
Horowhenua District



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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 Horowhenua District's economy grown?

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

- GDP in Horowhenua District measured \$821m in the year to March 2016, up 3.2% from a year earlier. New Zealand's GDP increased by 2.5% over the same period.
- Economic growth in Horowhenua District averaged 0.1%pa over the last 10 years compared with an average of 1.8%pa in the national economy.
- Growth in Horowhenua District reached a high of 5.4% in 2005 and a low of -4.6% in 2008.
- Horowhenua District accounted for 0.4% of national GDP in 2016.

Figure 1: GDP growth (year to Mar 2016)

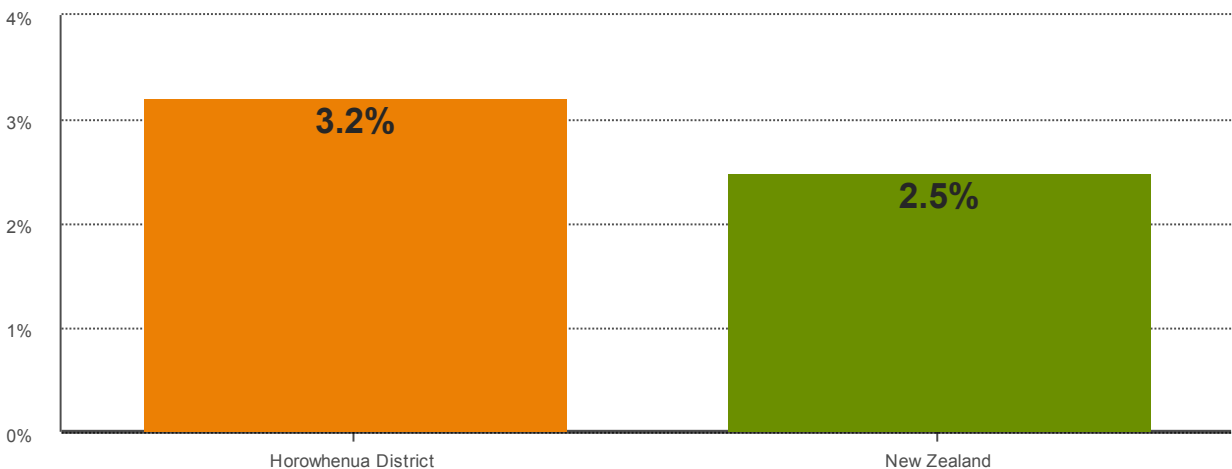


Figure 2: Annual average GDP growth (2000-2016)

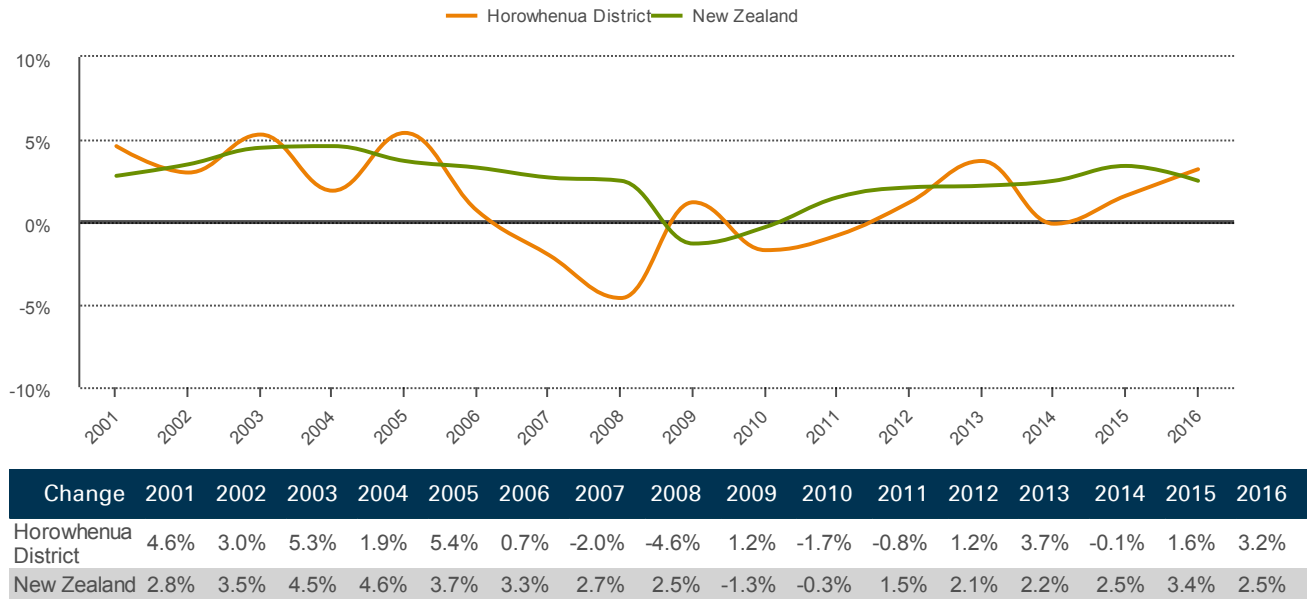
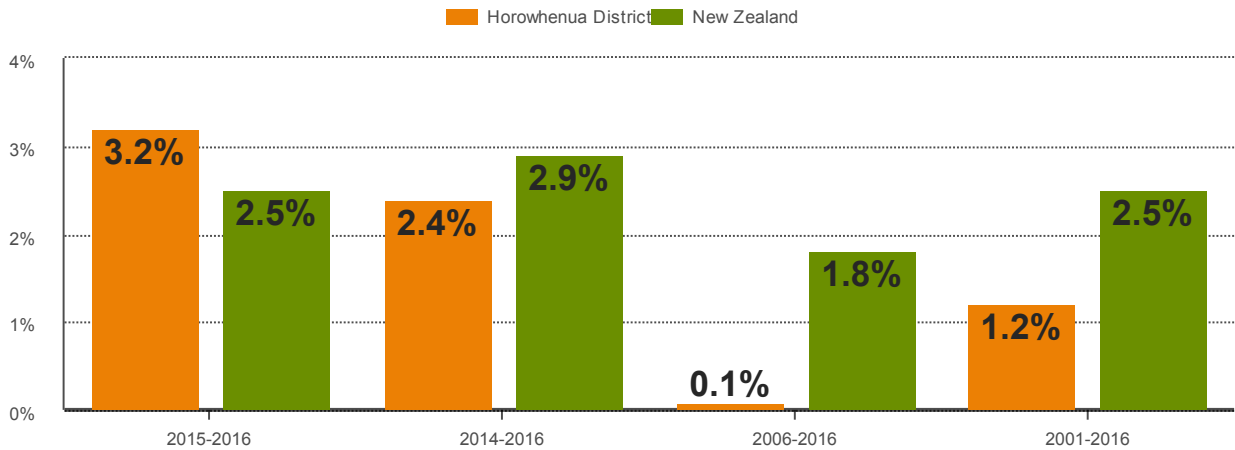


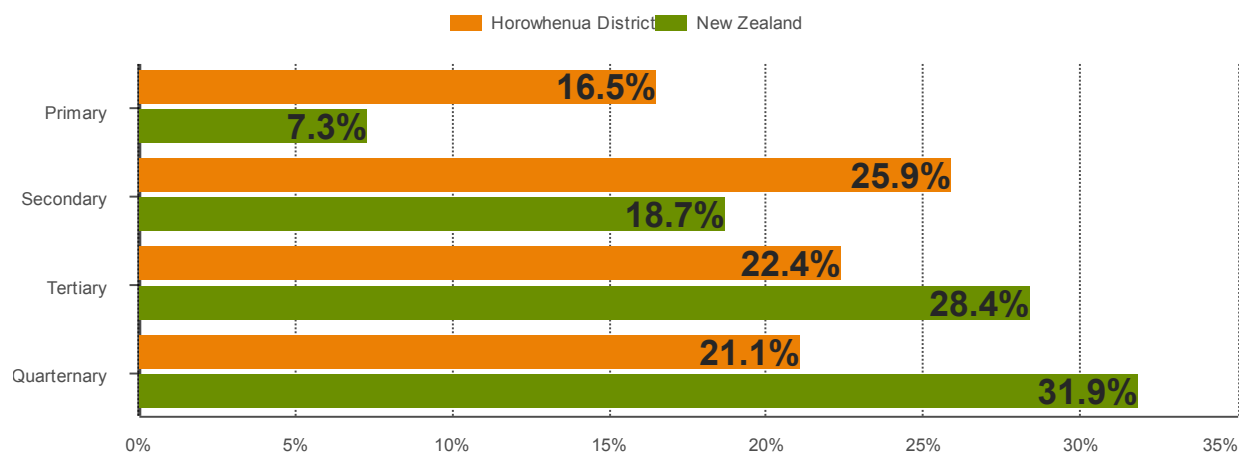
Figure 3: GDP growth over various time periods



What is the industrial structure of Horowhenua 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)



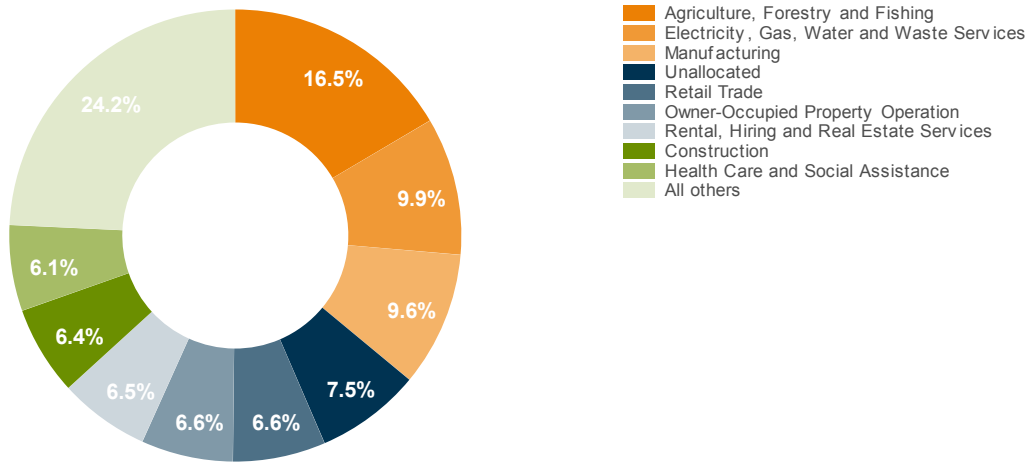
- Primary industries accounted for the smallest proportion in Horowhenua District: 16.5% compared with 7.3% in the national economy.
- Secondary industries accounted for the largest proportion of GDP (25.9%) in Horowhenua District, which is higher than in the national economy (18.7%).
- Tertiary industries accounted for 22.4% compared with 28.4% in the national economy.
- Quarternary industries accounted for 21.1% compared with 31.9% in the national economy.

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

| Industry | Horowhenua District | | New Zealand | |
|---|---------------------|----------------|-------------------|----------------|
| | Level | Share of total | Level | Share of total |
| Agriculture, Forestry and Fishing | \$136m | 16.5% | \$12,811m | 5.7% |
| Mining | \$0.00m | 0.0% | \$3,522m | 1.6% |
| Manufacturing | \$79.1m | 9.6% | \$22,521m | 10.1% |
| Electricity, Gas, Water and Waste Services | \$80.9m | 9.9% | \$6,471m | 2.9% |
| Construction | \$52.3m | 6.4% | \$12,808m | 5.7% |
| Wholesale Trade | \$26.0m | 3.2% | \$11,488m | 5.1% |
| Retail Trade | \$54.4m | 6.6% | \$10,630m | 4.8% |
| Accommodation and Food Services | \$12.1m | 1.5% | \$4,736m | 2.1% |
| Transport, Postal and Warehousing | \$14.6m | 1.8% | \$9,397m | 4.2% |
| Information Media and Telecommunications | \$11.2m | 1.4% | \$7,904m | 3.5% |
| Financial and Insurance Services | \$17.9m | 2.2% | \$13,220m | 5.9% |
| Rental, Hiring and Real Estate Services | \$53.2m | 6.5% | \$15,991m | 7.2% |
| Professional, Scientific and Technical Services | \$24.1m | 2.9% | \$18,018m | 8.1% |
| Administrative and Support Services | \$6.47m | 0.8% | \$4,564m | 2.0% |
| Public Administration and Safety | \$26.2m | 3.2% | \$9,612m | 4.3% |
| Education and Training | \$43.3m | 5.3% | \$9,365m | 4.2% |
| Health Care and Social Assistance | \$50.5m | 6.2% | \$13,259m | 5.9% |
| Arts and Recreation Services | \$4.26m | 0.5% | \$2,918m | 1.3% |
| Other Services | \$12.9m | 1.6% | \$3,794m | 1.7% |
| Owner-Occupied Property Operation | \$54.1m | 6.6% | \$13,628m | 6.1% |
| Unallocated | \$61.9m | 7.5% | \$16,826m | 7.5% |
| Total | \$821m | 100% | \$223,483m | 100% |

- Among broad industries Agriculture, Forestry and Fishing was the largest in Horowhenua District in 2016 accounting for 16.5% of total.
- The second largest was Electricity, Gas, Water and Waste Services (9.9%) followed by Manufacturing (9.6%)

