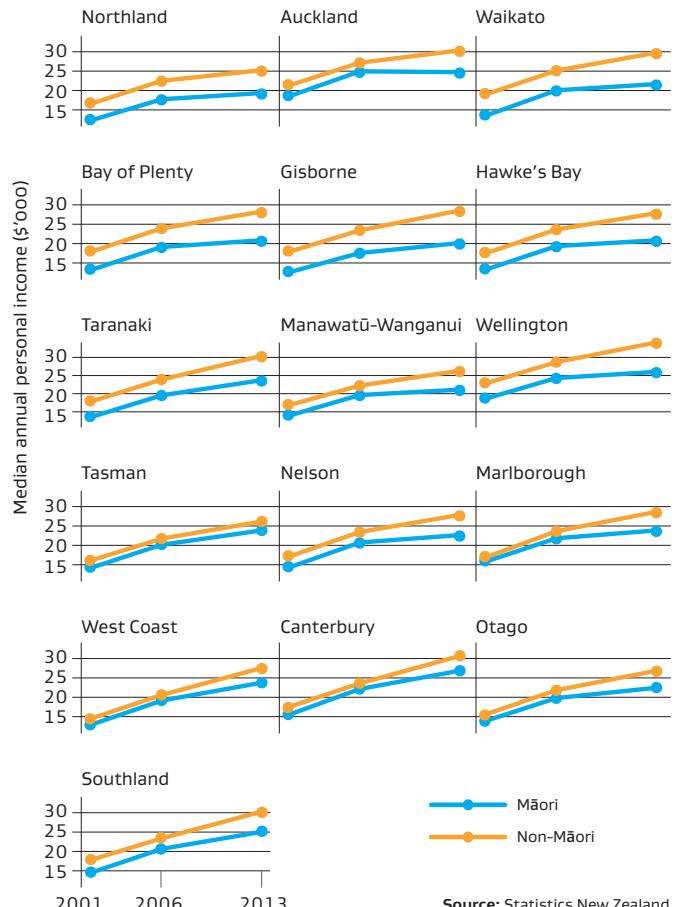


Source: Statistics New Zealand

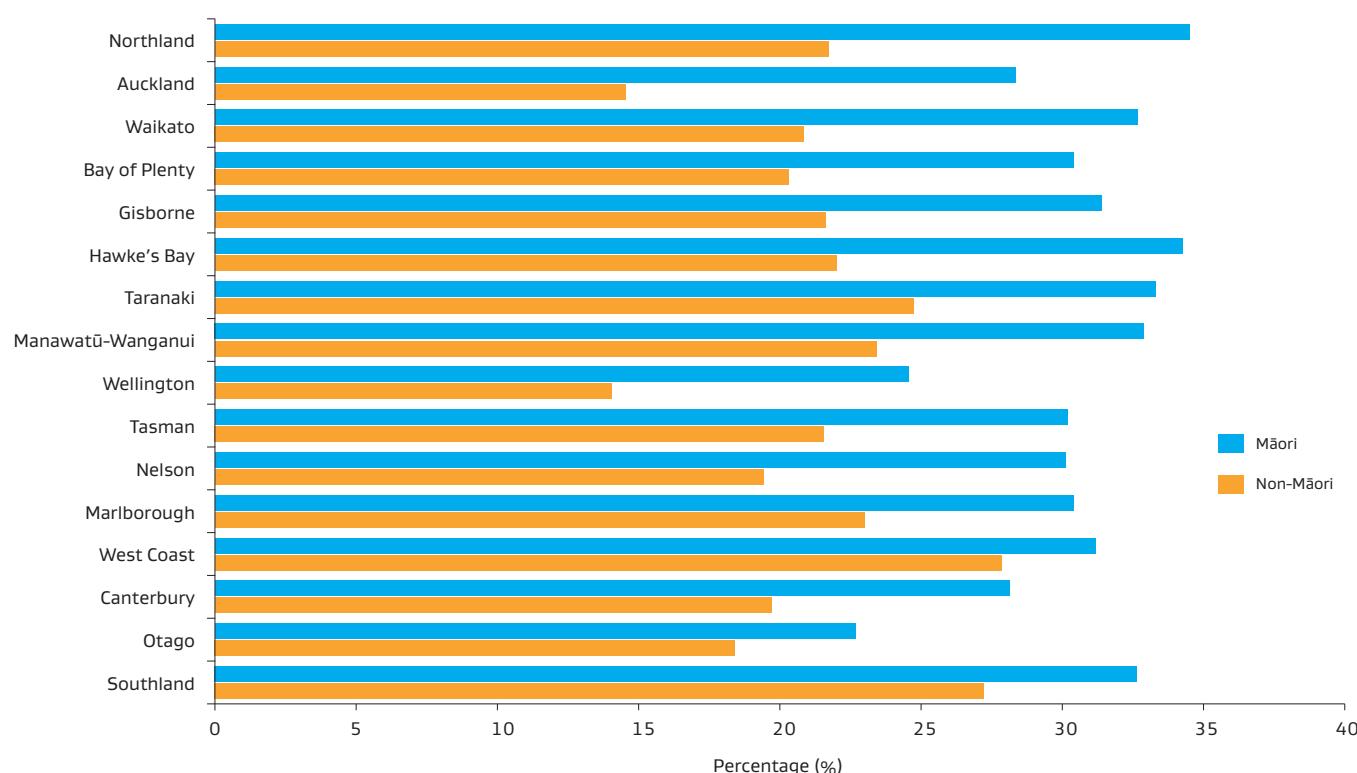
**47. Median personal annual income of Māori and non-Māori, 2013**



**48. Median personal annual income of Māori and non-Māori, 2001–2013**



**49. Percentage of Māori and non-Māori with no qualifications by region, 2013**



## 50. Māori education outcomes 2006 & 2013

	2006	2013
% Māori leaving school without qualifications	39.9	33.3
% Māori with levels 1–4 NZQF	46.8	50.2
% Māori women with a bachelor's degree or higher	8.4	12.3
% Māori men with a bachelor's degree or higher	5.6	7.4

Source: Statistics New Zealand

Income disparity between Māori and non-Māori also increases during economic recessions as people with fewer skills and qualifications tend to be affected first and for the longest. This widening of the gap is evident for nearly all regions after the global financial crisis (Figure 48).

Māori education outcomes are improving. The proportion of those leaving school without qualifications fell from 39.9 per cent in 2006 to 33.3 per cent in 2013, and those with Level 1–4 NZQF rose from 46.8 per cent to 50.2 per cent. In 2013, 12.3 per cent of Māori women and 7.4 per cent of Māori men had a bachelor's degree or higher, compared with 8.4 per cent and 5.6 per cent in 2006 (Figure 50).

These improvements flow into the Māori occupational structure. The proportion of Māori in highly skilled occupations now stands at 25 per cent (Statistics New Zealand, 2013). Many education policies and programmes are focused on ensuring this trend continues.

## Māori business development

Māori are involved in business in a number of ways, most frequently self-employed or as the owners of businesses that employ others. There are also businesses based on traditional land holdings and those that have been created using the financial and commercial redress received in Treaty of Waitangi settlements.

In addition, Māori organisations providing social, health and education services generate a significant amount of economic activity. These providers are spread throughout the country and are run by both iwi-based and other organisations, such as urban authorities.

Collectively, these businesses could have a significant role in delivering opportunities for Māori over the next two decades.

Although good data on numbers and the size of Māori businesses is lacking, a study prepared for the Māori Economic Taskforce estimated the assets owned by Māori in business as self-employed or as employers totalled \$26.4 billion (BERL Economics, 2010).

## Māori traditional land holdings

Businesses utilising traditional land holdings are primarily located in the North Island, and are primarily based on sheep and cattle production with smaller dairy and horticulture and forestry holdings. Together these businesses, which are held in trusts and incorporations, make up a significant proportion of New Zealand's primary production: 10–15 per cent of sheep and beef production, 8–10 per cent of dairy production and 10 per cent of kiwifruit (Ministry of Business, Innovation and Employment, 2013b).

## 51. Treaty Settlement status



Some businesses based on traditional land holdings are large and are producing, processing and marketing products. Examples include the Mangatu Incorporation in the Gisborne region, the Wakatu Incorporation in the Nelson and Tasman regions, and Miraka Ltd in the Waikato region. Others use their natural resources base to generate electricity from geothermal power or receive royalties from the mining of iron sands. Examples include the Tuaropaki Trust and Taharoa C Incorporation in the Waikato.

While these businesses are already experiencing a period of growth, there is considerable opportunity for further expansion. Leveraging opportunities will require some Māori businesses to increase capital investment and technical and business skills, and, in some cases, convert land to higher value use. Proposed changes in the legislative framework within which Māori land is held will also support growth.

### **Post-Treaty settlement businesses**

The Treaty of Waitangi historical settlement process over the last 20 years has also been a major influence on the development of Māori enterprises and business growth. Because those settlements are inherently regional, this has had an impact on economic activity in certain areas.

As iwi are concentrated in the central and upper North Island (Figure 51), a large number of settlements have taken or will take place there. So far, settlements of more than \$40m in these regions include:

- the Central North Island Forestry settlement, in which eight iwi received 176,000 ha of land subject to Crown forestry licences worth \$280m including accumulated forest licence rentals
- Tuhoe – \$168.9m in financial redress, including their share of the Central North Island (CNI) settlement
- Raukawa – \$50m, including their share of the CNI redress
- Ngāti Porou – \$90m
- Ngāti Awa – \$43.3m
- Waikato Tainui Raupatu – \$170m
- the Tamaki Makaurau Settlement process covering all iwi and hapu in the Auckland region will be more than \$100m
- Muriwhenua – four of the five iwi of the Far North have settled for a total of \$96.8m.

Treaty settlements provide redress that can be used as a form of capital that is more flexible than traditional land holdings and can be switched from sector to sector or business to business, depending on the returns that can be achieved.

Three of the earliest settling groups show the potential growth that can be achieved by effective investment of

settlement funds. Ngāi Tahu Property, part of Ngāi Tahu Holdings, the commercial operations of Te Runanga o Ngāi Tahu, is the largest developer of residential property in Christchurch. Tainui Group Holdings, the commercial component of Waikato-Tainui, has developed a major retail complex in Hamilton and is proposing to develop an inland port at Ruakura near Hamilton. Ngāti Whātua o Ōrākei has become a significant investor and developer of residential and commercial property in central Auckland.

The pattern of economic activity generated by each of these settlements has been replicated on a smaller scale in other regions. This is the single fastest expanding area of Māori economic activity and will continue to be so for some time as the settlement process is completed as those settled groups are likely to establish or extend their own commercial operations. So far \$1.6 billion has been agreed upon in financial redress (Office of Treaty Settlements, 2014). Some large iwi have yet to complete settlements. They include Ngāpuhi (Northland), Ngāti Tuwharetoa (Taupō, Waikato) and Ngāti Maniapoto (the King Country, Waikato).

Although they are a strong presence in some regions, iwi and businesses based on traditional land holdings only employ a small share of the Māori workforce and account for a small proportion of the total income received by Māori.

### **Improving Māori economic outcomes**

Improvements in economic outcomes for Māori will build on existing momentum. An increased share of Māori in regional working age populations will continue to add to output, while improvements in educational achievement and skill development will broaden the range of occupations in which Māori take part. Treaty settlements are already being used to support tertiary education for young Māori. Key policies and programmes like Ka Hikitia in the education system and Māori and Pasifika Trades Training in skills development are intended to reinforce these trends.

The productivity of Māori traditional land holdings is also the focus of significant efforts by landowners to improve returns through more effective management, product development and diversification of land use. The Ministry for Primary Industries has initiated projects to assist in improvements in productivity. Reform of Te Ture Whenua, the legislative framework within which Māori land is held, is a focus for both landowners and the Crown.

The completion of the Treaty settlement process will provide further opportunity for Māori business development and will add to the momentum of Māori economic activity. Achieving the potential of settlements is one area of focus of *He kai kei aku ringa*, the Crown-Māori Economic Growth Partnership.



### Business Growth Agenda actions relevant to Māori economic development

Lift Māori school leaver achievement

Māori and Pasifika Trades Training

Leverage cultural and asset base of Māori economy for growth

Māori tourism action plan

Incorporate unique Māori cultural dimension to the New Zealand Story

Improve utilisation and productivity of Māori assets

Promote best practice governance for collectively held resources

Advance productivity of Māori agribusiness

Review Te Ture Whenua Maori Act 1993

The development of Callaghan Innovation

# Natural resources

Natural resources provide the basis for over half of New Zealand's exports, and are the foundation for economic activity in most of our regions. These resources include quality soils, terrain and fresh water, our surrounding oceans, petroleum and minerals, and public conservation land.

Each region has a different set of natural resource endowments underpinning variation in regional economic activity and performance. World prices for products from natural resources also affect regional economies. Commodity prices are particularly volatile, and prices for different commodities can move in different directions (as shown in the *International connections* section). Some regions have particularly benefited from increasing dairy prices over the last decade. In response, over the last decades, there has been considerable change in primary sector activity and the face of rural New Zealand.

Agricultural production can be significantly affected by climate. The 2013 drought had a particularly severe and negative impact on agricultural production levels, especially in the north and east of the North Island.

Agriculture is also subject to environmental constraints including the ability of land and waterways to cope with increased nutrient loads. However there are still opportunities to maximise the value of production and some natural

resources are relatively untapped in each region. Businesses within regions can maximise value in a number of ways:

- converting farms to higher value primary products (such as from sheep to dairy) or increasing the value of current production through improved product attributes (such as high nutrient or sustainable food products).
- adopting improved farm practices and technologies (for example adopting sustainable irrigation practices and better nutrient management).
- developing technical and business management skills.
- developing high-value tourist products based on regional advantages.

## Regional land capability and use

New Zealand's natural resource endowments range from steep land with poor soils, which are more suited to forestry and sheep and beef farming, to rich fertile plains, where dairy farming, crops and horticulture are more suited.

