

Mayor and Councillors
COUNCIL

10 AUGUST 2017

Meeting Status: **Public**

Purpose of Report: For Information

INFOMETRICS: KĀPITI ECONOMIC PROFILE UPDATE

PURPOSE OF REPORT

- 1 The purpose of this report is to provide the current Infometrics annual economic profile for the Kāpiti District.
- 2 Gareth Kiernan, Chief Forecaster from infometrics Limited will present the findings at the Council meeting.

BACKGROUND

- 3 Every year a profile of the district using business and financial data is developed to provide an overview of the economic landscape. The profile is commissioned from Infometrics as part of the baseline economic monitoring of the district.
- 4 It summarises the key sectors that contribute to employment and gross domestic product, and monitors those sectors that are of interest and informs Council's work programme in implementing the Kāpiti Economic Development Strategy.

ISSUES AND OPTIONS

Issues

- 5 Good baseline economic data helps the community understand the nature of the local economy, where Kāpiti data may differ from what is happening nationally, and the opportunities and challenges this presents now and in the future. It informs Council's decision making on how it delivers services to meet current and future needs.
- 6 The presentation from Infometrics compiles material from various sources including Statistics New Zealand, Inland Revenue Department, Ministry of Social Development, and Ministry of Business Innovation and Employment. Infometrics is one of the few sources of consistent data available at the district level.
- 7 Some of the information in the profile is developed from projections and estimates using accepted methodologies. As Infometrics currently supplies similar information to the majority of local authorities in New Zealand the use of the same methodology facilitates robust benchmarking between councils.

CONSIDERATIONS

Policy considerations

- 8 There are no policy considerations other than the profile informing Council's policy work programme.

Legal considerations

- 9 There are no legal considerations.

Financial considerations

- 10 There are no financial considerations.

Tāngata whenua considerations

- 11 There are no tāngata whenua considerations.

SIGNIFICANCE AND ENGAGEMENT

Significance policy

- 12 This matter has a low level of significance under Council's Significance and Engagement Policy.

Consultation already undertaken

- 13 No consultation is required.

Publicity

- 14 Publicity will be provided through normal Council channels.

RECOMMENDATIONS

- 15 That the Council notes the information in the Kāpiti Coast Economic Profile

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ATTACHMENTS

- 1 Appendix 1: Kāpiti Coast: Annual Economic Profile 2016



ANNUAL ECONOMIC PROFILE

Kapiti Coast District



Economics put simply

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ECONOMY

The New Zealand economy grew by 2.5% over the year to March 2016, following rapid growth of 3.4% the previous year.

Rental, hiring and Real Estate Services was the biggest contributor to growth, with value-added lifting 4.4%. The sector has benefited not only from higher levels of property sales, but population growth and better conditions for businesses have also pushed up property and machinery rentals. In a similar vein, GDP for the construction sector rose 3.6% lift over the March 2016 year.

A range of service-based industries experienced strong growth over the past year. An expanding population, coupled with better job prospects, pushed up value-added by retail trade by 5.6%. Professional, scientific and technical services (3.0%) and finance and insurance series (3.1%) also experienced rapid growth.

Another record-breaking year for domestic and international visitor spending saw GDP for accommodation and food services increase 5.2%.

Valued-added from agriculture, forestry and fishing climbed 2.8%, despite challenging conditions for dairy farmers. The standout performer in the primary sector was agriculture and fruit growing (6.8%), while sheep, beef cattle and grain farming (3.6%) also grew strongly. Some of this additional activity flowed through to rural contractors, with value-added from agricultural support services and hunting climbing 7.5%.

How fast has Kapiti Coast District's economy grown?

This section measures economic performance in Kapiti Coast District during the year to March 2016 and previous years. All GDP estimates are measured in constant 2010 prices.

- GDP in Kapiti Coast District measured \$1,550m in the year to March 2016, up 3.8% from a year earlier. New Zealand's GDP increased by 2.5% over the same period.
- Economic growth in Kapiti Coast District averaged 1.8%pa over the last 10 years compared with an average of 1.8%pa in the national economy.
- Growth in Kapiti Coast District reached a high of 6.0% in 2003 and a low of -2.9% in 2009.
- Kapiti Coast District accounted for 0.7% of national GDP in 2016.

Figure 1: GDP growth (year to Mar 2016)

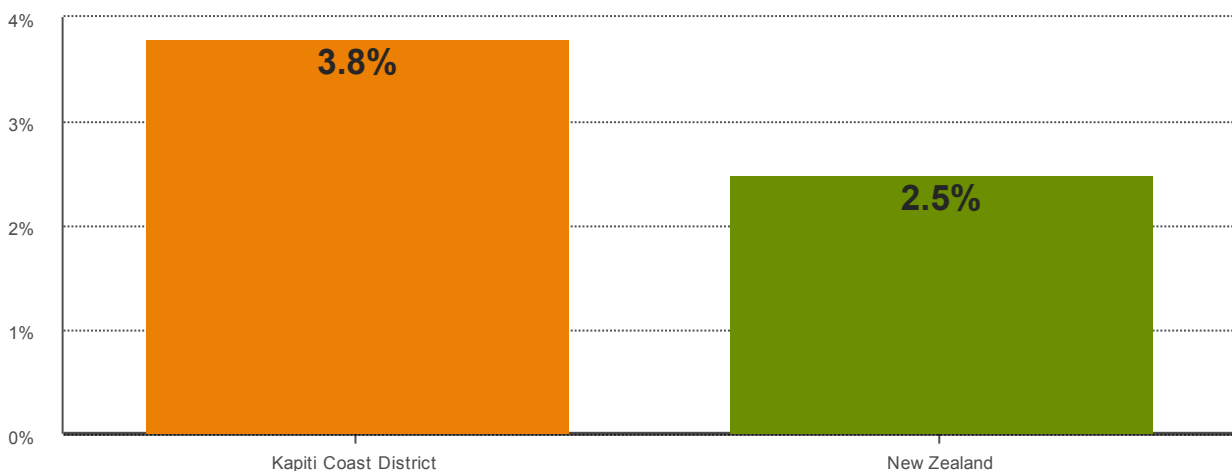


Figure 2: Annual average GDP growth (2000-2016)

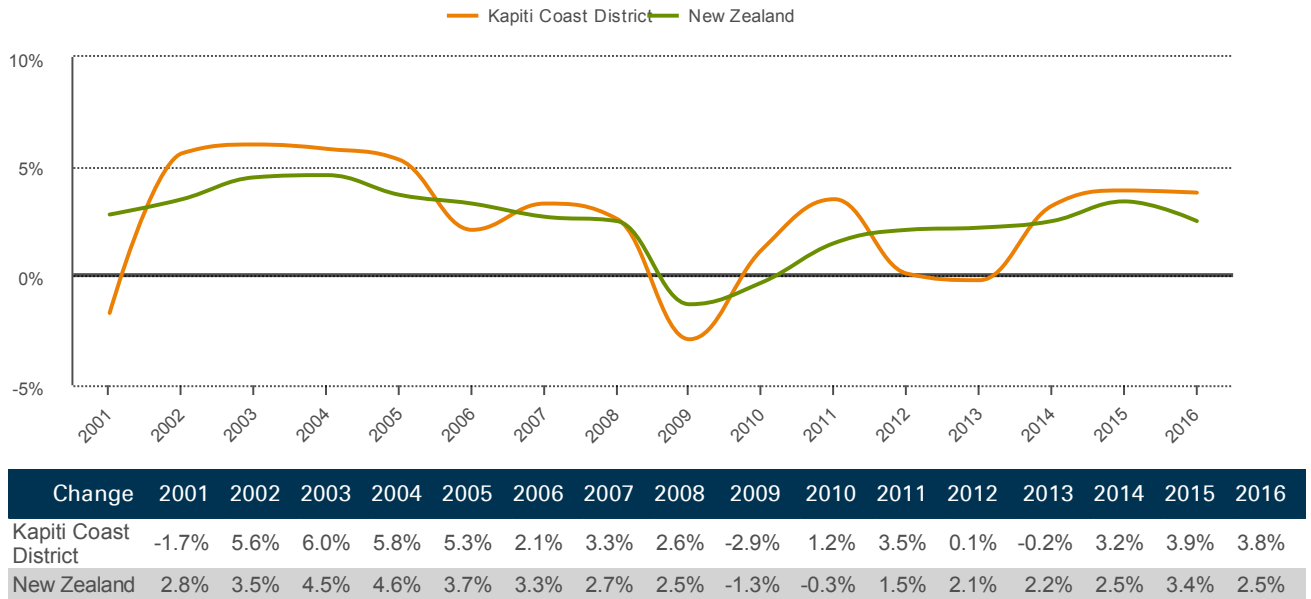
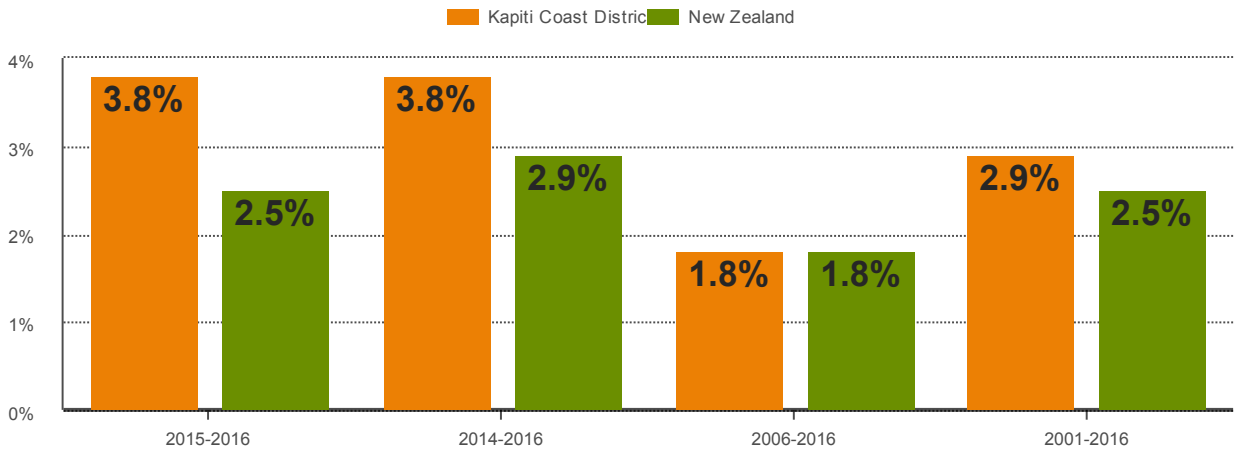


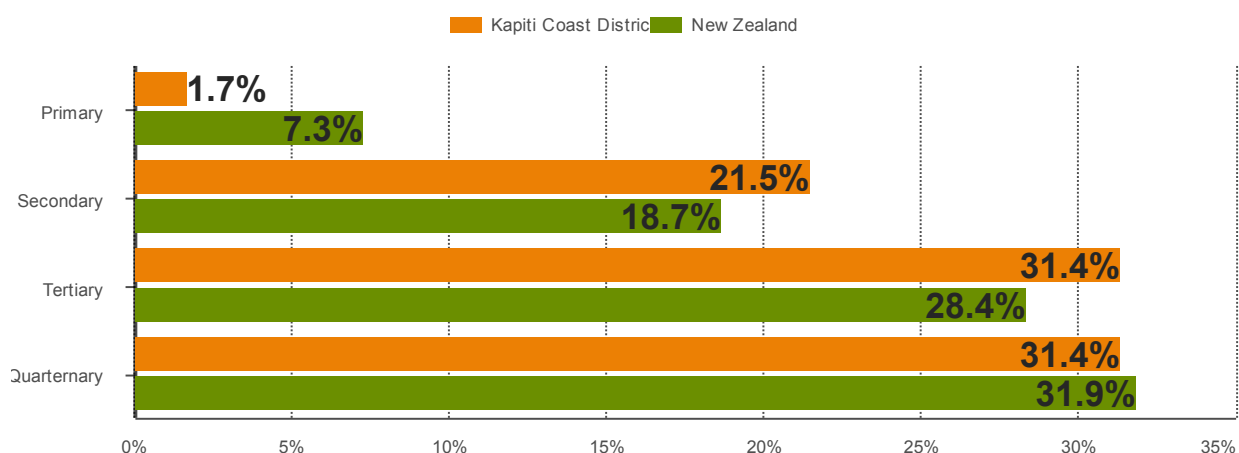
Figure 3: GDP growth over various time periods



What is the industrial structure of Kapiti Coast District's economy?

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

Figure 4: Share of total GDP (2016)



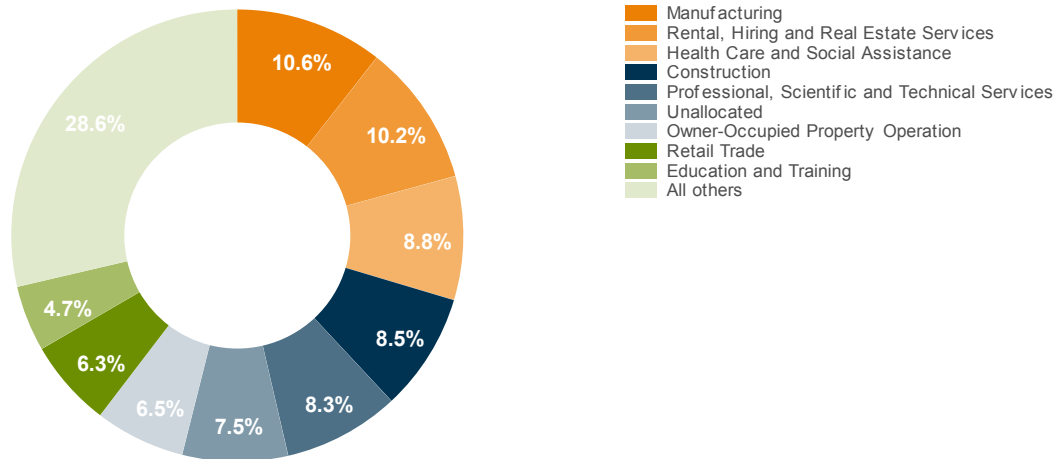
- Primary industries accounted for the smallest proportion in Kapiti Coast District: 1.7% compared with 7.3% in the national economy.
- Secondary industries accounted for 21.5% compared with 18.7% in the national economy.
- Tertiary industries accounted for the largest proportion of GDP (31.4%) in Kapiti Coast District, which is higher than in the national economy (28.4%).
- Quarternary industries accounted for 31.4% compared with 31.9% in the national economy.

Table 1: GDP by 1-digit industry (2016)

Industry	Kapiti Coast District		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	\$25.0m	1.6%	\$12,811m	5.7%
Mining	\$1.14m	0.1%	\$3,522m	1.6%
Manufacturing	\$164m	10.6%	\$22,521m	10.1%
Electricity, Gas, Water and Waste Services	\$38.6m	2.5%	\$6,471m	2.9%
Construction	\$131m	8.5%	\$12,808m	5.7%
Wholesale Trade	\$27.5m	1.8%	\$11,488m	5.1%
Retail Trade	\$97.2m	6.3%	\$10,630m	4.8%
Accommodation and Food Services	\$40.3m	2.6%	\$4,736m	2.1%
Transport, Postal and Warehousing	\$54.2m	3.5%	\$9,397m	4.2%
Information Media and Telecommunications	\$59.4m	3.8%	\$7,904m	3.5%
Financial and Insurance Services	\$45.5m	2.9%	\$13,220m	5.9%
Rental, Hiring and Real Estate Services	\$158m	10.2%	\$15,991m	7.2%
Professional, Scientific and Technical Services	\$129m	8.4%	\$18,018m	8.1%
Administrative and Support Services	\$30.7m	2.0%	\$4,564m	2.0%
Public Administration and Safety	\$42.7m	2.8%	\$9,612m	4.3%
Education and Training	\$72.9m	4.7%	\$9,365m	4.2%
Health Care and Social Assistance	\$137m	8.8%	\$13,259m	5.9%
Arts and Recreation Services	\$30.4m	2.0%	\$2,918m	1.3%
Other Services	\$48.1m	3.1%	\$3,794m	1.7%
Owner-Occupied Property Operation	\$99.7m	6.4%	\$13,628m	6.1%
Unallocated	\$117m	7.5%	\$16,826m	7.5%
Total	\$1,550m	100%	\$223,483m	100%

- Among broad industries Manufacturing was the largest in Kapiti Coast District in 2016 accounting for 10.6% of total.
- The second largest was Rental, Hiring and Real Estate Services (10.2%) followed by Health Care and Social Assistance (8.8%)

Figure 5: Share of total GDP (2016)



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

- Among detailed industries Property Operators & Real Estate Services was the largest in Kapiti Coast District in 2016 accounting for 9.4% of total.
- The second largest was Health Care & Social Assistance (8.8%) followed by Professional, Scientific & Tech Services (8.4%)

Table 2: GDP by 54 industries (2016)

Industry	Kapiti Coast District		New Zealand	
	Level	Share of total	Level	Share of total
Horticulture & Fruit Growing	\$6.87m	0.4%	\$1,141m	0.5%
Sheep, Beef Cattle & Grain Farming	\$4.30m	0.3%	\$2,709m	1.2%
Dairy Cattle Farming	\$6.85m	0.4%	\$5,230m	2.3%
Poultry, Deer & Other Livestock Farming	\$1.39m	0.1%	\$316m	0.1%
Forestry & Logging	\$3.51m	0.2%	\$1,391m	0.6%
Fishing & Aquaculture	\$0.25m	0.0%	\$345m	0.2%
Agric Support Services & Hunting	\$1.82m	0.1%	\$1,679m	0.8%
Mining	\$1.14m	0.1%	\$3,522m	1.6%
Meat & Meat Product Manufacturing	\$0.00m	0.0%	\$1,786m	0.8%
Seafood Processing	\$1.15m	0.1%	\$408m	0.2%
Dairy Product Manufacturing	\$11.5m	0.7%	\$1,304m	0.6%
Fruit, Cereal & Other Food Product Manu	\$19.1m	1.2%	\$1,994m	0.9%
Beverage & Tobacco Product Manu	\$28.1m	1.8%	\$1,904m	0.9%
Textile, Leather, Clothing, Footwear Manu	\$4.17m	0.3%	\$672m	0.3%
Wood Product Manufacturing	\$13.5m	0.9%	\$1,321m	0.6%
Pulp & Paper Product Manufacturing	\$0.34m	0.0%	\$689m	0.3%
Printing	\$3.32m	0.2%	\$565m	0.3%
Petroleum & Coal Product Manufacturing	\$0.00m	0.0%	\$1,067m	0.5%
Basic Chemical & Chemical Product Manu	\$20.1m	1.3%	\$1,387m	0.6%
Polymer Product & Rubber Product Manu	\$3.24m	0.2%	\$1,346m	0.6%
Non-Metallic Mineral Product Manu	\$31.1m	2.0%	\$1,142m	0.5%
Primary Metal & Metal Product Manu	\$0.87m	0.1%	\$586m	0.3%
Fabricated Metal Product Manufacturing	\$12.8m	0.8%	\$1,861m	0.8%
Transport Equipment Manufacturing	\$1.24m	0.1%	\$1,067m	0.5%
Machinery & Other Equipment Manu	\$8.69m	0.6%	\$2,805m	1.3%
Furniture & Other Manufacturing	\$4.47m	0.3%	\$617m	0.3%
Electricity & Gas Supply	\$27.0m	1.7%	\$5,373m	2.4%
Water, Sewerage & Waste Services	\$11.6m	0.7%	\$1,098m	0.5%
Building Construction	\$24.8m	1.6%	\$2,636m	1.2%
Heavy & Civil Engineering Construction	\$19.7m	1.3%	\$3,639m	1.6%
Construction Services	\$87.0m	5.6%	\$6,533m	2.9%
Wholesale Trade	\$27.5m	1.8%	\$11,488m	5.1%
Motor Vehicle, Parts & Fuel Retailing	\$10.3m	0.7%	\$1,526m	0.7%
Supermarket & Specialised Food Retailing	\$31.8m	2.1%	\$3,102m	1.4%
Other Store & Non Store Retailing	\$55.1m	3.6%	\$6,002m	2.7%
Accommodation & Food Services	\$40.3m	2.6%	\$4,736m	2.1%
Road Transport	\$23.2m	1.5%	\$3,281m	1.5%
Rail, Water, Air & Other Transport	\$6.38m	0.4%	\$1,930m	0.9%
Postal, Courier & Warehousing Services	\$24.7m	1.6%	\$4,186m	1.9%
Information Media Services	\$20.7m	1.3%	\$2,197m	1.0%
Telecomms, Internet & Library Services	\$38.7m	2.5%	\$5,707m	2.6%
Finance	\$31.3m	2.0%	\$8,733m	3.9%
Insurance & Superannuation Funds	\$2.73m	0.2%	\$2,466m	1.1%
Auxiliary Finance & Insurance Services	\$11.5m	0.7%	\$2,020m	0.9%
Rental & Hiring Services	\$12.5m	0.8%	\$2,533m	1.1%
Property Operators & Real Estate Services	\$146m	9.4%	\$13,458m	6.0%
Professional, Scientific & Tech Services	\$129m	8.4%	\$18,018m	8.1%
Administrative & Support Services	\$30.7m	2.0%	\$4,564m	2.0%
Local Government Administration	\$15.8m	1.0%	\$1,146m	0.5%
Central Gov Admin, Defence & Safety	\$26.9m	1.7%	\$8,466m	3.8%
Education & Training	\$72.9m	4.7%	\$9,365m	4.2%
Health Care & Social Assistance	\$137m	8.8%	\$13,259m	5.9%
Arts & Recreation Services	\$30.4m	2.0%	\$2,918m	1.3%
Other Services	\$48.1m	3.1%	\$3,794m	1.7%
Owner-Occupied Property Operation	\$99.7m	6.4%	\$13,628m	6.1%
Unallocated	\$117m	7.5%	\$16,826m	7.5%
Total	\$1,550m	100%	\$223,483m	100%

Which broad industries made the largest contribution to economic growth?