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 Electricity & Gas Supply was the largest in Horowhenua District in 2016 accounting for 9.4% of total.
- The second largest was Dairy Cattle Farming (7.6%) followed by Health Care & Social Assistance (6.2%)

Table 2: GDP by 54 industries (2016)

| Industry | Horowhenua District | | New Zealand | |
|---|---------------------|----------------|-------------------|----------------|
| | Level | Share of total | Level | Share of total |
| Horticulture & Fruit Growing | \$24.8m | 3.0% | \$1,141m | 0.5% |
| Sheep, Beef Cattle & Grain Farming | \$13.0m | 1.6% | \$2,709m | 1.2% |
| Dairy Cattle Farming | \$62.6m | 7.6% | \$5,230m | 2.3% |
| Poultry, Deer & Other Livestock Farming | \$13.6m | 1.7% | \$316m | 0.1% |
| Forestry & Logging | \$11.3m | 1.4% | \$1,391m | 0.6% |
| Fishing & Aquaculture | \$0.00m | 0.0% | \$345m | 0.2% |
| Agric Support Services & Hunting | \$10.4m | 1.3% | \$1,679m | 0.8% |
| Mining | \$0.00m | 0.0% | \$3,522m | 1.6% |
| Meat & Meat Product Manufacturing | \$13.8m | 1.7% | \$1,786m | 0.8% |
| Seafood Processing | \$0.91m | 0.1% | \$408m | 0.2% |
| Dairy Product Manufacturing | \$0.06m | 0.0% | \$1,304m | 0.6% |
| Fruit, Cereal & Other Food Product Manu | \$5.77m | 0.7% | \$1,994m | 0.9% |
| Beverage & Tobacco Product Manu | \$0.29m | 0.0% | \$1,904m | 0.9% |
| Textile, Leather, Clothing, Footwear Manu | \$11.6m | 1.4% | \$672m | 0.3% |
| Wood Product Manufacturing | \$6.63m | 0.8% | \$1,321m | 0.6% |
| Pulp & Paper Product Manufacturing | \$8.24m | 1.0% | \$689m | 0.3% |
| Printing | \$1.74m | 0.2% | \$565m | 0.3% |
| Petroleum & Coal Product Manufacturing | \$0.00m | 0.0% | \$1,067m | 0.5% |
| Basic Chemical & Chemical Product Manu | \$1.83m | 0.2% | \$1,387m | 0.6% |
| Polymer Product & Rubber Product Manu | \$0.00m | 0.0% | \$1,346m | 0.6% |
| Non-Metallic Mineral Product Manu | \$4.22m | 0.5% | \$1,142m | 0.5% |
| Primary Metal & Metal Product Manu | \$0.00m | 0.0% | \$586m | 0.3% |
| Fabricated Metal Product Manufacturing | \$9.62m | 1.2% | \$1,861m | 0.8% |
| Transport Equipment Manufacturing | \$1.72m | 0.2% | \$1,067m | 0.5% |
| Machinery & Other Equipment Manu | \$8.38m | 1.0% | \$2,805m | 1.3% |
| Furniture & Other Manufacturing | \$4.26m | 0.5% | \$617m | 0.3% |
| Electricity & Gas Supply | \$76.9m | 9.4% | \$5,373m | 2.4% |
| Water, Sewerage & Waste Services | \$3.98m | 0.5% | \$1,098m | 0.5% |
| Building Construction | \$11.5m | 1.4% | \$2,636m | 1.2% |
| Heavy & Civil Engineering Construction | \$17.1m | 2.1% | \$3,639m | 1.6% |
| Construction Services | \$23.7m | 2.9% | \$6,533m | 2.9% |
| Wholesale Trade | \$26.0m | 3.2% | \$11,488m | 5.1% |
| Motor Vehicle, Parts & Fuel Retailing | \$7.91m | 1.0% | \$1,526m | 0.7% |
| Supermarket & Specialised Food Retailing | \$20.9m | 2.5% | \$3,102m | 1.4% |
| Other Store & Non Store Retailing | \$25.6m | 3.1% | \$6,002m | 2.7% |
| Accommodation & Food Services | \$12.1m | 1.5% | \$4,736m | 2.1% |
| Road Transport | \$9.22m | 1.1% | \$3,281m | 1.5% |
| Rail, Water, Air & Other Transport | \$0.79m | 0.1% | \$1,930m | 0.9% |
| Postal, Courier & Warehousing Services | \$4.61m | 0.6% | \$4,186m | 1.9% |
| Information Media Services | \$1.89m | 0.2% | \$2,197m | 1.0% |
| Telecomms, Internet & Library Services | \$9.33m | 1.1% | \$5,707m | 2.6% |
| Finance | \$15.3m | 1.9% | \$8,733m | 3.9% |
| Insurance & Superannuation Funds | \$0.80m | 0.1% | \$2,466m | 1.1% |
| Auxiliary Finance & Insurance Services | \$1.80m | 0.2% | \$2,020m | 0.9% |
| Rental & Hiring Services | \$4.97m | 0.6% | \$2,533m | 1.1% |
| Property Operators & Real Estate Services | \$48.2m | 5.9% | \$13,458m | 6.0% |
| Professional, Scientific & Tech Services | \$24.1m | 2.9% | \$18,018m | 8.1% |
| Administrative & Support Services | \$6.47m | 0.8% | \$4,564m | 2.0% |
| Local Government Administration | \$6.36m | 0.8% | \$1,146m | 0.5% |
| Central Gov Admin, Defence & Safety | \$19.8m | 2.4% | \$8,466m | 3.8% |
| Education & Training | \$43.3m | 5.3% | \$9,365m | 4.2% |
| Health Care & Social Assistance | \$50.5m | 6.2% | \$13,259m | 5.9% |
| Arts & Recreation Services | \$4.26m | 0.5% | \$2,918m | 1.3% |
| Other Services | \$12.9m | 1.6% | \$3,794m | 1.7% |
| Owner-Occupied Property Operation | \$54.1m | 6.6% | \$13,628m | 6.1% |
| Unallocated | \$61.9m | 7.5% | \$16,826m | 7.5% |
| Total | \$821m | 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 Horowhenua District's economy taking into account their relative sizes.

- Construction made the largest contribution to overall growth in Horowhenua District between 2015 and 2016. The industry grew by 16% over the year and contributed 0.91 percentage points to the district's total growth of 3.2%.
- The next largest contributor was agriculture, forestry and fishing (0.64 percentage points) followed by rental, hiring and real estate services (0.48 percentage points).
- The largest detractor from growth over the year was Electricity, Gas, Water and Waste Services which declined by 1.7% and contributed -0.17 percentage points to the total growth of 3.2%. Wholesale Trade (-0.15 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 | 45.1 | 52.3 | 0.9% | 16.0% |
| Agriculture, Forestry and Fishing | 130.6 | 135.7 | 0.6% | 3.9% |
| Rental, Hiring and Real Estate Services | 49.4 | 53.2 | 0.5% | 7.7% |
| Retail Trade | 51.5 | 54.4 | 0.4% | 5.6% |
| Manufacturing | 76.9 | 79.1 | 0.3% | 2.8% |
| Public Administration and Safety | 24.3 | 26.2 | 0.2% | 7.9% |
| Professional, Scientific and Technical Services | 22.4 | 24.1 | 0.2% | 7.9% |
| Information Media and Telecommunications | 10.5 | 11.2 | 0.1% | 6.4% |
| Other Services | 12.8 | 12.9 | 0.0% | 0.8% |
| Administrative and Support Services | 6.4 | 6.5 | 0.0% | 1.1% |
| Transport, Postal and Warehousing | 14.6 | 14.6 | 0.0% | 0.1% |
| Financial and Insurance Services | 18.0 | 17.9 | 0.0% | -0.5% |
| Mining | 0.2 | 0.0 | 0.0% | -100.0% |
| Arts and Recreation Services | 4.5 | 4.3 | 0.0% | -4.5% |
| Accommodation and Food Services | 12.4 | 12.1 | 0.0% | -2.6% |
| Health Care and Social Assistance | 50.9 | 50.5 | 0.0% | -0.7% |
| Education and Training | 43.8 | 43.3 | -0.1% | -1.2% |
| Wholesale Trade | 27.2 | 26.0 | -0.1% | -4.3% |
| Electricity, Gas, Water and Waste Services | 82.2 | 80.9 | -0.2% | -1.7% |
| Owner-Occupied Property Operation | 52.9 | 54.1 | 0.2% | 2.4% |
| Unallocated | 59.0 | 61.9 | 0.4% | 4.8% |
| Total | 795 | 821 | 3.2% | 3.2% |

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.

- Heavy & Civil Engineering Construction made the largest contribution to overall growth in Horowhenua District between 2015 and 2016. The industry grew by 46% over the year and contributed 0.68 percentage points to the district's total growth of 3.2%.
- The next largest contributor was property operators & real estate services (0.43 percentage points) followed by horticulture & fruit growing (0.28 percentage points).
- The largest detractor from growth over the year was Electricity & Gas Supply which declined by 2.3% and contributed -0.23 percentage points to the total growth of 3.2%. Wholesale Trade (-0.15 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 |
|---|------------|------------|--------------------------------|---------------|
| Heavy & Civil Engineering Construction | 11.7 | 17.1 | 0.7% | 46.2% |
| Property Operators & Real Estate Services | 44.8 | 48.2 | 0.4% | 7.7% |
| Horticulture & Fruit Growing | 22.5 | 24.8 | 0.3% | 10.0% |
| Central Gov Admin, Defence & Safety | 18.0 | 19.8 | 0.2% | 10.3% |
| Professional, Scientific & Tech Services | 22.4 | 24.1 | 0.2% | 7.9% |
| Other Store & Non Store Retailing | 24.2 | 25.6 | 0.2% | 5.8% |
| Poultry, Deer & Other Livestock Farming | 12.2 | 13.6 | 0.2% | 11.3% |
| Construction Services | 22.3 | 23.7 | 0.2% | 6.0% |
| Pulp & Paper Product Manufacturing | 7.1 | 8.2 | 0.1% | 16.2% |
| Supermarket & Specialised Food Retailing | 19.8 | 20.9 | 0.1% | 5.2% |
| Dairy Cattle Farming | 61.6 | 62.6 | 0.1% | 1.7% |
| Machinery & Other Equipment Manu | 7.6 | 8.4 | 0.1% | 9.9% |
| Meat & Meat Product Manufacturing | 13.2 | 13.8 | 0.1% | 4.7% |
| Sheep, Beef Cattle & Grain Farming | 12.4 | 13.0 | 0.1% | 4.4% |
| Motor Vehicle, Parts & Fuel Retailing | 7.4 | 7.9 | 0.1% | 6.3% |
| Textile, Leather, Clothing, Footwear Manu | 11.2 | 11.6 | 0.1% | 4.1% |
| Building Construction | 11.1 | 11.5 | 0.1% | 4.1% |
| Telecomms, Internet & Library Services | 8.9 | 9.3 | 0.1% | 5.1% |
| Water, Sewerage & Waste Services | 3.5 | 4.0 | 0.1% | 12.5% |
| Rental & Hiring Services | 4.6 | 5.0 | 0.0% | 8.0% |
| Beverage & Tobacco Product Manu | 0.0 | 0.3 | 0.0% | - |
| Wood Product Manufacturing | 6.4 | 6.6 | 0.0% | 4.2% |
| Information Media Services | 1.7 | 1.9 | 0.0% | 13.2% |
| Forestry & Logging | 11.2 | 11.3 | 0.0% | 1.4% |
| Auxiliary Finance & Insurance Services | 1.7 | 1.8 | 0.0% | 8.7% |
| Other Services | 12.8 | 12.9 | 0.0% | 0.8% |
| Basic Chemical & Chemical Product Manu | 1.7 | 1.8 | 0.0% | 5.4% |
| Administrative & Support Services | 6.4 | 6.5 | 0.0% | 1.1% |
| Furniture & Other Manufacturing | 4.2 | 4.3 | 0.0% | 1.7% |
| Fabricated Metal Product Manufacturing | 9.6 | 9.6 | 0.0% | 0.7% |
| Local Government Administration | 6.3 | 6.4 | 0.0% | 1.0% |
| Rail, Water, Air & Other Transport | 0.7 | 0.8 | 0.0% | 7.6% |
| Finance | 15.3 | 15.3 | 0.0% | 0.2% |
| Dairy Product Manufacturing | 0.1 | 0.1 | 0.0% | 22.2% |
| Fishing & Aquaculture | 0.0 | 0.0 | 0.0% | - |
| Petroleum & Coal Product Manufacturing | 0.0 | 0.0 | 0.0% | - |
| Primary Metal & Metal Product Manu | 0.0 | 0.0 | 0.0% | - |
| Road Transport | 9.2 | 9.2 | 0.0% | 0.0% |
| Transport Equipment Manufacturing | 1.8 | 1.7 | 0.0% | -2.3% |
| Postal, Courier & Warehousing Services | 4.7 | 4.6 | 0.0% | -1.0% |
| Seafood Processing | 1.0 | 0.9 | 0.0% | -4.8% |
| Polymer Product & Rubber Product Manu | 0.1 | 0.0 | 0.0% | -100.0% |
| Printing | 1.9 | 1.7 | 0.0% | -8.9% |
| Mining | 0.2 | 0.0 | 0.0% | -100.0% |
| Arts & Recreation Services | 4.5 | 4.3 | 0.0% | -4.5% |
| Agric Support Services & Hunting | 10.6 | 10.4 | 0.0% | -2.3% |
| Insurance & Superannuation Funds | 1.1 | 0.8 | 0.0% | -24.9% |
| Accommodation & Food Services | 12.4 | 12.1 | 0.0% | -2.6% |
| Health Care & Social Assistance | 50.9 | 50.5 | 0.0% | -0.7% |
| Fruit, Cereal & Other Food Product Manu | 6.2 | 5.8 | -0.1% | -7.5% |
| Education & Training | 43.8 | 43.3 | -0.1% | -1.2% |
| Non-Metallic Mineral Product Manu | 5.1 | 4.2 | -0.1% | -16.5% |
| Wholesale Trade | 27.2 | 26.0 | -0.1% | -4.3% |
| Electricity & Gas Supply | 78.7 | 76.9 | -0.2% | -2.3% |
| Owner-Occupied Property Operation | 52.9 | 54.1 | 0.2% | 2.4% |
| Unallocated | 59.0 | 61.9 | 0.4% | 4.8% |
| Total | 795 | 821 | 3.2% | 3.2% |

In which industries does Horowhenua 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 Horowhenua District has the largest comparative advantages are Poultry, Deer & Other Livestock Farming (location quotient = 11.7), Horticulture & Fruit Growing (5.9), and Textile, Leather, Clothing, Footwear Manu (4.7).