### 52. Regional shares of national stock units and planted hectares, by agriculture type (%)

	Dairy (stock units)	Beef (stock units)	Sheep (stock units)
Northland	6.2	10.2	1.4
Auckland	1.8	3.2	0.7
Waikato	28.4	13.6	5.7
Bay of Plenty	4.8	2.5	1.0
Gisborne	0.3	7.2	5.0
Hawke's Bay	1.4	12.7	10.5
Taranaki	9.4	2.8	1.4
Manawatū-Wanganui	7.4	15.6	18.0
Wellington	1.7	3.8	5.3
Nelson/Tasman	1.1	1.1	0.9
Marlborough	0.5	1.6	1.8
West Coast	2.7	0.8	0.2
Canterbury	18.6	12.6	17.1
Otago	5.2	7.8	17.1
Southland	10.4	4.6	14.0

All figures are for 2012 except for aquaculture which is for 2014

\* Forestry figures are for exotic timber only

\*\* Aquaculture figures are for full production and trial

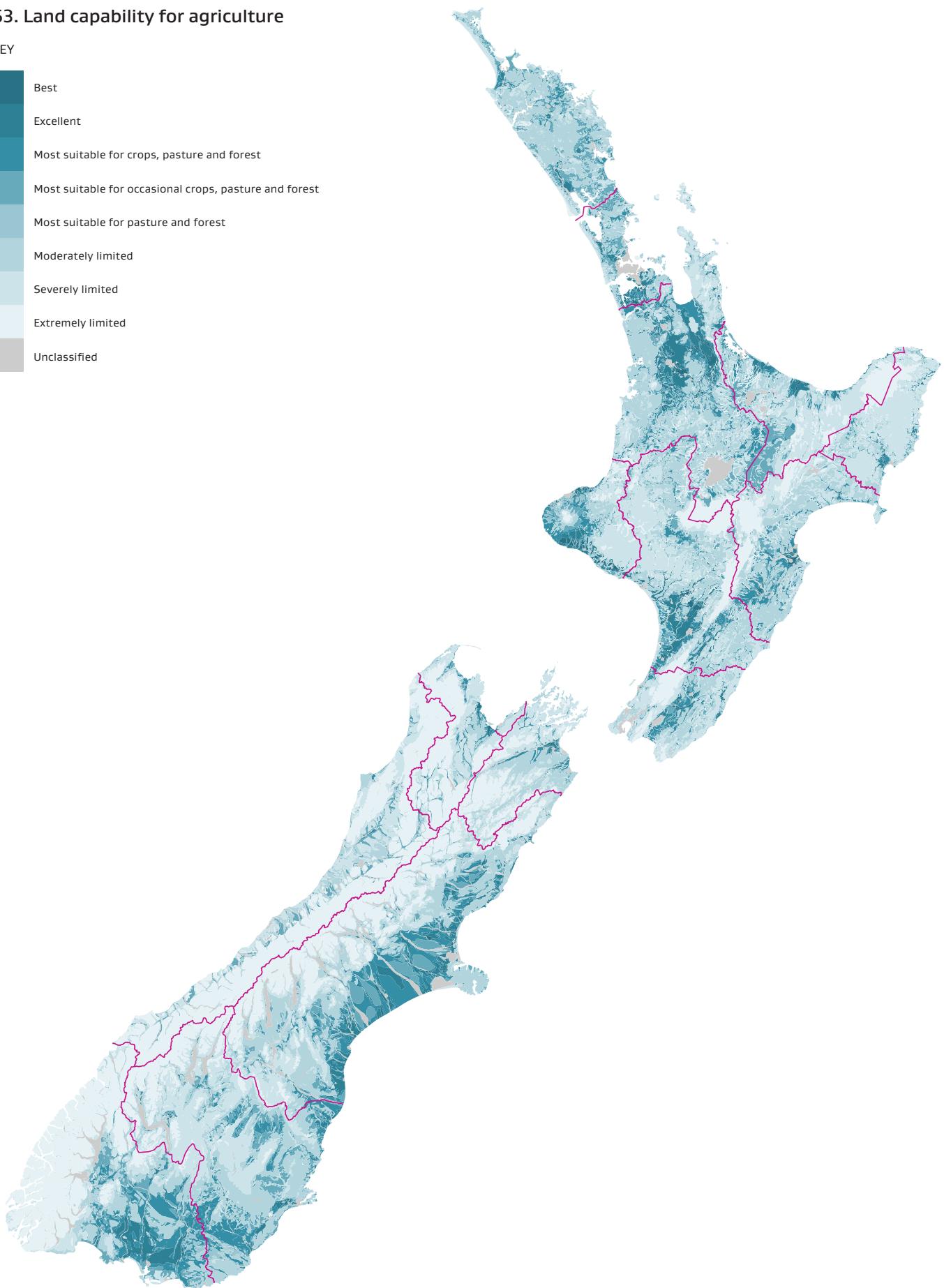
Wine (ha. planted)	Fruit (ha. planted)	Vegetable (ha. harvested)	Crops (ha. harvested)	Forestry (ha. harvested)*	Aquaculture (ha. farmed)**
0.2	8.0	3.2	0.2	14.6	3.6
0.9	3.8	11.6	0.8	3.8	1.6
0.1	4.5	10.8	2.6	13.4	7.5
	34.3	0.4	1.6	25.1	18.6
4.9	4.9	11.9	1.6	5.6	
14.3	18.9	18.6	2.9	9.9	12.1
	0.2	0.0	0.2	0.8	
0.0	0.7	9.0	4.7	5.4	
2.6	1.1	0.3	2.4	2.0	
2.4	11.7	1.7	0.1		19.9
65.6	0.7	3.1	0.8	3.9	21.0
	0.0	0.0	0.0	1.6	0.2
4.5	6.2	27.7	72.2	3.6	14.1
4.6	4.7	0.7	4.9	6.5	
	0.1	1.1	5.0	3.8	1.4

Source: Statistics New Zealand, Ministry for Primary Industries

### 53. Land capability for agriculture

KEY

Best
Excellent
Most suitable for crops, pasture and forest
Most suitable for occasional crops, pasture and forest
Most suitable for pasture and forest
Moderately limited
Severely limited
Extremely limited
Unclassified



Source: Landcare Research New Zealand

#### 54. Irrigation by region, 2012

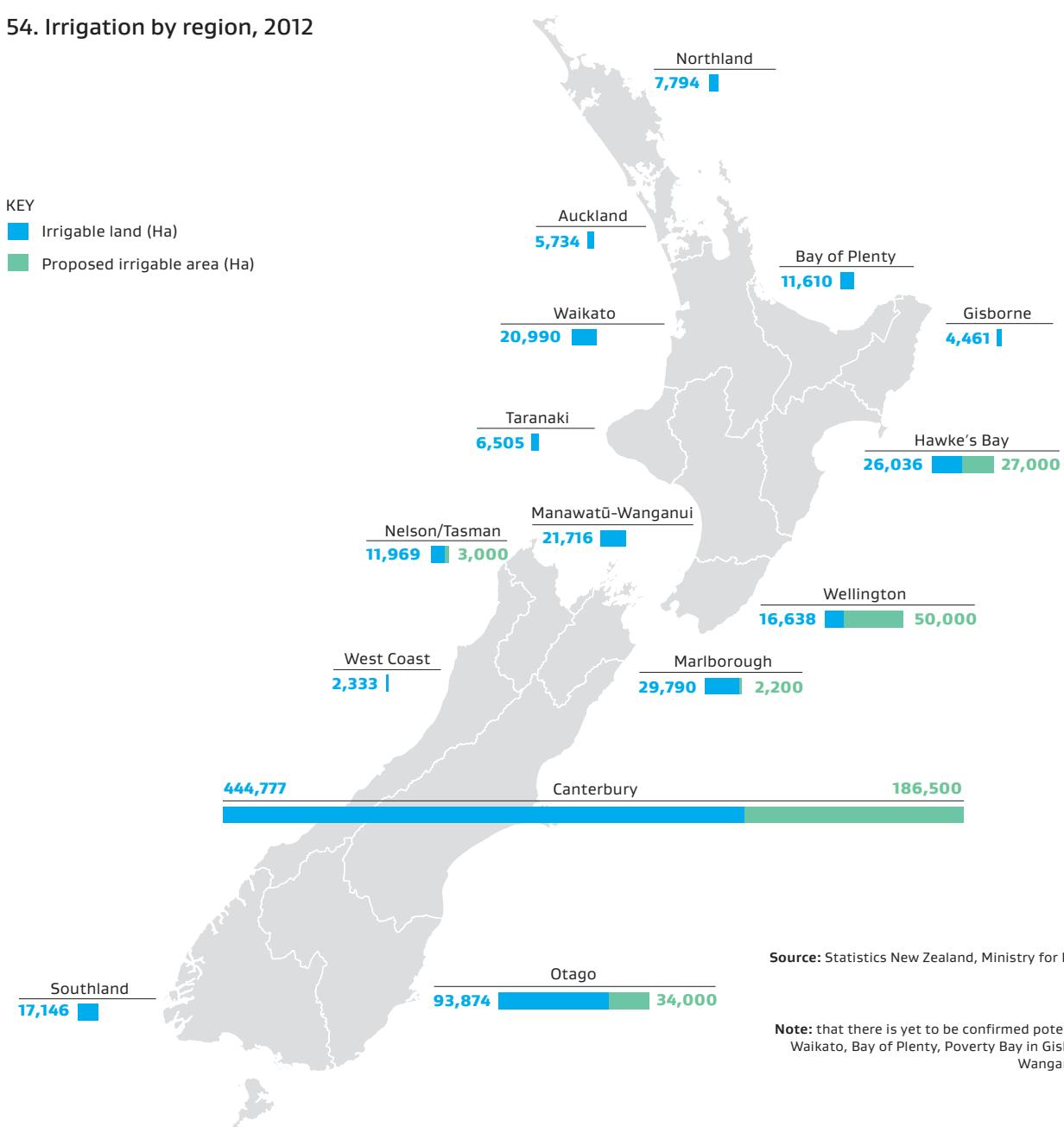


Figure 53 (page 87) shows land capability for different types of agriculture in each region, based on soil quality and terrain. Large areas of ‘best’ and ‘excellent’ land capability are found in Waikato, Taranaki, Manawatū-Wanganui, Canterbury, Southland and South Otago. These are also the regions with the highest concentrations of dairy farming.

Smaller areas of high-quality soils and suitable geography, combined with a warm climate, have created concentrations of viticulture and horticulture in the Bay of Plenty, Hawke’s Bay, Gisborne, Tasman, Marlborough and Central Otago. Northland also has areas of high quality land capability, which suggests the region could further maximise its natural resource potential.

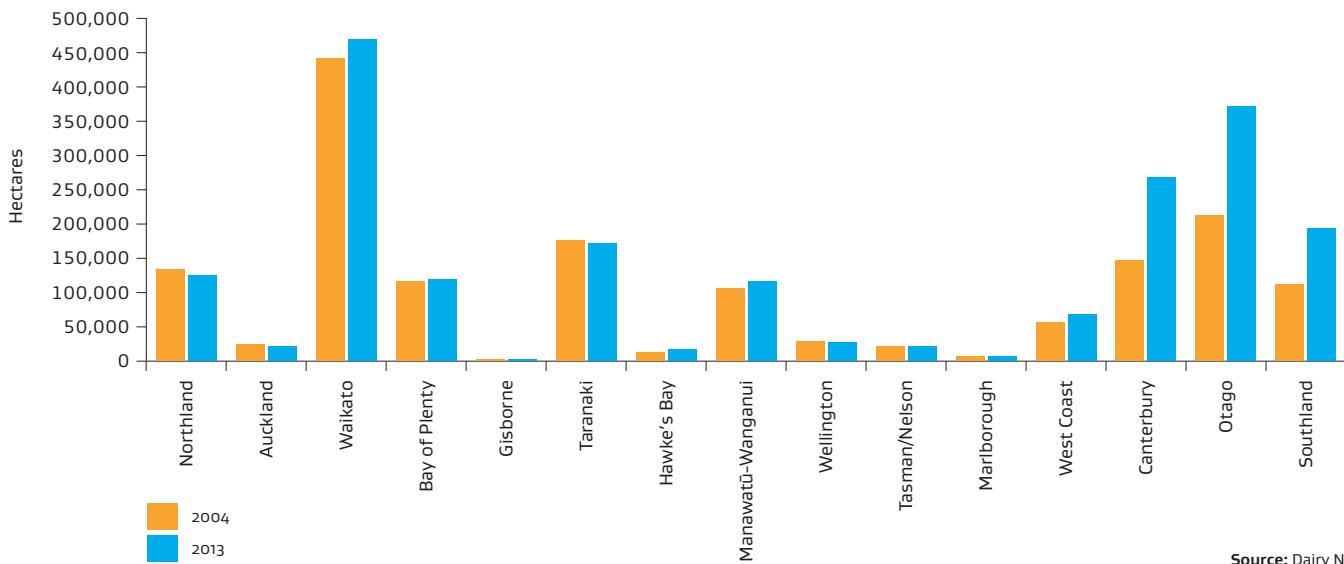
Gisborne, Western Bay of Plenty and the West Coast have significant areas of land with more limited capability for agriculture.

A region’s natural resource endowments therefore shape its primary production activity. Figure 52 (page 86) shows regional shares of national primary production (by stock units and hectares in production). There are significant geographic

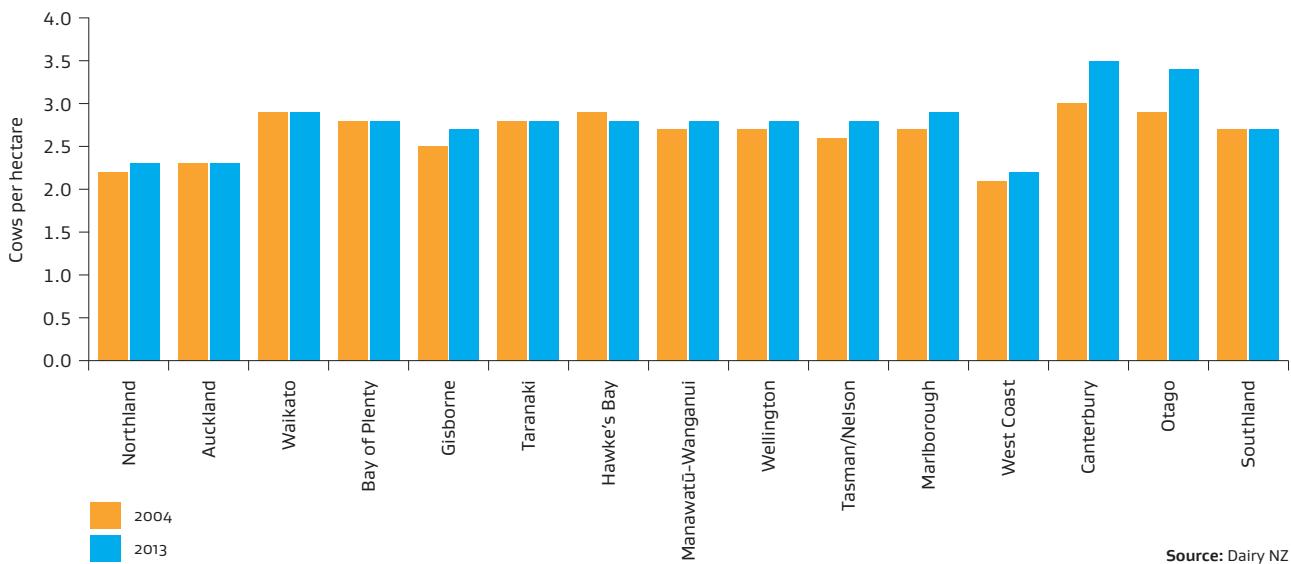
concentrations: 72.2 per cent of land planted in crops is located in Canterbury, and 65.6 per cent of land planted in grapes is located in Marlborough. Over half of forestry land is located north of Taupo. Dairy, sheep and beef farming is somewhat more dispersed.