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

- Construction made the largest contribution to overall growth in Kapiti Coast District between 2015 and 2016. The industry grew by 12% over the year and contributed 0.97 percentage points to the district's total growth of 3.8%.
- The next largest contributor was information media and telecommunications (0.64 percentage points) followed by electricity, gas, water and waste services (0.59 percentage points).
- The largest detractor from growth over the year was Rental, Hiring and Real Estate Services which declined by 6.1% and contributed -0.68 percentage points to the total growth of 3.8%. Mining (-0.09 percentage points) was the next largest detractor.

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

Industry	2015	2016	% point contribution to growth	Annual Growth
Construction	116.9	131.4	1.0%	12.5%
Information Media and Telecommunications	49.8	59.4	0.6%	19.3%
Electricity, Gas, Water and Waste Services	29.8	38.6	0.6%	29.3%
Manufacturing	155.1	163.6	0.6%	5.5%
Administrative and Support Services	23.0	30.7	0.5%	33.3%
Other Services	45.6	48.1	0.2%	5.3%
Health Care and Social Assistance	134.2	136.6	0.2%	1.8%
Education and Training	70.8	72.9	0.1%	3.0%
Transport, Postal and Warehousing	52.3	54.2	0.1%	3.7%
Professional, Scientific and Technical Services	127.7	129.5	0.1%	1.4%
Wholesale Trade	26.4	27.5	0.1%	4.3%
Accommodation and Food Services	40.1	40.3	0.0%	0.4%
Agriculture, Forestry and Fishing	24.9	25.0	0.0%	0.6%
Retail Trade	97.4	97.2	0.0%	-0.2%
Financial and Insurance Services	45.8	45.5	0.0%	-0.7%
Public Administration and Safety	43.6	42.7	-0.1%	-2.1%
Arts and Recreation Services	31.5	30.4	-0.1%	-3.4%
Mining	2.6	1.1	-0.1%	-55.3%
Rental, Hiring and Real Estate Services	168.6	158.4	-0.7%	-6.1%
Owner-Occupied Property Operation	96.6	99.7	0.2%	3.2%
Unallocated	110.8	116.6	0.4%	5.3%
Total	1,494	1,550	3.8%	3.8%

Which detailed industries made the largest contribution to economic growth?

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

- Telecomms, Internet & Library Services made the largest contribution to overall growth in Kapiti Coast District between 2015 and 2016. The industry grew by 25% over the year and contributed 0.52 percentage points to the district's total growth of 3.8%.
- The next largest contributor was administrative & support services (0.51 percentage points) followed by construction services (0.44 percentage points).
- The largest detractor from growth over the year was Property Operators & Real Estate Services which declined by 6.5% and contributed -0.68 percentage points to the total growth of 3.8%. Fruit, Cereal & Other Food Product Manu (-0.10 percentage points) was the next largest detractor.

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

Industry	2015	2016	% point contribution to growth	Annual Growth
Telecomms, Internet & Library Services	30.9	38.7	0.5%	25.1%
Administrative & Support Services	23.0	30.7	0.5%	33.3%
Construction Services	80.5	87.0	0.4%	8.1%
Heavy & Civil Engineering Construction	13.2	19.7	0.4%	49.1%
Electricity & Gas Supply	21.3	27.0	0.4%	26.7%
Non-Metallic Mineral Product Manu	27.0	31.1	0.3%	15.2%
Beverage & Tobacco Product Manu	24.0	28.1	0.3%	16.7%
Water, Sewerage & Waste Services	8.5	11.6	0.2%	35.7%
Other Services	45.6	48.1	0.2%	5.3%
Health Care & Social Assistance	134.2	136.6	0.2%	1.8%
Road Transport	20.9	23.2	0.2%	11.0%
Education & Training	70.8	72.9	0.1%	3.0%
Information Media Services	18.9	20.7	0.1%	9.8%
Professional, Scientific & Tech Services	127.7	129.5	0.1%	1.4%
Building Construction	23.2	24.8	0.1%	6.8%
Basic Chemical & Chemical Product Manu	18.8	20.1	0.1%	6.6%
Wholesale Trade	26.4	27.5	0.1%	4.3%
Fabricated Metal Product Manufacturing	12.0	12.8	0.1%	6.5%
Horticulture & Fruit Growing	6.1	6.9	0.0%	11.7%
Postal, Courier & Warehousing Services	24.1	24.7	0.0%	2.5%
Auxiliary Finance & Insurance Services	11.0	11.5	0.0%	4.7%
Polymer Product & Rubber Product Manu	2.7	3.2	0.0%	18.1%
Central Gov Admin, Defence & Safety	26.5	26.9	0.0%	1.8%
Dairy Product Manufacturing	11.1	11.5	0.0%	3.8%
Furniture & Other Manufacturing	4.3	4.5	0.0%	4.2%
Accommodation & Food Services	40.1	40.3	0.0%	0.4%
Sheep, Beef Cattle & Grain Farming	4.2	4.3	0.0%	3.2%
Pulp & Paper Product Manufacturing	0.2	0.3	0.0%	53.6%
Textile, Leather, Clothing, Footwear Manu	4.1	4.2	0.0%	2.5%
Motor Vehicle, Parts & Fuel Retailing	10.2	10.3	0.0%	0.4%
Fishing & Aquaculture	0.2	0.3	0.0%	20.0%
Other Store & Non Store Retailing	55.1	55.1	0.0%	0.1%
Agric Support Services & Hunting	1.8	1.8	0.0%	1.4%
Seafood Processing	1.1	1.1	0.0%	0.7%
Meat & Meat Product Manufacturing	0.0	0.0	0.0%	-
Petroleum & Coal Product Manufacturing	0.0	0.0	0.0%	-
Rental & Hiring Services	12.5	12.5	0.0%	-0.3%
Forestry & Logging	3.6	3.5	0.0%	-1.3%
Poultry, Deer & Other Livestock Farming	1.5	1.4	0.0%	-7.4%
Wood Product Manufacturing	13.7	13.5	0.0%	-1.4%
Finance	31.5	31.3	0.0%	-0.8%
Transport Equipment Manufacturing	1.5	1.2	0.0%	-18.0%
Printing	3.6	3.3	0.0%	-8.1%
Primary Metal & Metal Product Manu	1.2	0.9	0.0%	-25.6%
Supermarket & Specialised Food Retailing	32.1	31.8	0.0%	-0.9%
Machinery & Other Equipment Manu	9.1	8.7	0.0%	-4.2%
Insurance & Superannuation Funds	3.3	2.7	0.0%	-16.8%
Dairy Cattle Farming	7.5	6.8	0.0%	-8.3%
Rail, Water, Air & Other Transport	7.4	6.4	-0.1%	-13.5%
Arts & Recreation Services	31.5	30.4	-0.1%	-3.4%
Local Government Administration	17.2	15.8	-0.1%	-8.0%
Mining	2.6	1.1	-0.1%	-55.3%
Fruit, Cereal & Other Food Product Manu	20.6	19.1	-0.1%	-7.4%
Property Operators & Real Estate Services	156.1	145.9	-0.7%	-6.5%
Owner-Occupied Property Operation	96.6	99.7	0.2%	3.2%
Unallocated	110.8	116.6	0.4%	5.3%
Total	1,494	1,550	3.8%	3.8%

In which industries does Kapiti Coast District have a comparative advantage?

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

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

- The industries in which Kapiti Coast District has the largest comparative advantages are Non-Metallic Mineral Product Manu (location quotient = 3.9), Beverage & Tobacco Product Manu (2.1), and Basic Chemical & Chemical Product Manu (2.1).

Table 5: Location Quotient 2016

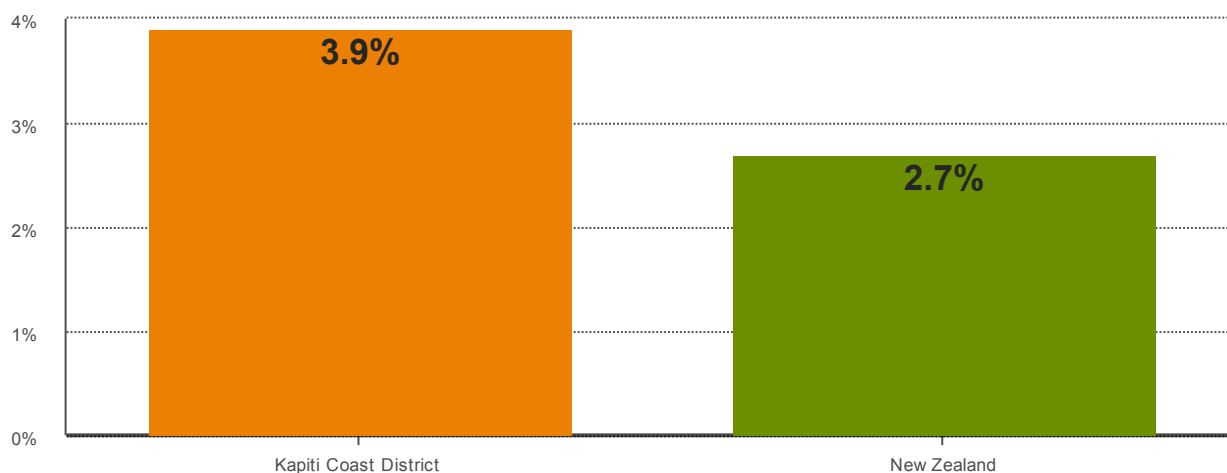
Industry	Kapiti Coast District		New Zealand
	Location Quotient	Share of total GDP	Share of total GDP
Non-Metallic Mineral Product Manu	3.9	2.0%	0.5%
Beverage & Tobacco Product Manu	2.1	1.8%	0.9%
Basic Chemical & Chemical Product Manu	2.1	1.3%	0.6%
Local Government Administration	2.0	1.0%	0.5%
Construction Services	1.9	5.6%	2.9%
Other Services	1.8	3.1%	1.7%
Property Operators & Real Estate Services	1.6	9.4%	6.0%
Water, Sewerage & Waste Services	1.5	0.7%	0.5%
Arts & Recreation Services	1.5	2.0%	1.3%
Health Care & Social Assistance	1.5	8.8%	5.9%
Supermarket & Specialised Food Retailing	1.5	2.1%	1.4%
Wood Product Manufacturing	1.5	0.9%	0.6%
Fruit, Cereal & Other Food Product Manu	1.4	1.2%	0.9%
Information Media Services	1.4	1.3%	1.0%
Building Construction	1.4	1.6%	1.2%
Other Store & Non Store Retailing	1.3	3.6%	2.7%
Dairy Product Manufacturing	1.3	0.7%	0.6%
Accommodation & Food Services	1.2	2.6%	2.1%
Education & Training	1.1	4.7%	4.2%
Furniture & Other Manufacturing	1.0	0.3%	0.3%
Professional, Scientific & Tech Services	1.0	8.4%	8.1%
Road Transport	1.0	1.5%	1.5%
Fabricated Metal Product Manufacturing	1.0	0.8%	0.8%
Telecomms, Internet & Library Services	1.0	2.5%	2.6%
Motor Vehicle, Parts & Fuel Retailing	1.0	0.7%	0.7%
Administrative & Support Services	1.0	2.0%	2.0%
Textile, Leather, Clothing, Footwear Manu	0.9	0.3%	0.3%
Horticulture & Fruit Growing	0.9	0.4%	0.5%
Postal, Courier & Warehousing Services	0.9	1.6%	1.9%
Printing	0.8	0.2%	0.3%
Auxiliary Finance & Insurance Services	0.8	0.7%	0.9%
Heavy & Civil Engineering Construction	0.8	1.3%	1.6%
Electricity & Gas Supply	0.7	1.7%	2.4%
Rental & Hiring Services	0.7	0.8%	1.1%
Poultry, Deer & Other Livestock Farming	0.6	0.1%	0.1%
Finance	0.5	2.0%	3.9%
Rail, Water, Air & Other Transport	0.5	0.4%	0.9%
Central Gov Admin, Defence & Safety	0.5	1.7%	3.8%
Machinery & Other Equipment Manu	0.4	0.6%	1.3%
Seafood Processing	0.4	0.1%	0.2%
Forestry & Logging	0.4	0.2%	0.6%
Polymer Product & Rubber Product Manu	0.3	0.2%	0.6%
Wholesale Trade	0.3	1.8%	5.1%
Sheep, Beef Cattle & Grain Farming	0.2	0.3%	1.2%
Primary Metal & Metal Product Manu	0.2	0.1%	0.3%
Dairy Cattle Farming	0.2	0.4%	2.3%
Transport Equipment Manufacturing	0.2	0.1%	0.5%
Insurance & Superannuation Funds	0.2	0.2%	1.1%
Agric Support Services & Hunting	0.2	0.1%	0.8%
Fishing & Aquaculture	0.1	0.0%	0.2%
Pulp & Paper Product Manufacturing	0.1	0.0%	0.3%
Mining	0.0	0.1%	1.6%
Meat & Meat Product Manufacturing	0.0	0.0%	0.8%
Petroleum & Coal Product Manufacturing	0.0	0.0%	0.5%

EMPLOYMENT

How fast has employment grown in Kapiti Coast District?

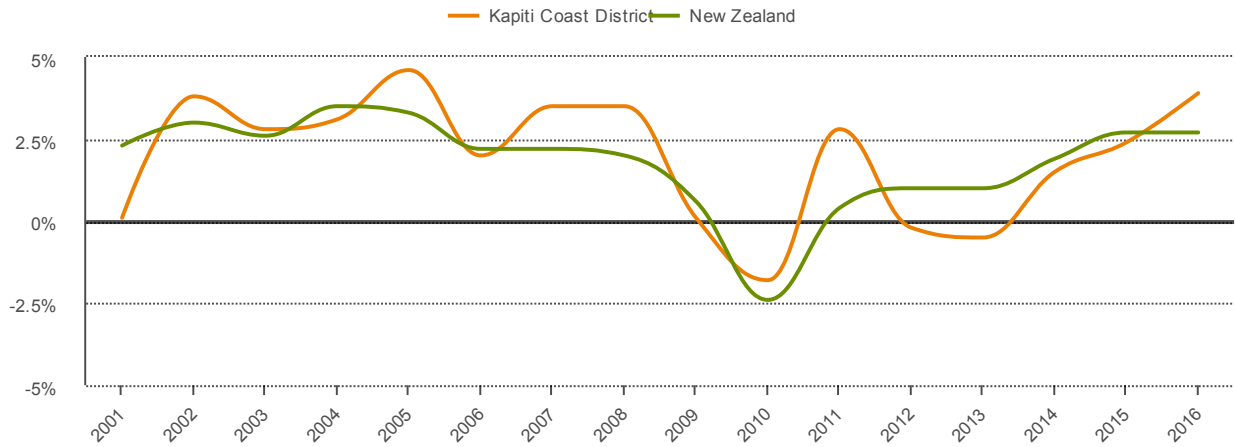
Employment growth provides new opportunities for the region's population to earn income and contribute to the region's economy. This section contrasts Kapiti Coast District's recent performance in creating jobs with other regions in the country.

Figure 6: Employment growth (year to Mar 2016)



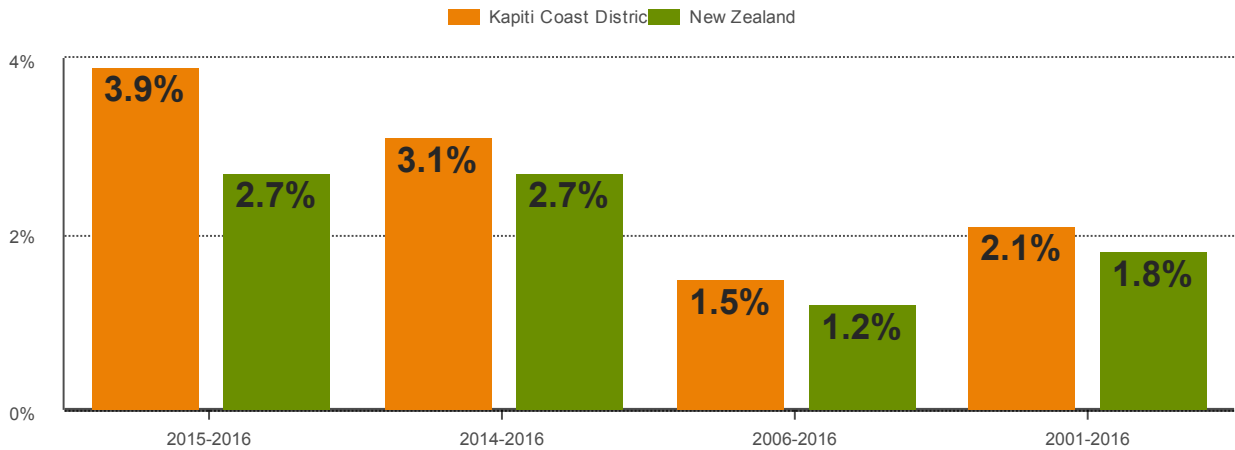
- Total employment in Kapiti Coast District averaged 16,699 in the year to March 2016, up 3.9% from a year earlier. Employment in New Zealand increased by 2.7% over the same period.
- Employment growth in Kapiti Coast District averaged 1.5%pa over the last 10 years compared with 1.2%pa in the national economy.
- Employment growth in Kapiti Coast District reached a high of 4.6% in 2005 and a low of -1.8% in 2010.

Figure 7: Annual average employment growth



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kapiti Coast District	0.1%	3.8%	2.8%	3.1%	4.6%	2.0%	3.5%	3.5%	0.1%	-1.8%	2.8%	-0.2%	-0.5%	1.5%	2.4%	3.9%
New Zealand	2.3%	3.0%	2.6%	3.5%	3.3%	2.2%	2.2%	2.0%	0.6%	-2.4%	0.4%	1.0%	1.0%	1.9%	2.7%	2.7%

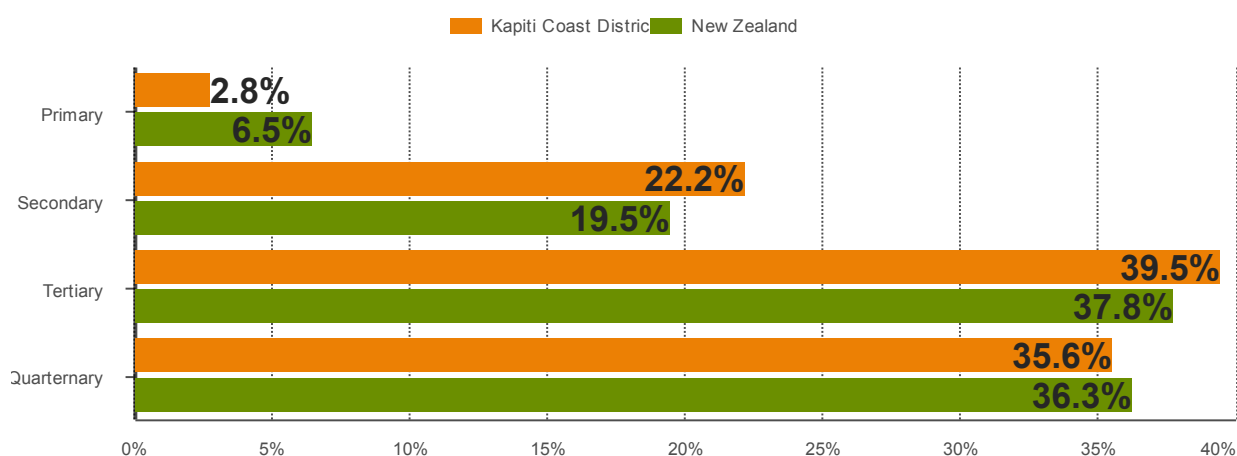
Figure 8: Employment growth over various time periods



What is the industrial structure of employment in Kapiti Coast District?

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

Figure 9: Employment by broad sector (2016)



- Primary accounted for 2.8% in Kapiti Coast District compared with 6.5% in New Zealand.
- Secondary accounted for 22.2% in Kapiti Coast District compared with 19.5% in New Zealand.
- Tertiary industries accounted for the largest proportion of employment (39.5%) in Kapiti Coast District, which is higher than in New Zealand (37.8%).
- Quaternary accounted for 35.6% in Kapiti Coast District compared with 36.3% in New Zealand.

Which are the largest employing industries in Kapiti Coast District?

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

Table 6: 1-digit industries ranked by size of employment (2016)

Industry	Kapiti Coast District		New Zealand	
	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	443	2.7%	147,492	6.2%
Mining	17	0.1%	5,617	0.2%
Manufacturing	1,092	6.5%	232,854	9.9%
Electricity, Gas, Water and Waste Services	91	0.5%	15,119	0.6%
Construction	2,518	15.1%	211,736	9.0%
Wholesale Trade	257	1.5%	117,974	5.0%
Retail Trade	2,138	12.8%	216,652	9.2%
Accommodation and Food Services	1,312	7.9%	151,807	6.4%
Transport, Postal and Warehousing	497	3.0%	98,676	4.2%
Information Media and Telecommunications	271	1.6%	40,929	1.7%
Financial and Insurance Services	224	1.3%	65,093	2.8%
Rental, Hiring and Real Estate Services	468	2.8%	55,532	2.3%
Professional, Scientific and Technical Services	1,444	8.6%	223,950	9.5%
Administrative and Support Services	786	4.7%	118,732	5.0%
Public Administration and Safety	432	2.6%	111,039	4.7%
Education and Training	1,473	8.8%	184,124	7.8%
Health Care and Social Assistance	2,098	12.6%	233,191	9.9%
Arts and Recreation Services	336	2.0%	44,519	1.9%
Other Services	801	4.8%	88,390	3.7%
Total	16,699	100%	2,363,428	100%

- Among broad industries Construction was the largest in Kapiti Coast District in 2016 accounting for 15.1% of total.
- The second largest was Retail Trade (12.8%) followed by Health Care and Social Assistance (12.6%)

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

- Construction was the largest 7-digit industry in Kapiti Coast District in 2016 employing 2,518 persons and accounting for 15.1% of total employment in the district. By contrast this industry accounted for 9.0% of total employment in New Zealand.
- The second largest employing industries were retail trade (2,138) followed by health care and social assistance (2,098).