Table 5: Location Quotient 2016

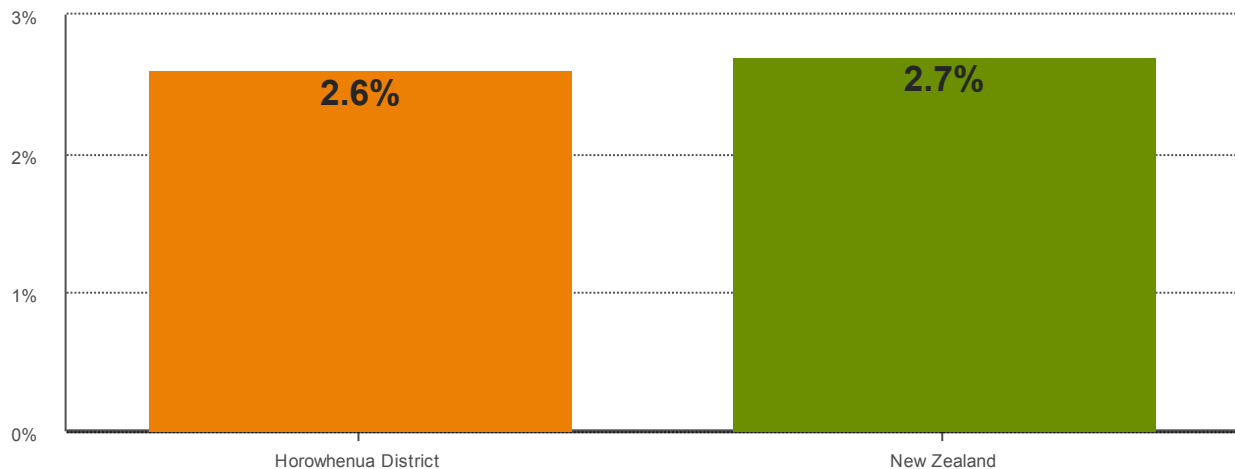
| Industry | Horowhenua District | | New Zealand |
|---|---------------------|--------------------|--------------------|
| | Location Quotient | Share of total GDP | Share of total GDP |
| Poultry, Deer & Other Livestock Farming | 11.7 | 1.7% | 0.1% |
| Horticulture & Fruit Growing | 5.9 | 3.0% | 0.5% |
| Textile, Leather, Clothing, Footwear Manu | 4.7 | 1.4% | 0.3% |
| Electricity & Gas Supply | 3.9 | 9.4% | 2.4% |
| Dairy Cattle Farming | 3.3 | 7.6% | 2.3% |
| Pulp & Paper Product Manufacturing | 3.3 | 1.0% | 0.3% |
| Forestry & Logging | 2.2 | 1.4% | 0.6% |
| Meat & Meat Product Manufacturing | 2.1 | 1.7% | 0.8% |
| Furniture & Other Manufacturing | 1.9 | 0.5% | 0.3% |
| Supermarket & Specialised Food Retailing | 1.8 | 2.5% | 1.4% |
| Agric Support Services & Hunting | 1.7 | 1.3% | 0.8% |
| Local Government Administration | 1.5 | 0.8% | 0.5% |
| Motor Vehicle, Parts & Fuel Retailing | 1.4 | 1.0% | 0.7% |
| Fabricated Metal Product Manufacturing | 1.4 | 1.2% | 0.8% |
| Wood Product Manufacturing | 1.4 | 0.8% | 0.6% |
| Sheep, Beef Cattle & Grain Farming | 1.3 | 1.6% | 1.2% |
| Heavy & Civil Engineering Construction | 1.3 | 2.1% | 1.6% |
| Education & Training | 1.3 | 5.3% | 4.2% |
| Building Construction | 1.2 | 1.4% | 1.2% |
| Other Store & Non Store Retailing | 1.2 | 3.1% | 2.7% |
| Health Care & Social Assistance | 1.0 | 6.2% | 5.9% |
| Non-Metallic Mineral Product Manu | 1.0 | 0.5% | 0.5% |
| Construction Services | 1.0 | 2.9% | 2.9% |
| Water, Sewerage & Waste Services | 1.0 | 0.5% | 0.5% |
| Property Operators & Real Estate Services | 1.0 | 5.9% | 6.0% |
| Other Services | 0.9 | 1.6% | 1.7% |
| Printing | 0.8 | 0.2% | 0.3% |
| Machinery & Other Equipment Manu | 0.8 | 1.0% | 1.3% |
| Fruit, Cereal & Other Food Product Manu | 0.8 | 0.7% | 0.9% |
| Road Transport | 0.8 | 1.1% | 1.5% |
| Accommodation & Food Services | 0.7 | 1.5% | 2.1% |
| Central Gov Admin, Defence & Safety | 0.6 | 2.4% | 3.8% |
| Wholesale Trade | 0.6 | 3.2% | 5.1% |
| Seafood Processing | 0.6 | 0.1% | 0.2% |
| Rental & Hiring Services | 0.5 | 0.6% | 1.1% |
| Finance | 0.5 | 1.9% | 3.9% |
| Telecomms, Internet & Library Services | 0.4 | 1.1% | 2.6% |
| Transport Equipment Manufacturing | 0.4 | 0.2% | 0.5% |
| Arts & Recreation Services | 0.4 | 0.5% | 1.3% |
| Administrative & Support Services | 0.4 | 0.8% | 2.0% |
| Professional, Scientific & Tech Services | 0.4 | 2.9% | 8.1% |
| Basic Chemical & Chemical Product Manu | 0.4 | 0.2% | 0.6% |
| Postal, Courier & Warehousing Services | 0.3 | 0.6% | 1.9% |
| Auxiliary Finance & Insurance Services | 0.2 | 0.2% | 0.9% |
| Information Media Services | 0.2 | 0.2% | 1.0% |
| Rail, Water, Air & Other Transport | 0.1 | 0.1% | 0.9% |
| Insurance & Superannuation Funds | 0.1 | 0.1% | 1.1% |
| Beverage & Tobacco Product Manu | 0.0 | 0.0% | 0.9% |
| Dairy Product Manufacturing | 0.0 | 0.0% | 0.6% |
| Fishing & Aquaculture | 0.0 | 0.0% | 0.2% |
| Mining | 0.0 | 0.0% | 1.6% |
| Petroleum & Coal Product Manufacturing | 0.0 | 0.0% | 0.5% |
| Polymer Product & Rubber Product Manu | 0.0 | 0.0% | 0.6% |
| Primary Metal & Metal Product Manu | 0.0 | 0.0% | 0.3% |

EMPLOYMENT

How fast has employment grown in Horowhenua District?

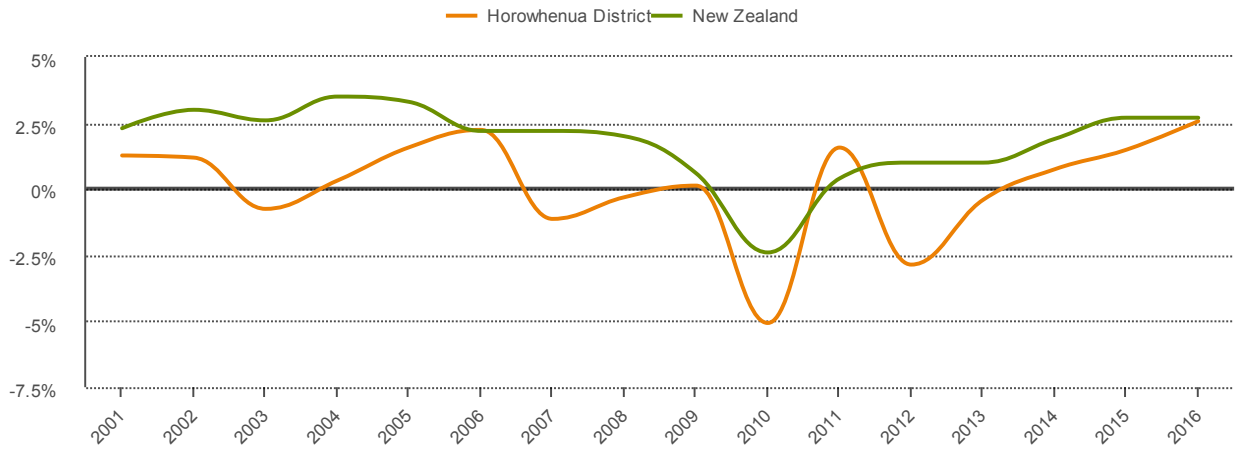
Employment growth provides new opportunities for the region's population to earn income and contribute to the region's economy. This section contrasts Horowhenua District's recent performance in creating jobs with other regions in the country.

Figure 6: Employment growth (year to Mar 2016)



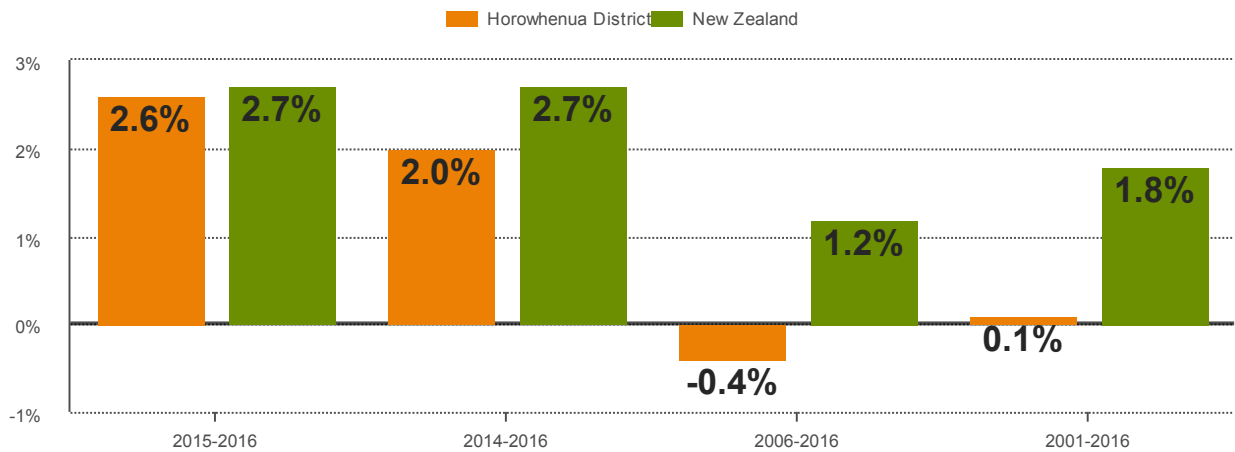
- Total employment in Horowhenua District averaged 10,326 in the year to March 2016, up 2.6% from a year earlier. Employment in New Zealand increased by 2.7% over the same period.
- Employment growth in Horowhenua District averaged -0.4%pa over the last 10 years compared with 1.2%pa in the national economy.
- Employment growth in Horowhenua District reached a high of 2.6% in 2016 and a low of -5.1% 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 |
|---------------------|------|------|-------|------|------|------|-------|-------|------|-------|------|-------|-------|------|------|------|
| Horowhenua District | 1.3% | 1.2% | -0.7% | 0.3% | 1.6% | 2.2% | -1.1% | -0.3% | 0.1% | -5.1% | 1.6% | -2.9% | -0.4% | 0.7% | 1.5% | 2.6% |
| 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% |

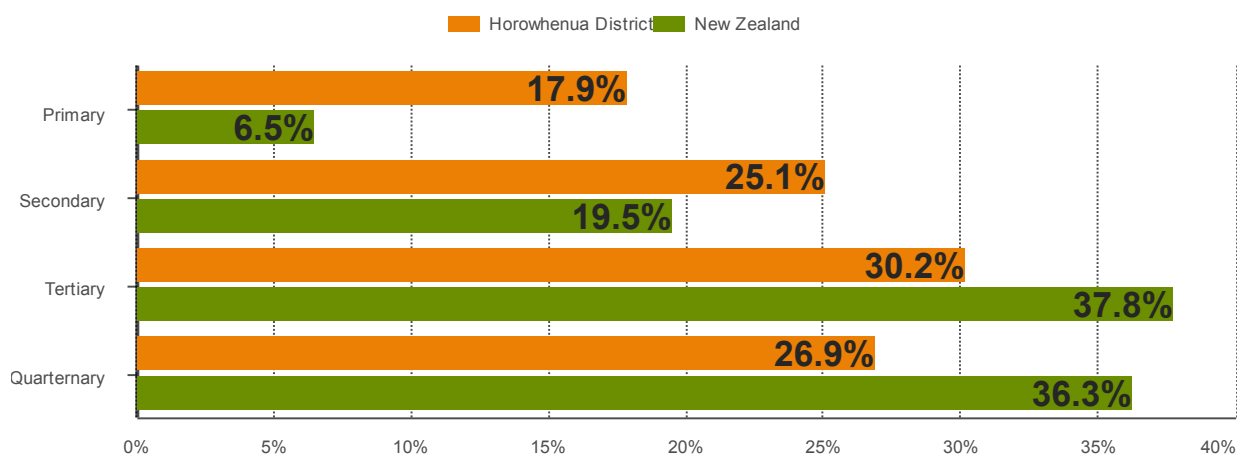
Figure 8: Employment growth over various time periods



What is the industrial structure of employment in Horowhenua 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 17.9% in Horowhenua District compared with 6.5% in New Zealand.
- Secondary accounted for 25.1% in Horowhenua District compared with 19.5% in New Zealand.
- Tertiary industries accounted for the largest proportion of employment (30.2%) in Horowhenua District, which is lower than in New Zealand (37.8%).
- Quaternary accounted for 26.9% in Horowhenua District compared with 36.3% in New Zealand.