Aquaculture requires specific aquatic environments and is concentrated in Northland (with the largest share of Pacific oyster production), Marlborough (with the largest share of king salmon and greenshell mussels production), Auckland, Waikato and Southland. More modest activity occurs in Tasman and Canterbury. The aquaculture industry has a target of more than doubling its revenue sales to \$1 billion by 2025. Delivering that growth will require new farms to be developed, increased productivity from existing farms and improved value from production. Growth in salmon production from Marlborough and south Canterbury and increased mussel production from Tasman is expected over the next two to five years.

## 55. Total effective dairy hectares by region, 2004 and 2013



## 56. Dairy stocking rates by region: cows per hectare, 2004 and 2013



## Water

Fresh water is a key input to agriculture and its availability varies considerably from east to west of New Zealand. Efficiently managed irrigation provides greater flexibility for intensive agriculture and resilience for dry regional climates (such as Hawke's Bay) and to drought events. Irrigation occurs in all regions but is particularly significant in Canterbury, followed by Otago, Marlborough and Hawke's Bay. Figure 54 shows that irrigation infrastructure is proposed for regions on New Zealand's east coast, which have drier climatic conditions.

Widespread adoption of sustainable farm practices is a priority for all regions to ensure that the quality of water in their catchments is not compromised. For example, rivers that flow through a dominance of pastoral land continue to show deterioration in water quality (Ballantine et al., 2014) with the exception of phosphorus concentrations which have improved (Unwin et al., 2013).

## Farm productivity improvements – dairy case study

Agricultural productivity is high in New Zealand and has been constantly improving with the application of technology and better farm practices, and as land-owners move their assets into higher value use areas in response to changing world prices.

Over the last decade there has been considerable conversion of land from sheep and beef farming to dairy production in response to increasing dairy prices. Figure 55 shows that land conversion has been particularly high in Canterbury, Otago and Southland.<sup>1</sup> This is due to the availability of land with the right soil, terrain and water in these regions. In contrast there is very little land left to convert in Waikato and Taranaki, which are well-established dairy regions.

<sup>1</sup> Each hectare of dairy land requires approximately 0.4 hectares of dairy support land, which is often also in other uses. This figure therefore indicates regional patterns, rather than absolute land use.

### 57. Coal production (kilotonnes) 2012

- Bituminous
- Sub Bituminous
- Lignite

New Zealand total  
4,926 kt

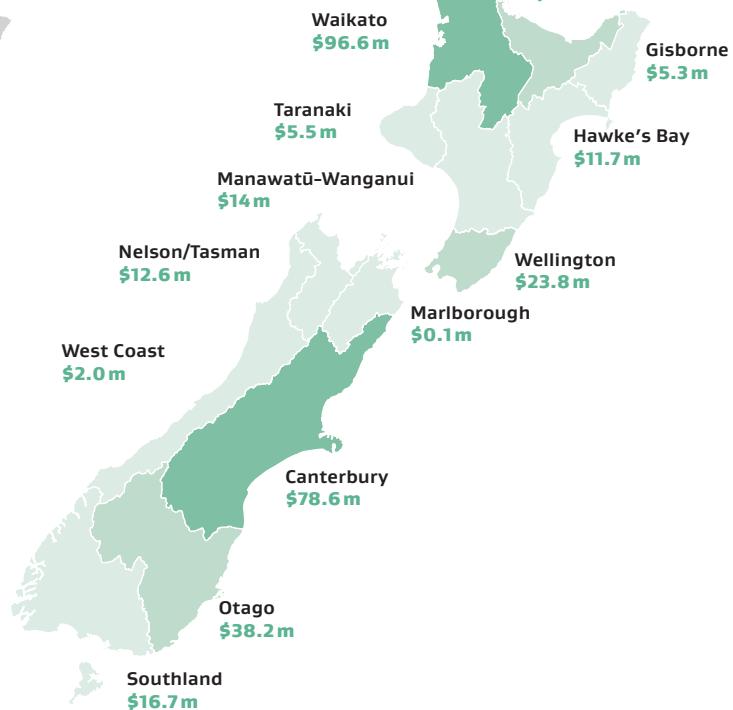
West Coast  
225 kt  
2,276 kt



Source: Ministry of Business, Innovation and Employment

### 58. Industrial minerals value 2012

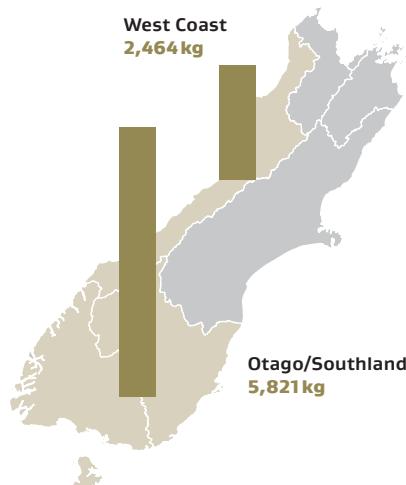
New Zealand total  
\$445.45 m



Source: Ministry of Business, Innovation and Employment

### 59. Gold production (kilograms) 2012

New Zealand total  
10,164 kg



Source: Ministry of Business, Innovation and Employment

Alongside this trend, production per stock unit has increased over the last decade due to land use intensification, increasing farm and herd size, and other efficiency gains. Figure 56 (page 89) shows the intensity of dairy land-use in each region. Dairy stocking rates are highest, and have increased the most, in Canterbury and Otago, largely because of irrigation in these regions.

Farming practices and herd size also vary between regions according to different ownership patterns. Average herds in regions with a lot of new farms (Canterbury, Otago and Southland) are on average twice the size of herds in Waikato, Taranaki and Manawatū-Wanganui, where traditional ownership dominates, and Northland, a region with a high proportion of Māori-owned land subject to Te Ture Whenua Maori Act 1993.

Future agricultural productivity improvements are possible in all regions, within environmental limits. These opportunities vary from region to region. Some regions are already facing high nutrient loadings and have developed different regulatory regimes to ensure sustainable land management.

## Petroleum and minerals

Petroleum and mineral extraction is a high-risk, high-reward activity that is capital intensive and often employs highly trained staff. The sector has the highest labour productivity in New Zealand at over twice the national average (\$105,645 per employee compared with \$50,262 nationally) (Ministry of Business, Innovation and Employment 2013). It is supported by related sectors, for example engineering and construction are often prevalent in regions that specialise in mining.

A range of factors determine whether a region is able to capitalise on the economic benefits that petroleum and mineral deposits can offer.

The first of these is whether the resources are present, which is largely uncertain. New Zealand's resource potential is determined by geology, which differs significantly across New Zealand. Government-funded exploration programmes have been undertaken in some regions, but in others petroleum basins and potential mineral deposits remain entirely unexplored.

Current production is highly concentrated (Figures 57–59). For example:

- Petroleum production is entirely located in Taranaki.
- Coal production is concentrated in Waikato, West Coast and Southland.

- Gold and silver production is concentrated in Waikato, West Coast, Otago, and Southland.
- Iron sands production is concentrated on the West Coast of the North Island in Taranaki and Waikato.

This regional production profile may change in the future as exploration activity increases across most regions of New Zealand, and is being performed by an increasingly diverse set of international players.

Expenditure in the sector is reaching historical highs, with nearly \$1.5 billion invested in exploration and development in 2012. Furthermore, the 2013–2014 season has been one of the busiest and sustained periods of offshore oil and gas exploration in New Zealand's history.

Regional examples of awarded prospecting and exploration permits, which are a necessary precursor to any development activity, include:

- Block Offer 2014, which included acreage in onshore and offshore Taranaki, onshore East Coast, onshore West Coast, offshore Northland, offshore Pegasus (east of Wellington), offshore Great South Basin (Otago/Southland) and Canterbury Basins.
- Frontier basins are also being opened up for exploration. For example, Block Offer 2013 saw an exploration permit in the offshore Reinga (Northland) basin.
- Existing prospecting or exploration permits have been awarded in Taranaki, East Coast (Gisborne and Hawke's Bay), Wellington, West Coast, Otago and Southland.

All permit information is available on the NZ Petroleum and Minerals website at <http://www.nzpam.govt.nz/cms>

International commodity prices are another important driver of investment activity in regions. The *International connections* section shows the volatility of aluminium prices in the last few years. Coal prices have followed a similar trajectory, resulting in recent mining job losses on the West Coast and in Waikato.

Conversely, oil prices have remained high, against historical prices, which have resulted in positive impacts on GDP in Taranaki, which is the only current producer of oil and gas. Favourable oil prices also encourage more exploration activity.

The economic benefits to a region of petroleum and minerals development is, of course case-specific and depends on a range of other factors such as the type of mining, the stage of development and the scale (and location – onshore versus offshore) of the operation, and the proportion of workforce that is based locally.

## The economic value of public conservation land

About one-third of New Zealand's land area is protected as public conservation land, with the West Coast (84 per cent), Tasman (65 per cent) and Southland (58 per cent) regions having the greatest proportion of their land with this status. Public conservation areas directly contribute to New Zealand's economy in a range of ways. Forested areas assist with erosion control and support the provision of clean water through their filtering action; marine reserves and healthy estuaries act as nursery grounds for commercially important fisheries; mangroves and intact wetlands assist with flood protection; and, in general, public conservation areas provide opportunities for recreation, tourism and employment. Good management and conservation of these areas contribute to New Zealand's environmental image, which is a key driver of the value of New Zealand's goods and services in the international market place (Ministry for the Environment, 2001).

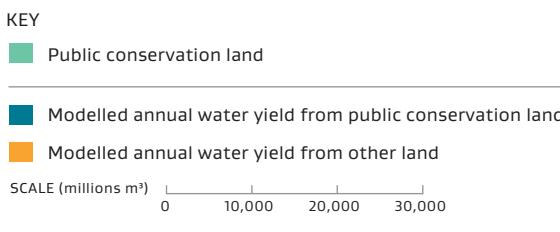
Figure 60 shows the regional distribution of public conservation land and two examples of its products – nature-based tourism and water yield.<sup>2</sup>

### Tourism

Public conservation land contributes to New Zealand's tourism industry by providing opportunities for outdoor recreation, eco- and adventure tourism. New Zealand's natural environment is an important 'draw card' for many international tourists with the majority (70 per cent) of all international trips containing nature-based activities (Ministry of Tourism, 2009; Simmons, 2013). On average, nature-based tourists are more likely to spend more time (24 nights) and money (\$3,040) per trip in New Zealand than other international tourists (21 nights; \$2,080) (Ministry of Tourism, 2009).

<sup>2</sup> Estimated using Ausseil et al. (2013)'s water yield model.

## 60. Selected examples of contributions made by public conservation land to regional economies



Annual number of visits to public conservation land (million)



# Infrastructure

Infrastructure plays a crucial role in supporting economic growth and contributing to improved living standards for all of New Zealand's regions. Infrastructure refers to fixed, long-lived structures and networks, principally transport, energy, water, communication and social assets.

National infrastructure such as major ports, power plants and universities are located in specific regions. Regional specialisations in related and complementary industries have developed around these. Regional roads, schools and telecommunications are widely dispersed, supporting business and residential settlements across the country.

The Government's *National Infrastructure Evidence Base, 2014*, concludes that New Zealand broadly has the right infrastructure, in the right place, providing the right quality of service – although there are ongoing challenges to address.

For example:

- Changes in regional demographics and economic activity are shifting infrastructure requirements across the country.
- Regions with high population growth face capacity issues while regions with low growth are facing difficult choices about what service levels they can maintain in the future.
- The rebuild of Christchurch is a key government priority, requiring the restoration of roads, water, wastewater, and storm-water systems, and schools and hospitals.
- The Christchurch earthquakes highlight the need to improve resilience for some infrastructure networks and particular regions.
- Many infrastructure assets are coming up for renewal across New Zealand at the same time.

The government is facilitating a more joined-up planning approach for different infrastructure providers, to build a shared understanding of future demand, interdependencies and how to better handle shock events and disruptions. This includes better managing demand and use of existing infrastructure, alongside funding new assets.

## Energy and electricity

Figure 61 illustrates electricity generation and demand in New Zealand. Waikato, Canterbury, Southland and Otago are large electricity generators, while electricity demand is concentrated in areas of high population including Auckland, Canterbury and Wellington. Demand is also concentrated in regions with a few high-use industries. For example, the Tiwai Point Aluminium Smelter in Southland uses 13 per cent of New Zealand's total electricity. When these industries grow or decline, they significantly affect national supply and demand.

National energy demand did not grow as fast as estimated over the last five years, despite some major regional differences. Reduced demand appears to be driven by the economic recession dampening economic activity, businesses undertaking energy efficiency measures and the forestry industry exporting increased numbers of logs versus processed pulp and paper. In response several large electricity

generation projects have been put on hold. Several mid-tier renewable electricity generation options have come to market, however, particularly base-load geothermal plants in the central North Island.

Electricity demand has grown most around Auckland with its population growth, requiring investment in the national grid to help ensure security of supply from other regions.

Energy costs influence business profitability, and there are large differences in regional electricity prices. More remote and sparsely populated areas, such as coastal Otago, West Coast, Gisborne and Northland, pay higher than average prices due to high per capita transmission costs. The government has implemented initiatives to improve price competition in the electricity market. Groups of energy users are exploring smaller distributed energy generation options, which could also be fruitful for remote areas of New Zealand to reduce costs and build resilience.

Oil and gas supplies are processed in the North Island. The Maui and Vector pipelines take gas produced in Taranaki to major industry users (such as Methanex, NZ Steel), and local distribution networks which then deliver gas to end users. Oil for domestic use is imported to, and refined at, Marsden Point (in Northland), then shipped to oil terminals around New Zealand.