Table 7: 50 largest employing 7-digit ANZSIC industries (2016)

Rank	Industry	Kapiti Coast District		New Zealand
		Jobs	% of total	% of total
1	Aged Care Residential Services	749	4.5%	1.4%
2	Cafes and Restaurants	663	4.0%	2.8%
3	Supermarket and Grocery Stores	643	3.9%	2.4%
4	Primary Education	511	3.1%	2.2%
5	House Construction	490	2.9%	1.7%
6	Management Advice and Other Consulting Services	386	2.3%	1.6%
7	Computer Systems Design and Related Services	382	2.3%	1.7%
8	Secondary Education	339	2.0%	1.5%
9	Other Social Assistance Services	321	1.9%	0.8%
10	Site Preparation Services	269	1.6%	0.5%
11	Electrical Services	246	1.5%	0.9%
12	Takeaway Food Services	245	1.5%	1.1%
13	Preschool Education	245	1.5%	1.1%
14	Real Estate Services	233	1.4%	1.0%
15	Hardware and Building Supplies Retailing	226	1.4%	0.8%
16	Local Government Administration	217	1.3%	1.0%
17	Painting and Decorating Services	210	1.3%	0.6%
18	Other Residential Care Services	209	1.2%	0.6%
19	General Practice Medical Services	202	1.2%	0.7%
20	Higher Education	192	1.1%	1.5%
21	Labour Supply Services	188	1.1%	1.2%
22	Other Allied Health Services	187	1.1%	1.4%
23	Hairdressing and Beauty Services	186	1.1%	0.6%
24	Department Stores	186	1.1%	0.7%
25	Other Automotive Repair and Maintenance	186	1.1%	0.7%
26	Child Care Services	177	1.1%	0.6%
27	Road Freight Transport	175	1.0%	1.3%
28	Accounting Services	168	1.0%	1.0%
29	Clothing Retailing	165	1.0%	0.7%
30	Accommodation	160	1.0%	1.3%
31	Plumbing Services	155	0.9%	0.5%
32	Gardening Services	149	0.9%	0.3%
33	Cheese and Other Dairy Product Manufacturing	135	0.8%	0.5%
34	Buildings Cleaning Services	134	0.8%	1.0%
35	Plastering and Ceiling Services	132	0.8%	0.3%
36	Roofing Services	128	0.8%	0.2%
37	Catering Services	120	0.7%	0.4%
38	Road and Bridge Construction	118	0.7%	0.6%
39	Non-Residential Property Operators	116	0.7%	0.6%
40	Engineering Design and Engineering Consulting Services	111	0.7%	1.1%
41	Legal Services	109	0.7%	0.8%
42	Tiling and Carpeting Services	107	0.6%	0.2%
43	Other Store-Based Retailing n.e.c.	103	0.6%	0.5%
44	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	99	0.6%	0.4%
45	Bakery Product Manufacturing (Non-factory-based)	96	0.6%	0.3%
46	Concreting Services	94	0.6%	0.2%
47	Landscape Construction Services	94	0.6%	0.3%
48	Sports and Physical Recreation Venues, Grounds and Facilities Operation	94	0.6%	0.3%
49	Other Administrative Services n.e.c.	92	0.5%	0.5%
50	Banking	90	0.5%	1.0%
	All other industries total	5,669	33.9%	54.8%
	Total	16,699	100%	100%

Which industries have created the most jobs?

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

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

Industry	2015	2016	Change	Annual Growth
Construction	2,251	2,518	267	11.9%
Administrative and Support Services	595	786	191	32.2%
Health Care and Social Assistance	2,040	2,098	58	2.8%
Other Services	754	801	48	6.3%
Education and Training	1,427	1,473	45	3.2%
Manufacturing	1,055	1,092	37	3.5%
Electricity, Gas, Water and Waste Services	66	91	25	37.4%
Transport, Postal and Warehousing	473	497	24	5.1%
Information Media and Telecommunications	251	271	20	7.9%
Professional, Scientific and Technical Services	1,426	1,444	18	1.3%
Wholesale Trade	242	257	15	6.2%
Mining	14	17	3	22.2%
Arts and Recreation Services	335	336	1	0.3%
Financial and Insurance Services	223	224	0	0.2%
Accommodation and Food Services	1,312	1,312	-1	0.0%
Agriculture, Forestry and Fishing	447	443	-4	-0.9%
Public Administration and Safety	451	432	-19	-4.2%
Rental, Hiring and Real Estate Services	501	468	-32	-6.4%
Retail Trade	2,215	2,138	-78	-3.5%
Total	16,080	16,699	619	3.9%

- Construction made the largest contribution to employment growth in Kapiti Coast District between 2015 and 2016 with the industry adding 267 jobs.
- The next largest contributor was Administrative and Support Services (191 jobs) followed by Health Care and Social Assistance (58 jobs).
- The largest detractor from growth over the year was Retail Trade in which employment declined by 78.

The table on the next page shows the 50 industries (out of a total of approximately 500 industries of the ANZSIC 2006 industry classification¹) that created the most number of jobs over the past year. Table 15 shows the 50 detailed industries that made the lowest contribution to job creation over the same period.

- Road and Bridge Construction was the largest creator of jobs in Kapiti Coast District between 2015 and 2016 generating an additional 52 positions.
- This was followed by Labour Supply Services, which added 48 jobs over the same period.
- Other Allied Health Services was the largest detractor of jobs in Kapiti Coast District between 2015 and 2016 losing 37 positions.
- This was followed by Health and Fitness Centres and Gymnasias Operation, which lost 32 jobs over the same period.

Table 9: The 50 seven-digit industries that created the most jobs between 2015 and 2016

Rank	Industry	Jobs		Change 2015 - 2016	% of total 2016
		2015	2016		
1	Road and Bridge Construction	66	118	52	0.7%
2	Labour Supply Services	140	188	48	1.1%
3	House Construction	444	490	46	2.9%
4	Primary Education	468	511	42	3.1%
5	Gardening Services	109	149	40	0.9%
6	Sports and Physical Recreation Venues, Grounds and Facilities Operation	60	94	34	0.6%
7	Site Preparation Services	237	269	31	1.6%
8	Other Social Assistance Services	292	321	29	1.9%
9	Buildings Cleaning Services	106	134	29	0.8%
10	Other Administrative Services n.e.c.	63	92	29	0.5%
11	Employment Placement and Recruitment Services	58	84	26	0.5%
12	Electrical Services	221	246	24	1.5%
13	Road Freight Transport	153	175	22	1.0%
14	Painting and Decorating Services	189	210	21	1.3%
15	Other Construction Services n.e.c.	68	89	21	0.5%
16	Accommodation	141	160	19	1.0%
17	Other Residential Care Services	190	209	19	1.2%
18	Takeaway Food Services	228	245	17	1.5%
19	Libraries and Archives	56	71	15	0.4%
20	Other Heavy and Civil Engineering Construction	64	78	14	0.5%
21	Plastering and Ceiling Services	119	132	13	0.8%
22	Office Administrative Services	40	52	12	0.3%
23	Apple and Pear Growing	24	36	12	0.2%
24	Child Care Services	165	177	12	1.1%
25	Concrete Product Manufacturing	53	64	11	0.4%
26	Other Automotive Repair and Maintenance	175	186	11	1.1%
27	Concreting Services	84	94	11	0.6%
28	Landscape Construction Services	84	94	10	0.6%
29	Beer Manufacturing	44	54	10	0.3%
30	Waste Treatment and Disposal Services	0	10	10	0.1%
31	Hairdressing and Beauty Services	177	186	9	1.1%
32	Tiling and Carpeting Services	98	107	9	0.6%
33	Architectural Services	59	68	9	0.4%
34	Engineering Design and Engineering Consulting Services	102	111	9	0.7%
35	Physiotherapy Services	32	40	9	0.2%
36	Timber Wholesaling	4	12	9	0.1%
37	Management Advice and Other Consulting Services	379	386	7	2.3%
38	General Practice Medical Services	195	202	7	1.2%
39	Hospitals (except Psychiatric Hospitals)	42	49	7	0.3%
40	Surveying and Mapping Services	29	36	7	0.2%
41	Automotive Body, Paint and Interior Repair	58	65	7	0.4%
42	Electricity Distribution	23	30	7	0.2%
43	Waste Remediation and Materials Recovery Services	10	16	7	0.1%
44	Other Interest Group Services n.e.c.	64	70	7	0.4%
45	Postal Services	82	88	6	0.5%
46	Berry Fruit Growing	26	32	6	0.2%
47	Ready-Mixed Concrete Manufacturing	26	32	6	0.2%
48	Structural Steel Fabricating	49	55	6	0.3%
49	Domestic Appliance Repair and Maintenance	18	24	6	0.1%
50	Cheese and Other Dairy Product Manufacturing	129	135	6	0.8%
	All other industries	10,338	10,124	-214	60.6%
	Total	16,080	16,699	619	100%

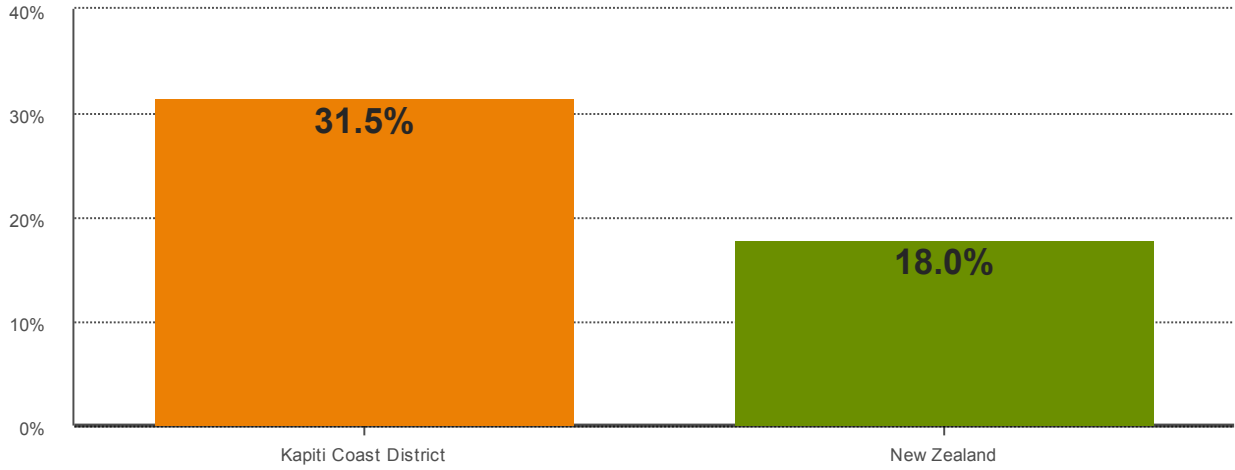
Table 10: The 50 seven-digit industries that lost the most jobs between 2015 and 2016

Rank	Industry	Jobs		Change 2015 - 2016	% of total 2016
		2015	2016		
1	Other Allied Health Services	224	187	-37	1.1%
2	Health and Fitness Centres and Gymnasias Operation	49	17	-32	0.1%
3	Department Stores	205	186	-19	1.1%
4	Supermarket and Grocery Stores	662	643	-19	3.9%
5	Local Government Administration	236	217	-19	1.3%
6	Non-Residential Property Operators	135	116	-18	0.7%
7	Catering Services	132	120	-12	0.7%
8	Fresh Meat, Fish and Poultry Retailing	31	20	-11	0.1%
9	Cafes and Restaurants	674	663	-11	4.0%
10	Real Estate Services	243	233	-10	1.4%
11	Computer Systems Design and Related Services	392	382	-10	2.3%
12	Structural Steel Erection Services	14	4	-10	0.0%
13	Car Retailing	74	64	-10	0.4%
14	Central Government Administration	71	62	-9	0.4%
15	Clubs (Hospitality)	57	49	-9	0.3%
16	Electrical, Electronic and Gas Appliance Retailing	62	54	-8	0.3%
17	Dairy Cattle Farming	88	80	-8	0.5%
18	Veterinary Services	69	61	-8	0.4%
19	Higher Education	199	192	-7	1.1%
20	Hardware and Building Supplies Retailing	233	226	-7	1.4%
21	Other Specialised Food Retailing	52	46	-6	0.3%
22	Horse and Dog Racing Administration and Track Operation	15	9	-6	0.1%
23	Confectionery Manufacturing	33	27	-6	0.2%
24	Poultry Farming (Meat)	8	2	-6	0.0%
25	Newspaper Publishing	25	20	-5	0.1%
26	Pubs, Taverns and Bars	81	76	-5	0.5%
27	Non-Residential Building Construction	73	69	-4	0.4%
28	Other Warehousing and Storage Services	25	21	-4	0.1%
29	Nursery Production (Outdoors)	19	15	-4	0.1%
30	Toy and Sporting Goods Wholesaling	15	11	-4	0.1%
31	Banking	94	90	-4	0.5%
32	Photographic Film Processing	5	1	-4	0.0%
33	Toy and Game Retailing	7	3	-4	0.0%
34	Motor Vehicle Body and Trailer Manufacturing	10	6	-4	0.0%
35	Sport and Camping Equipment Retailing	48	45	-3	0.3%
36	Flower Retailing	15	12	-3	0.1%
37	Metal and Mineral Wholesaling	6	3	-3	0.0%
38	Computer and Computer Peripherals Wholesaling	8	5	-3	0.0%
39	Other Fruit and Tree Nut Growing	10	7	-3	0.0%
40	Residential Property Operators	61	58	-3	0.3%
41	Other Transport n.e.c.	7	5	-3	0.0%
42	Footwear Retailing	52	49	-3	0.3%
43	Vegetable Growing (Outdoors)	59	56	-2	0.3%
44	Bakery Product Manufacturing (Non-factory-based)	99	96	-2	0.6%
45	Other Goods and Equipment Rental and Hiring n.e.c.	25	23	-2	0.1%
46	Adult, Community and Other Education n.e.c.	62	60	-2	0.4%
47	Amusement and Other Recreation Activities n.e.c.	9	6	-2	0.0%
48	Museum Operation	21	19	-2	0.1%
49	General Insurance	5	3	-2	0.0%
50	Rail Passenger Transport	33	30	-2	0.2%
	All other industries	11,253	12,253	999	73.4%
	Total	16,080	16,699	619	100%

What proportion of the workforce is self-employed in Kapiti Coast District?

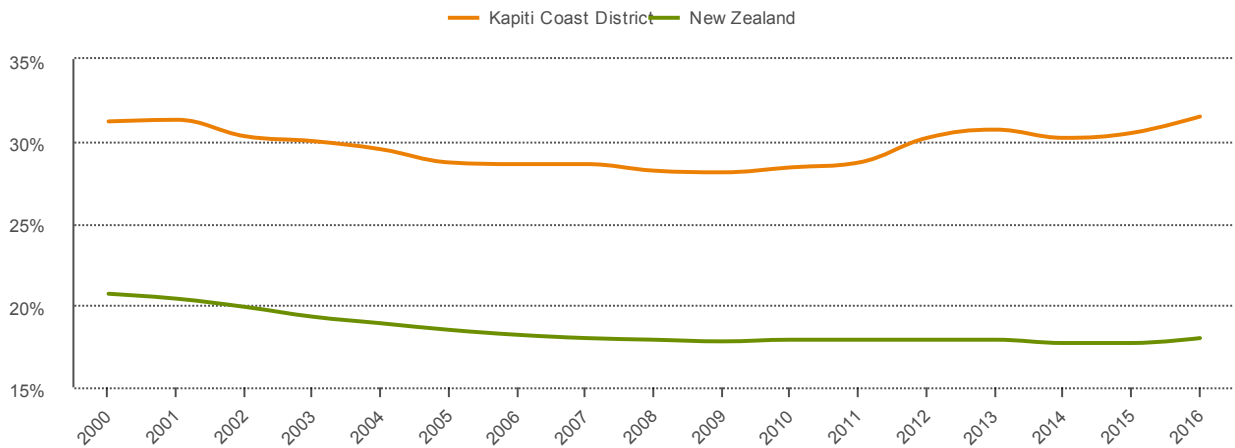
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in Kapiti Coast District with the national economy.

Figure 10: Self employment rate, 2016



- Self-employed workers accounted for 31.5% of the workforce in Kapiti Coast District in 2016, which was a higher rate than in the national economy (18.0%)
- A total of 5,262.0 workers were self-employed in Kapiti Coast District in 2016.

Figure 11: Self employment rate



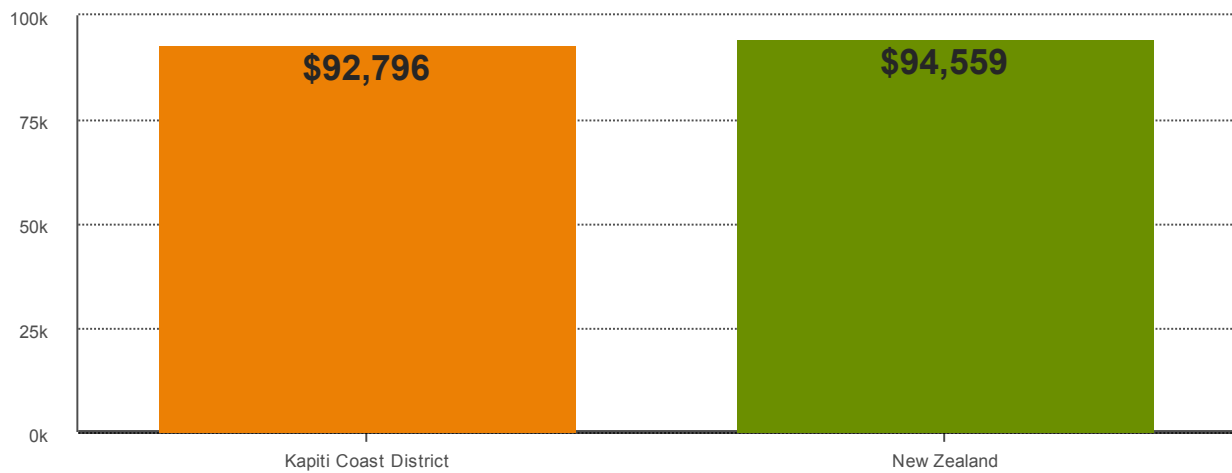
Level	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kapiti Coast District	31.3%	30.3%	30.0%	29.5%	28.7%	28.6%	28.6%	28.2%	28.1%	28.4%	28.7%	30.2%	30.7%	30.2%	30.5%	31.5%
New Zealand	20.4%	19.9%	19.3%	18.9%	18.5%	18.2%	18.0%	17.9%	17.8%	17.9%	17.9%	17.9%	17.9%	17.7%	17.7%	18.0%

PRODUCTIVITY

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

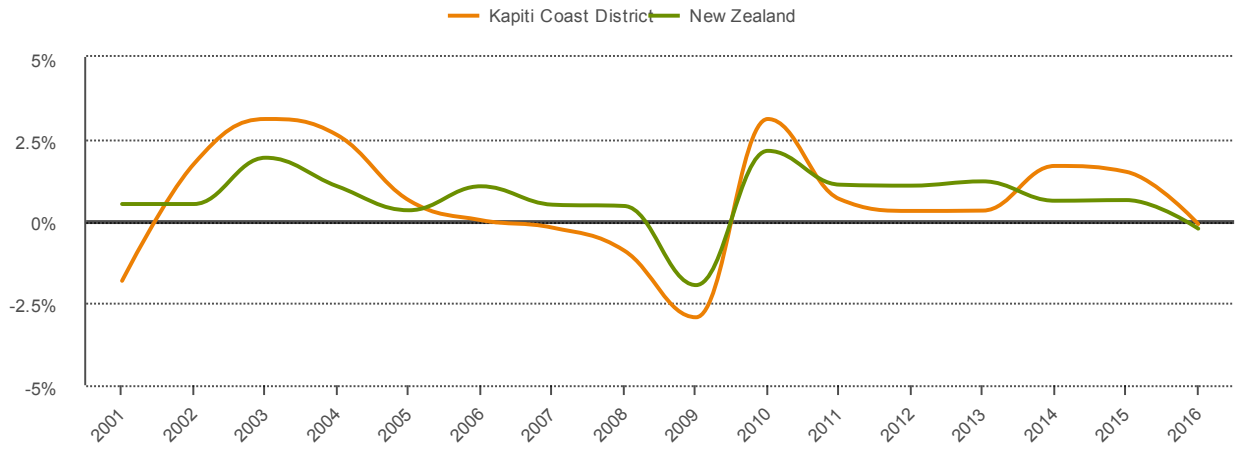
This section describes Kapiti Coast District's productivity level during the year to March 2016 and previous years. Productivity is measured by GDP per employee (in constant 2010 prices).