Which are the largest employing industries in Horowhenua District?

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

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

| Industry | Horowhenua District | | New Zealand | |
|---|---------------------|----------------|------------------|----------------|
| | Level | Share of total | Level | Share of total |
| Agriculture, Forestry and Fishing | 1,844 | 17.9% | 147,492 | 6.2% |
| Mining | 0 | 0.0% | 5,617 | 0.2% |
| Manufacturing | 1,387 | 13.4% | 232,854 | 9.9% |
| Electricity, Gas, Water and Waste Services | 234 | 2.3% | 15,119 | 0.6% |
| Construction | 970 | 9.4% | 211,736 | 9.0% |
| Wholesale Trade | 318 | 3.1% | 117,974 | 5.0% |
| Retail Trade | 1,144 | 11.1% | 216,652 | 9.2% |
| Accommodation and Food Services | 511 | 4.9% | 151,807 | 6.4% |
| Transport, Postal and Warehousing | 198 | 1.9% | 98,676 | 4.2% |
| Information Media and Telecommunications | 82 | 0.8% | 40,929 | 1.7% |
| Financial and Insurance Services | 111 | 1.1% | 65,093 | 2.8% |
| Rental, Hiring and Real Estate Services | 193 | 1.9% | 55,532 | 2.3% |
| Professional, Scientific and Technical Services | 342 | 3.3% | 223,950 | 9.5% |
| Administrative and Support Services | 184 | 1.8% | 118,732 | 5.0% |
| Public Administration and Safety | 377 | 3.7% | 111,039 | 4.7% |
| Education and Training | 826 | 8.0% | 184,124 | 7.8% |
| Health Care and Social Assistance | 1,036 | 10.0% | 233,191 | 9.9% |
| Arts and Recreation Services | 102 | 1.0% | 44,519 | 1.9% |
| Other Services | 466 | 4.5% | 88,390 | 3.7% |
| Total | 10,326 | 100% | 2,363,428 | 100% |

- Among broad industries Agriculture, Forestry and Fishing was the largest in Horowhenua District in 2016 accounting for 17.9% of total.
- The second largest was Manufacturing (13.4%) followed by Retail Trade (11.1%)

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 Horowhenua District.

- Agriculture, Forestry and Fishing was the largest 7-digit industry in Horowhenua District in 2016 employing 1,844 persons and accounting for 17.9% of total employment in the district. By contrast this industry accounted for 6.2% of total employment in New Zealand.
- The second largest employing industries were manufacturing (1,387) followed by retail trade (1,144).

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

| Rank | Industry | Horowhenua District | | New Zealand |
|------|--|---------------------|--------------|--------------|
| | | Jobs | % of total | % of total |
| 1 | Dairy Cattle Farming | 596 | 5.8% | 1.7% |
| 2 | Aged Care Residential Services | 510 | 4.9% | 1.4% |
| 3 | Supermarket and Grocery Stores | 416 | 4.0% | 2.4% |
| 4 | Vegetable Growing (Outdoors) | 406 | 3.9% | 0.2% |
| 5 | Primary Education | 373 | 3.6% | 2.2% |
| 6 | Poultry Farming (Eggs) | 262 | 2.5% | 0.1% |
| 7 | Cafes and Restaurants | 239 | 2.3% | 2.8% |
| 8 | Secondary Education | 235 | 2.3% | 1.5% |
| 9 | House Construction | 220 | 2.1% | 1.7% |
| 10 | Meat Processing | 210 | 2.0% | 0.8% |
| 11 | Other Allied Health Services | 183 | 1.8% | 1.4% |
| 12 | Other Agriculture and Fishing Support Services | 150 | 1.5% | 0.9% |
| 13 | Other Automotive Repair and Maintenance | 137 | 1.3% | 0.7% |
| 14 | Local Government Administration | 133 | 1.3% | 1.0% |
| 15 | Preschool Education | 127 | 1.2% | 1.1% |
| 16 | Road Freight Transport | 122 | 1.2% | 1.3% |
| 17 | Fossil Fuel Electricity Generation | 116 | 1.1% | 0.0% |
| 18 | Hardware and Building Supplies Retailing | 113 | 1.1% | 0.8% |
| 19 | Other Social Assistance Services | 109 | 1.1% | 0.8% |
| 20 | Other Interest Group Services n.e.c. | 109 | 1.1% | 0.5% |
| 21 | Other Heavy and Civil Engineering Construction | 100 | 1.0% | 0.8% |
| 22 | Takeaway Food Services | 99 | 1.0% | 1.1% |
| 23 | Central Government Administration | 92 | 0.9% | 1.3% |
| 24 | Other Machinery and Equipment Manufacturing n.e.c. | 91 | 0.9% | 0.5% |
| 25 | Beef Cattle Farming (Specialised) | 91 | 0.9% | 0.4% |
| 26 | Department Stores | 91 | 0.9% | 0.7% |
| 27 | Child Care Services | 86 | 0.8% | 0.6% |
| 28 | Accounting Services | 86 | 0.8% | 1.0% |
| 29 | Real Estate Services | 84 | 0.8% | 1.0% |
| 30 | Other Hardware Goods Wholesaling | 84 | 0.8% | 0.3% |
| 31 | Gardening Services | 82 | 0.8% | 0.3% |
| 32 | Corrugated Paperboard and Paperboard Container Manufacturing | 81 | 0.8% | 0.1% |
| 33 | Road and Bridge Construction | 81 | 0.8% | 0.6% |
| 34 | Clothing Manufacturing | 77 | 0.7% | 0.2% |
| 35 | Pharmaceutical, Cosmetic and Toiletry Goods Retailing | 76 | 0.7% | 0.4% |
| 36 | Electrical Services | 72 | 0.7% | 0.9% |
| 37 | Plumbing Services | 71 | 0.7% | 0.5% |
| 38 | Textile Finishing and Other Textile Product Manufacturing | 69 | 0.7% | 0.0% |
| 39 | Wooden Structural Fittings and Components Manufacturing | 69 | 0.7% | 0.3% |
| 40 | Electricity Distribution | 66 | 0.6% | 0.1% |
| 41 | Knitted Product Manufacturing | 65 | 0.6% | 0.0% |
| 42 | Police Services | 65 | 0.6% | 0.5% |
| 43 | Non-Residential Property Operators | 60 | 0.6% | 0.6% |
| 44 | Management Advice and Other Consulting Services | 60 | 0.6% | 1.6% |
| 45 | Hairdressing and Beauty Services | 60 | 0.6% | 0.6% |
| 46 | Painting and Decorating Services | 59 | 0.6% | 0.6% |
| 47 | Structural Steel Fabricating | 59 | 0.6% | 0.2% |
| 48 | Architectural Aluminium Product Manufacturing | 56 | 0.5% | 0.2% |
| 49 | Pubs, Taverns and Bars | 56 | 0.5% | 0.6% |
| 50 | Non-Residential Building Construction | 55 | 0.5% | 0.5% |
| | All other industries total | 3,320 | 32.2% | 60.1% |
| | Total | 10,326 | 100% | 100% |

Which industries have created the most jobs?

The section investigates which industries have created and lost the most number of jobs in Horowhenua 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 | 859 | 970 | 111 | 12.9% |
| Manufacturing | 1,346 | 1,387 | 42 | 3.1% |
| Agriculture, Forestry and Fishing | 1,806 | 1,844 | 38 | 2.1% |
| Professional, Scientific and Technical Services | 317 | 342 | 25 | 8.0% |
| Public Administration and Safety | 354 | 377 | 23 | 6.5% |
| Retail Trade | 1,122 | 1,144 | 23 | 2.0% |
| Rental, Hiring and Real Estate Services | 180 | 193 | 13 | 6.9% |
| Other Services | 457 | 466 | 9 | 2.0% |
| Electricity, Gas, Water and Waste Services | 230 | 234 | 4 | 1.7% |
| Health Care and Social Assistance | 1,033 | 1,036 | 3 | 0.3% |
| Information Media and Telecommunications | 80 | 82 | 2 | 2.1% |
| Transport, Postal and Warehousing | 198 | 198 | 1 | 0.4% |
| Arts and Recreation Services | 102 | 102 | 0 | 0.2% |
| Administrative and Support Services | 184 | 184 | 0 | 0.0% |
| Financial and Insurance Services | 112 | 111 | 0 | -0.1% |
| Mining | 2 | 0 | -2 | -100.0% |
| Wholesale Trade | 325 | 318 | -7 | -2.1% |
| Education and Training | 835 | 826 | -9 | -1.1% |
| Accommodation and Food Services | 527 | 511 | -16 | -3.1% |
| Total | 10,067 | 10,326 | 259 | 2.6% |

- Construction made the largest contribution to employment growth in Horowhenua District between 2015 and 2016 with the industry adding 111 jobs.
- The next largest contributor was Manufacturing (42 jobs) followed by Agriculture, Forestry and Fishing (38 jobs).
- The largest detractor from growth over the year was Accommodation and Food Services in which employment declined by 16.

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.

- Vegetable Growing (Outdoors) was the largest creator of jobs in Horowhenua District between 2015 and 2016 generating an additional 53 positions.
- This was followed by Other Heavy and Civil Engineering Construction, which added 42 jobs over the same period.
- Vegetable Growing (Under Cover) was the largest detractor of jobs in Horowhenua District between 2015 and 2016 losing 16 positions.
- This was followed by Other Allied Health Services, which lost 14 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 | Vegetable Growing (Outdoors) | 352 | 406 | 53 | 3.9% |
| 2 | Other Heavy and Civil Engineering Construction | 58 | 100 | 42 | 1.0% |
| 3 | Central Government Administration | 73 | 92 | 20 | 0.9% |
| 4 | Aged Care Residential Services | 490 | 510 | 20 | 4.9% |
| 5 | Poultry Farming (Eggs) | 244 | 262 | 18 | 2.5% |
| 6 | Road and Bridge Construction | 64 | 81 | 17 | 0.8% |
| 7 | Meat Processing | 195 | 210 | 15 | 2.0% |
| 8 | Knitted Product Manufacturing | 52 | 65 | 13 | 0.6% |
| 9 | House Construction | 207 | 220 | 13 | 2.1% |
| 10 | Gardening Services | 70 | 82 | 12 | 0.8% |
| 11 | Electrical Services | 60 | 72 | 12 | 0.7% |
| 12 | Investigation and Security Services | 22 | 33 | 11 | 0.3% |
| 13 | Hairdressing and Beauty Services | 49 | 60 | 11 | 0.6% |
| 14 | Corrugated Paperboard and Paperboard Container Manufacturing | 70 | 81 | 11 | 0.8% |
| 15 | Other Machinery and Equipment Manufacturing n.e.c. | 82 | 91 | 10 | 0.9% |
| 16 | Hardware and Building Supplies Retailing | 104 | 113 | 9 | 1.1% |
| 17 | On Selling Electricity and Electricity Market Operation | 0 | 9 | 9 | 0.1% |
| 18 | Ambulance Services | 23 | 31 | 8 | 0.3% |
| 19 | Real Estate Services | 77 | 84 | 7 | 0.8% |
| 20 | Engineering Design and Engineering Consulting Services | 17 | 23 | 7 | 0.2% |
| 21 | Management Advice and Other Consulting Services | 53 | 60 | 7 | 0.6% |
| 22 | Other Livestock Farming n.e.c. | 3 | 10 | 7 | 0.1% |
| 23 | Wooden Structural Fittings and Components Manufacturing | 62 | 69 | 6 | 0.7% |
| 24 | Amusement Parks and Centres Operation | 9 | 15 | 6 | 0.1% |
| 25 | Clothing Retailing | 30 | 36 | 6 | 0.4% |
| 26 | Furniture Retailing | 11 | 17 | 6 | 0.2% |
| 27 | Other Interest Group Services n.e.c. | 103 | 109 | 6 | 1.1% |
| 28 | Bakery Product Manufacturing (Non-factory-based) | 20 | 26 | 6 | 0.3% |
| 29 | Waste Treatment and Disposal Services | 13 | 18 | 5 | 0.2% |
| 30 | Other Construction Services n.e.c. | 27 | 31 | 5 | 0.3% |
| 31 | Fire and Security Alarm Installation Services | 9 | 14 | 4 | 0.1% |
| 32 | Road Freight Transport | 118 | 122 | 4 | 1.2% |
| 33 | Adult, Community and Other Education n.e.c. | 47 | 51 | 4 | 0.5% |
| 34 | Computer Systems Design and Related Services | 30 | 35 | 4 | 0.3% |
| 35 | Plumbing Services | 67 | 71 | 4 | 0.7% |
| 36 | Other Grocery Wholesaling | 13 | 17 | 4 | 0.2% |
| 37 | Supermarket and Grocery Stores | 412 | 416 | 4 | 4.0% |
| 38 | Structural Steel Fabricating | 55 | 59 | 4 | 0.6% |
| 39 | Motor Vehicle Parts Retailing | 13 | 17 | 4 | 0.2% |
| 40 | Bread Manufacturing (Factory-based) | 2 | 5 | 4 | 0.0% |
| 41 | Architectural Aluminium Product Manufacturing | 52 | 56 | 3 | 0.5% |
| 42 | Fruit and Vegetable Retailing | 25 | 28 | 3 | 0.3% |
| 43 | Bricklaying Services | 20 | 23 | 3 | 0.2% |
| 44 | Other Crop Growing n.e.c. | 21 | 24 | 3 | 0.2% |
| 45 | Cafes and Restaurants | 236 | 239 | 3 | 2.3% |
| 46 | Non-Residential Property Operators | 57 | 60 | 3 | 0.6% |
| 47 | Poultry Processing | 24 | 27 | 3 | 0.3% |
| 48 | Printing Support Services | 14 | 16 | 3 | 0.2% |
| 49 | Motor Vehicle New Part Wholesaling | 4 | 7 | 3 | 0.1% |
| 50 | Timber Wholesaling | 16 | 18 | 3 | 0.2% |
| | All other industries | 6,198 | 6,008 | -189 | 58.2% |
| | Total | 10,067 | 10,326 | 259 | 100% |