## Water

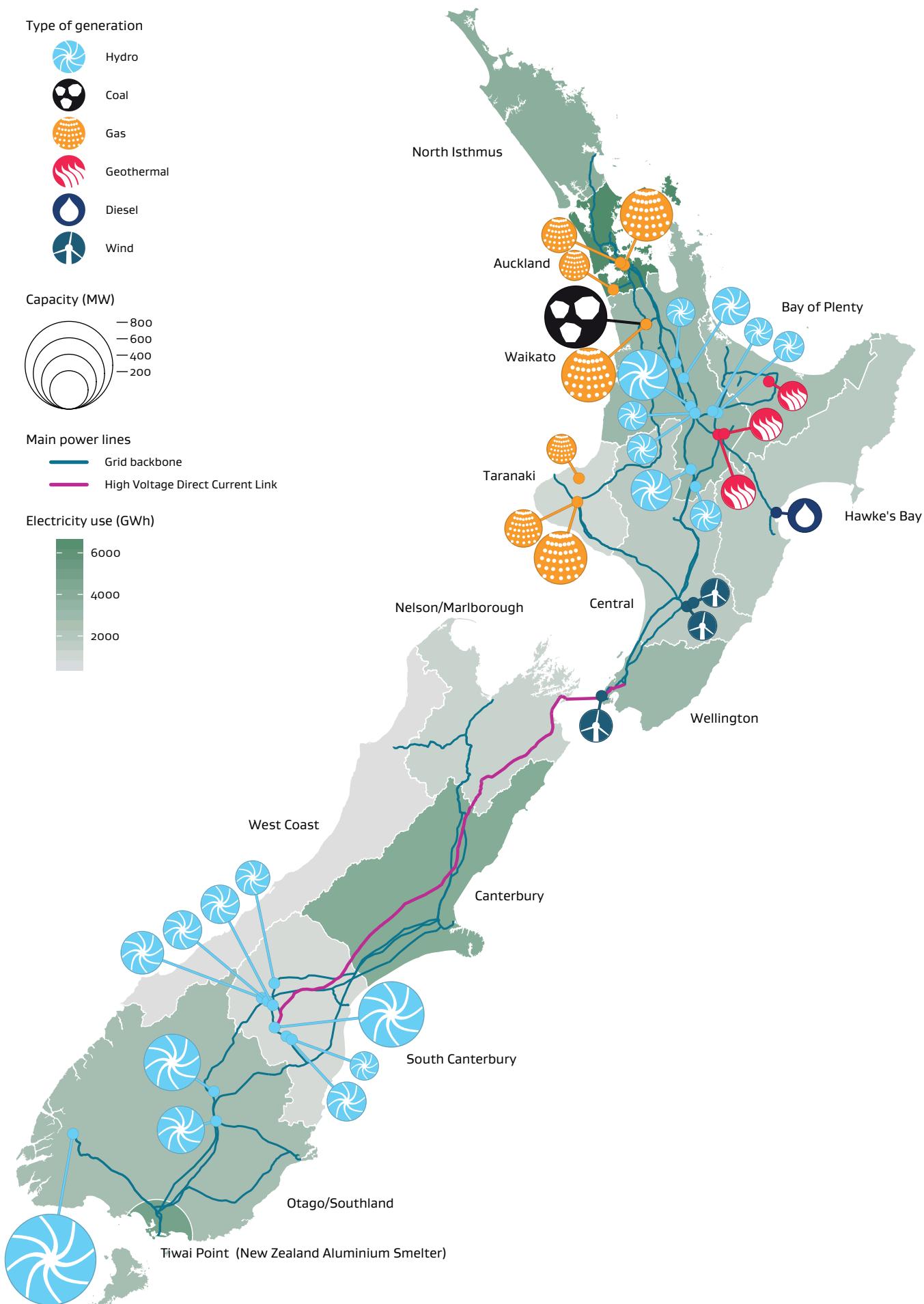
The provision of well-functioning water networks is essential for social, environmental and economic outcomes. Agriculture and some manufacturing activities use a lot of water in their production processes, and in some regions there is competition for water. Water use is also constrained by the associated environmental impact, for example, nutrient loadings from dairy effluent.

Local government manages significant infrastructure investment in potable, storm-water and waste-water systems and in improving fresh water quality, with over \$11 billion of investment planned over the next 10 years. The government's Irrigation Acceleration Fund has also provided \$27.780 million to date in grant support to 15 projects throughout New Zealand – predominantly in Canterbury but also in Hawke's Bay, Otago, Wairarapa and Manawatū.

## Telecommunications

Telecommunications technology is changing the business environment, reducing geographical distances and increasing regional access to knowledge and markets. The Ultra-Fast Broadband (UFB) programme and Rural Broadband Initiative (RBI) are rolling out around the country to ensure businesses and individuals can leverage off these opportunities.

## 61. Electricity infrastructure and use by region, 2013



**Note:** Only the largest power plants are represented, accounting for 90% of the national production

**Source:** Electricity Authority, Transpower New Zealand

## Transport

New Zealand's long geography, often challenging terrain and distance from markets make it critical for regions to have resilient, coordinated transport infrastructure that enables the movement of people and goods nationally and globally. Sea ports, inland ports and rail and roading networks together form an integral national freight network.

Our ports have been a historic driver in New Zealand's pattern of urban and economic development. Ports provide access to other parts of the country and to the rest of the world, and generate supporting logistical activity including freight depots, warehousing and related import product processing.

Figure 63 shows the freight volumes and value throughputs at the major ports in New Zealand, as well as major components of the land transport network. Auckland is New Zealand's main containerised import seaport, while Auckland Airport is the main hub for high value and very perishable goods. Tauranga Port is our largest export seaport and trades a high share of primary produce. Both port companies have competing inland ports based in South Auckland: Wiri and Metro Port.

Figure 62 shows the significance of Auckland and Tauranga seaports to New Zealand's export markets, and also how the Auckland Port strike in 2012 reduced its trade value and significantly increased Tauranga's. Notably, relative trade in each port has started to revert to pre-strike rates. The increase of export cargo through Lyttelton Port is also striking, reflecting increased agricultural production from the South.

Smaller regional ports play a specialised role in the ports network. For example Eastland Port largely exports logs from Gisborne, while Whangārei Port's niche role is importing crude oil and shipping refined oil for national domestic use.

Population and freight growth both increase demand on transport networks. Responsibility for funding transport is shared by central and local government.

Per head of population, the government's transport capital expenditure is highest in regions with the highest population growth, including Auckland, Bay of Plenty and Waikato. In contrast the government's per capita transport operating

expenditure is significantly higher in geographically large regions with dispersed populations, including the West Coast and Gisborne.

National transport investment prioritises strategic networks of national importance and is moving towards progressively more differentiated land transport networks in terms of levels of service.

As part of this the government intends to fund regional roading to complement the roads of national significance. This will address regional level constraints to future economic development that have not yet been prioritised. Improvements could be made to freight efficiency, through providing for high productivity motor vehicles and high cube containers, to network resilience and safety. These improvements would be particularly beneficial in more isolated regions with lower traffic volumes such as the East Coast, Southland and Taranaki.

## Social infrastructure

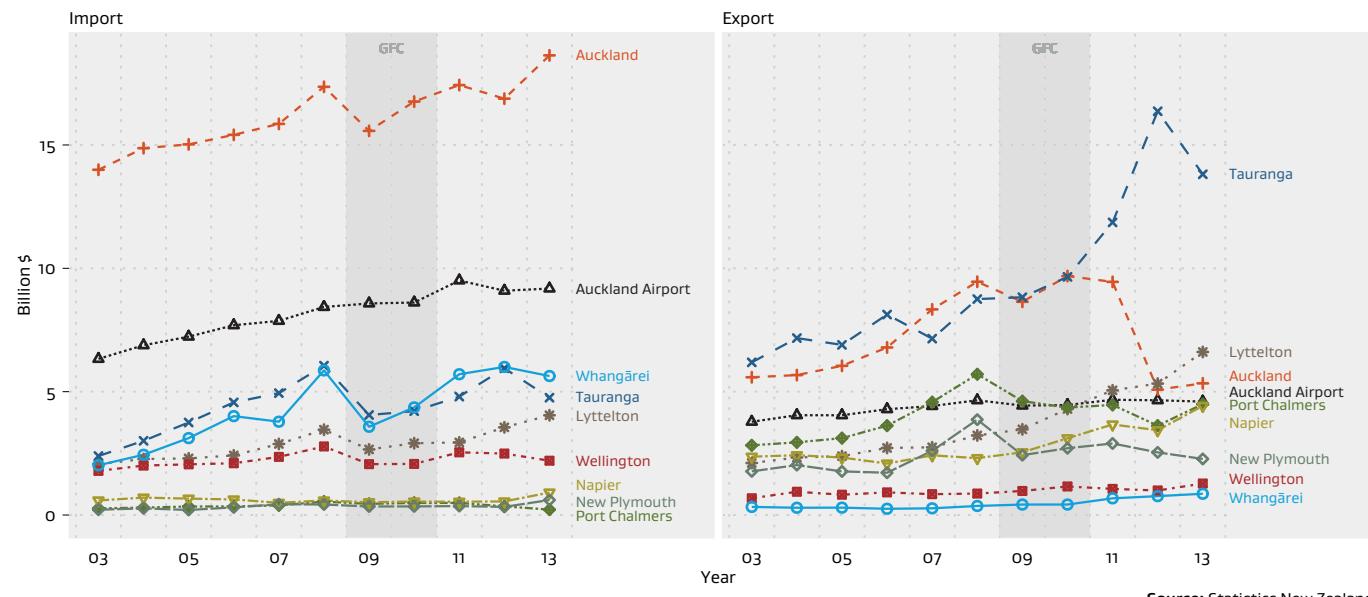
Demand for schools and hospitals follows population growth and the age composition of that growth. Government faces the need to provide more schools in Auckland, while looking at ways to rationalise schools in other regions where school age populations are falling.

## Housing

Housing is for the most part privately owned infrastructure, but its development is entwined with other public infrastructure provision. The cost of housing is also a significant determinant of living standards and varies considerably across regions.

The *Regional economic outcomes* section highlights differences between household incomes and rental costs. Figure 64 provides additional information, showing mortgage costs faced by regional households since January 2002. This reflects the combined impact on housing affordability of movements in house prices and interest rates over this period. It suggests that following a trend in OECD economies, housing costs increased since 2002, peaked around 2007–2008, and then fell after interest rates fell following the outbreak of the global financial crisis (GFC). Since early 2011, housing in

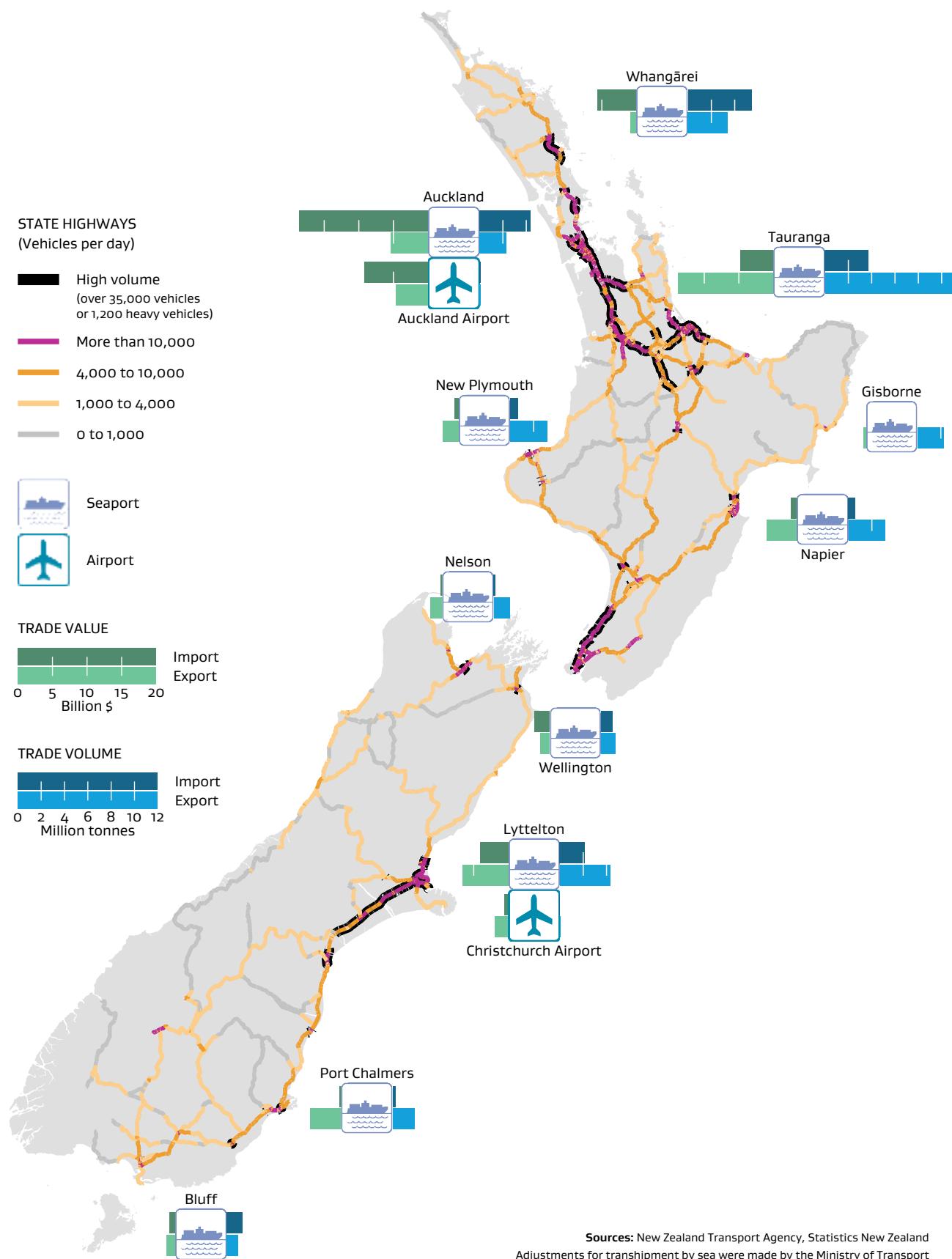
## 62. Trade by port, 2003–2013



Note: Only the main ports are shown

Source: Statistics New Zealand  
Adjustments for transhipment by sea were made by the Ministry of Transport

### 63. Major New Zealand transport network connections, 2013



Wellington and all other regions has remained at this more affordable level, but costs have increased in Auckland and Canterbury.

Auckland's recent trends in housing affordability are driven by high population growth, relatively high costs of land, low number of housing consents issued since 2008 (although this rate has been gradually increasing), and relatively slow responsiveness of the construction industry to changes in demand (Grimes and Aitken, 2006). Overall, these factors have resulted in a shortage estimated to be of about 15,000 dwellings. In Canterbury, the decline in affordability is largely a consequence of the 2010 and 2011 earthquakes, which drastically reduced local housing stock.