Figure 12: Productivity 2016



- GDP per employee in Kapiti Coast District measured \$92,796 in the year to March 2016, which was 1.9% lower than in New Zealand.
- Productivity in Kapiti Coast District decreased by 0.09% from a year earlier compared with an decrease of 0.2% in New Zealand).
- Productivity growth in Kapiti Coast District averaged 0.3%pa over the last ten years compared with an average of 0.6%pa in New Zealand.

Figure 13: Productivity growth



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kapiti Coast District	-1.8%	1.7%	3.1%	2.6%	0.6%	0.0%	-0.2%	-0.9%	-2.9%	3.1%	0.7%	0.3%	0.3%	1.7%	1.5%	-0.1%
New Zealand	0.5%	0.5%	1.9%	1.1%	0.3%	1.1%	0.5%	0.5%	-2.0%	2.1%	1.1%	1.1%	1.2%	0.6%	0.6%	-0.2%

What are the most productive industries in Kapiti Coast District

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

Table 11: 1-digit industries ranked by productivity (2016)

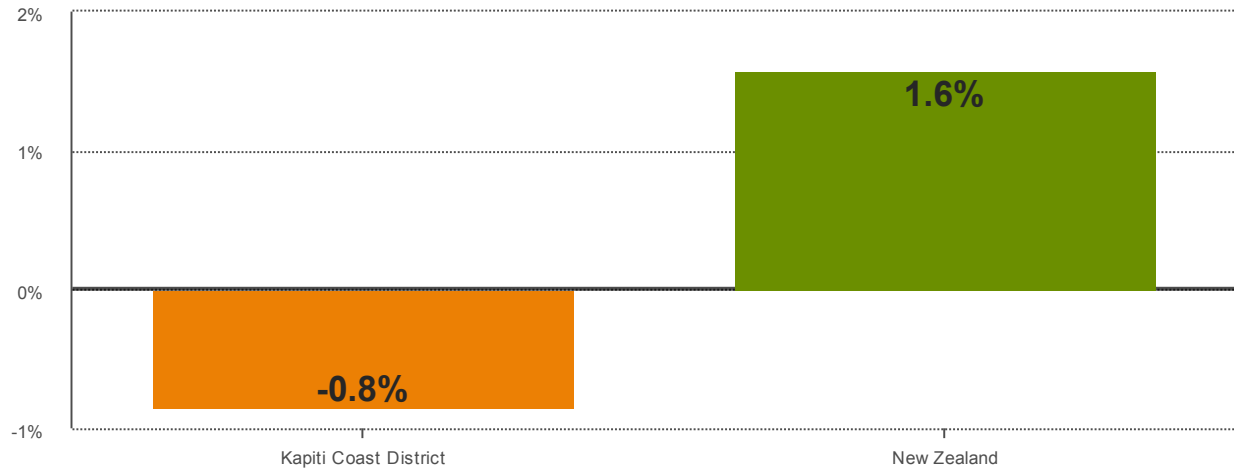
Industry	Productivity		Capital intensity
	Kapiti Coast District	New Zealand	New Zealand
Electricity, Gas, Water and Waste Services	423,453	427,993	-
Rental, Hiring and Real Estate Services	338,181	287,960	-
Information Media and Telecommunications	219,385	193,114	-
Financial and Insurance Services	203,574	203,093	-
Manufacturing	149,732	96,717	-
Transport, Postal and Warehousing	109,059	95,231	-
Wholesale Trade	106,908	97,377	-
Public Administration and Safety	98,898	86,564	-
Arts and Recreation Services	90,503	65,545	-
Professional, Scientific and Technical Services	89,648	80,455	-
Mining	69,301	627,003	-
Health Care and Social Assistance	65,124	56,859	-
Other Services	59,974	42,923	-
Agriculture, Forestry and Fishing	56,399	86,859	-
Construction	52,201	60,490	-
Education and Training	49,513	50,863	-
Retail Trade	45,475	49,065	-
Administrative and Support Services	39,070	38,440	-
Accommodation and Food Services	30,684	31,198	-
Total	92,796	94,559	

BUSINESS GROWTH

How fast did the number of business units grow in Kapiti Coast District?

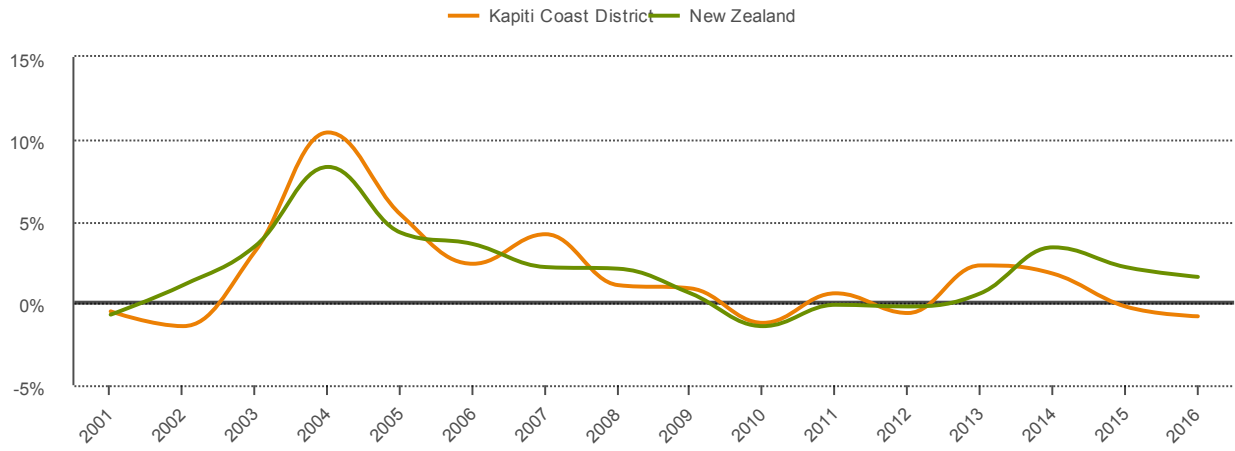
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts Kapiti Coast District's recent performance in business unit growth with other regions in the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

Figure 14: Business unit growth (year to Mar 2016)



- A total of 4,941 business units were recorded in Kapiti Coast District in 2016, down 0.8% from a year earlier.
- The number of business units in New Zealand increased by 1.6% over the same period.
- Growth in the number of business units in Kapiti Coast District averaged 0.8%pa over the past 10 years compared with 1.1%pa in the national economy.
- Business unit growth in Kapiti Coast District varied from a high of 10.4% in 2004 to a low of -1.4% in 2002.

Figure 15: Annual average business unit growth



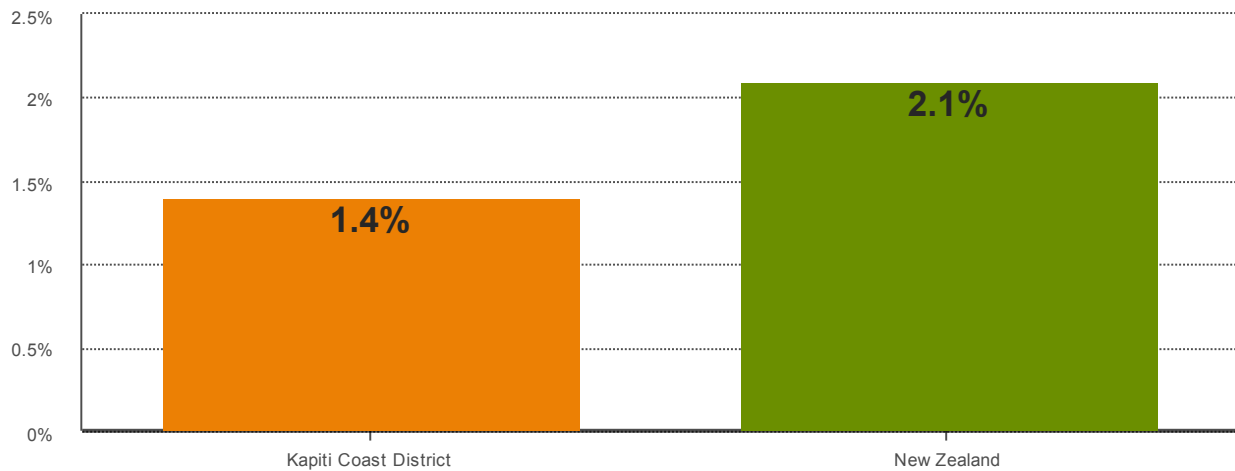
Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kapiti Coast District	-0.5%	-1.4%	3.2%	10.4%	5.4%	2.4%	4.2%	1.1%	0.9%	-1.2%	0.6%	-0.6%	2.3%	1.8%	-0.2%	-0.8%
New Zealand	-0.7%	1.1%	3.5%	8.3%	4.3%	3.6%	2.2%	2.1%	0.6%	-1.4%	-0.1%	-0.2%	0.6%	3.4%	2.2%	1.6%

POPULATION GROWTH

How fast has Kapiti Coast District's population grown?

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

Figure 16: Population growth (year to Jun 2016)



- Kapiti Coast District's population was 52,100 in 2016, up 1.4% from a year earlier. New Zealand's total population grew by 2.1% over the same period.
- Population growth in Kapiti Coast District averaged 0.7%pa over the last 5 years compared with 1.4%pa in New Zealand.
- Since 2000 growth in Kapiti Coast District reached a high of 2.1%pa in 2001 and a low of 0.4%pa in 2012.

Figure 17: Annual population growth

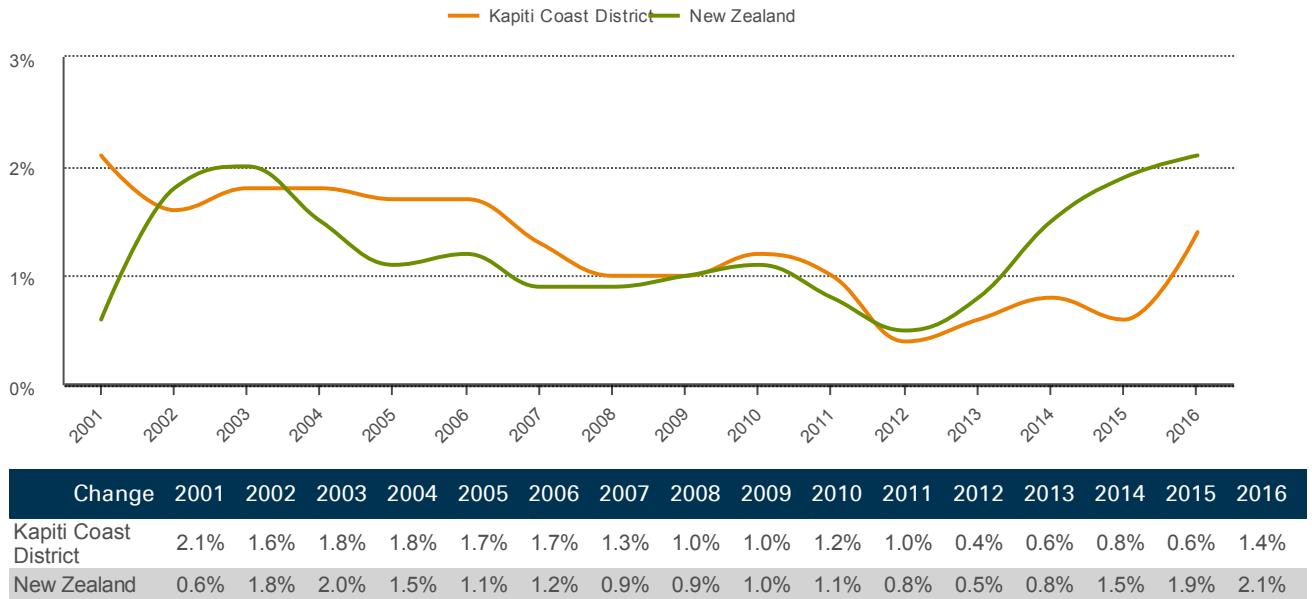
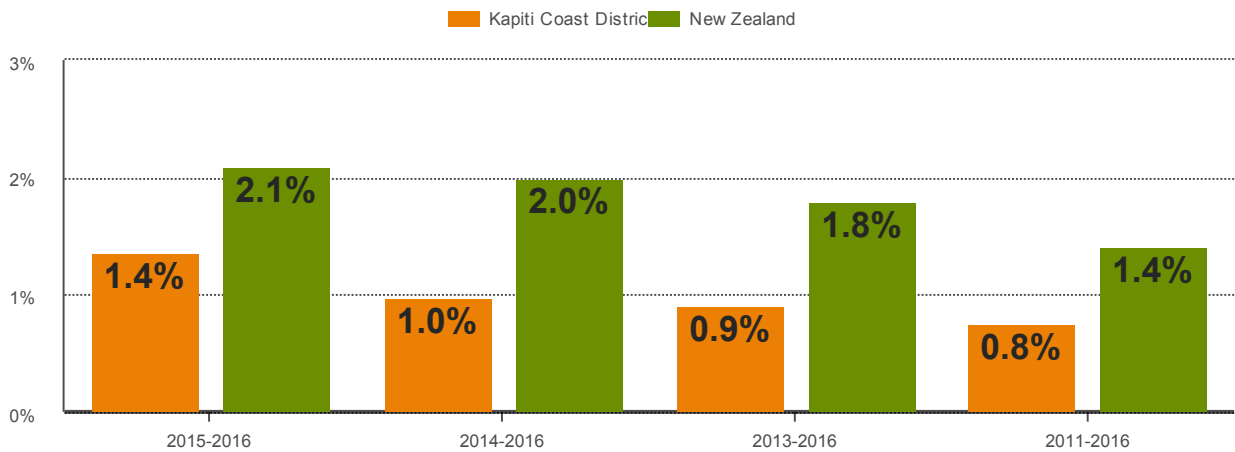


Figure 18: Population growth last 1,2,3 and 5 years

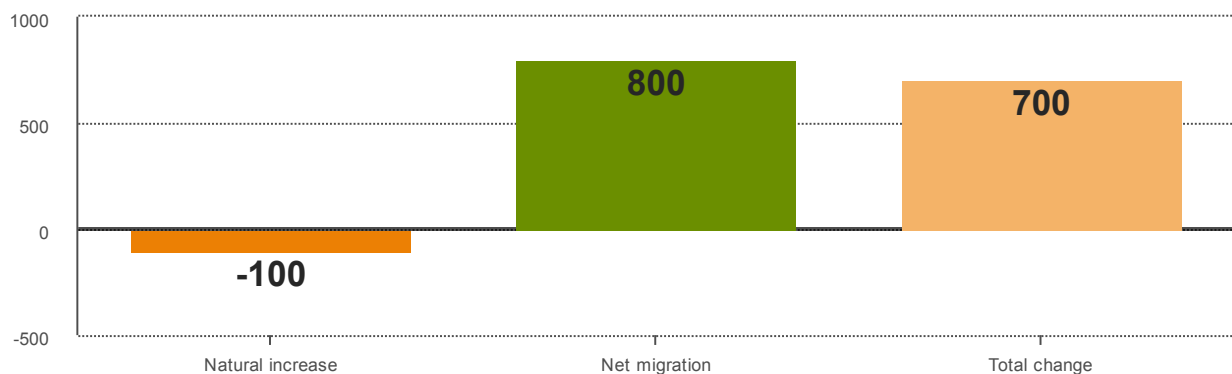


What is the source of Kapiti Coast District's population growth?

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

- Kapiti Coast District's population increased by 700 people in the year to June 2016. This net increase was made up of net migration of 800 and natural decrease of -100.

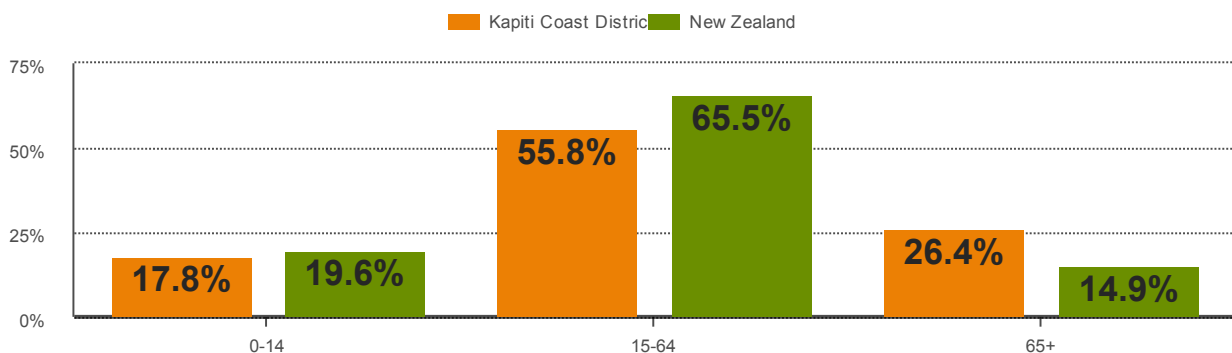
Figure 19: Source of population growth (year to June 2016)



What is the age structure of Kapiti Coast District's population?

- In 2016, 55.8% of Kapiti Coast District's population was of working age (15-64). This was significantly lower than the proportion of the national population (65.5%).
- Kapiti Coast District had a slightly lower proportion (17.8%) of young people (0-14) than the country as a whole (19.6%) and a significantly higher proportion (26.4%) of people 65 years and older compared with New Zealand (14.9%).
- Overall the dependency ratio in Kapiti Coast District (79.3%) was higher than in the national economy (52.7%). The dependency ratio expresses the number of persons outside of the working age as a proportion of the number of persons of working age (15 to 64 years).

Figure 20: Age composition of the population (year to June 2016)



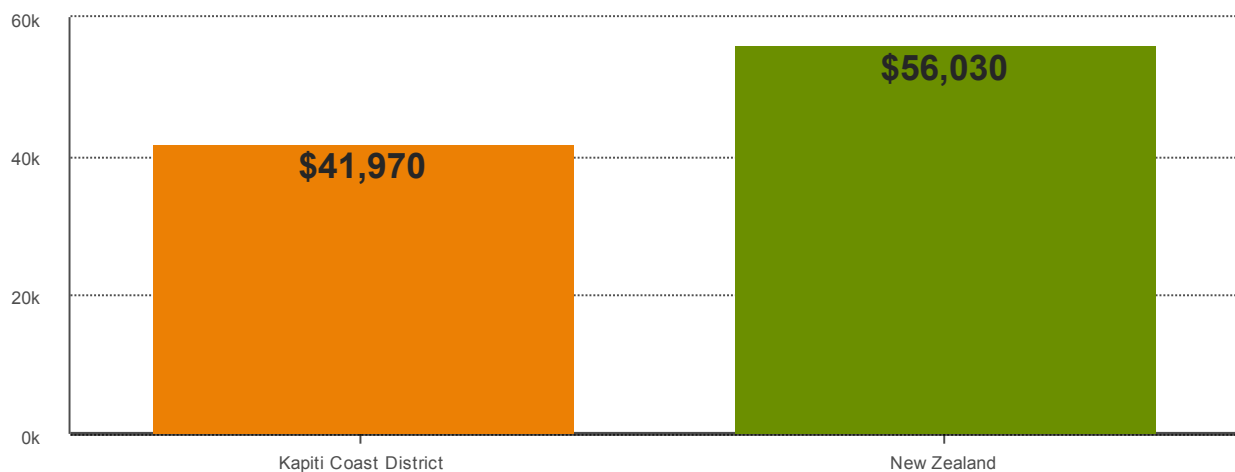
STANDARD OF LIVING

This section describes a few indicators of economic standard of living. It investigates average earnings, house prices and housing affordability. Note that due to data constraints earnings data are provided for the year to March 2015.

What are the mean earnings in Kapiti Coast District?

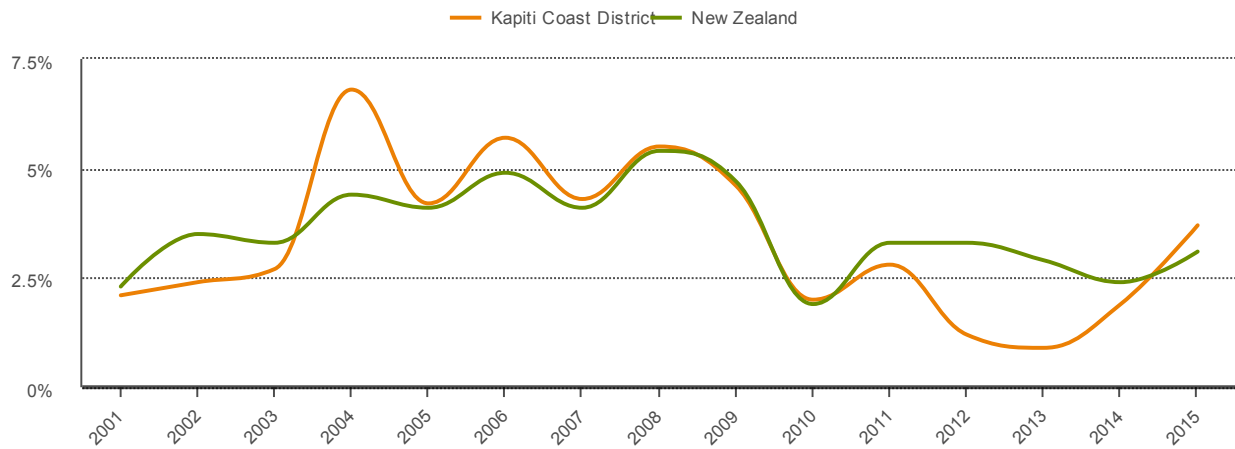
Income earned in the labour market is an important source of household income. This section contrasts Kapiti Coast District's mean annual earnings with the country as a whole.