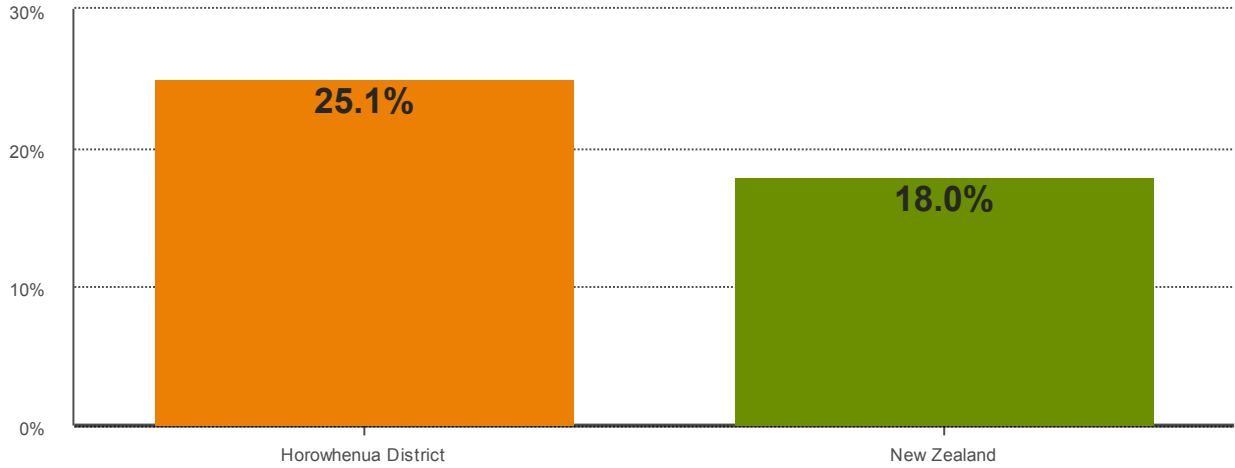
Table 10: The 50 seven-digit industries that lost the most jobs between 2015 and 2016

| Rank | Industry | Jobs | | Change 2015 - 2016 | % of total 2016 |
|------|---|---------------|---------------|--------------------------|-----------------|
| | | 2015 | 2016 | | |
| 1 | Vegetable Growing (Under Cover) | 45 | 29 | -16 | 0.3% |
| 2 | Other Allied Health Services | 198 | 183 | -14 | 1.8% |
| 3 | Confectionery Manufacturing | 63 | 50 | -13 | 0.5% |
| 4 | Fossil Fuel Electricity Generation | 128 | 116 | -11 | 1.1% |
| 5 | Other Agriculture and Fishing Support Services | 161 | 150 | -11 | 1.5% |
| 6 | Police Services | 75 | 65 | -10 | 0.6% |
| 7 | Clothing Manufacturing | 85 | 77 | -9 | 0.7% |
| 8 | Primary Education | 380 | 373 | -7 | 3.6% |
| 9 | Takeaway Food Services | 106 | 99 | -6 | 1.0% |
| 10 | Other Social Assistance Services | 116 | 109 | -6 | 1.1% |
| 11 | Pubs, Taverns and Bars | 62 | 56 | -6 | 0.5% |
| 12 | Textile Finishing and Other Textile Product Manufacturing | 75 | 69 | -6 | 0.7% |
| 13 | Watch and Jewellery Retailing | 15 | 9 | -6 | 0.1% |
| 14 | Dairy Cattle Farming | 601 | 596 | -6 | 5.8% |
| 15 | Concrete Product Manufacturing | 40 | 35 | -5 | 0.3% |
| 16 | Other Agricultural Product Wholesaling | 35 | 29 | -5 | 0.3% |
| 17 | Other Goods Wholesaling n.e.c. | 23 | 18 | -5 | 0.2% |
| 18 | Packaging Services | 15 | 10 | -5 | 0.1% |
| 19 | Secondary Education | 240 | 235 | -5 | 2.3% |
| 20 | Laundry and Dry-Cleaning Services | 5 | 0 | -5 | 0.0% |
| 21 | Metal Roof and Guttering Manufacturing (except Aluminium) | 35 | 31 | -5 | 0.3% |
| 22 | Buildings Cleaning Services | 52 | 48 | -4 | 0.5% |
| 23 | Printing | 29 | 25 | -4 | 0.2% |
| 24 | Beef Cattle Farming (Specialised) | 95 | 91 | -4 | 0.9% |
| 25 | Labour Supply Services | 10 | 7 | -4 | 0.1% |
| 26 | Photographic Film Processing | 8 | 5 | -3 | 0.0% |
| 27 | Agricultural and Construction Machinery Wholesaling | 11 | 8 | -3 | 0.1% |
| 28 | Catering Services | 13 | 10 | -3 | 0.1% |
| 29 | Specialist Medical Services | 5 | 3 | -3 | 0.0% |
| 30 | Accommodation | 55 | 53 | -3 | 0.5% |
| 31 | Pathology and Diagnostic Imaging Services | 8 | 5 | -3 | 0.0% |
| 32 | Poultry Farming (Meat) | 17 | 15 | -2 | 0.1% |
| 33 | Commission Based Wholesaling | 16 | 14 | -2 | 0.1% |
| 34 | Other Gambling Activities | 6 | 4 | -2 | 0.0% |
| 35 | Apple and Pear Growing | 4 | 2 | -2 | 0.0% |
| 36 | Other Telecommunications Services | 3 | 1 | -2 | 0.0% |
| 37 | Floor Coverings Retailing | 23 | 21 | -2 | 0.2% |
| 38 | Antique and Used Goods Retailing | 20 | 18 | -2 | 0.2% |
| 39 | Religious Services | 24 | 22 | -2 | 0.2% |
| 40 | Garden Supplies Retailing | 12 | 10 | -2 | 0.1% |
| 41 | Air Conditioning and Heating Services | 5 | 3 | -2 | 0.0% |
| 42 | Berry Fruit Growing | 28 | 26 | -2 | 0.3% |
| 43 | Nursery Production (Outdoors) | 4 | 2 | -2 | 0.0% |
| 44 | Cured Meat and Smallgoods Manufacturing | 13 | 11 | -2 | 0.1% |
| 45 | Ready-Mixed Concrete Manufacturing | 9 | 7 | -2 | 0.1% |
| 46 | Industrial and Agricultural Chemical Product Wholesaling | 8 | 7 | -2 | 0.1% |
| 47 | Justice | 6 | 4 | -2 | 0.0% |
| 48 | Health and Fitness Centres and Gymnasia Operation | 13 | 11 | -2 | 0.1% |
| 49 | Child Care Services | 88 | 86 | -2 | 0.8% |
| 50 | Fresh Meat, Fish and Poultry Retailing | 17 | 15 | -2 | 0.1% |
| | All other industries | 6,963 | 7,455 | 492 | 72.2% |
| | Total | 10,067 | 10,326 | 259 | 100% |

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

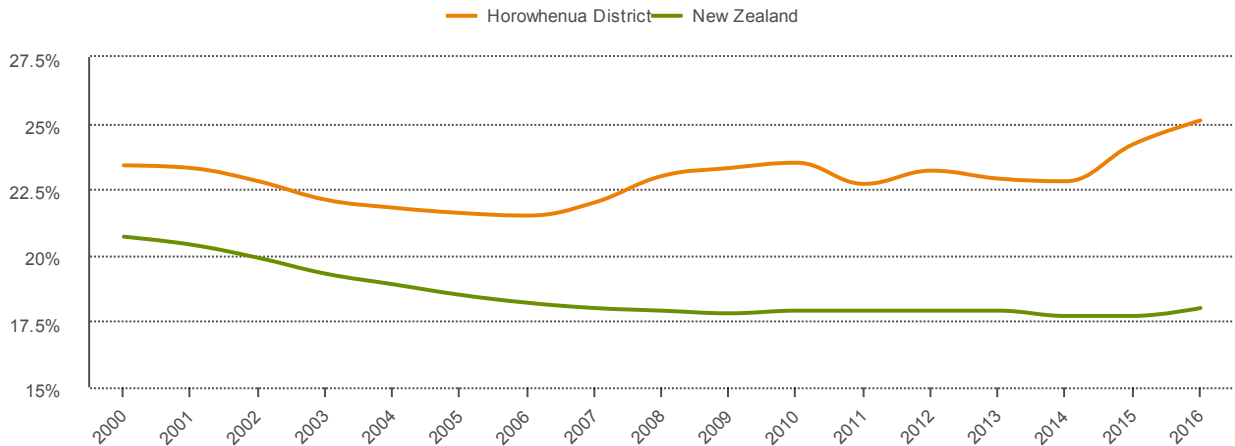
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in Horowhenua District with the national economy.

Figure 10: Self employment rate, 2016



- Self-employed workers accounted for 25.1% of the workforce in Horowhenua District in 2016, which was a higher rate than in the national economy (18.0%)
- A total of 2,592.9 workers were self-employed in Horowhenua District in 2016.

Figure 11: Self employment rate



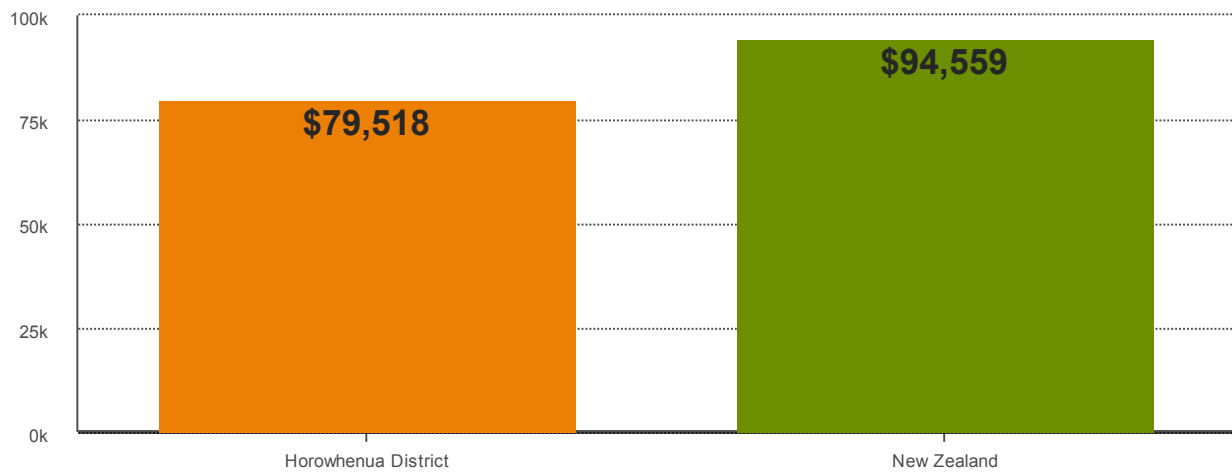
| Level | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Horowhenua District | 23.3% | 22.8% | 22.1% | 21.8% | 21.6% | 21.5% | 22.0% | 23.0% | 23.3% | 23.5% | 22.7% | 23.2% | 22.9% | 22.8% | 24.2% |
| 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% |

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.