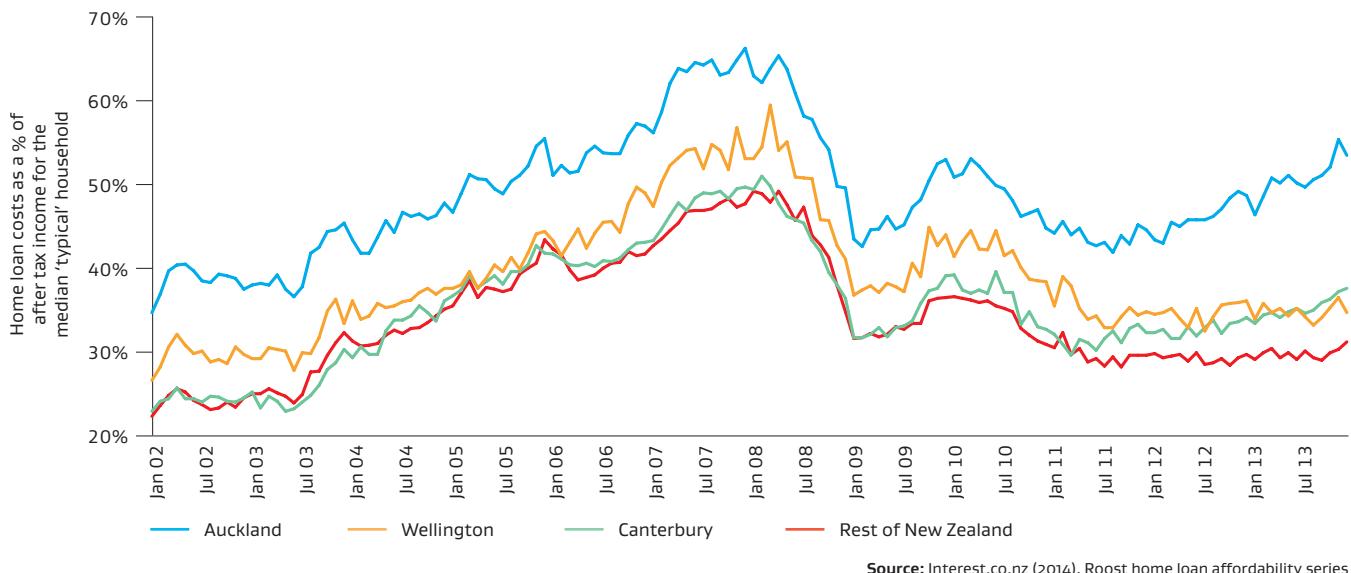
Figure 65 plots the ratio between the average house sale price and average rental costs in Auckland and Canterbury regions since January 2010. The ratio shows a decline for both regions until mid-2011, possibly as a consequence of the GFC. However, since 2011, the two regions have followed opposite trends. Canterbury's rents increased faster than sale prices probably because of growth in populations that prefer to rent (such as

temporary workers for the rebuild, local households waiting for house re-construction). In Auckland, sale prices increased relatively faster than rents, suggesting that investment, as well as demographic factors, has been driving demand.

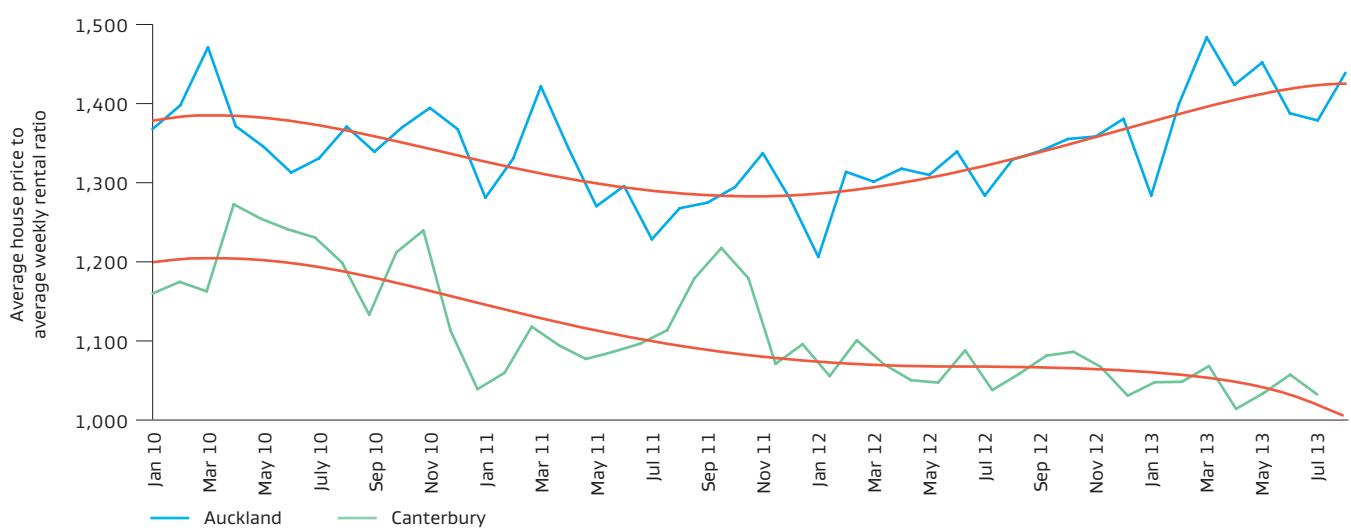
The Auckland Council has notified a proposed Unitary Plan that aims to provide more development opportunities, to accommodate Auckland's projected population growth. In Canterbury, the Land Use Recovery Plan amends the district plans of Christchurch City, Waimakariri and Selwyn districts to enable more land to be available for development opportunities.

The government has also put in place the *Housing Accords and the Special Housing Areas Act 2013*. This allows more permissive, fast-tracked resource consents and planning provisions for residential development in special housing areas. Areas have been specified in Auckland, Tauranga, Western Bay of Plenty, Wellington City, Lower Hutt City, Upper Hutt City, Porirua City, Kapiti Coast district, and Christchurch City, and Queenstown Lakes district.

#### 64. Home loan affordability for the median 'standard' household, January 2002 to December 2013



#### 65. Average house price to average weekly rent cost ratio, January 2010 to August 2013



Note. These figures refer to the hypothetical share the standard household is expected to pay and should be interpreted with caution

# Conclusion

The report shows that nearly all regions have made good economic progress over the last 12 months, reflecting New Zealand's recovery after the global financial crisis. Each region provides a different contribution to the New Zealand economy and, while there is diversity, all regions have the potential to attract further investment, improve their living standards and generate high-value economic growth.

Most regions experienced job growth over the last year. This is despite the 2013 drought which particularly affected primary production in the North Island. Canterbury has been the fastest growing region over the last two years, driven by the Christchurch rebuild and supported by its primary sector. Actions to enhance regional economic activity and outcomes need to be underpinned by a sound knowledge of each region's historical trends and its strengths and weaknesses. This report provides comprehensive and comparative information about economic outcomes and the drivers of those outcomes across all regions.

In addition, the government, in partnership with local decision-makers, is this year undertaking in-depth economic growth studies of regions such as East Coast, Northland, Bay of Plenty, and Manawatū-Wanganui. Those studies will help the regions prioritise opportunities for growth and identify how to overcome any barriers to that growth.

This report highlights several key findings.

First, each region has industry specialisations which have developed historically due to natural resource and infrastructure endowments, geographic location and skills. Those specialisations are the chief contributors to the different economic outcomes seen across the regions. Some sectors, such as dairy farming and milk processing, are benefiting from high commodity prices and market growth while others, such as horticulture, have lower returns. However, there are opportunities in all regions to build on their specialisations. These include increasing returns earned from current industries, developing related new activities, and making new uses of existing regional skills and resources.

The government's regional economic growth studies will support regions to achieve this. NZTE's new regional investment attraction programme will also help regions attract international investment in identified areas of regional opportunity.

Secondly, the report identifies a regional dimension to the economic disparity between Māori and non-Māori. Some of the regions with poorer outcomes are also regions that have a higher proportion of Māori in their populations. The Crown and Māori have entered into an economic growth partnership to improve economic outcomes for Māori and to build economic growth from Māori assets and Māori Inc. This partnership will be delivered regionally and will include Business Growth Agenda actions such as the Māori and Pasifika Trades Training programme.

Thirdly, the report shows there is significant diversity in demographic trends across regions, partly in response to relative economic opportunities. New Zealand, like all developed countries, has an ageing population but in some regions and sub-regions the population is ageing at a significantly faster rate than others. There is also disparity in regional shares of international migrants. Local decision-makers face the need to anticipate today how their projected population profiles will impact infrastructure and services demand.

This report is also published on Ministry of Business, Innovation and Employment's website and is supplemented by an interactive web tool that provides additional sub-regional information. The tool is available online, and offline as a download for tablets. In the future Ministry of Business, Innovation and Employment will provide much more regional data online, which will be easy to use and updated as new statistics are released. The Ministry will also be publishing research on specific regional economic development topics.

This report should also be read alongside the 2014 *Business Growth Agenda Future Direction* report, which presents the government's existing and new actions to build New Zealand's medium term growth rate to provide better jobs and incomes for New Zealand families.



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# Appendices

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# Summary data

All data refers to 2013, unless otherwise stated.

PEOPLE	Northland	Auckland	Waikato	Bay of Plenty	Gisborne	Hawke's Bay
Population	158,700	1,529,400	418,500	278,000	46,700	155,000
Share of population (%): 0–14 years	21.6%	20.4%	21.4%	21.2%	24.2%	21.4%
15–24 years	12.1%	15.0%	14.4%	12.8%	13.7%	12.9%
25–64 years	48.3%	53.4%	49.4%	48.5%	48.4%	49.0%
65 years+	18.0%	11.2%	14.8%	17.6%	13.5%	16.7%
Māori share of population (%)	29.6%	10.1%	20.7%	24.8%	45.1%	22.9%
Net internal migration, 2008–2013	315	-4662	6102	2007	-735	-1191
Net international migration, 2008–2013	-3,850	38,642	-4,745	-5,265	-1,430	-3,080
Projected population growth 2013–2031, annual average	0.5%	1.4%	0.6%	0.7%	0.1%	0.2%
Dependency ratio 2013   2031 (1)	66   89	46   55	57   71	63   80	60   79	62   81
LIVING STANDARDS & JOBS	Northland	Auckland	Waikato	Bay of Plenty	Gisborne	Hawke's Bay
Regional GDP (\$m)**	5,562	74,746	17,935	11,174	1,613	6,050
GDP per capita (\$)**	35,068	49,217	42,968	40,236	34,472	39,035
Household income, annual average (nearest \$100)	69,300	99,700	82,100	76,600	70,600	74,300
Rental cost, annual average (nearest \$100)	14,500	22,900	15,200	15,400	13,800	14,600
Rent share, of household income (%)	20.9%	23.0%	18.5%	20.1%	19.5%	19.7%
Median house price (\$)	300,000	565,000	313,000	345,000	270,500	295,000
Total employment	70,245	775,313	210,344	138,576	22,757	83,558
Employment growth 2003–2013, annual average	1.2%	1.8%	1.2%	1.7%	0.5%	1.1%
Employment rate, 2014 March year	55.6%	63.7%	64%	60.2%	58.2%	61.2%
Unemployment rate, 2014 March year	8.6%	6.8%	6.4%	7.4%	8.4%	7.8%
Labour force participation rate, 2014 March year	60.9%	68.3%	68.4%	65.0%	63.5%	66.4%
SKILLS & INNOVATION	Northland	Auckland	Waikato	Bay of Plenty	Gisborne	Hawke's Bay
% of 18 year olds attaining min. NCEA Level 2 or equivalent, 2012	76.1%	81.1%	75.7%	79.1%	69.9%	77.1%
NEET rate (2)*, 2014 March year	20.2%	9.7%	14.4%	16.2%	17.8%	19.0%
% of 25–34 year olds with advanced trade qualifications, diplomas or degrees (level 4, NZQF or above)	39.3%	57.0%	47.3%	45.7%	38.7%	42.3%
Patent applications (per million heads, 2010)***	0.0	47.7	30.4	16.4	0.0	6.5
Skilled and highly skilled jobs (share of total employment)	60%	76%	62%	65%	57%	60%
INTERNATIONAL & NATIONAL CONNECTIONS	Northland	Auckland	Waikato	Bay of Plenty	Gisborne	Hawke's Bay
Broadband internet (% of households), 2012*	60%	80%	71%	69%	68%	68%
Cargo traded through ports (\$m): exports	862	9,936	38	13,812	388	4,425
imports	5,635	27,810	0	4,757	0	911
International tourism spend (\$m)	157	2,458	343	361	14	85
International tourism expenditure as a share of regional GDP**	2.8%	3.3%	1.9%	3.2%	0.9%	1.4%
Number of international students	538	57,727	5,655	3,628	27	1,183

(1) The ratio calculates the number of people aged under 15 and 65 and over for every 100 people between the ages of 15 and 64

(2) Total number of youth aged 15–24 years ‘not in employment, education, or training’ as a % of total youth working age population

\* Data is only available for Gisborne/Hawke’s Bay, and/or Tasman/Nelson/Marlborough/West Coast grouped together