Figure 21: Earnings, 2015



- Mean annual earnings in Kapiti Coast District was \$41,970 in the year to March 2015, which was lower than the New Zealand mean of \$56,030.
- Mean earnings in Kapiti Coast District increased by 3.7% over the year to March 2015 compared with an increase of 3.1% in New Zealand.
- Over the last ten years earnings growth in Kapiti Coast District reached a maximum of 6.8% in 2004 and a minimum of 0.9% in 2013.

Figure 22: Annual earnings growth



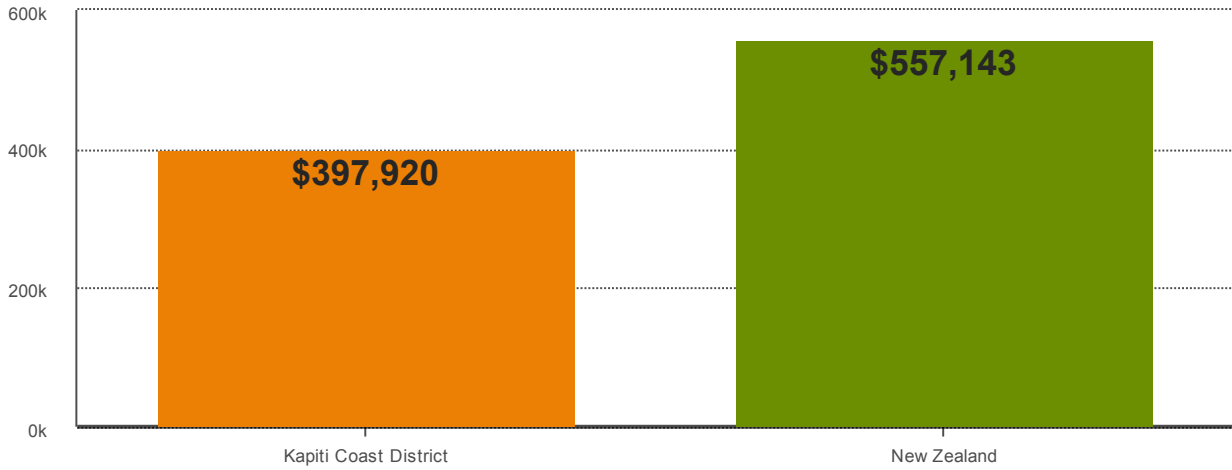
Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Kapiti Coast District	2.1%	2.4%	2.7%	6.8%	4.2%	5.7%	4.3%	5.5%	4.6%	2.0%	2.8%	1.2%	0.9%	1.9%	3.7%
New Zealand	2.3%	3.5%	3.3%	4.4%	4.1%	4.9%	4.1%	5.4%	4.7%	1.9%	3.3%	3.3%	2.9%	2.4%	3.1%

- Mean annual earnings in Kapiti Coast District was \$41,970 in the year to March 2015, which was lower than the New Zealand mean of \$56,030.
- Mean earnings in Kapiti Coast District increased by 3.7% over the year to March 2015 compared with an increase of 3.1% in New Zealand.
- Over the last ten years earnings growth in Kapiti Coast District reached a maximum of 6.8% in 2004 and a minimum of 0.9% in 2013.

How do house prices in Kapiti Coast District compare?

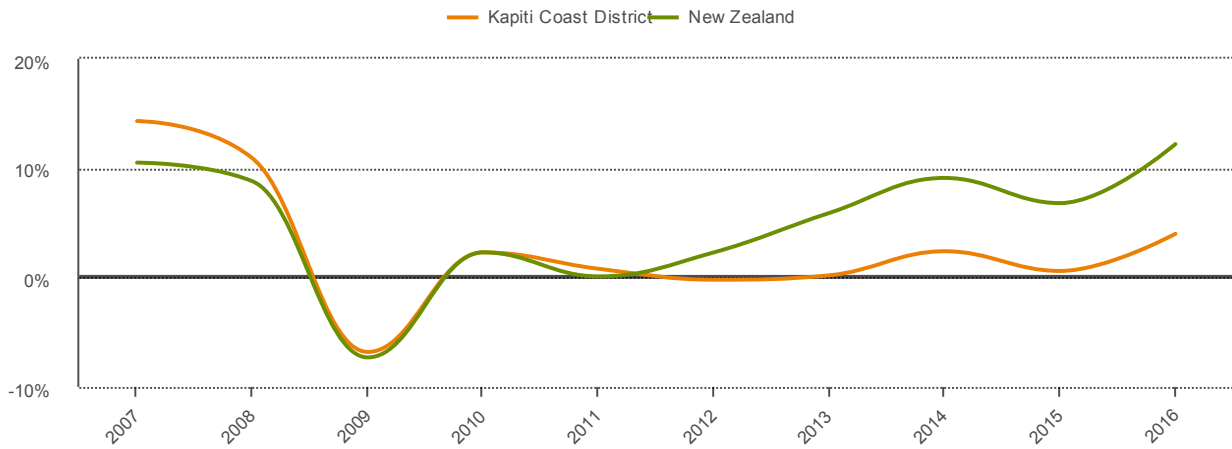
The cost of housing is a major component of household spending. This section describes the cost of housing in Kapiti Coast District relative to the rest of the country.

Figure 23: Average current house value, 2016



- The Average current house value in Kapiti Coast District was \$397,920 in 2016, which was lower than the New Zealand median of \$557,143.
- House price growth in Kapiti Coast District was 4.0% for the year to March 2016. Growth was weaker than in New Zealand (12%).

Figure 24: Annual Average current house value growth

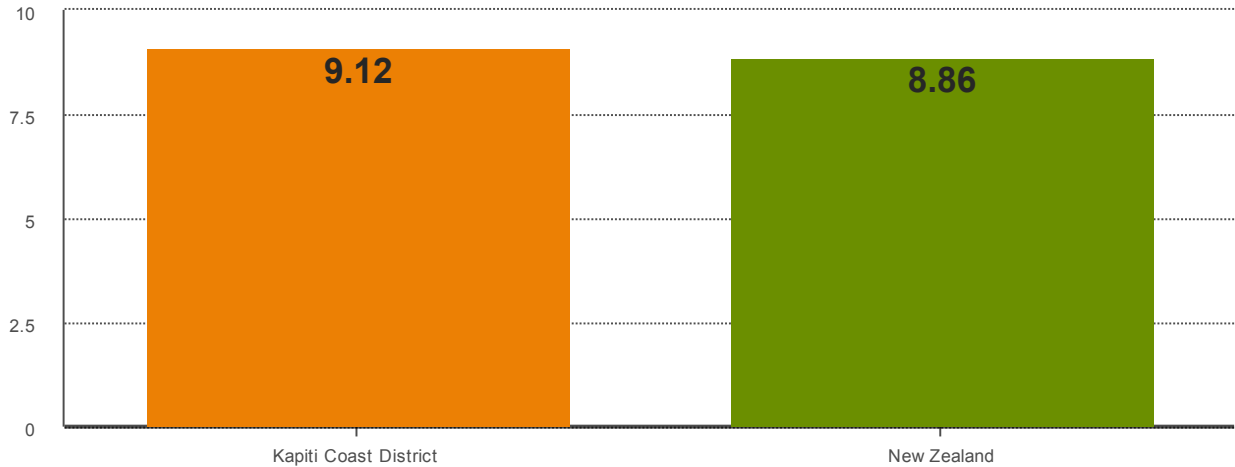


Change	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kapiti Coast District	14.3%	10.9%	-6.8%	2.3%	0.8%	-0.2%	0.2%	2.4%	0.6%	4.0%
New Zealand	10.5%	8.8%	-7.3%	2.3%	0.1%	2.3%	5.9%	9.1%	6.8%	12.2%

How affordable is housing in Kapiti Coast District?

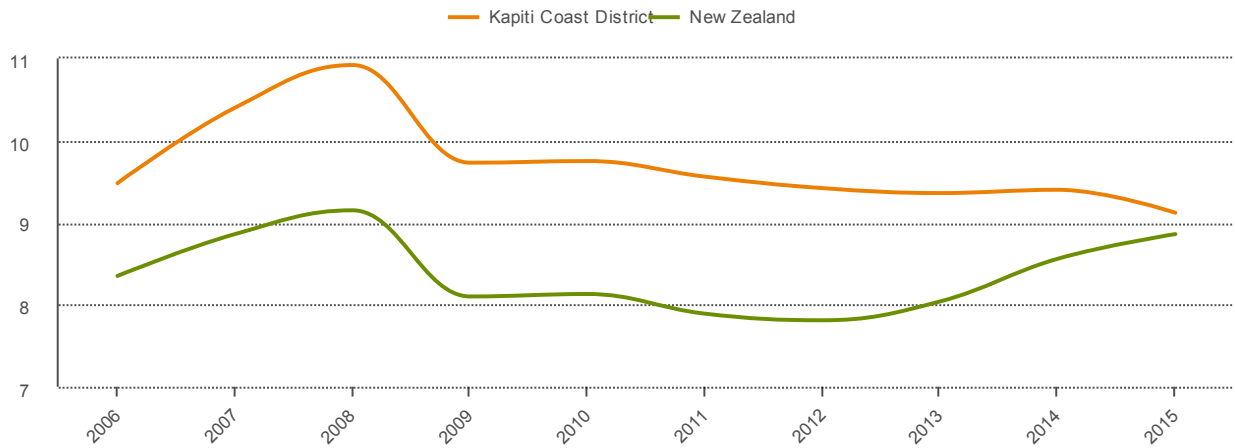
This section investigates the affordability of housing by comparing Average current house values with average earnings. We have estimated a housing affordability index which is the ratio of the Average current house value to annual average earnings measured in the Linked Employer Employee Data. A higher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

Figure 25: Housing affordability index 2015



- The housing affordability index in Kapiti Coast District was 9.1 in the year to March 2015, which was higher than New Zealand's index of 8.9. This means that housing is less affordable in Kapiti Coast District than in New Zealand.

Figure 26: Housing affordability



Level	2007	2008	2009	2010	2011	2012	2013	2014	2015
Kapiti Coast District	10.4	10.9	9.7	9.8	9.6	9.4	9.4	9.4	9.1
New Zealand	8.9	9.1	8.1	8.1	7.9	7.8	8.0	8.6	8.9

PERFORMANCE OF KEY INDUSTRIES

How well has the building and construction industry performed?

The section describes the performance of the first key industry in Kapiti Coast District: building and construction. It compares how the sector has performed relative to the rest of the district's economy in terms of economic output, employment and business unit growth.

A definition of the building and construction industry is provided at the end of this report.

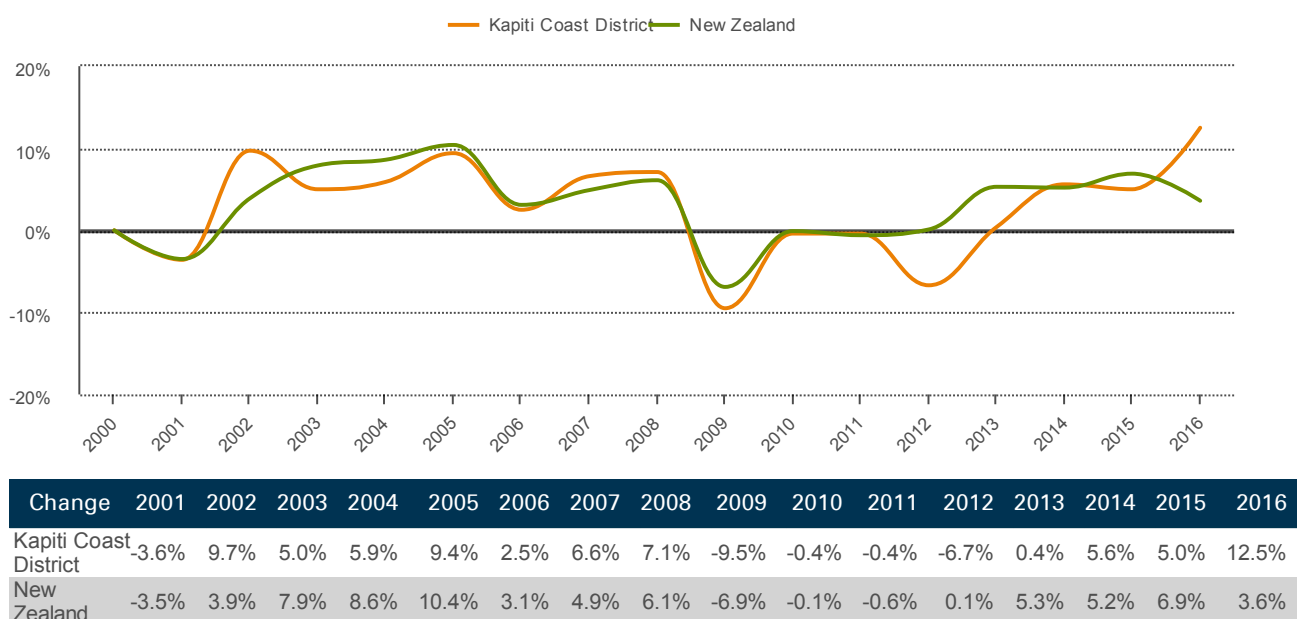
Table 12: Economic indicators for the building and construction industry

Indicator	2016	Industry share of regional economy	Regional share of national industry	Growth 2015 - 2016	
				Kapiti Coast District	New Zealand
GDP	\$131m	8.5%	1.0%	12%	3.6%
Employment	2,518	15%	1.2%	12%	6.0%
Business units	753	15%	1.3%	-3.8%	3.8%

Economic output

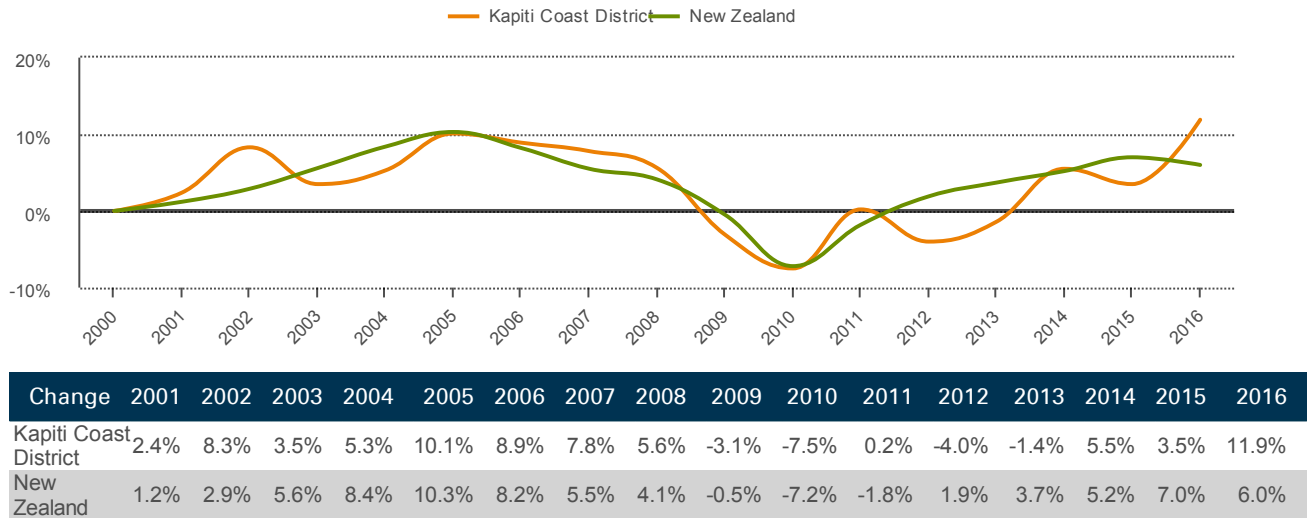
- The Building and construction industry contributed \$131m towards GDP in Kapiti Coast District in the year to March 2016. This amounted to 8.5% of Kapiti Coast District's total economic output in 2016, down from 8.5% in ten years prior.
- Economic output in Kapiti Coast District's Building and construction industry grew by 12% in the year to March 2016 compared with growth of 3.6% in the industry nationally.
- Growth in the Building and construction industry in Kapiti Coast District has averaged 2.9% since 2000. Growth peaked at 12% in 2016.

Figure 27: Output growth in the building and construction industry



Employment

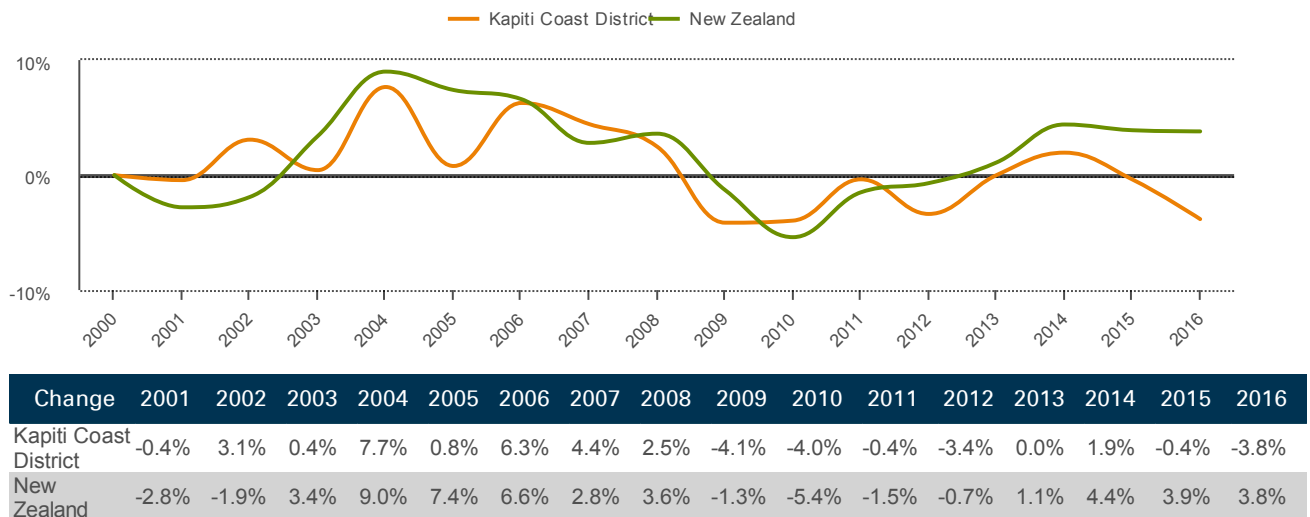
Figure 28: Employment growth in the building and construction industry



- The Building and construction industry employed 2,518 persons in Kapiti Coast District in the year to March 2016 which was up from 2,131 in ten years prior.
- Employment growth in Kapiti Coast District's Building and construction industry averaged 12% in the year to March 2016, compared with growth of 6.0% in the industry nationally.
- Employment growth in the Building and construction industry in Kapiti Coast District has averaged 3.4% since 2000. Growth peaked at 12% in 2016.

Business units

Figure 29: Growth in business units in the building and construction industry



How well has the retail and hospitality services industry performed?

The section describes the performance of the first key industry in Kapiti Coast District: retail and hospitality services. It compares how the sector has performed relative to the rest of the district's economy in terms of economic output, employment and business unit growth.

A definition of the retail and hospitality services industry is provided at the end of this report.