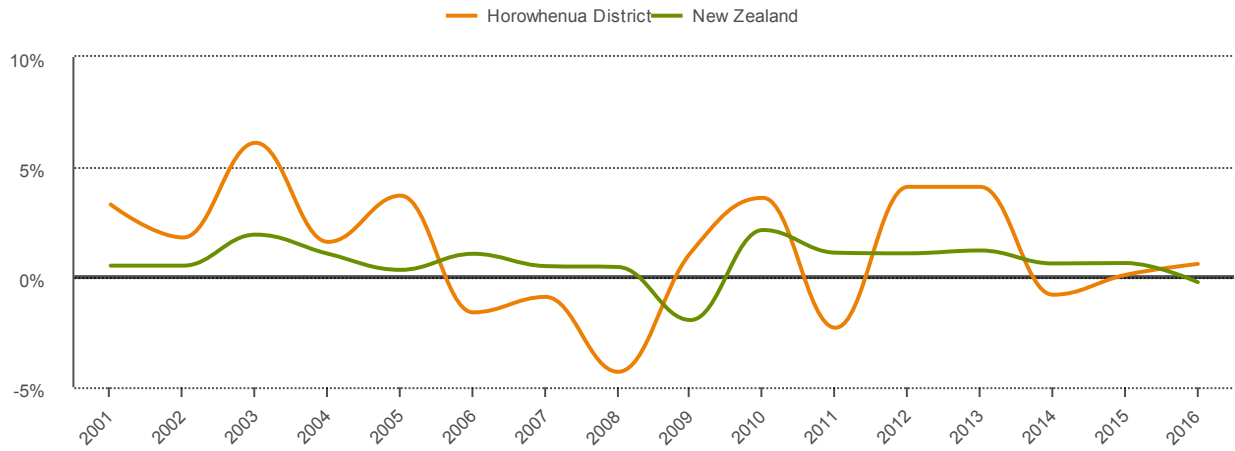
This section describes Horowhenua District's productivity level during the year to March 2016 and previous years. Productivity is measured by GDP per employee (in constant 2010 prices).

Figure 12: Productivity 2016



- GDP per employee in Horowhenua District measured \$79,518 in the year to March 2016, which was 16% lower than in New Zealand.
- Productivity in Horowhenua District increased by 0.6% from a year earlier compared with a decrease of 0.2% in New Zealand).
- Productivity growth in Horowhenua District averaged 0.5%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 |
|---------------------|------|------|------|------|------|-------|-------|-------|-------|------|-------|------|------|-------|------|-------|
| Horowhenua District | 3.3% | 1.8% | 6.1% | 1.6% | 3.7% | -1.6% | -0.9% | -4.3% | 1.1% | 3.6% | -2.3% | 4.1% | 4.1% | -0.8% | 0.1% | 0.6% |
| 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 Horowhenua District

This section ranks industries according to their level of GDP per employee in Horowhenua 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 Horowhenua 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)

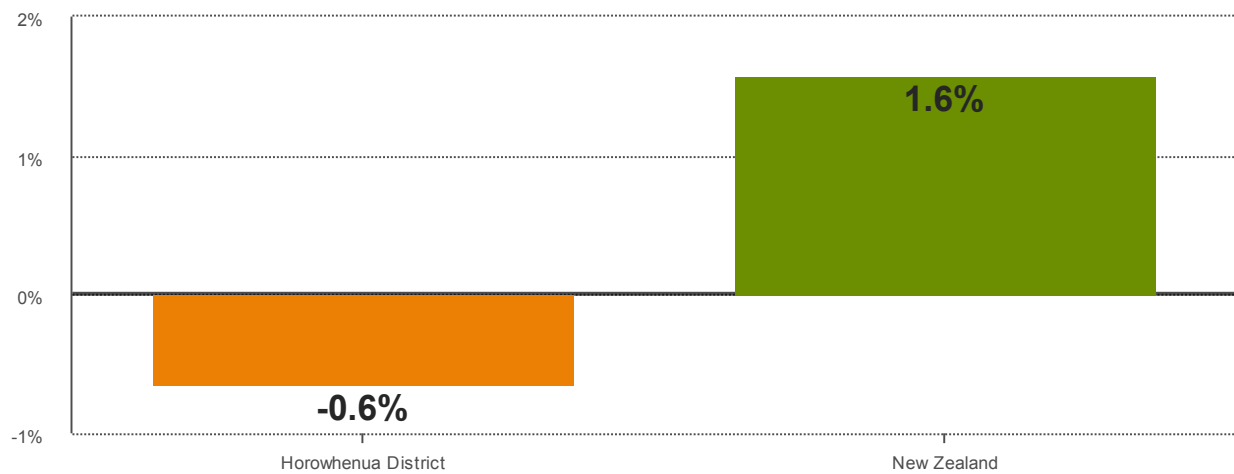
| Industry | Productivity | | Capital intensity |
|---|---------------------|---------------|-------------------|
| | Horowhenua District | New Zealand | New Zealand |
| Electricity, Gas, Water and Waste Services | 345,759 | 427,993 | - |
| Rental, Hiring and Real Estate Services | 276,019 | 287,960 | - |
| Financial and Insurance Services | 160,918 | 203,093 | - |
| Information Media and Telecommunications | 137,445 | 193,114 | - |
| Wholesale Trade | 81,810 | 97,377 | - |
| Transport, Postal and Warehousing | 73,657 | 95,231 | - |
| Agriculture, Forestry and Fishing | 73,560 | 86,859 | - |
| Professional, Scientific and Technical Services | 70,521 | 80,455 | - |
| Public Administration and Safety | 69,403 | 86,564 | - |
| Manufacturing | 56,990 | 96,717 | - |
| Construction | 53,949 | 60,490 | - |
| Education and Training | 52,452 | 50,863 | - |
| Health Care and Social Assistance | 48,768 | 56,859 | - |
| Retail Trade | 47,512 | 49,065 | - |
| Arts and Recreation Services | 41,900 | 65,545 | - |
| Administrative and Support Services | 35,159 | 38,440 | - |
| Other Services | 27,639 | 42,923 | - |
| Accommodation and Food Services | 23,674 | 31,198 | - |
| Mining | 0 | 627,003 | - |
| Total | 79,518 | 94,559 | |

BUSINESS GROWTH

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

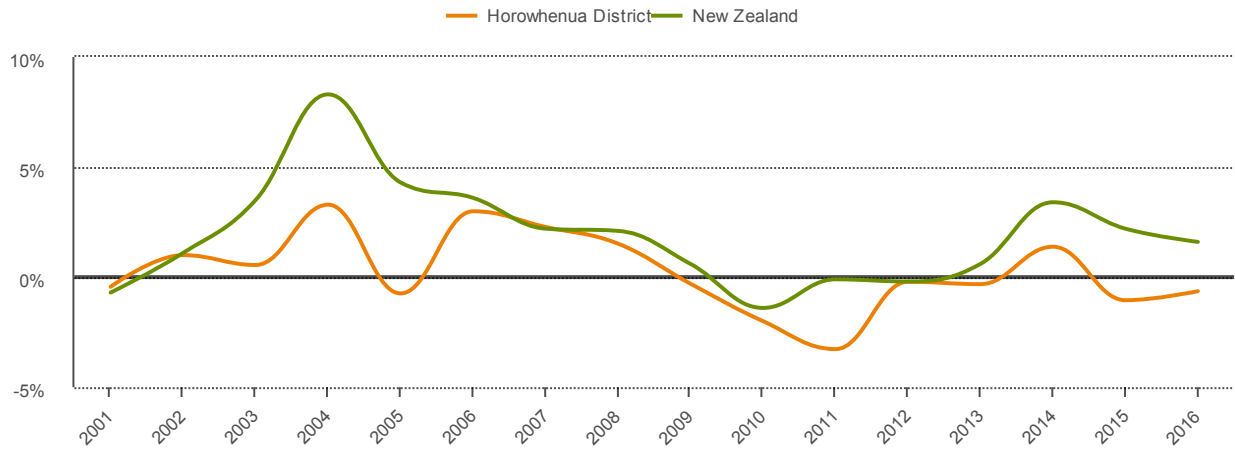
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts Horowhenua District's recent performance in business unit growth with other regions in the country.

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



- A total of 2,814 business units were recorded in Horowhenua District in 2016, down 0.6% 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 Horowhenua District averaged -0.3%pa over the past 10 years compared with 1.1%pa in the national economy.
- Business unit growth in Horowhenua District varied from a high of 3.3% in 2004 to a low of -3.3% in 2011.

Figure 15: Annual average business unit growth



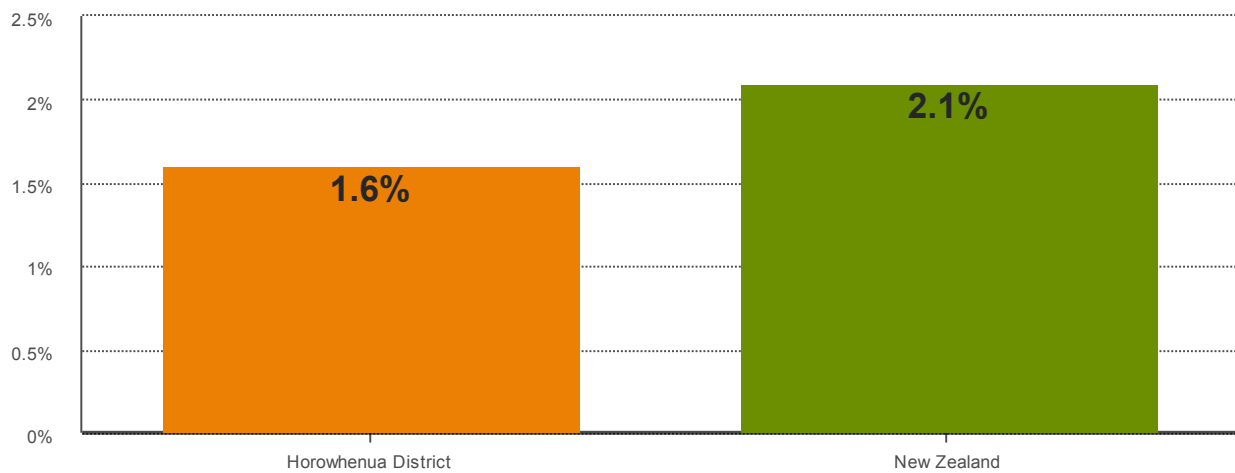
| Change | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------|-------|------|------|------|-------|------|------|------|-------|-------|-------|-------|-------|------|-------|-------|
| Horowhenua District | -0.4% | 1.0% | 0.6% | 3.3% | -0.7% | 3.0% | 2.3% | 1.5% | -0.3% | -2.0% | -3.3% | -0.2% | -0.3% | 1.4% | -1.0% | -0.6% |
| 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 Horowhenua 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 Horowhenua District's recent population growth with other districts and the country as a whole.

Figure 16: Population growth (year to Jun 2016)



- Horowhenua District's population was 31,900 in 2016, up 1.6% from a year earlier. New Zealand's total population grew by 2.1% over the same period.
- Population growth in Horowhenua District averaged 0.6%pa over the last 5 years compared with 1.4%pa in New Zealand.
- Since 2000 growth in Horowhenua District reached a high of 1.6%pa in 2016 and a low of -0.3%pa in 2001.