\*\* Data is only available for Tasman/Nelson grouped together

\*\*\* Data is only available for Tasman/Nelson/Marlborough grouped together

S – suppressed due to small sample size

Taranaki	Manawatū-Wanganui	Wellington	Tasman	Nelson	Marlborough	West Coast	Canterbury	Otago	Southland	New Zealand
110,600	232,700	492,500	48,600	46,800	45,900	32,700	566,100	213,300	94,800	4,471,100
20.6%	19.9%	19.1%	19.5%	18.4%	17.6%	18.7%	18.0%	16.5%	20.0%	19.9%
12.6%	15.4%	14.3%	11.2%	12.6%	10.4%	11.7%	14.2%	17.3%	12.6%	14.3%
49.8%	48.2%	53.2%	51.6%	52.1%	51.3%	52.2%	52.0%	50.7%	51.2%	51.6%
16.9%	16.5%	13.3%	17.7%	16.9%	20.7%	17.4%	15.7%	15.4%	16.2%	14.2%
16.6%	19.6%	12.4%	7.3%	9.0%	11.0%	9.9%	7.8%	7.1%	12.4%	14.1%
-237	-1878	498	1317	66	-714	-312	-4065	4701	-1212	0
-688	-1,682	-2,280	-848	206	-637	-201	4,956	801	-39	51,152
0.0%	0.2%	0.5%	0.6%	0.5%	0.4%	0.1%	0.8%	0.5%	0.0%	0.8%
60   81	57   76	48   60	59   85	54   75	62   88	56   85	51   69	47   61	57   78	52   65
Taranaki	Manawatū-Wanganui	Wellington	Tasman	Nelson	Marlborough	West Coast	Canterbury	Otago	Southland	New Zealand
8,200	8,534	28,472	3,795	3,795	2,032	1,535	27,843	9,147	5,001	211,639
74,341	36,688	57,941	39,863	39,863	44,357	46,793	49,447	43,086	52,701	47,532
82,100	71,300	99,600	75,100	75,700	75,200	75,400	88,300	78,000	78,300	88,400
15,700	12,500	20,000	16,700	16,400	14,700	13,200	18,900	16,300	11,000	18,700
19.1%	17.5%	20.1%	22.2%	21.7%	19.5%	17.5%	21.4%	20.9%	14.0%	21.2%
292,000	227,500	395,000	390,000	355,000	300,000	212,000	370,000	280,000	190,000	397,000
57,978	114,103	265,518	19,907	30,475	30,356	18,217	310,636	114,890	52,348	2,316,214
1.2%	0.5%	1.3%	2.3%	0.3%	3.0%	2.1%	1.7%	1.4%	0.2%	1.5%
66.6%	60.1%	68.4%	65.1%	63.6%	66.9%	63.6%	68.4%	66.9%	68.9%	64.5%
5.7%	7.5%	6.0%	5	4.2%	4.9%	5	3.8%	5.0%	5.2%	6.1%
70.6%	64.9%	72.7%	67.4%	66.4%	70.3%	66.6%	71.1%	70.4%	72.6	68.7%
Taranaki	Manawatū-Wanganui	Wellington	Tasman	Nelson	Marlborough	West Coast	Canterbury	Otago	Southland	New Zealand
78.8%	77.0%	81.8%	75.8%	82.7%	78.4%	74.5%	78.3%	82.7%	74.1%	77.2%
14.4%	15.8%	12.3%	10.2%	10.2%	10.2%	10.2%	8.8%	8.2%	11.5%	11.7%
43.5%	42.7%	60.0%	44.0%	46.3%	44.5%	40.8%	51.5%	54.3%	42.3%	52.4%
22.9	22.9	37.7	23.9	23.9	23.9	0.0	32.5	26.5	0.0	37.1
56%	63%	78%	58%	69%	58%	55%	66%	66%	52%	69%
Taranaki	Manawatū-Wanganui	Wellington	Tasman	Nelson	Marlborough	West Coast	Canterbury	Otago	Southland	New Zealand
69%	66%	80%	75%	75%	75%	75%	75%	73%	76%	75%
2,273	0	1,292	0	1,710	76	0	8,974	4,496	1,181	49,470
609	11	2,234	0	287	2	0	4,924	219	819	48,241
48	77	447	63	68	81	143	711	1,124	137	6,318
0.6%	0.9%	1.6%	3.4%	3.4%	4.0%	9.3%	2.6%	12.3%	2.7%	3.0%
573	3,160	6,569	153	860	80	76	8,142	5,786	955	95,619

PUBLIC SECTOR EXPENDITURE	Northland	Auckland	Waikato	Bay of Plenty	Gisborne	Hawke's Bay
Central government expenditure per capita, 2012	19,014	16,839	17,450	18,952	21,364	18,493
Local government capital expenditure per capita 2002–2012, annual average	837	727	622	733	503	535
Local government operational expenditure per capita, 2012	1907	1898	1786	1696	1608	1652
PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES	88%	87%	85%	86%	82%	90%
INDUSTRY MIX OF JOBS (number)	Northland	Auckland	Waikato	Bay of Plenty	Gisborne	Hawke's Bay
Total industry	70,245	775,313	210,344	138,576	22,757	83,558
Agriculture, forestry and fishing	8,646	15,873	24,281	13,675	4,428	13,098
Dairy	2,548	1,456	10,834	2,847	117	732
Sheep, beef cattle and grain farming	1,986	1,505	3,547	999	1,396	2,464
Horticulture (inc. viticulture)	1,420	7,200	3,130	3,424	1,130	5,846
Aquaculture and fishing	269	366	483	208	90	96
Forestry and logging	682	363	994	989	511	461
Other agriculture, forestry, and fishing	1,741	4,983	5,293	5,208	1,184	3,499
Mining	203	414	1,251	583	30	110
Manufacturing	6,044	80,261	23,322	14,335	2,235	10,989
Food and beverage manufacturing	1,526	19,855	8,396	3,921	1,196	6,285
Wood, paper and printing manufacturing	1,352	9,874	3,180	3,783	425	1,248
Chemicals, minerals and metal manufacturing	1,679	23,715	6,372	3,148	307	1,281
Transport and machinery equipment manufacturing	1,033	17,408	4,204	2,713	123	1,033
Other manufacturing	454	9,409	1,170	770	184	1,142
Electricity, gas, water, and waste services	789	4,150	2,297	967	82	389
Construction	6,074	53,426	17,470	11,564	1,689	5,348
Wholesale trade	1,957	54,625	9,105	5,248	549	2,944
Retail trade	6,944	72,019	19,823	13,357	1,869	7,293
Accommodation and food services	4,262	52,821	12,872	9,065	1,248	4,202
Transport, postal, and warehousing	2,861	36,873	7,395	6,318	729	2,906
Information media and telecommunications	548	21,826	2,245	1,063	206	798
Financial and insurance services	1,181	29,801	3,074	2,272	299	1,497
Rental, hiring and real estate services	1,773	18,453	4,101	2,976	357	1,741
Professional, scientific and technical services	4,048	88,343	16,143	9,041	1,277	4,726
Administrative and support services	3,867	48,872	7,862	9,211	1,161	5,647
Public administration and safety	3,089	32,005	8,128	5,205	743	3,157
Education and training	5,804	56,631	17,743	10,706	2,171	6,091
Health care and social assistance	8,234	63,756	20,409	14,544	2,495	8,433
Arts and recreation services	916	12,870	3,962	2,331	328	1,220
Other services	2,420	26,384	7,409	5,077	741	2,432

Taranaki	Manawatū-Wanganui	Wellington	Tasman	Nelson	Marlborough	West Coast	Canterbury	Otago	Southland	New Zealand
17,136	18,924	17,699	16,555	16,942	16,937	19,825	19,092	18,647	17,334	17,826
713	579	523	664	785	678	760	646	967	457	676
1931	1695	1915	1959	1873	1961	2321	2163	2014	1889	1899
84%	84%	88%	83%	85%	89%	88%	86%	86%	91%	87%
Taranaki	Manawatū-Wanganui	Wellington	Tasman	Nelson	Marlborough	West Coast	Canterbury	Otago	Southland	New Zealand
57,978	114,103	265,518	19,907	30,475	30,356	18,217	310,636	114,890	52,348	2,316,214
5,856	12,841	5,532	4,521	1,189	6,476	2,121	21,835	10,319	10,539	161,697
3,641	3,204	958	468	71	271	1,074	6,033	2,305	3,842	40,401
803	5,020	1,461	377	41	549	375	6,396	3,500	3,337	33,771
435	1,488	1,293	2,686	105	1,695	116	3,464	1,676	729	36,269
48	37	118	159	752	412	112	731	200	418	4,467
45	354	273	250	20	190	152	350	275	182	6,143
884	2,738	1,429	581	200	3,359	292	4,861	2,363	2,031	40,646
1,755	133	362	108	73	99	1,156	426	702	247	8,178
8,589	13,062	14,784	2,175	3,409	4,456	1,956	36,872	9,487	8,123	240,099
3,735	6,060	4,013	1,143	1,371	3,103	815	12,884	4,304	4,727	83,334
682	1,146	2,733	417	726	155	487	3,596	1,177	768	31,749
2,422	2,266	3,854	312	563	499	314	8,084	1,915	1,680	58,411
1,455	1,798	2,251	201	484	515	183	8,600	1,313	690	44,004
295	1,792	1,933	102	265	184	157	3,708	778	258	22,601
617	753	1,839	92	208	200	32	1,956	731	237	15,339
4,669	8,559	20,044	1,517	2,602	2,152	1,915	33,141	9,927	3,868	183,965
2,186	4,939	9,434	461	1,466	865	548	15,360	4,387	2,048	116,122
5,410	11,464	22,771	1,581	3,505	2,703	1,755	30,076	12,058	4,912	217,540
3,465	6,434	17,829	1,290	2,079	1,979	1,593	19,767	11,237	2,752	152,895
2,017	3,604	9,086	664	1,295	1,170	698	13,341	4,245	2,156	95,358
627	839	8,046	90	343	186	137	4,502	1,574	390	43,420
952	1,779	12,230	185	536	312	167	6,114	1,823	896	63,118
1,380	2,191	4,416	441	799	597	391	7,143	2,886	925	50,570
3,918	6,117	34,948	1,096	2,627	1,311	729	24,046	7,241	2,048	207,659
1,961	3,747	11,977	939	1,525	1,500	771	14,651	4,345	941	118,977
1,875	7,672	28,643	363	1,107	1,074	553	12,007	3,910	1,713	111,244
4,133	11,086	22,076	1,376	2,018	1,441	1,135	23,028	11,480	3,441	180,360
5,317	12,451	23,763	1,610	3,691	2,317	1,547	29,312	11,048	4,481	213,408
786	1,835	6,041	472	505	404	374	4,895	3,279	682	40,900
2,096	3,853	9,270	641	1,174	856	525	10,016	3,536	1,739	78,169

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# Sources and notes

PAGE	FIGURE	TITLE	NOTES	SOURCE AND DATASET
INTRODUCTION				
		THE 16 REGIONS AND 67 TERRITORIAL LOCAL AUTHORITIES OF NEW ZEALAND	These refer to the geographical boundaries for 16 regional councils and 67 territorial local authorities of New Zealand.	Statistics New Zealand
5	1	REGIONAL SHARES OF NATIONAL GDP, 2013	Regional GDP data for 2012 and 2013 is provisional. All regional GDP data is also nominal, meaning it measures production in the prices prevailing at the time (current prices).	Statistics New Zealand, Provisional 2013 Regional Gross Domestic Product
REGIONAL ECONOMIC OUTCOMES				
6	2	HOUSEHOLD INCOME 2013 AND EMPLOYMENT GROWTH 2003–2013	The 2014 Report uses 2013 Census data for incomes, which does not require estimates for the smaller regions. The 2013 Report used 2012 NZ Income Survey data, which requires estimates for smaller regions.  MBIE created employment estimates in order to include self-employed, provide 2013 results and enable a finer level of sectoral disaggregation at regional and sub-regional levels. The estimates are based on the Linked Employer-Employee Data (LEED) employment figures for 2012 and earlier, which count employees plus self-employed. The 2013 figures are then estimated by MBIE to form a continuous series with the 2012 and earlier LEED data, using the Business Demography Statistics (BDS) to improve the estimation process.	Statistics New Zealand, 2013 Census Ministry of Business, Innovation and Employment estimates  Statistics New Zealand Linked Employer-Employee Data and Business Demography Statistics
6	3	AVERAGE ANNUAL HOUSEHOLD INCOME AND RENT, 2013	The 2014 REAR uses 2013 Census data for incomes, which does not require estimates for the smaller regions. The 2013 REAR used 2012 NZ Income Survey data, which does require estimates for smaller regions.  Average income was chosen over median as the average is preferable for rental data as rents cluster at particular dollar values which makes a median series behave erratically. Rents are reported in tenancy bond lodgements.	Statistics New Zealand, 2013 Census Ministry of Business, Innovation and Employment, the Tenancy Bond Database
7	4	CONCEPTUAL DIAGRAM OF DRIVERS OF REGIONAL ECONOMIC OUTCOMES		Ministry of Business, Innovation and Employment
8	5	PEOPLE'S PERCEPTIONS ON THE ADEQUACY OF THEIR INCOME AND HOUSING	Perceptions of income and housing are the percentage of households reporting having more than enough income, or enough income, to meet everyday needs, and the percentage of households reporting having no major problems with their house or flat.	Statistics New Zealand, New Zealand General Social Survey (NZGSS) 2012
9	6	EMPLOYMENT OPPORTUNITY ACROSS REGIONS	Employment rate is defined as the number of employed people expressed as a percentage of the working age population (15 years and above) in 2013.  Employment is based on MBIE estimates as described for Figure 2.	Ministry of Business, Innovation and Employment estimates  Statistics New Zealand Linked Employer-Employee Data and Business Demography Statistics  Statistics New Zealand, Household Labour Force Survey
10	7	REGIONAL GDP PER CAPITA, 2007–2013	Regional GDP data for 2012 and 2013 is provisional. All regional GDP data is also nominal, meaning it measures production in the prices prevailing at the time (current prices).	Statistics New Zealand, Regional Gross Domestic Product: Year ended March 2013
SECTORS AND SPECIALISATIONS				
53	8	EMPLOYMENT, EXPORT AND CAPITAL CHARACTERISTICS OF DIFFERENT SECTORS NATIONALLY	Employment is based on MBIE estimates as described for Figure 2.  GDP comes from Statistics New Zealand's National Accounts (year ending 2011) which is the most up to date source to allow a sufficient degree of sectoral disaggregation by region.  Exports come from Statistics New Zealand's Inter-Industry Tables (year ending 2007) which is the latest data available on exports generated by industry sectors.	Ministry of Business, Innovation and Employment estimates  Statistics New Zealand, Linked Employer-Employee Data and Business Demography Statistics  Statistics New Zealand, National Accounts (year ending 2011), GDP  Statistics New Zealand, Inter-Industry Tables (year ending 2007), exports