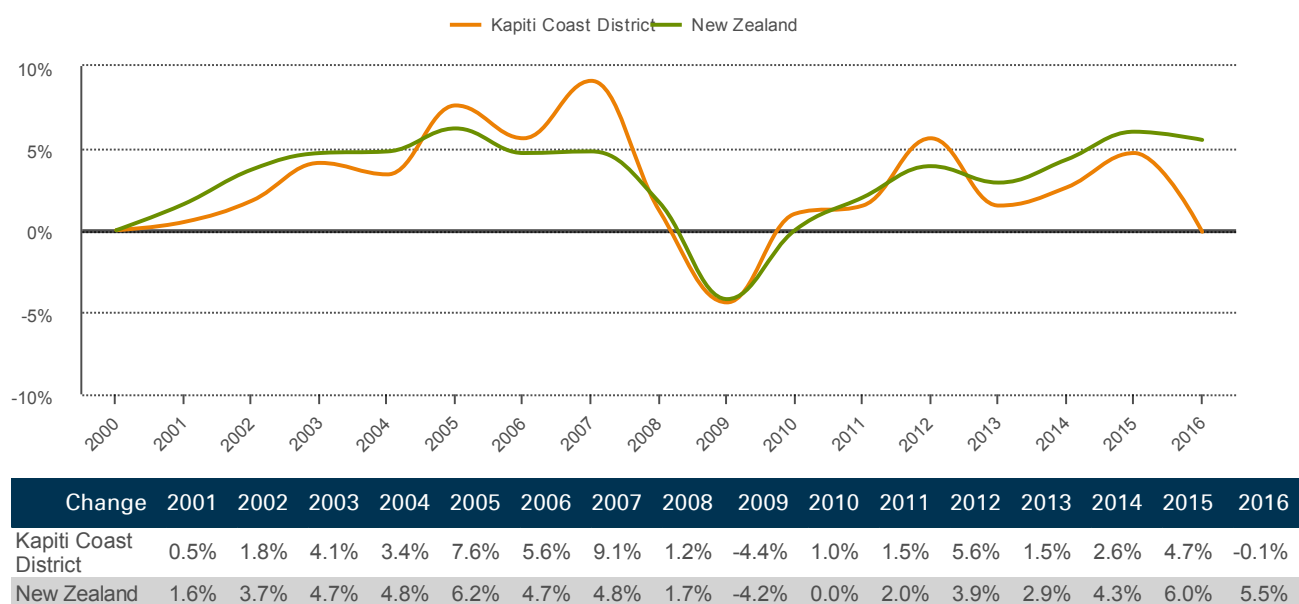
Table 13: Economic indicators for the retail and hospitality services industry

Indicator	2016	Industry share of regional economy	Regional share of national industry	Growth 2015 - 2016	
				Kapiti Coast District	New Zealand
GDP	\$137m	8.9%	0.9%	-0.05%	5.5%
Employment	3,450	21%	0.9%	-2.2%	3.0%
Business units	558	11%	1.0%	-2.6%	1.7%

Economic output

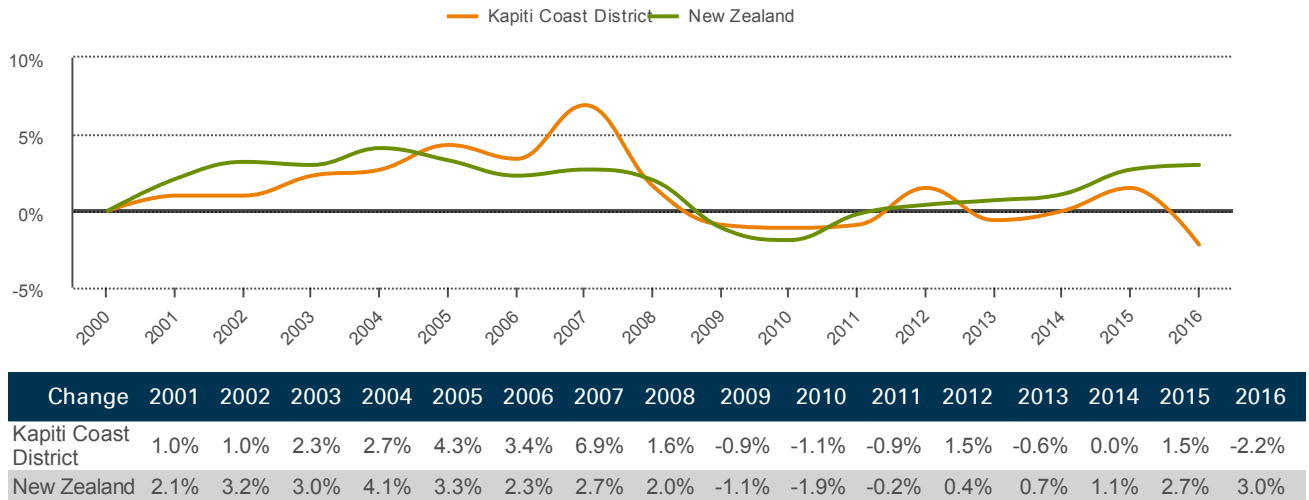
- The Retail and hospitality services industry contributed \$137m towards GDP in Kapiti Coast District in the year to March 2016. This amounted to 8.9% of Kapiti Coast District's total economic output in 2016, up from 8.5% in ten years prior.
- Economic output in Kapiti Coast District's Retail and hospitality services industry grew by -0.05% in the year to March 2016 compared with growth of 5.5% in the industry nationally.
- Growth in the Retail and hospitality services industry in Kapiti Coast District has averaged 2.8% since 2000. Growth peaked at 9.1% in 2007.

Figure 30: Output growth in the retail and hospitality services industry



Employment

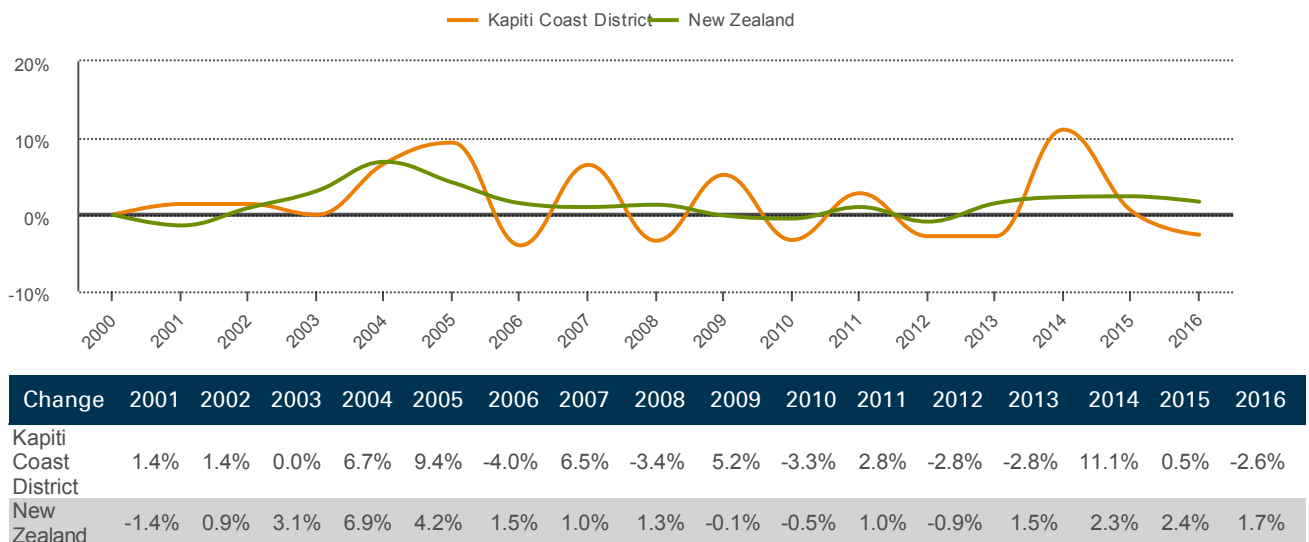
Figure 31: Employment growth in the retail and hospitality services industry



- The Retail and hospitality services industry employed 3,450 persons in Kapiti Coast District in the year to March 2016 which was up from 3,261 in ten years prior.
- Employment growth in Kapiti Coast District's Retail and hospitality services industry averaged -2.2% in the year to March 2016, compared with growth of 3.0% in the industry nationally.
- Employment growth in the Retail and hospitality services industry in Kapiti Coast District has averaged 1.3% since 2000. Growth peaked at 6.9% in 2007.

Business units

Figure 32: Growth in business units in the retail and hospitality services industry



How well has the education and health industry performed?

The section describes the performance of the first key industry in Kapiti Coast District: education and health. It compares how the sector has performed relative to the rest of the district's economy in terms of economic output, employment and business unit growth.

A definition of the education and health industry is provided at the end of this report.

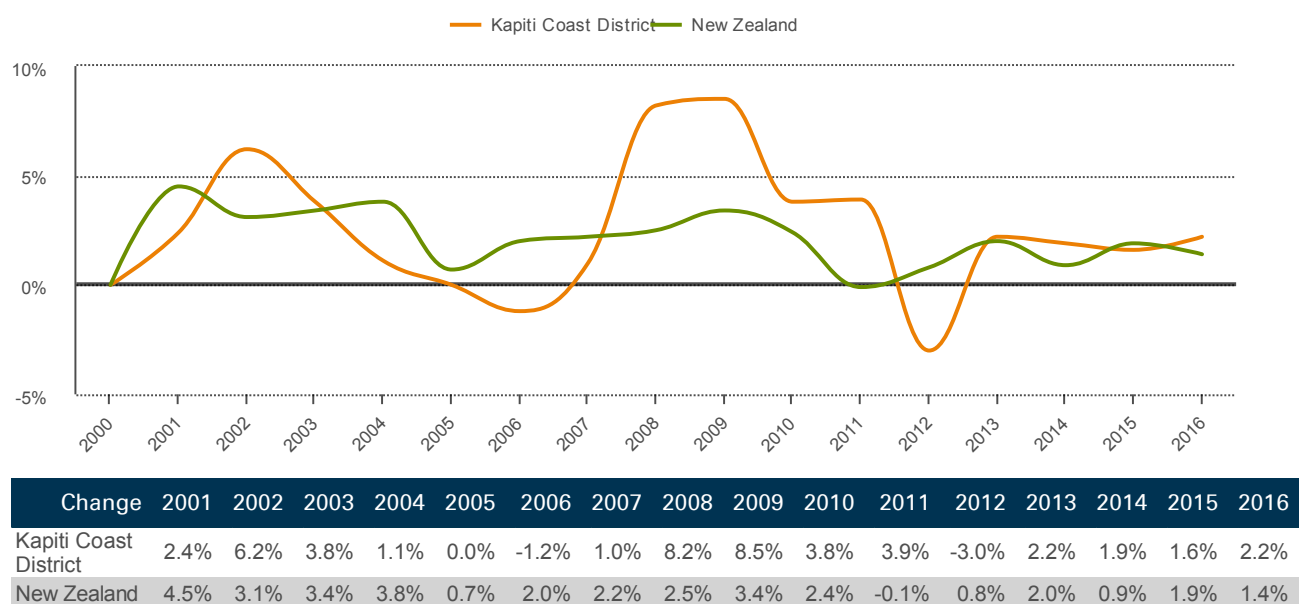
Table 14: Economic indicators for the education and health industry

Indicator	2016	Industry share of regional economy	Regional share of national industry	Growth 2015 - 2016	
				Kapiti Coast District	New Zealand
GDP	\$210m	14%	0.9%	2.2%	1.4%
Employment	3,571	21%	0.9%	3.0%	2.0%
Business units	354	7.2%	1.1%	3.5%	2.1%

Economic output

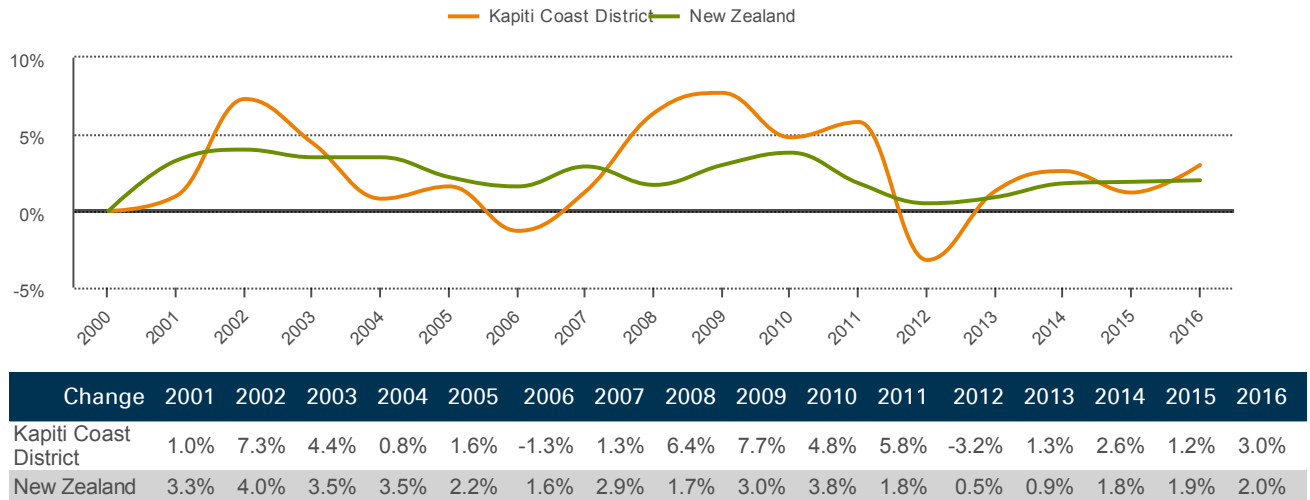
- The Education and health industry contributed \$210m towards GDP in Kapiti Coast District in the year to March 2016. This amounted to 14% of Kapiti Coast District's total economic output in 2016, up from 12% in ten years prior.
- Economic output in Kapiti Coast District's Education and health industry grew by 2.2% in the year to March 2016 compared with growth of 1.4% in the industry nationally.
- Growth in the Education and health industry in Kapiti Coast District has averaged 2.6% since 2000. Growth peaked at 8.5% in 2009.

Figure 33: Output growth in the education and health industry



Employment

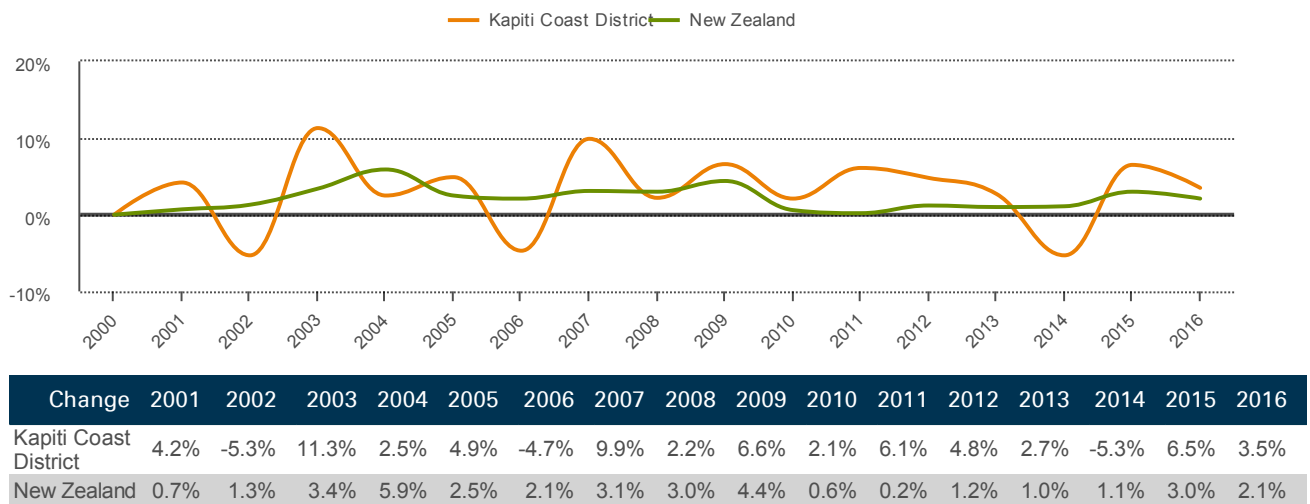
Figure 34: Employment growth in the education and health industry



- The Education and health industry employed 3,571 persons in Kapiti Coast District in the year to March 2016 which was up from 2,648 in ten years prior.
- Employment growth in Kapiti Coast District's Education and health industry averaged 3.0% in the year to March 2016, compared with growth of 2.0% in the industry nationally.
- Employment growth in the Education and health industry in Kapiti Coast District has averaged 2.7% since 2000. Growth peaked at 7.7% in 2009.

Business units

Figure 35: Growth in business units in the education and health industry



How well has the agrifoods industry performed?

The section describes the performance of the first key industry in Kapiti Coast District: agrifoods. It compares how the sector has performed relative to the rest of the district's economy in terms of economic output, employment and business unit growth.

A definition of the agrifoods industry is provided at the end of this report.

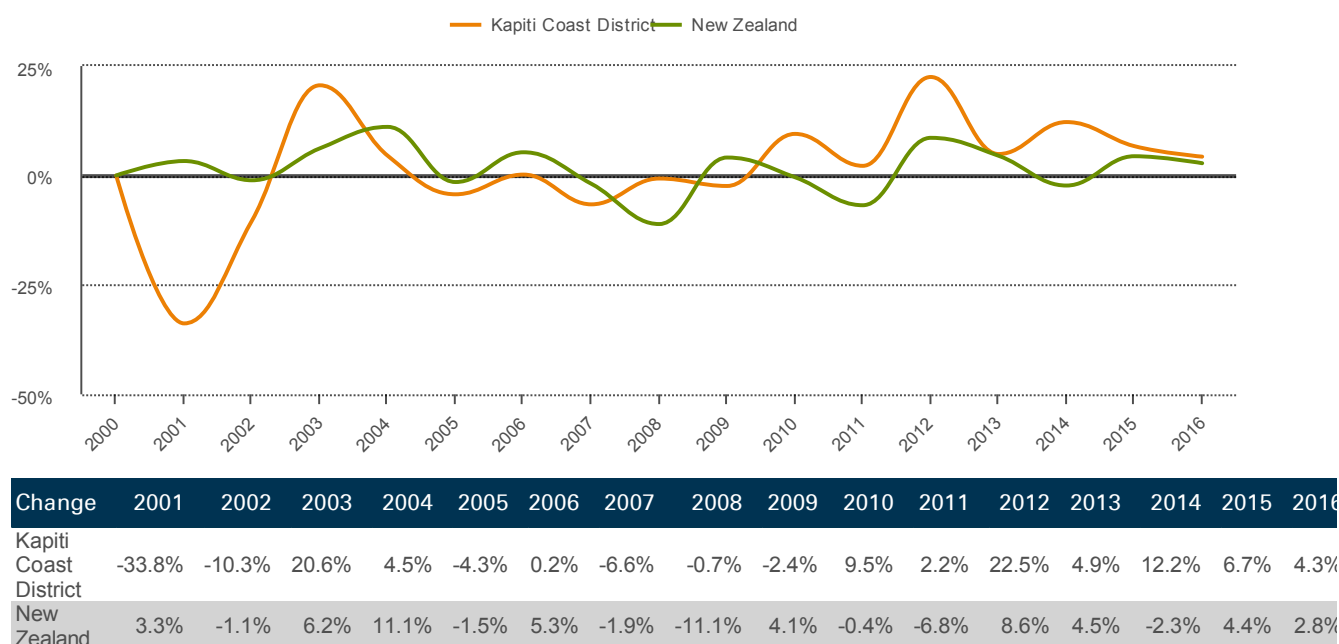
Table 15: Economic indicators for the agrifoods industry

Indicator	2016	Industry share of regional economy	Regional share of national industry	Growth 2015 - 2016	
				Kapiti Coast District	New Zealand
GDP	\$79.5m	5.1%	0.4%	4.3%	2.8%
Employment	707	4.2%	0.3%	1.3%	2.6%
Business units	210	4.3%	0.3%	-7.9%	-0.7%

Economic output

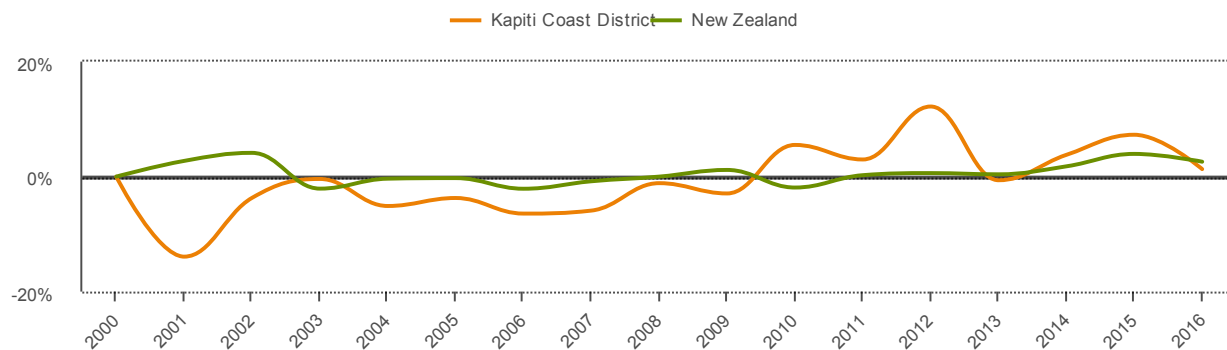
- The Agrifoods industry contributed \$79.5m towards GDP in Kapiti Coast District in the year to March 2016. This amounted to 5.1% of Kapiti Coast District's total economic output in 2016, up from 3.8% in ten years prior.
- Economic output in Kapiti Coast District's Agrifoods industry grew by 4.3% in the year to March 2016 compared with growth of 2.8% in the industry nationally.
- Growth in the Agrifoods industry in Kapiti Coast District has averaged 1.0% since 2000. Growth peaked at 22% in 2012.

Figure 36: Output growth in the agrifoods industry



Employment

Figure 37: Employment growth in the agrifoods industry

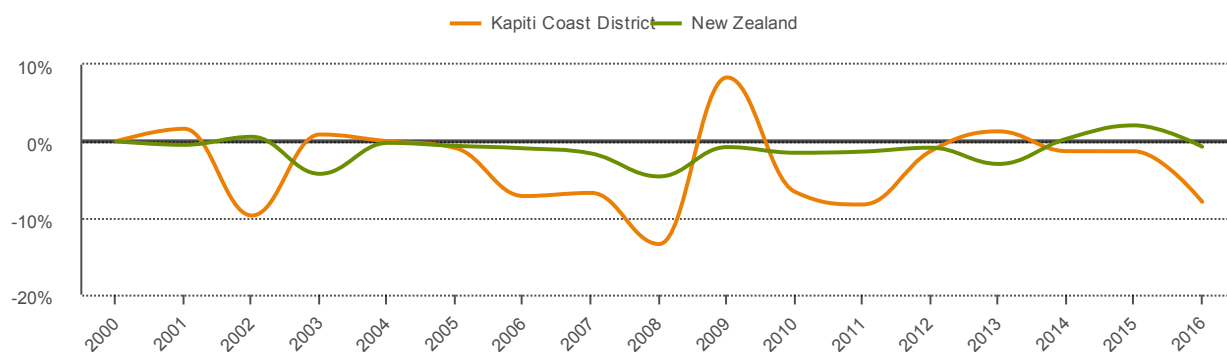


Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kapiti Coast District	-13.9%	-3.7%	-0.4%	-5.1%	-3.7%	-6.4%	-5.9%	-1.1%	-2.9%	5.5%	3.0%	12.2%	-0.6%	3.8%	7.3%	1.3%
New Zealand	2.7%	4.1%	-2.1%	-0.4%	-0.3%	-2.1%	-0.8%	0.0%	1.2%	-1.9%	0.2%	0.6%	0.4%	1.8%	3.9%	2.6%

- The Agrifoods industry employed 707 persons in Kapiti Coast District in the year to March 2016 which was up from 573 in ten years prior.
- Employment growth in Kapiti Coast District's Agrifoods industry averaged 1.3% in the year to March 2016, compared with growth of 2.6% in the industry nationally.
- Employment growth in the Agrifoods industry in Kapiti Coast District has averaged -0.9% since 2000. Growth peaked at 12% in 2012.