Figure 17: Annual population growth

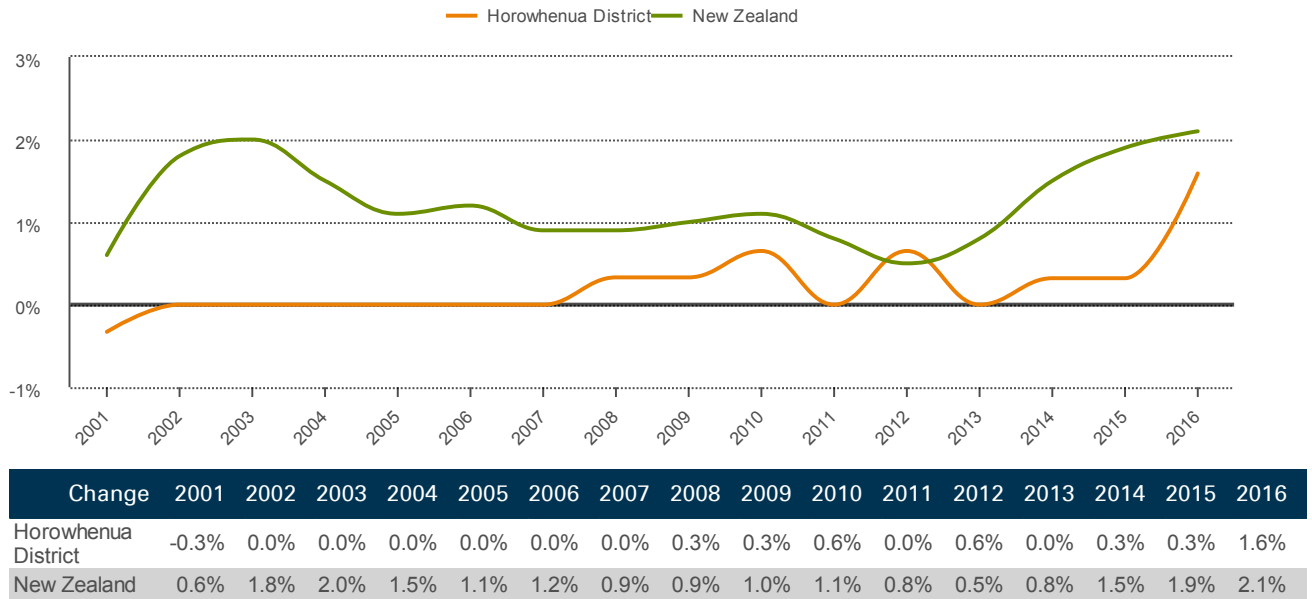
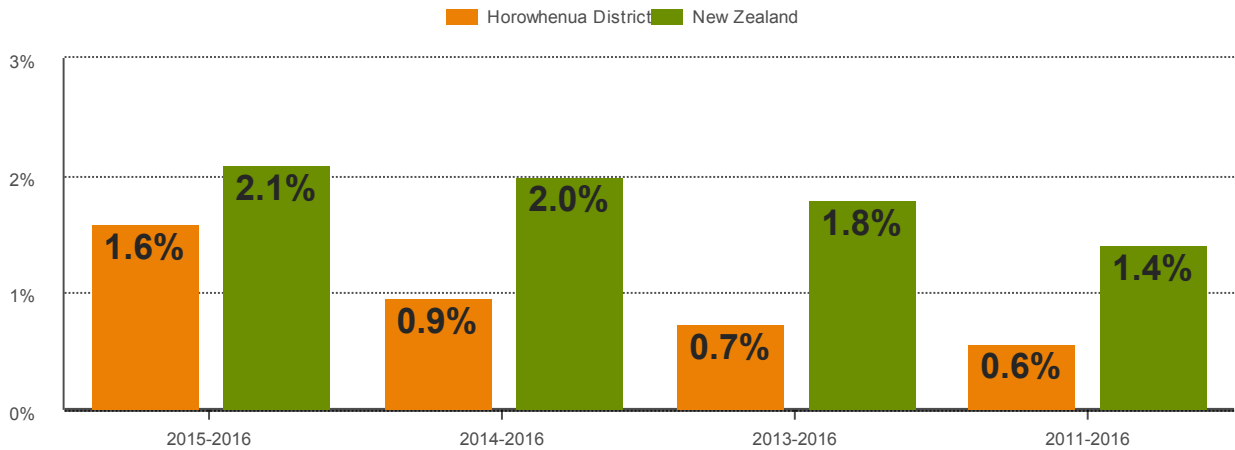


Figure 18: Population growth last 1,2,3 and 5 years

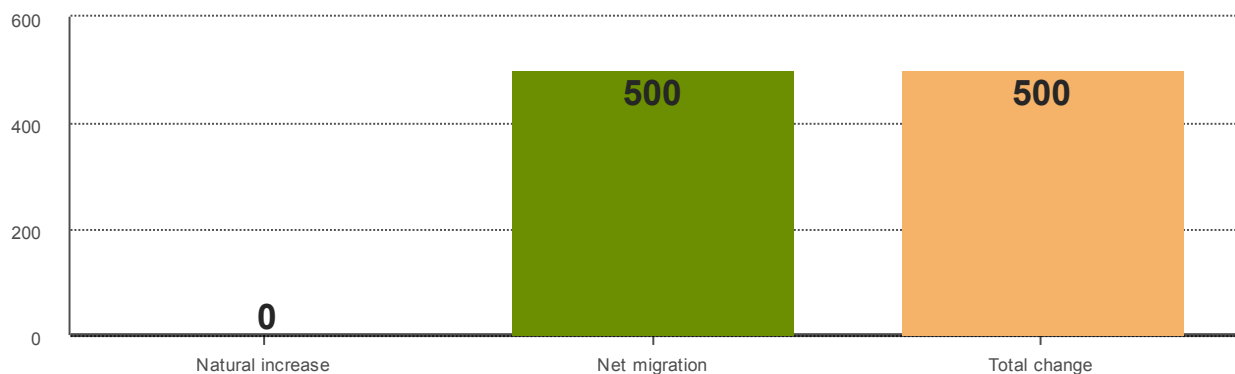


What is the source of Horowhenua District's population growth?

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 Horowhenua District.

- Horowhenua District's population increased by 500 people in the year to June 2016. This net increase was made up of net migration of 500 and natural decrease of 0.

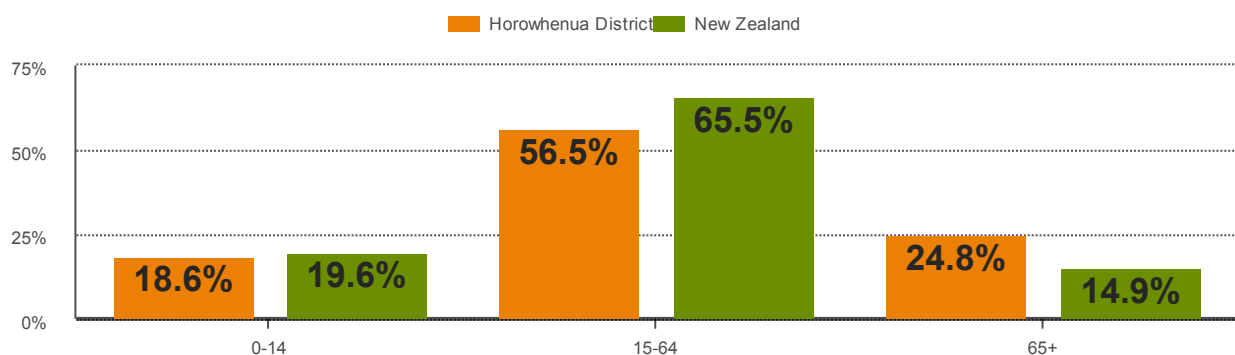
Figure 19: Source of population growth (year to June 2016)



What is the age structure of Horowhenua District's population?

- In 2016, 56.5% of Horowhenua District's population was of working age (15-64). This was significantly lower than the proportion of the national population (65.5%).
- Horowhenua District had a slightly lower proportion (18.6%) of young people (0-14) than the country as a whole (19.6%) and a significantly higher proportion (24.8%) of people 65 years and older compared with New Zealand (14.9%).
- Overall the dependency ratio in Horowhenua District (77.0%) 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)



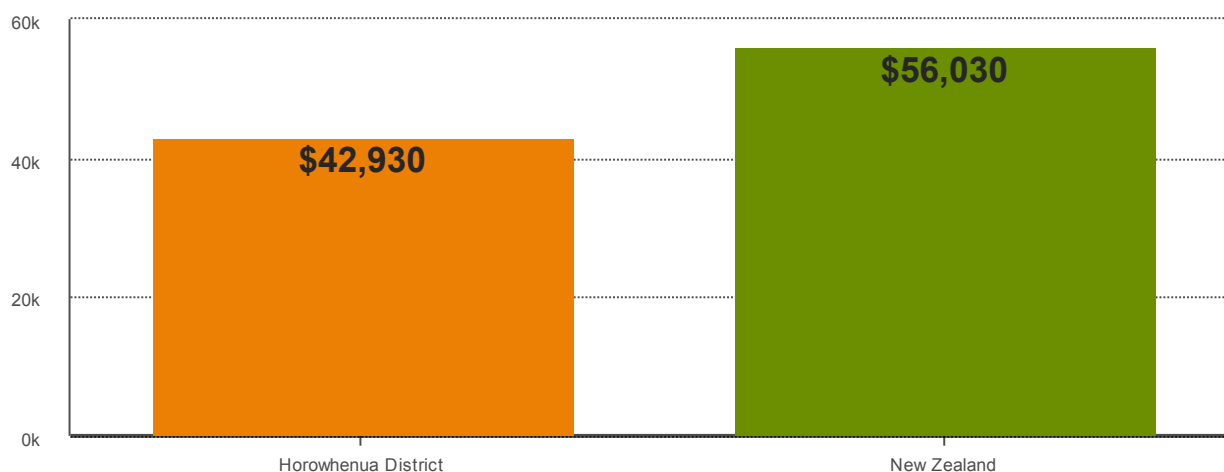
STANDARD OF LIVING

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 Horowhenua District?

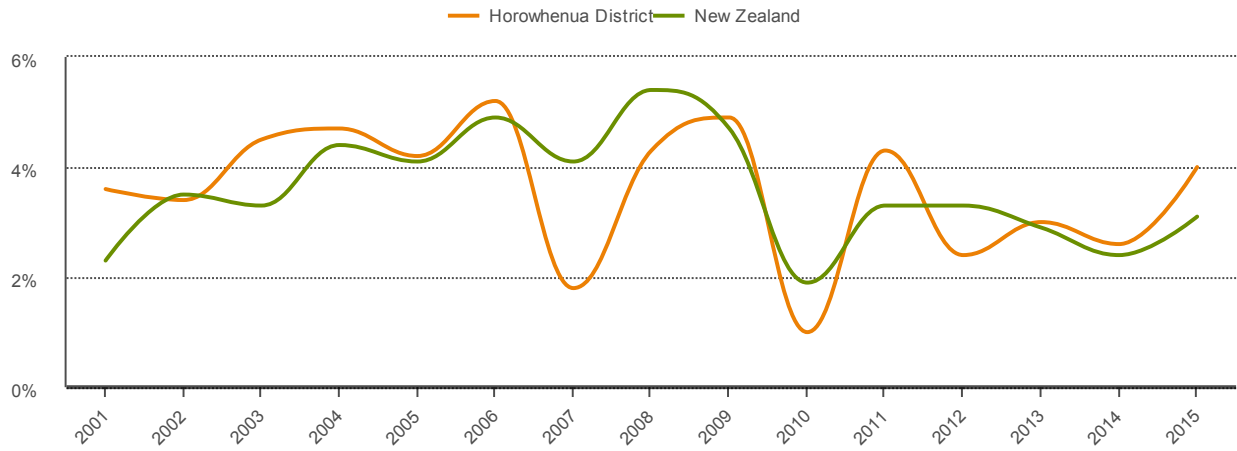
Income earned in the labour market is an important source of household income. This section contrasts Horowhenua District's mean annual earnings with the country as a whole.

Figure 21: Earnings, 2015



- Mean annual earnings in Horowhenua District was \$42,930 in the year to March 2015, which was lower than the New Zealand mean of \$56,030.
- Mean earnings in Horowhenua District increased by 4.0% over the year to March 2015 compared with an increase of 3.1% in New Zealand.
- Over the last ten years earnings growth in Horowhenua District reached a maximum of 5.2% in 2006 and a minimum of 1.0% in 2010.

Figure 22: Annual earnings growth



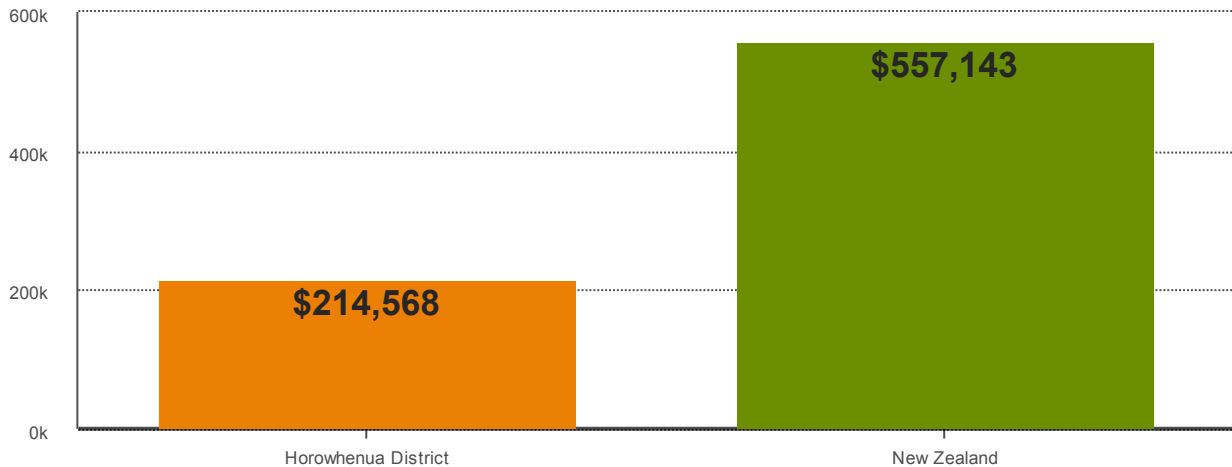
| Change | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Horowhenua District | 3.6% | 3.4% | 4.5% | 4.7% | 4.2% | 5.2% | 1.8% | 4.3% | 4.9% | 1.0% | 4.3% | 2.4% | 3.0% | 2.6% | 4.0% |
| 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 Horowhenua District was \$42,930 in the year to March 2015, which was lower than the New Zealand mean of \$56,030.
- Mean earnings in Horowhenua District increased by 4.0% over the year to March 2015 compared with an increase of 3.1% in New Zealand.
- Over the last ten years earnings growth in Horowhenua District reached a maximum of 5.2% in 2006 and a minimum of 1.0% in 2010.