PAGE	FIGURE	TITLE	NOTES	SOURCE AND DATASET
54	9	INDUSTRY CONCENTRATION BY REGION, 2013	The table shows employment in industry by region divided by total employment in that industry.  Employment is based on MBIE estimates as described for Figure 2.	Ministry of Business, Innovation and Employment estimates  Statistics New Zealand, Linked Employer-Employee Data and Business Demography Statistics
55	10	EMPLOYMENT CONCENTRATION BY REGION, 2013	The table shows employment in industry by region divided by total employment in that region.  Employment is based on MBIE estimates as described for Figure 2.	As above
56	11	HIGH-TECH MANUFACTURING EMPLOYMENT, 2012	The OECD definition of 'high tech manufacturing' is those industries where R&D expenditure is higher than eight per cent of the value of the industry's production (eg aircraft manufacturing, pharmaceuticals and electronics).  Employment is based on MBIE estimates as described for Figure 2.	As above
56	12	MEDIUM HIGH-TECH MANUFACTURING EMPLOYMENT, 2012	The OECD definition of 'Medium Tech manufacturing' is those industries in which expenditure in R&D is between 2 and 8 per cent of revenue (eg the manufacture of polymers, transport equipment, machinery and equipment, and chemicals excluding pharmaceuticals).  Employment is based on MBIE estimates as described for Figure 2.	As above
57	13	COMMERCIAL KNOWLEDGE-INTENSIVE EMPLOYMENT, 2012	The OECD definition of 'commercial knowledge intensive services' is those firms operating in post and telecommunications, finance and insurance and professional services (eg excluding public sector activities).  Employment is based on MBIE estimates as described for Figure 2.	As above
57	14	SHARE OF TOURISM SPEND BY REGION, 2013		Ministry of Business, Innovation and Employment, regional tourism estimates
58	15	CONCENTRATION OF FIRMS BY SIZE IN THE REGIONS, 2013		Statistics New Zealand, Business Demography Statistics
58	16	NUMBER OF FIRMS WITH MORE THAN 100 EMPLOYEES		Statistics New Zealand, Business Demography Statistics
59	17	SECTOR CONTRIBUTION TO REGIONAL EMPLOYMENT GROWTH, 2003–2013	MBIE employment estimates are calculated as described for Figure 2.	Ministry of Business, Innovation and Employment estimates  Statistics New Zealand's Linked Employer-Employee Data and Business Demography Statistics
<b>INTERNATIONAL CONNECTIONS</b>				
62	18	NEW ZEALAND'S TOP EXPORTS – PERCENTAGE CONTRIBUTION BY SECTOR, 2013	Data is for year ending June 2013.	Statistics New Zealand – customised request for goods and services exports
63	19	WORLD COMMODITY PRICES, 1994–2014		ANZ Commodity Price Index
63	20	EMPLOYMENT IN EXPORT-RELATED SECTORS, SHARE OF EMPLOYMENT BY REGION, 2013	Data here refers to the 2013 year. This is calculated by first deriving the export intensity for each industry using Statistics New Zealand's input-output tables sourced from the National Accounts for the year ending March 2007. Export intensity is calculated as exports divided by GDP for each industry for the year ending March 2007. We assumed that this export intensity applied to each region. We then multiplied the export intensity by the employment estimates for each industry and region.	Ministry of Business, Innovation and Employment estimates  Statistics New Zealand, regional GDP  Statistics New Zealand, Linked Employer-Employee Data and Business Demography Statistics
64	21	INTERNATIONAL VISITOR SPENDING BY REGION, MARCH 2013 YEAR	Data is for the year ending March 2013.	Ministry of Business, Innovation and Employment, Regional Tourism Estimates  Ministry of Business, Innovation and Employment, International Visitor Survey
64	22	COMPOUND ANNUAL GROWTH RATE IN INTERNATIONAL TOURISM EXPENDITURE, 2009–2013	Ministry of Business, Innovation and Employment, regional tourism estimates provides the best source for disaggregating tourism expenditure for the 16 regions.	Ministry of Business, Innovation and Employment, Regional Tourism Estimates
65	23	REGIONAL CONTRIBUTION TO VALUE OF NEW ZEALAND INTERNATIONAL EDUCATION, 2012	Data drawn from the <i>Economic Impact of International Education 2012/13</i> . Report prepared for education New Zealand by Infometrics and NRB, 2013.	Education New Zealand

PAGE	FIGURE	TITLE	NOTES	SOURCE AND DATASET
65	24	EMPLOYMENT IN FIRMS WITH 50% OR MORE FOREIGN OWNERSHIP, 2013	The chart shows the proportion of employment in each region within firms with over 50% foreign ownership.	Statistics New Zealand, Business Demography Statistics
66	25	INTERNATIONAL MIGRANT FLOWS PER CAPITA (PER 100,000 INHABITANTS) BY REGION, 2003–2013 AVERAGE	"Not stated", "Not elsewhere included", "New Zealand not further defined" categories are excluded. Results for Nelson and Tasman have been combined. The migration data is based on a June year to enable comparability with the New Zealand Population Estimates.	Statistics New Zealand; International Travel and Migration, and Subnational Population Estimates
INNOVATION				
		GENERAL NOTES	Patent data refers to applications made for the European Patent Office (EPO) between 2000 and 2009, referring to the location of the applicant. Diversity and Uniqueness indices are presented as their normalised values, with trend lines referring to the expected levels of patent diversity and uniqueness for the average OECD TL3 region (for a given population size). New Zealand regions which are above (below) the line have a higher (lower) level of patent diversity and uniqueness than expected.	Organisation for Economic Cooperation and Development, Patent database, demography and population statistics
67	26	PATENTS PER 1 MILLION INHABITANTS AND POPULATION SIZE, 2000–2009	The exponential trend is used for illustrative purposes only.	Dion O'Neale and Shaun Hendy, Innovation by the numbers: an analytic approach. <i>The Proceedings of The XXIV ISPIM Conference – Innovating in Global Markets: Challenges for Sustainable Growth Conference</i> held in Helsinki, Finland on 16–19 June 2013
68	27	LEVEL OF DIVERSITY OF PATENTS BY REGION, 2000–2009 AVERAGE	Diversity of patent classes in which a region has a revealed comparative advantage.	As above
69	28	PATENT COMMUNITIES WITH A SIGNIFICANT COMPARATIVE ADVANTAGE BY REGION, 2013 AVERAGE	Communities are aggregated according to similar or related patent classes, 2000–2009 average.	As above
69	29	LEVEL OF UNIQUENESS OF PATENTS BY REGION, 2000–2009 AVERAGE.	Uniqueness of the patent classes in which a region has a revealed comparative advantage, 2000–2009 average.	As above
SKILLED WORKFORCE				
71	30	EARLY CHILDHOOD PRIOR PARTICIPATION RATE, 2013 AVERAGE	Prior participation rate is the proportion of all children who have regularly attended early childhood education in the six months before starting school.	Ministry of Education, prior participation rate statistics, year ending September 2013
71	31	18 YEAR OLDS WITH MINIMUM OF LEVEL 2 NCEA QUALIFICATIONS, 2012	Number of 18 year olds attaining a minimum of NCEA Level 2 or equivalent as a proportion of all 18 year olds.	Ministry of Education, Senior student attainment data
71	32	25–34 YEAR OLDS WITH MINIMUM OF LEVEL 4 NZQF QUALIFICATIONS, 2013	Level 4 NZQF or above includes advanced trade qualifications, diplomas or degrees. Workforce counts were based on Census data captured in March 2013 to enable a robust regional breakdown of results. This provides a slightly lower national average compared to the Better Public Service Result 6 which uses the most current Household Labour Force Survey result but which can not be disaggregated for smaller regions (see <a href="http://www.ssc.govt.nz/bps-boosting-skills-employment">http://www.ssc.govt.nz/bps-boosting-skills-employment</a> ).	Statistics New Zealand, 2013 Census
72	33	REGIONAL TERTIARY EDUCATION PROVISION, STUDENT ENROLMENT PER CAPITA BY NZQF LEVELS, 2013	Intramural students reside in the region where they are enrolled. Extramural (distance learning) students often study outside of the region where they are enrolled.	Ministry of Education, Enrolments data
73	34	INTER-REGIONAL WORKER MIGRATION 2011–2012	Year to March 2012 annual LEED data on people who were employed in a different region from where they were employed in year to March 2011, is shown as a percentage of their region of origin, to indicate inter-regional labour migration.	Statistics New Zealand, Linked Employer-Employee Data
73	35	REGIONAL WORKFORCE BY SKILL LEVEL. PER CENT OF EMPLOYMENT BASED ON CURRENT OCCUPATION, 2013	Definitions of skill levels are based on ANZSCO.	Statistics New Zealand, 2013 Census, customised request
74	36	UNEMPLOYMENT RATES, 2014 MARCH YEAR	Annual average for year ending March 2014.	Statistics New Zealand, Household Labour Force Survey, customised request
74	37	15–24 YEAR OLDS NOT IN EMPLOYMENT, EDUCATION OR TRAINING (NEET) AS A % OF ALL 15–24 YEAR OLDS, 2014 MARCH YEAR	Annual average for year ending March 2014.	Statistics New Zealand , Household Labour Force Survey, customised request

PAGE	FIGURE	TITLE	NOTES	SOURCE AND DATASET
PEOPLE				
77	38	COMPOUND ANNUAL AVERAGE CHANGE IN POPULATION (%) BY TERRITORIAL AUTHORITY, 2006–2013	Based on 2006 boundaries.	Statistics New Zealand, Estimated subnational population ( by Territorial Authority), by age and sex, at 30 June 2006–2013
78	39	NET INTERNATIONAL MIGRANT FLOWS PER CAPITA (PER 100,000 RESIDENTS) BY REGION, 2003–2013 AVERAGE	"Not stated", "Not elsewhere included", "New Zealand not further defined" categories are excluded. Results for Nelson and Tasman have been combined. The migration data is based on a June year to enable comparability with the New Zealand Population Estimates.	Statistics New Zealand: International Travel and Migration and Subnational Population Estimates
78	40	PEOPLE MOVING BETWEEN REGIONS, 2008–2013: MOVEMENTS AS A PERCENTAGE OF THE POPULATION OF THE SOURCE REGION	The colour tone indicates the percentage of people moving out to another region from 2008 to 2013 as a percentage of residents aged 15 and above in the source region. Darker tones indicate higher outflows in percentage terms.	Statistics New Zealand, 2013 Census
79	41	NET INTERNAL MIGRATION BY REGION AND AGE GROUP, 2008–2013		Statistics New Zealand, 2013 Census
79	42	PROJECTED PERCENTAGE OF POPULATION GROWTH AT 65+ YEARS 2011–2031, MEDIUM PROJECTION	Uses the same data and method as figure 40 but shows net migration.	Jackson N.O. 2013 Statistics New Zealand Subnational Population Projections by Age and Sex, 2006 (base) – 2031 (2012 update)
80	43	DEPENDENCY RATIO, 2013 ESTIMATES AND 2031 PROJECTIONS	The elderly dependency ratio is the number of people aged 65 and above per 100 people aged 15–64. The youth dependency ratio is the number of people aged 0–14 years per 100 people aged 15–64 years. Based on medium projections.	Statistics New Zealand, Subnational Population Estimates as at 30 June 2013, and Subnational Population Projections (medium), as at 30 June 2031
80	44	ETHNIC COMPOSITION OF THE NEW ZEALAND POPULATION, 2013	Ethnic groups have been prioritised to level one in the following order: Māori, Pacific Peoples, Asian, MELAA, Other, European and Not Elsewhere Included. E.g. if a person is both Pacific Peoples and Asian, then they are counted in the Pacific Peoples category. Within these broad level groups there are sub-groups which also have a prioritisation order. Ethnicity prioritisation is based on "Revised Priority Recording System for Ethnicity (1995)". The Ministry of Business, Innovation and Employment chose the prioritisation method of classifying ethnicity in order to compare Māori with non-Māori statistics.	Statistics New Zealand, 2013 Census
MĀORI ECONOMIC DEVELOPMENT				
82	45	PROPORTION AND SIZE OF MĀORI POPULATION BY REGION, 2013		Statistics New Zealand, 2013 Census
82	46	MĀORI AND NON-MĀORI EMPLOYMENT RATE BY REGION, (ANNUAL AVERAGE), 2014 MARCH YEAR	Data here is based on employment numbers which is the annual average of four quarters leading up to March, 2014. The Māori employment rate is grouped for Gisborne/Hawke's Bay, Taranaki/Manawatū–Wanganui and South Island (excluding Canterbury) to protect confidentiality due to small numbers.	Statistics New Zealand, Household Labour Force Survey
83	47	MEDIAN PERSONAL ANNUAL INCOME OF MĀORI AND NON-MĀORI, 2013		Statistics New Zealand, 2001, 2006, 2013 Census
83	48	MEDIAN PERSONAL ANNUAL INCOME OF MĀORI AND NON-MĀORI, 2001–2013		Statistics New Zealand, 2013 Census
83	49	PERCENTAGE OF MĀORI AND NON-MĀORI WITH NO QUALIFICATIONS BY REGION, 2013	Percentages are calculated as a share of all Māori or non-Māori residents (aged 15 and over) in the region.	Statistics New Zealand, 2013 Census
84	50	MĀORI EDUCATION OUTCOMES 2006 AND 2013	Percentages are calculated as the share of all Māori or non-Māori (aged 15 and over) entered in the 2006 and 2013 Census as either having: no qualification, level 1–4 certificate, level 5–6 diploma, bachelor or higher qualification in the region. This denominator provides a slightly higher national percentage to Figure 49 which uses all regional Māori residents as the denominator.	Statistics New Zealand, 2006 and 2013 Census, 2013 About Māori QuickStats
84	51	TREATY SETTLEMENT STATUS	Map is representative of Treaty settlements as at February 2014.	Office of Treaty Settlements, Ministry of Justice
NATURAL RESOURCES				
86	52	REGIONAL SHARES OF NATIONAL STOCK UNITS AND PLANTED HECTARES, BY AGRICULTURE TYPE (%)		Statistics New Zealand, Agricultural Production Census 2012. Ministry of Primary Industries, aquaculture figures
87	53	LAND CAPABILITY FOR AGRICULTURE	The map uses the Land Use Capability (LUC) system.	Landcare Research

PAGE	FIGURE	TITLE	NOTES	SOURCE AND DATASET
88	54	IRRIGATION BY REGION, 2012		Statistics New Zealand, Agricultural Production Census 2012. Ministry of Primary Industries, proposed irrigation figures
89	55	TOTAL EFFECTIVE DAIRY HECTARES BY REGION, 2004 AND 2013		DairyNZ, New Zealand Dairy Statistics
89	56	DAIRY STOCKING RATES BY REGION: COWS PER HECTARE, 2004 AND 2013		DairyNZ, New Zealand Dairy Statistics
90	57	COAL PRODUCTION (KILOTONNES), 2012		Ministry of Business, Innovation and Employment, petroleum and minerals production statistics
90	58	INDUSTRIAL MINERALS VALUE, 2012		Ministry of Business, Innovation and Employment, petroleum and minerals production statistics
90	59	GOLD PRODUCTION (KILOGRAMS), 2012		Ministry of Business, Innovation and Employment, petroleum and minerals production statistics
91	60	SELECTED EXAMPLES OF CONTRIBUTIONS MADE BY PUBLIC CONSERVATION LAND TO REGIONAL ECONOMIES	Regional annual water yield estimated using Ausseil's et al (2013) water yield model.	Department of Conservation
<b>INFRASTRUCTURE</b>				
94	61	ELECTRICITY INFRASTRUCTURE AND USE BY REGION, 2013	Data refers to the 2013 calendar year. Only the largest power plants are represented for 90% of the national production.	Electricity Authority, electricity use and capacity Transpower New Zealand, shape files to draw transmission grid lines
95	62	TRADE BY PORT, 2003–2013	Value of exports and imports by New Zealand ports for the 2013 year. Data was adjusted for transhipments by sea by the Ministry of Transport.	Statistics New Zealand, Overseas Merchandise Trade Ministry of Transport
96	63	MAJOR NEW ZEALAND TRANSPORT NETWORK CONNECTIONS, 2013	Data on the major network connections (vehicles per day) was sourced from the New Zealand Transport Authority. 2013 data on trade value and volume was sourced from overseas cargo statistics, Statistics New Zealand. The cargo statistics were adjusted for transhipments by sea by the Ministry of Transport.	New Zealand Transport Agency, Statistics New Zealand, Ministry of Transport
97	64	HOME LOAN AFFORDABILITY FOR THE MEDIAN 'STANDARD' HOUSEHOLD, JANUARY 2002 TO DECEMBER 2013	Home loan costs as a proportion of estimated 'take home' income for a 'standard' household. A 'standard' household comprises one male partner earning a median income, one female partner earning 50% of a median income, plus one child aged five years. Their combined income includes the relevant tax credit if necessary.  For more information regarding the definition of the series see: <a href="https://www.roost.co.nz/roost-home-loan-affordability-report/home-loan-affordability-report-september-2013/">https://www.roost.co.nz/roost-home-loan-affordability-report/home-loan-affordability-report-september-2013/</a>	ROOST/Mortgage Brokers, Roost home loan affordability series
97	65	AVERAGE HOUSE PRICE TO AVERAGE WEEKLY RENT COST RATIO, JANUARY 2010 TO AUGUST 2013	Data has been adjusted to a regional council level for the Auckland and Canterbury regions.	Ministry of Business, Innovation and Employment, Bond database
<b>REGIONAL PROFILES (BY INDICATOR)</b>				
POPULATION				
		SHARE OF POPULATION (%): 0–14 YEARS, 15–24 YEARS, 25–64 YEARS, 65+ YEARS	Population estimate by age brackets as a proportion of total population.	Statistics New Zealand, Subnational population estimates
		MĀORI SHARE OF POPULATION (%)	Population stated belonging to the Māori ethnic group as a share of total population at Census night.	Statistics New Zealand, 2013 Census
		NET INTERNAL MIGRATION, 2008–2013	Figures only include movements between the New Zealand regions.	Statistics New Zealand, 2013 Census
		NET INTERNATIONAL MIGRATION, 2008–2013	The sum of the net permanent and long-term migration between 2008 and 2013 December years.	Statistics New Zealand, International Travel and Migration
		PROJECTED POPULATION GROWTH 2013–2031, ANNUAL AVERAGE	Population projection for 2031 using the medium series.  Rate is based on compound average growth rate between 2013 and 2031.	Statistics New Zealand, Subnational Population Estimates and Projections