Business units

Figure 38: Growth in business units in the agrifoods industry



Change	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kapiti Coast District	1.6%	-9.7%	0.9%	0.0%	-0.9%	-7.1%	-6.7%	-13.4%	8.3%	-6.6%	-8.2%	-1.3%	1.3%	-1.3%	-1.3%	-7.9%
New Zealand	-0.5%	0.6%	-4.2%	-0.2%	-0.6%	-0.9%	-1.6%	-4.6%	-0.8%	-1.5%	-1.3%	-0.8%	-3.0%	0.3%	2.1%	-0.7%

How well has the professional services industry performed?

The section describes the performance of the first key industry in Kapiti Coast District: professional services. It compares how the sector has performed relative to the rest of the district's economy in terms of economic output, employment and business unit growth.

A definition of the professional services industry is provided at the end of this report.

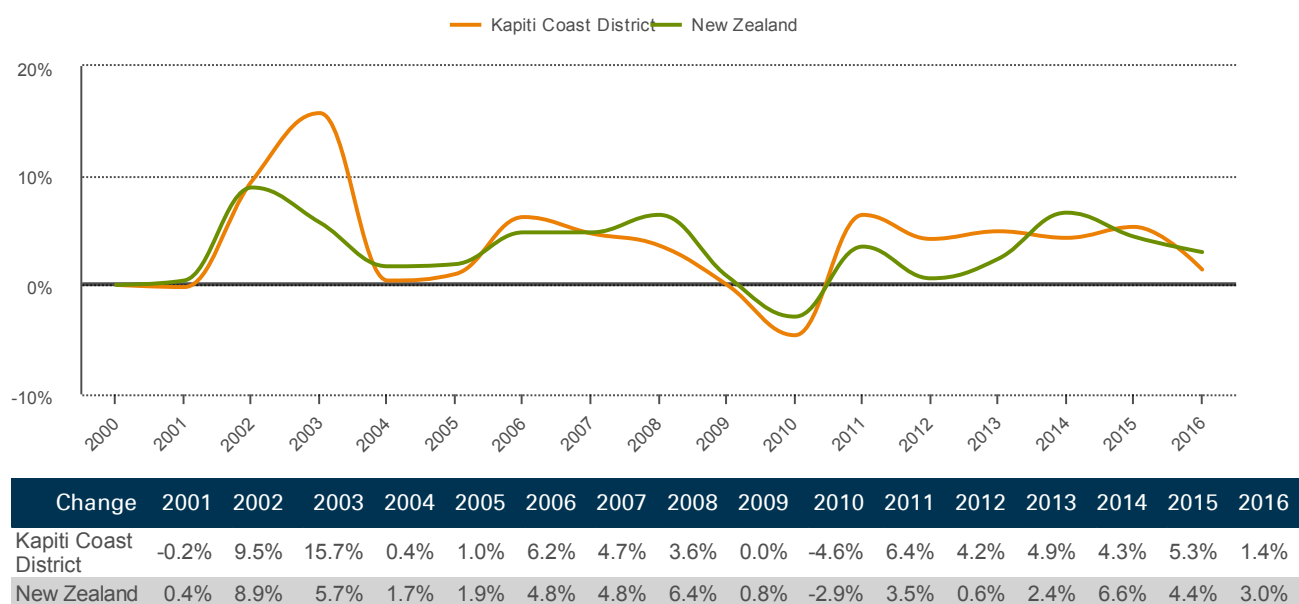
Table 16: Economic indicators for the professional services industry

Indicator	2016	Industry share of regional economy	Regional share of national industry	Growth 2015 - 2016	
				Kapiti Coast District	New Zealand
GDP	\$129m	8.4%	0.7%	1.4%	3.0%
Employment	1,444	8.6%	0.6%	1.3%	2.8%
Business units	774	16%	1.3%	6.2%	2.0%

Economic output

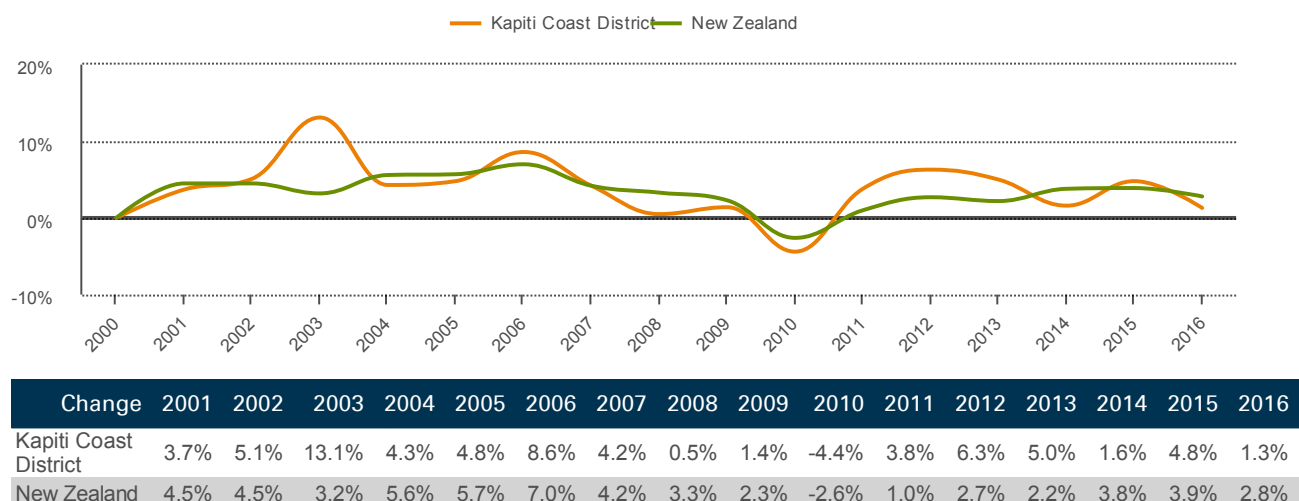
- The Professional services industry contributed \$129m towards GDP in Kapiti Coast District in the year to March 2016. This amounted to 8.4% of Kapiti Coast District's total economic output in 2016, up from 7.5% in ten years prior.
- Economic output in Kapiti Coast District's Professional services industry grew by 1.4% in the year to March 2016 compared with growth of 3.0% in the industry nationally.
- Growth in the Professional services industry in Kapiti Coast District has averaged 3.8% since 2000. Growth peaked at 16% in 2003.

Figure 39: Output growth in the professional services industry



Employment

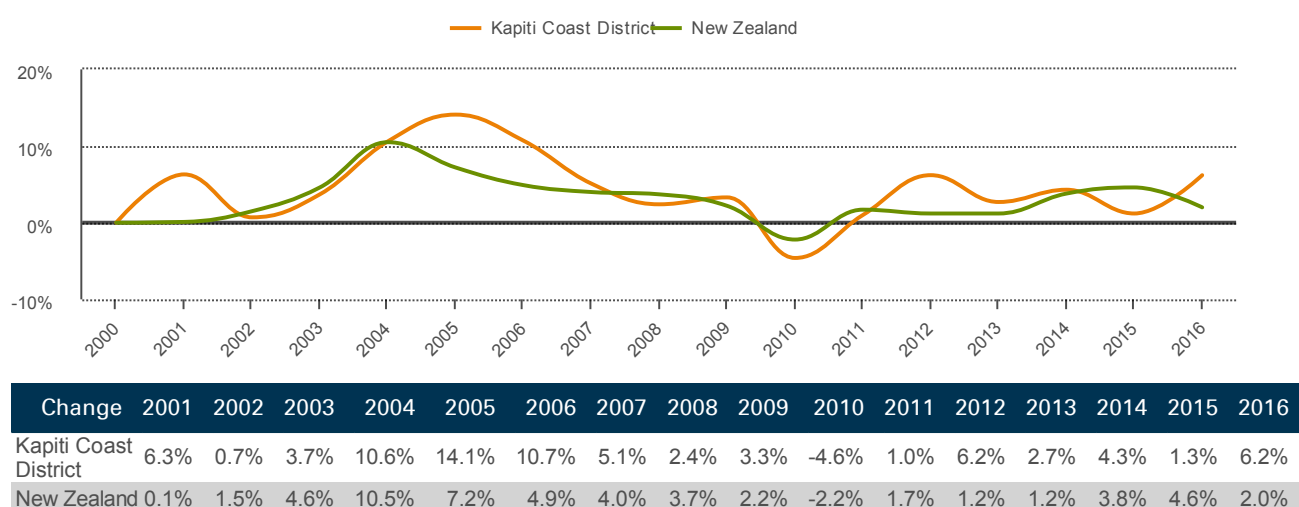
Figure 40: Employment growth in the professional services industry



- The Professional services industry employed 1,444 persons in Kapiti Coast District in the year to March 2016 which was up from 1,138 in ten years prior.
- Employment growth in Kapiti Coast District's Professional services industry averaged 1.3% in the year to March 2016, compared with growth of 2.8% in the industry nationally.
- Employment growth in the Professional services industry in Kapiti Coast District has averaged 3.9% since 2000. Growth peaked at 13% in 2003.

Business units

Figure 41: Growth in business units in the professional services industry



How well has the tourism and visitor services industry performed?

The section describes the performance of the first key industry in Kapiti Coast District: tourism and visitor services. It compares how the sector has performed relative to the rest of the district's economy in terms of economic output, employment and business unit growth.

A definition of the tourism and visitor services industry is provided at the end of this report.

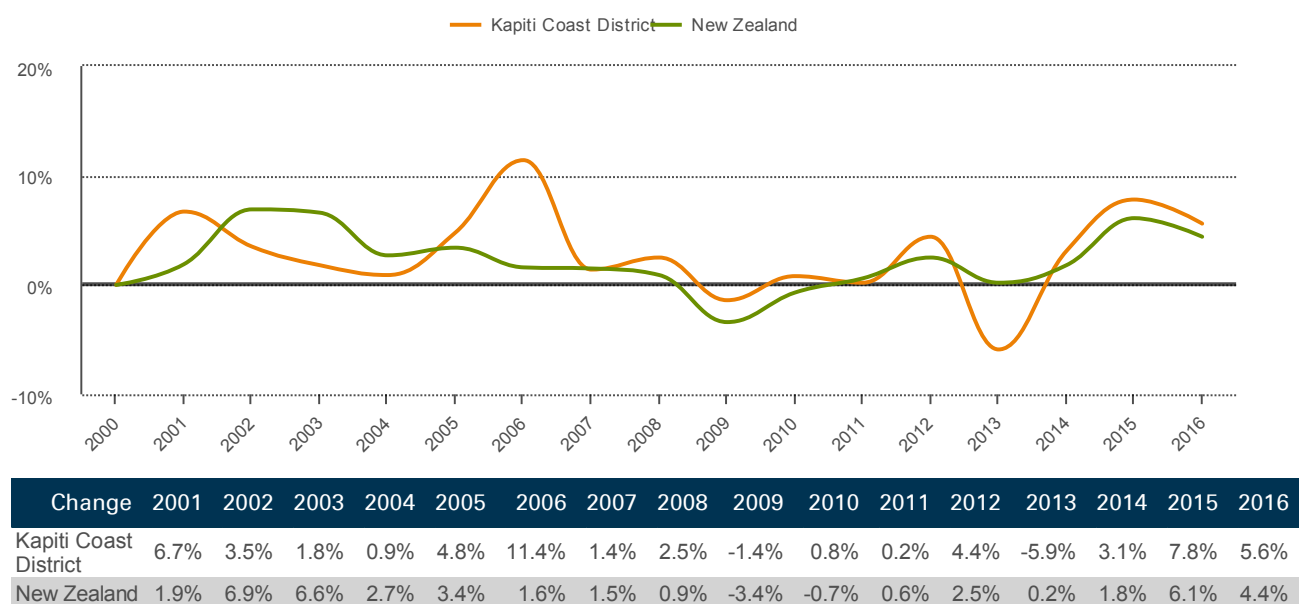
Table 17: Economic indicators for the tourism and visitor services industry

Indicator	2016	Industry share of regional economy	Regional share of national industry	Growth 2015 - 2016	
				Kapiti Coast District	New Zealand
GDP	\$45.1m	2.9%	0.8%	5.6%	4.4%
Employment	1,096	6.6%	0.7%	2.7%	4.7%
Business units	177	3.6%	0.8%	-7.8%	1.4%

Economic output

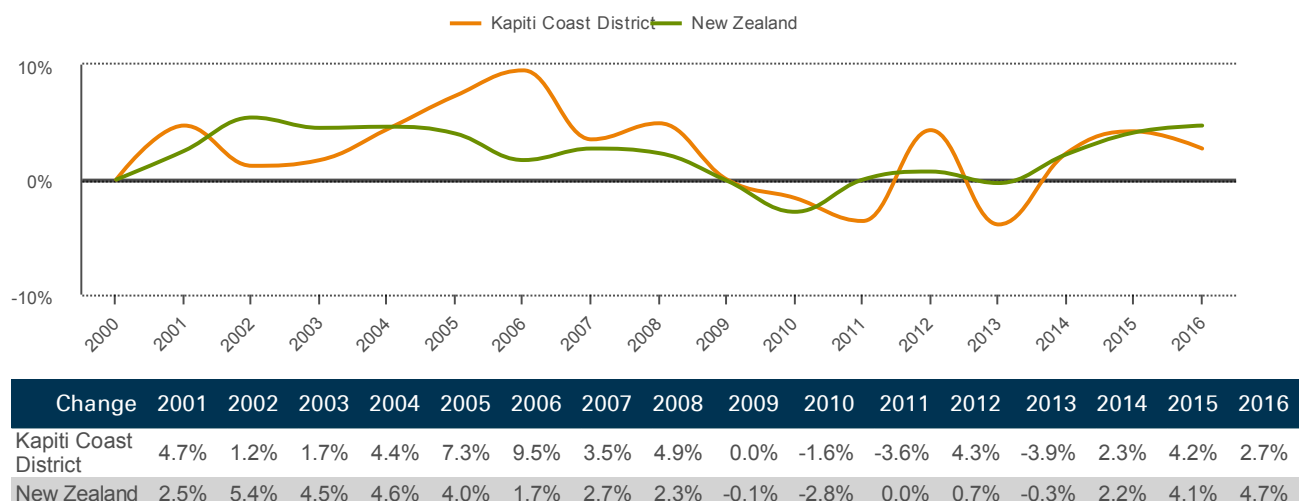
- The Tourism and visitor services industry contributed \$45.1m towards GDP in Kapiti Coast District in the year to March 2016. This amounted to 2.9% of Kapiti Coast District's total economic output in 2016, down from 2.9% in ten years prior.
- Economic output in Kapiti Coast District's Tourism and visitor services industry grew by 5.6% in the year to March 2016 compared with growth of 4.4% in the industry nationally.
- Growth in the Tourism and visitor services industry in Kapiti Coast District has averaged 2.9% since 2000. Growth peaked at 11% in 2006.

Figure 42: Output growth in the tourism and visitor services industry



Employment

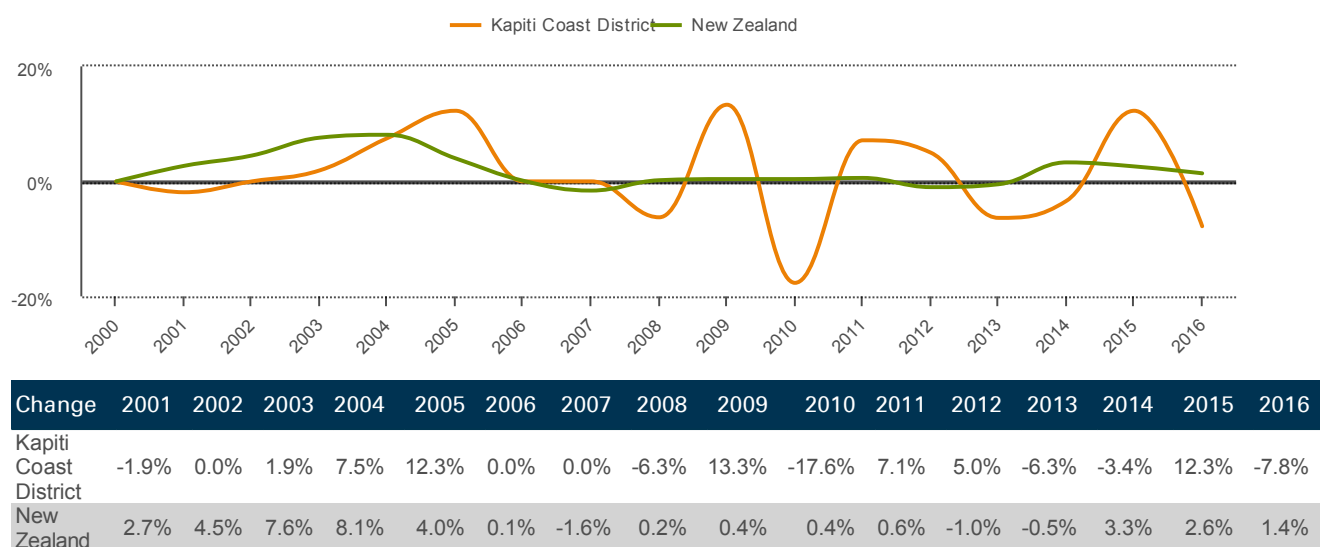
Figure 43: Employment growth in the tourism and visitor services industry



- The Tourism and visitor services industry employed 1,096 persons in Kapiti Coast District in the year to March 2016 which was up from 970 in ten years prior.
- Employment growth in Kapiti Coast District's Tourism and visitor services industry averaged 2.7% in the year to March 2016, compared with growth of 4.7% in the industry nationally.
- Employment growth in the Tourism and visitor services industry in Kapiti Coast District has averaged 2.5% since 2000. Growth peaked at 9.5% in 2006.

Business units

Figure 44: Growth in business units in the tourism and visitor services industry



How well has the health and caring services industry performed?

The section describes the performance of the first key industry in Kapiti Coast District: health and caring services. It compares how the sector has performed relative to the rest of the district's economy in terms of economic output, employment and business unit growth.

A definition of the health and caring services industry is provided at the end of this report.

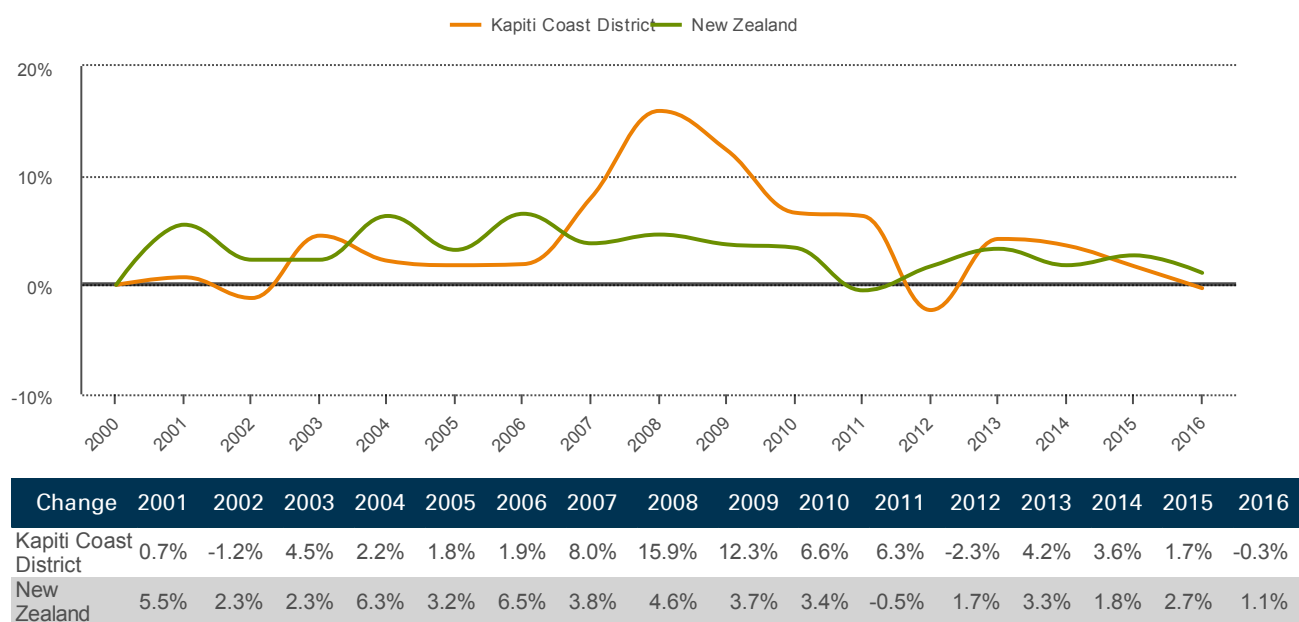
Table 18: Economic indicators for the health and caring services industry

Indicator	2016	Industry share of regional economy	Regional share of national industry	Growth 2015 - 2016	
				Kapiti Coast District	New Zealand
GDP	\$138m	8.9%	1.0%	-0.3%	1.1%
Employment	2,115	13%	0.9%	1.2%	2.1%
Business units	246	5.0%	1.1%	3.8%	2.5%

Economic output

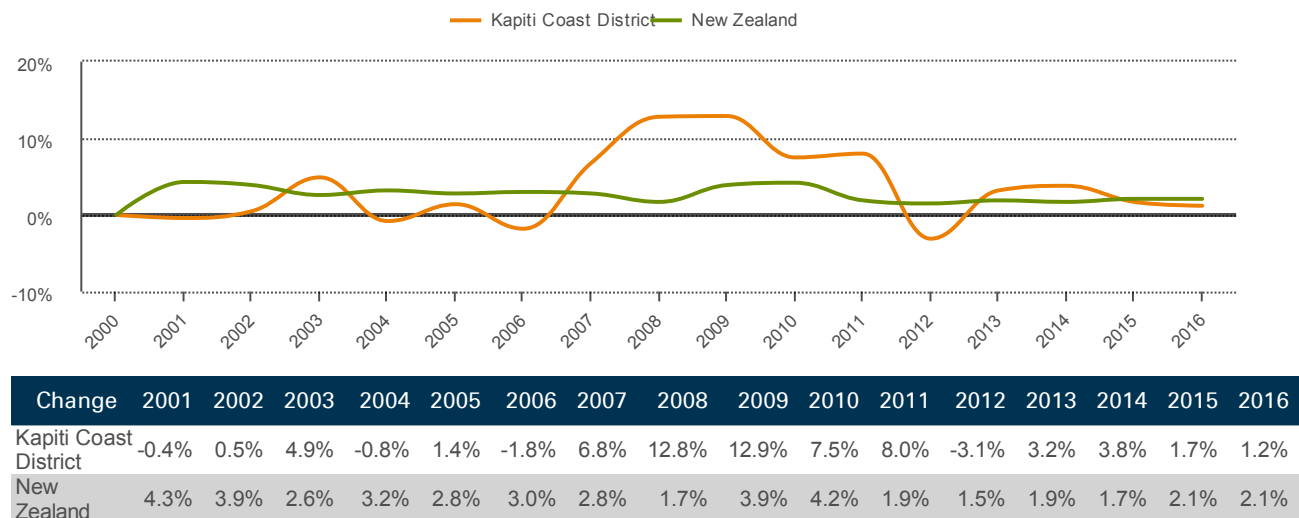
- The Health and caring services industry contributed \$138m towards GDP in Kapiti Coast District in the year to March 2016. This amounted to 8.9% of Kapiti Coast District's total economic output in 2016, up from 6.3% in ten years prior.
- Economic output in Kapiti Coast District's Health and caring services industry grew by -0.3% in the year to March 2016 compared with growth of 1.1% in the industry nationally.
- Growth in the Health and caring services industry in Kapiti Coast District has averaged 4.0% since 2000. Growth peaked at 16% in 2008.

Figure 45: Output growth in the health and caring services industry



Employment

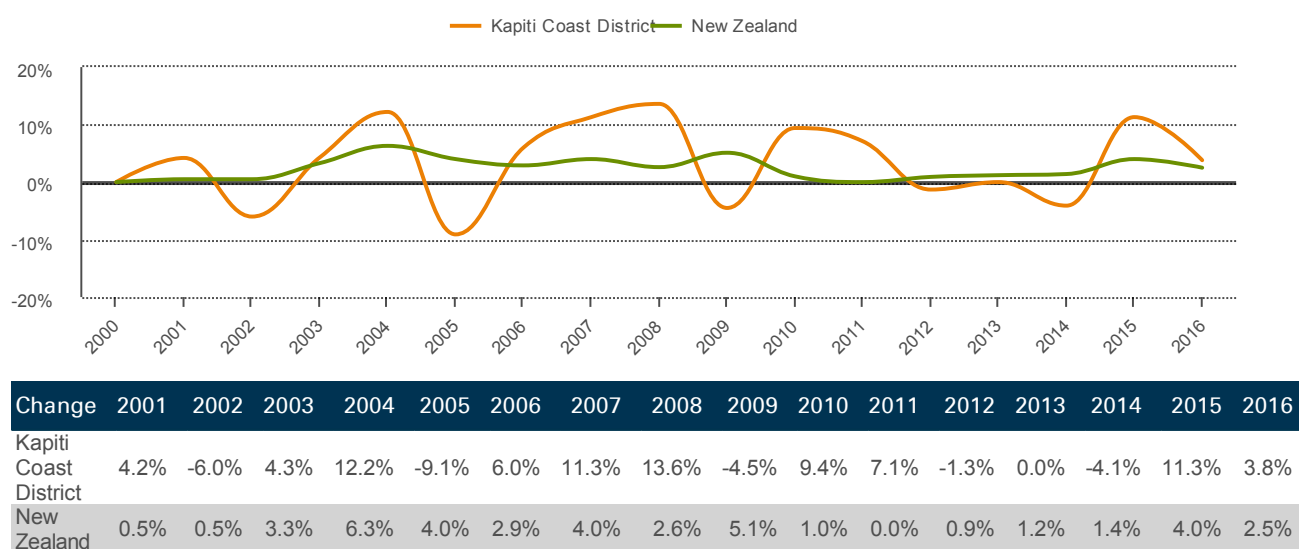
Figure 46: Employment growth in the health and caring services industry



- The Health and caring services industry employed 2,115 persons in Kapiti Coast District in the year to March 2016 which was up from 1,254 in ten years prior.
- Employment growth in Kapiti Coast District's Health and caring services industry averaged 1.2% in the year to March 2016, compared with growth of 2.1% in the industry nationally.
- Employment growth in the Health and caring services industry in Kapiti Coast District has averaged 3.6% since 2000. Growth peaked at 13% in 2009.

Business units

Figure 47: Growth in business units in the health and caring services industry



TOURISM

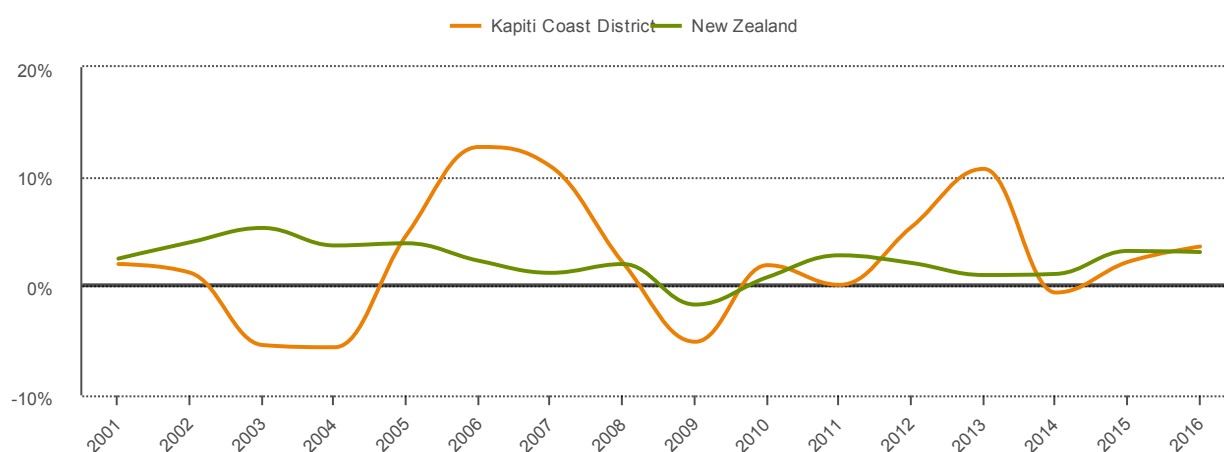
Tourism has grown rapidly in New Zealand since 2000. Not only has the number of overseas tourist arrivals increased substantially, but the level of domestic tourism has also expanded rapidly as spending on leisure by New Zealand residents increased. This section describes the contribution of tourism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

Tourism GDP

Table 19: Tourism GDP (2001-2016)

Year	Kapiti Coast District		New Zealand	
	Level	Change	Level	Change
2000	\$30.8m		\$5,798m	
2001	\$31.4m	2.0%	\$5,941m	2.5%
2002	\$31.8m	1.2%	\$6,181m	4.0%
2003	\$30.0m	-5.4%	\$6,508m	5.3%
2004	\$28.4m	-5.6%	\$6,748m	3.7%
2005	\$29.7m	4.7%	\$7,009m	3.9%
2006	\$33.5m	12.7%	\$7,169m	2.3%
2007	\$37.1m	10.9%	\$7,252m	1.2%
2008	\$37.9m	2.1%	\$7,400m	2.0%
2009	\$36.0m	-5.1%	\$7,277m	-1.7%
2010	\$36.7m	1.9%	\$7,335m	0.8%
2011	\$36.7m	0.1%	\$7,540m	2.8%
2012	\$38.7m	5.4%	\$7,698m	2.1%
2013	\$42.8m	10.7%	\$7,774m	1.0%
2014	\$42.6m	-0.6%	\$7,858m	1.1%
2015	\$43.5m	2.2%	\$8,111m	3.2%
2016	\$45.1m	3.6%	\$8,362m	3.1%

Figure 48: Annual average tourism GDP growth (2001-2016)



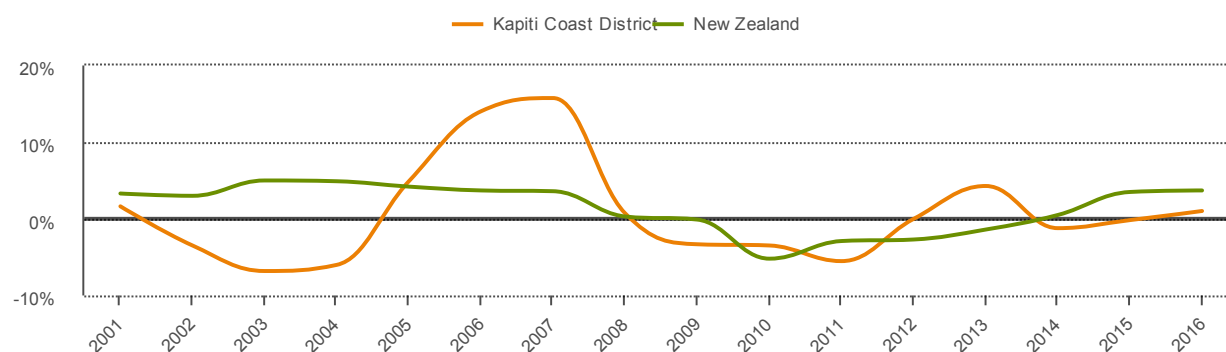
- The tourism industry contributed \$45.1m towards GDP in Kapiti Coast District in 2016. This amounted to 2.9% of the Kapiti Coast District's economic output in 2016, up from 2.6% ten years ago.
- Economic output in Kapiti Coast District's tourism industry increased by 3.6% in 2016, compared with a 3.1% increase in New Zealand.
- Growth in the industry in Kapiti Coast District has averaged 3.0% over the last ten years, compared with 1.6% in New Zealand.

Tourism Employment

Table 20: Tourism employment (2001-2016)

Year	Kapiti Coast District		New Zealand	
	Level	Change	Level	Change
2000	932		149,973	
2001	948	1.6%	154,938	3.3%
2002	915	-3.5%	159,594	3.0%
2003	852	-6.8%	167,652	5.0%
2004	801	-6.0%	175,926	4.9%
2005	840	4.9%	183,276	4.2%
2006	958	14.0%	190,143	3.7%
2007	1,109	15.7%	196,950	3.6%
2008	1,117	0.7%	197,619	0.3%
2009	1,080	-3.3%	197,490	-0.1%
2010	1,042	-3.5%	187,167	-5.2%
2011	985	-5.5%	181,713	-2.9%
2012	985	0.0%	176,883	-2.7%
2013	1,027	4.3%	174,477	-1.4%
2014	1,014	-1.2%	175,284	0.5%
2015	1,012	-0.2%	181,500	3.5%
2016	1,023	1.0%	188,136	3.7%

Figure 49: Annual average tourism employment growth (2001-2016)



- The tourism industry employed an average of 1,023 people in Kapiti Coast District in 2016. This amounted to 6.1% of the Kapiti Coast District's total employment in 2016, down from 6.7% in 2006.
- Employment growth in the industry in New Zealand has averaged 0.7% over the last ten years, compared with -0.1% in New Zealand.
- Employment in the tourism industry increased by 1.0% in 2016, compared with a 3.7% increase in New Zealand.

TECHNICAL NOTES

Time period

This economic profile reports on March years (eg. 2016 refers to the 12 months to March 2016) for all indicators except population (June year), dairy sector statistics (May year), and government social service expenditure and beneficiary data (June years).

Gross Domestic Product

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

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

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

GDP is measured in constant 2010 prices .

Prices

In this profile, we present all GDP estimates in constant 2010 prices. GDP presented in constant prices is sometimes referred to as real GDP. By using constant prices we remove the distractionary effect of inflation. It enables us to meaningfully compare GDP from one year to the next.

Industrial classification

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

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

Unallocated

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

Broad economic sectors

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

HHI Index

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

Employment by industry

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

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

Self-employment

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

Employment by occupation

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

Productivity

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

Earnings

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

House prices

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

Population

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

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

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

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

The estimated resident population is sourced from Statistics New Zealand.

Dependency ratio

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

Business Units

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

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

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

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

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

Definition of key industries

Tourism and visitor services

The tourism and visitor services industry is made up of the following detailed industries: H440000: Accommodation, H451100: Cafes and Restaurants, H452000: Pubs, Taverns and Bars, I501000: Scenic and Sightseeing Transport, L661100: Passenger Car Rental and Hiring, N722000: Travel Agency and Tour Arrangement Services, R911300: Sports and Physical Recreation Venues, Grounds and Facilities Operation, R911400: Sport and Physical Recreation Administrative Service, R912100: Horse and Dog Racing Administration and Track Operation, R912900: Other Horse and Dog Racing Activities, R913100: Amusement Parks and Centres Operation, R913900: Amusement and Other Recreation Activities n.e.c., R920100: Casino Operation, R920200: Lottery Operation, R920900: Other Gambling Activities.

Professional services

The professional services industry is made up of the following detailed industries: M691000: Scientific Research Services, M692100: Architectural Services, M692200: Surveying and Mapping Services, M692300: Engineering Design and Engineering Consulting Services, M692400: Other Specialised Design Services, M692500: Scientific Testing and Analysis Services, M693100: Legal Services, M693200: Accounting Services, M694000: Advertising Services, M695000: Market Research and Statistical Services, M696100: Corporate Head Office Management Services, M696200: Management Advice and Other Consulting Services, M697000: Veterinary Services, M699100: Professional Photographic Services, M699900: Other Professional, Scientific and Technical Services n.e.c., M700000: Computer Systems Design and Related Services.

Health and caring services

The health and caring services industry is made up of the following detailed industries: Q840100: Hospitals (except Psychiatric Hospitals), Q840200: Psychiatric Hospitals, Q851100: General Practice Medical Services, Q851200: Specialist Medical Services, Q852000: Pathology and Diagnostic Imaging Services, Q853100: Dental Services, Q853200: Optometry and Optical Dispensing, Q853300: Physiotherapy Services, Q853400: Chiropractic and Osteopathic Services, Q853900: Other Allied Health Services, Q859100: Ambulance Services, Q859900: Other Health Care Services n.e.c., Q860100: Aged Care Residential Services, Q860900: Other Residential Care Services, Q871000: Child Care Services, Q879000: Other Social Assistance Services, R911100: Health and Fitness Centres and Gymnasias Operation, S951200: Diet and Weight Reduction Centre Operation.

Building and construction

The building and construction industry is made up of the following detailed industries: E301100: House Construction, E301900: Other Residential Building Construction, E302000: Non-Residential Building Construction, E310100: Road and Bridge Construction, E310900: Other Heavy and Civil Engineering Construction, E321100: Land Development and Subdivision, E321200: Site Preparation Services, E322100: Concreting Services, E322200: Bricklaying Services, E322300: Roofing Services, E322400: Structural Steel Erection Services, E323100: Plumbing Services, E323200: Electrical Services, E323300: Air Conditioning and Heating Services, E323400: Fire and Security Alarm Installation Services, E323900: Other Building Installation Services, E324100: Plastering and Ceiling Services, E324200: Carpentry Services, E324300: Tiling and Carpeting Services, E324400: Painting and Decorating Services, E324500: Glazing Services, E329100: Landscape Construction Services, E329200: Hire of Construction Machinery with Operator, E329900: Other Construction Services n.e.c..

Education and health

The education and health industry is made up of the following detailed industries: P801000: Preschool Education, P802100: Primary Education, P802200: Secondary Education, P802300: Combined Primary and Secondary Education, P802400: Special School Education, P810100: Technical and Vocational Education and Training, P810200: Higher Education, P821100: Sports and Physical Recreation Instruction, P821200: Arts Education, P821900: Adult, Community and Other Education n.e.c., P822000: Educational Support Services, Q840100: Hospitals (except Psychiatric Hospitals), Q840200: Psychiatric Hospitals, Q851100: General Practice Medical Services, Q851200: Specialist Medical Services, Q852000: Pathology and Diagnostic Imaging Services, Q853100: Dental Services, Q853200: Optometry and Optical Dispensing, Q853300: Physiotherapy Services, Q853400: Chiropractic and Osteopathic Services, Q853900: Other Allied Health Services, Q859100: Ambulance Services, Q859900: Other Health Care Services n.e.c., Q860100: Aged Care Residential Services, Q860900: Other Residential Care Services, Q871000: Child Care Services, Q879000: Other Social Assistance Services.

Retail and hospitality services

The retail and hospitality services industry is made up of the following detailed industries: G391100: Car Retailing, G391200: Motor Cycle Retailing, G391300: Trailer and Other Motor Vehicle Retailing, G392100: Motor Vehicle Parts Retailing, G392200: Tyre Retailing, G400000: Fuel Retailing, G411000: Supermarket and Grocery Stores, G412100: Fresh Meat, Fish and Poultry Retailing, G412200: Fruit and Vegetable Retailing, G412300: Liquor Retailing, G412900: Other Specialised Food Retailing, G421100: Furniture Retailing, G421200: Floor Coverings Retailing, G421300: Houseware Retailing, G421400: Manchester and Other Textile Goods Retailing, G422100: Electrical, Electronic and Gas Appliance Retailing, G422200: Computer and Computer Peripherals Retailing, G422900: Other Electrical and Electronic Goods Retailing, G423100: Hardware and Building Supplies Retailing, G423200: Garden Supplies Retailing, G424100: Sport and Camping Equipment Retailing, G424200: Entertainment Media Retailing, G424300: Toy and Game Retailing, G424400: Newspaper and Book Retailing, G424500: Marine Equipment Retailing, G425100: Clothing Retailing, G425200: Footwear Retailing, G425300: Watch and Jewellery Retailing, G425900: Other Personal Accessories Retailing, G426000: Department Stores, G427100: Pharmaceutical, Cosmetic and Toiletry Goods Retailing, G427200: Stationery Goods Retailing, G427300: Antique and Used Goods Retailing, G427400: Flower Retailing, G427900: Other Store-Based Retailing n.e.c., G431000: Non Store Retailing, G432000: Retail Commission Based Buying and/or Selling, H440000: Accommodation, H451100: Cafes and Restaurants, H451200: Takeaway Food Services, H451300: Catering Services, H452000: Pubs, Taverns and Bars, H453000: Clubs (Hospitality).

Agrifoods

The agrifoods industry is made up of the following detailed industries: A012100: Mushroom Growing, A012200: Vegetable Growing (Under Cover), A012300: Vegetable Growing (Outdoors), A013100: Grape Growing, A013200: Kiwifruit Growing, A013300: Berry Fruit Growing, A013400: Apple and Pear Growing, A013500: Stone Fruit Growing, A013600: Citrus Fruit Growing, A013700: Olive Growing, A013900: Other Fruit and Tree Nut Growing, A014100: Sheep Farming (Specialised), A014200: Beef Cattle Farming (Specialised), A014300: Beef Cattle Feedlots (Specialised), A014400: Sheep-Beef Cattle Farming, A014500: Grain-Sheep and Grain-Beef Cattle Farming, A014600: Rice Growing, A014900: Other Grain Growing, A015100: Sugar Cane Growing, A015200: Cotton Growing, A015900: Other Crop Growing n.e.c., A016000: Dairy Cattle Farming, A017100: Poultry Farming (Meat), A017200: Poultry Farming (Eggs), A018000: Deer Farming, A019200: Pig Farming, A019300: Beekeeping, A019900: Other Livestock Farming n.e.c., A020300: Onshore Aquaculture, A041100: Rock Lobster and Crab Potting, A041300: Line Fishing, A041400: Fish Trawling, Seining and Netting, A041900: Other Fishing, A042000: Hunting and Trapping, A052900: Other Agriculture and Fishing Support Services, C111100: Meat Processing, C111200: Poultry Processing, C111300: Cured Meat and Smallgoods Manufacturing, C112000: Seafood Processing, C113100: Milk and Cream Processing, C113200: Ice Cream Manufacturing, C113300: Cheese and Other Dairy Product Manufacturing, C114000: Fruit and Vegetable Processing, C115000: Oil and Fat Manufacturing, C116100: Grain Mill Product Manufacturing, C116200: Cereal, Pasta and Baking Mix Manufacturing, C117100: Bread Manufacturing (Factory-based), C117200: Cake and Pastry Manufacturing (Factory-based), C117300: Biscuit Manufacturing (Factory-based), C117400: Bakery Product Manufacturing (Non-factory-based), C118200: Confectionery Manufacturing, C119900: Other Food Products Manufacturing n.e.c., C121100: Soft Drink, Cordial and Syrup Manufacturing, C121200: Beer Manufacturing, C121300: Spirit Manufacturing, C121400: Wine and Other Alcoholic Beverage Manufacturing.