PAGE	FIGURE	TITLE	NOTES	SOURCE AND DATASET
		DEPENDENCY RATIO 2013 AND 2031	The ratio calculates the number of people under 15 and 65 and over for every 100 people between the ages of 15 and 64.	Statistics New Zealand, Subnational Population Estimates and Projections
		REGIONAL GDP (\$M)	Total market value of goods and services produced in a given area, minus the cost of goods and services used in the production process.  Data aggregated figure for the Tasman and Nelson regions.	Statistics New Zealand, Provisional 2013 Regional Gross Domestic Product
		GDP PER CAPITA (\$)	The economic output of a geographic area divided by the population in that geographic area.  Data aggregated figure for the Tasman and Nelson regions.	Statistics New Zealand, Provisional 2013 Regional Gross Domestic Product
		HOUSEHOLD INCOME ANNUAL AVERAGE (NEAREST \$100)	Average values have been rounded to the nearest \$100.	Statistics New Zealand, 2013 Census
		RENTAL COST, ANNUAL AVERAGE (NEAREST \$100)	Average values have been rounded to the nearest \$100.	Ministry of Business, Innovation and Employment, Bond database
		RENT SHARE OF HOUSEHOLD INCOME (%)	Annual average rental cost (nearest \$100) as a proportion of household income annual average (nearest \$100).	Statistics New Zealand, 2013 Census Ministry of Business, Innovation and Employment, Bond database
		MEDIAN HOUSE PRICE (\$)	Median house price, 2013.	Real Estate Institute of New Zealand, regional statistics
		TOTAL EMPLOYMENT	Employment estimates based on past annual Linked Employer-Employee Data employment count (2002–2012), and Business Demography Statistics employee count (2002–2013).	Statistics New Zealand, Linked Employer-Employee Data and Business Demography Statistics. Ministry of Business, Innovation and Employment estimates
		EMPLOYMENT GROWTH 2003–2013, ANNUAL AVERAGE	Rate is based on compound average growth rate between 2003 and 2013 (estimated) employment figures.	Linked Employer-Employee Data and Business Demography Statistics, Statistics New Zealand. Ministry of Business, Innovation and Employment estimates
		EMPLOYMENT RATE, 2014 MARCH YEAR	Total number of employed people expressed as a percentage of the working-age population.	Statistics New Zealand, Household Labour Force Survey
		UNEMPLOYMENT RATE, 2014 MARCH YEAR	Total number of unemployed people expressed as a percentage of the labour force.	Statistics New Zealand, Household Labour Force Survey
		LABOUR FORCE PARTICIPATION RATE, 2014 MARCH YEAR	Total labour force expressed as a percentage of the working-age population.	Statistics New Zealand, Household Labour Force Survey
		% OF 18 YEAR OLDS ATTAINING MIN. NCEA LEVEL 2 OR EQUIVALENT, 2012	Number of 18 year olds attaining a minimum of NCEA Level 2 or equivalent as a proportion of all 18 year olds.	Ministry of Education, Senior Student Attainment data
		NEET RATE, 2014 MARCH YEAR	Youth (15–24 year olds) not in employment, education, or training as a proportion of all youth. Data aggregated for the Tasman, Nelson, Marlborough and West Coast regions.	Statistics New Zealand, Household Labour Force Survey
		% OF 25–34 YEAR OLDS WITH ADVANCED TRADE QUALIFICATIONS, DIPLOMAS OR DEGREES (LEVEL 4, NZQF OR ABOVE)	Level 4 NZQF or above includes advanced trade qualifications, diplomas or degrees. Workforce counts were based on the 2013 Census figures.	Statistics New Zealand, 2013 Census
		PATENT APPLICATIONS (PER MILLION HEADS, 2010)	Patent applications filled under the EPO, and by applicant(s) address. Data aggregated for the Tasman, Nelson and Marlborough regions.	Organisation for Economic Cooperation and Development, Patent database. Statistics New Zealand, Subnational population estimates
		SKILLED AND HIGHLY SKILLED JOBS (SHARE OF TOTAL EMPLOYMENT)	NZSCO aggregations: Highly skilled (legislators, administrators and managers; professionals; technicians and associate professionals); Skilled (clerks, service and sales workers); Semi-skilled (agriculture and fishery workers; Trades workers; plant and machine operators and assemblers); Elementary occupations (remaining labour).  Workforce counts were based on the 2013 Census figures.	Statistics New Zealand, 2013 Census
		BROADBAND INTERNET (% OF HOUSEHOLDS), 2012	Households indicating having a broadband as a proportion of all households. Data provides an aggregated figure for Gisborne and Hawke's Bay regions. Data provides an aggregated figure for Tasman, Nelson, Marlborough and West Coast regions.	Statistics New Zealand, Household Use of Information and Communication Technology Survey

PAGE	FIGURE	TITLE	NOTES	SOURCE AND DATASET
		CARGO TRADED THROUGH PORTS (\$M): EXPORTS AND IMPORTS	Figures have been adjusted to remove any internal movement between ports (i.e. movement of cargos between domestic ports). Regional totals were aggregated from the values of commodity exports/imports of the sea and air ports within their geographical boundaries.	Statistics New Zealand, Overseas Merchandise Trade Ministry of Transport
		INTERNATIONAL TOURISM (\$M)		Ministry of Business, Innovation and Employment, Regional Tourism Estimates
		INTERNATIONAL TOURISM EXPENDITURE AS A SHARE OF REGIONAL GDP	International tourism spend as a proportion of total regional gross domestic product. Data is aggregated for Tasman and Nelson regions.	Ministry of Business, Innovation and Employment, Regional Tourism Estimates Statistics New Zealand, Provisional 2013 Regional Gross Domestic Product
		NUMBER OF INTERNATIONAL STUDENTS	Number of (onshore) international students per region for 2013 including; full fee-paying students, international PhD students, exchange students, New Zealand AID students, foreign research post graduate students. Students defined as Extra mural make up an additional 507 students but these are not allocated to any of the regions.	Ministry of Education, Export Education Levy. Education New Zealand
		CENTRAL GOVERNMENT EXPENDITURE PER CAPITA, 2012	Figures drawn from the Regional Government Expenditure Report commissioned by MBIE and Treasury and produced by NZIER. The report assesses core crown spending by region (capital and operational).	Ministry of Business, Innovation and Employment
		LOCAL GOVERNMENT CAPITAL EXPENDITURE PER CAPITA 2002–2012, ANNUAL AVERAGE		Statistics New Zealand, Local Authority Financial Statistics
		LOCAL GOVERNMENT OPERATIONAL EXPENDITURE PER CAPITA, 2012		Statistics New Zealand, Local Authority Financial Statistics
		SECTORS OF REGIONAL SPECIALISATION	Selected sectors were identified as regional industries which experienced a relatively large employment share in 2013, large growth in industrial employment share of total employment share between 2003 and 2013, or large employment growth between 2003 and 2013.	Statistics New Zealand, Linked Employer-Employee Data and Business Demography Statistics, Ministry of Business, Innovation and Employment estimates
		PERCENTAGE OF POPULATION FEELING SATISFIED OR VERY SATISFIED WITH THEIR LIVES (2012)	Population feeling satisfied or very satisfied with their lives as a proportion of total population.	Statistics New Zealand, New Zealand General Social Survey
		HOUSEHOLD INCOME DISTRIBUTION (CHART)	Grouped income: up to \$20,000, \$20,000 to \$30,000, \$30,000 to \$50,000, \$50,000 to \$70,000, \$70,000 to \$100,000, \$100,000 and over.	Statistics New Zealand, 2013 Census
		EMPLOYMENT RATE, 2003–2013	Number of employed people expressed as a percentage of the working-age population.	Statistics New Zealand, Household Labour Force Survey
		ADDITIONAL AUCKLAND CHARTS		
18	A	AUCKLAND MORE-SKILLED JOBS BY LOCAL BOARD, 2013	Based on the employee count in manufacturing industry as defined under the ANZSIC06 classification.	Statistics New Zealand, Business Demography Statistics
18	B	AUCKLAND MANUFACTURING JOBS BY LOCAL BOARD, 2013	More skilled employment is calculated as the employee count of the aggregation of the following industries under the ANZSIC06 classification: arts and recreation services, education and training, electricity, gas, water and waste services, financial and insurance services, health care and social assistance, information media and telecommunications, professional, scientific and technical services, public administration and safety, rental, hiring and real estate services.	Statistics New Zealand, Business Demography Statistics
18	C	AUCKLAND MEDIAN PERSONAL INCOME BY LOCAL BOARD, 2013	Personal median income for all people.	Statistics New Zealand, 2013 Census
19	D	AUCKLAND'S CONTRIBUTION TO NATIONAL ACTIVITIES		Statistics New Zealand 2013 Census, Linked Employer-Employee Data, Business Demography Statistics and overseas merchandise trade, Ministry of Business, Innovation and Employment, Patent Office

PAGE	FIGURE	TITLE	NOTES	SOURCE AND DATASET
19	E	AUCKLAND INTERNATIONAL COMPARISON	Index values have been re-indexed according to the maximum/minimum scores of all OECD cities in survey (excluding Turkish and Mexican cities).	Hot spot: Benchmarking Global City Competitiveness report (2012), Economist Intelligence Unit (EIU). Physical Capital Index Global Innovation Agency (2thinknow), Innovation Cities Global Index 2012–2013 United Nations Habitat, State of the World's Cities 2012/3 Prosperity of Cities
ADDITIONAL CANTERBURY CHARTS				
44	F	BUSINESS ACTIVITY		ANZ, estimate of GDP regional trend data
44	G	HOUSING COSTS – RENTS		Statistics New Zealand
44	H	HOUSING COSTS – HOUSE PURCHASES		Statistics New Zealand
44	I	SKILLED JOB VACANCIES	Estimate of skilled jobs vacancies by industry based on jobs advertised online.	Ministry of Business, Innovation and Employment, Jobs Online
44	J	CONSUMER SPENDING	Value of electronic card transactions recorded by Paymark, which processes over 74% of all electronic card transactions according to the company. Seasonally adjusted through X-12 ARIMA.	Paymark, Spending on Electronic Cards through Paymark's Network
44	K	ESTIMATED RESIDENT POPULATION		Statistics New Zealand, Subnational Population Estimates
44	L	SERVICES	An index that combines a range of indicators to describe the health of the services sector. A reading above 50 signifies expansion, and below 50 contraction. In this index, Canterbury includes Westland. The Canterbury region is included under the "Rest of New Zealand" total. Seasonally adjusted through X-12 ARIMA.	Bank of New Zealand, Business New Zealand: Performance of Management Index
44	M	CONSTRUCTION	The Quarterly Building Activity Survey (QBAS) seasonally adjusted value of building consents. Residential consents are generally realised within six months, and non-residential consents may take 12–18 months.	Statistics New Zealand, Quarterly Building Activity Survey
44	N	MANUFACTURING	An index that combines a range of indicators to describe the health of the manufacturing sector. A reading above 50 signifies expansion, and below 50 contraction. The Canterbury region is included under the "Rest of New Zealand" total. Seasonally adjusted through X-12 ARIMA.	Bank of New Zealand, Business New Zealand: Performance of Management Index
44	O	TOURISM	Number of guest nights provides a proxy for visitor arrivals and spending in the region. Seasonally adjusted through X-12 ARIMA.	Statistics New Zealand, Accommodation Survey
44	P	INTERNATIONAL EDUCATION	Number of residents with a valid international student visa. <a href="http://www.immigration.govt.nz/migrant/general/generalinformation/statistics/IS_Students_with_a_valid_visa">http://www.immigration.govt.nz/migrant/general/generalinformation/statistics/IS_Students_with_a_valid_visa</a> ; Seasonally adjusted through X-12 ARIMA.	Ministry of Business, Innovation and Employment, Immigration New Zealand Statistics
44	Q	AGRICULTURE	Livestock slaughter graded for export – all livestock excluding game. This gives a measure of activity in the meat sector. Seasonally adjusted through X-12 ARIMA.	Statistics New Zealand, livestock slaughter statistics

# Regional economic information at your fingertips

To improve timeliness and accessibility for all, the Ministry of Business, Innovation and Employment (MBIE) has developed an interactive web tool to complement the published 2014 Regional Economic Activity Report.

The tool allows users to access more detailed information online, and offline as a download for tablets. It is a first step by MBIE to provide detailed regional economic data in more user-friendly and innovative ways.

## The interactive web tool:

- provides more in-depth and sub-regional information including charts, maps, tables and other infographics not included in the published Regional Economic Activity Report
- allows users to view and compare population, regional GDP, tourism expenditure, annual household income and employment data
- data on the website is the latest available at the time of publication. In the future, MBIE will also be able to update the statistics more frequently
- is a great tool for people who regularly have to access this information at short notice



Tap into the next level of economic information to support your business with the **Regional Economic Activity Report web tool and tablet download today.**

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