How do house prices in Horowhenua District compare?

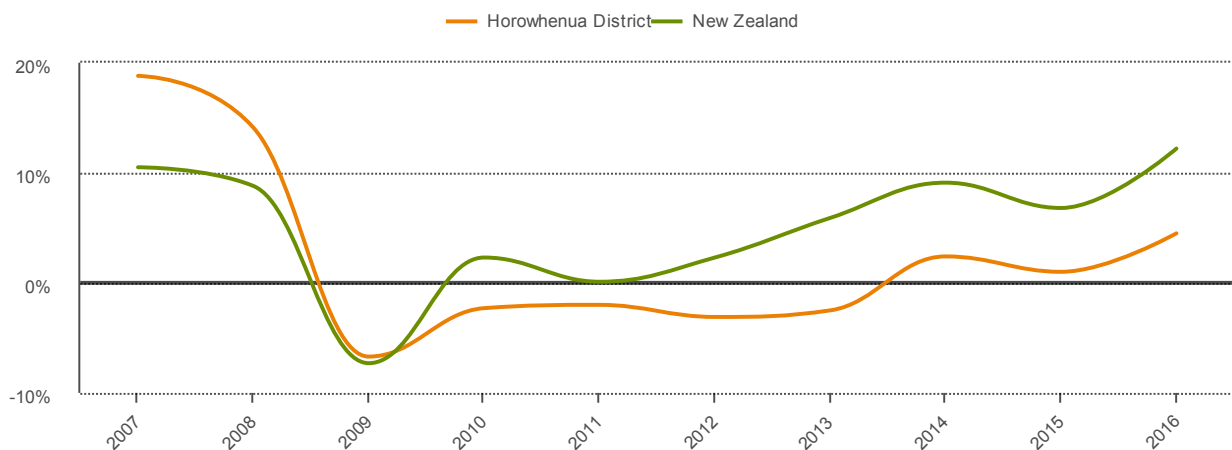
The cost of housing is a major component of household spending. This section describes the cost of housing in Horowhenua District relative to the rest of the country.

Figure 23: Average current house value, 2016



- The Average current house value in Horowhenua District was \$214,568 in 2016, which was lower than the New Zealand median of \$557,143.
- House price growth in Horowhenua District was 4.5% for the year to March 2016. Growth was weaker than in New Zealand (12%).

Figure 24: Annual Average current house value growth

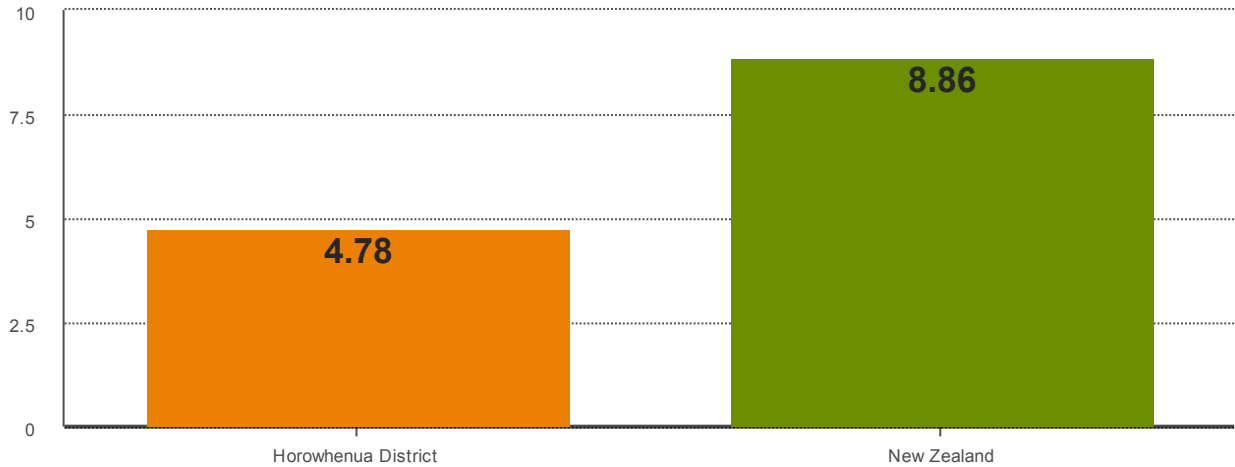


| Change | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|------|------|-------|
| Horowhenua District | 18.8% | 14.1% | -6.7% | -2.3% | -2.0% | -3.1% | -2.5% | 2.4% | 1.0% | 4.5% |
| New Zealand | 10.5% | 8.8% | -7.3% | 2.3% | 0.1% | 2.3% | 5.9% | 9.1% | 6.8% | 12.2% |

How affordable is housing in Horowhenua District?

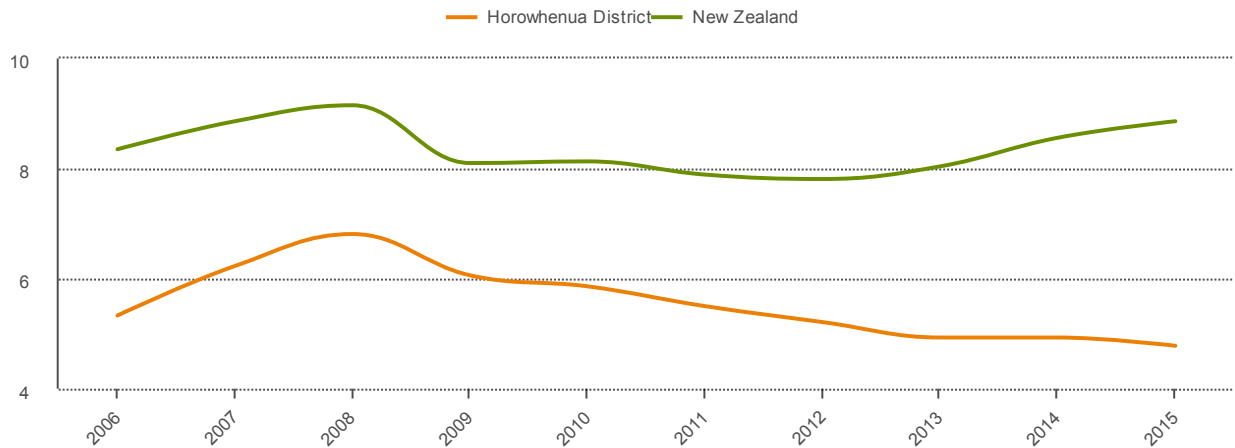
This section investigates the affordability of housing by comparing Average current house values with average earnings. We have estimated a housing affordability index which is the ratio of the Average current house value to annual average earnings measured in the Linked Employer Employee Data. A higher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

Figure 25: Housing affordability index 2015



- The housing affordability index in Horowhenua District was 4.8 in the year to March 2015, which was lower than New Zealand's index of 8.9. This means that housing is more affordable in Horowhenua District than in New Zealand.

Figure 26: Housing affordability



| Level | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|------|------|------|------|------|------|------|------|------|
| Horowhenua District | 6.2 | 6.8 | 6.1 | 5.9 | 5.5 | 5.2 | 4.9 | 4.9 | 4.8 |
| New Zealand | 8.9 | 9.1 | 8.1 | 8.1 | 7.9 | 7.8 | 8.0 | 8.6 | 8.9 |

WORKFORCE AND SKILLS

How do skill levels in Horowhenua District compare with New Zealand?

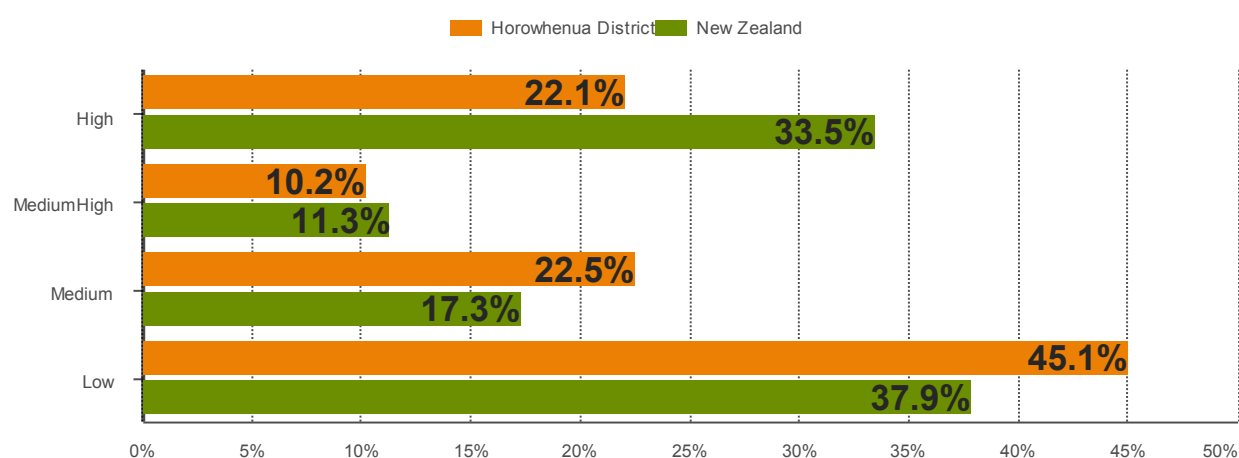
A region that can offer high skilled jobs can generally offer a higher standard of living to its residents. It is also has a better chance of retaining its residents and attracting new skills. This section contrasts the skill levels required by jobs in Horowhenua District with those required in the national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

Table 12: Employment by broad skill level 2016

| Skill level | Horowhenua District | | New Zealand | |
|--------------|---------------------|-------------|------------------|-------------|
| | Jobs | % of total | Jobs | % of total |
| High | 2,283 | 22.1% | 790,747 | 33.5% |
| MediumHigh | 1,056 | 10.2% | 267,424 | 11.3% |
| Medium | 2,325 | 22.5% | 409,204 | 17.3% |
| Low | 4,661 | 45.1% | 896,053 | 37.9% |
| Total | 10,326 | 100% | 2,363,428 | 100% |

- Approximately 22% of Horowhenua District's workforce was employed in highly skilled occupations in 2016. This is lower than in New Zealand (33%).
- Approximately 45% of Horowhenua District's workforce was employed in low-skilled occupations in 2016. This is higher than in New Zealand 38%.

Figure 27: Employment by broad skill level, 2016



What is the occupational structure of employment in Horowhenua District?

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

- Managers accounted for the largest share of employment (20%) in Horowhenua District, which is higher than New Zealand (19%).
- Labourers accounted for the second largest share of employment (17%) in Horowhenua District, which is higher than New Zealand (11%).
- Machinery operators and drivers accounted for the lowest share of employment (7%) in Horowhenua District, which is higher than New Zealand (11%).

Figure 28: Employment by broad occupation, 2016

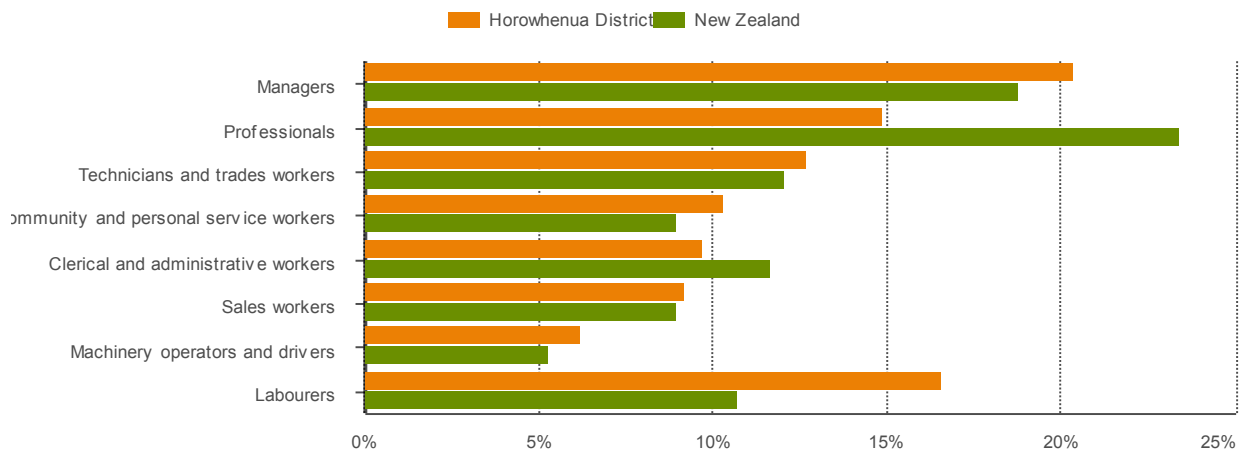


Table 13: Employment by 2-digit occupation (2016)

| Occupation | Horowhenua District | | New Zealand | |
|--|---------------------|-------------|------------------|-------------|
| | Employment | % of total | Employment | % of total |
| Farmers & Farm Managers | 815 | 7.9% | 68,537 | 2.9% |
| Specialist Managers | 626 | 6.1% | 200,943 | 8.5% |
| Education Professionals | 621 | 6.0% | 137,462 | 5.8% |
| Carers & Aides | 557 | 5.4% | 76,670 | 3.2% |
| Farm, Forestry & Garden Workers | 547 | 5.3% | 52,916 | 2.2% |
| Sales Assistants & Salespersons | 526 | 5.1% | 115,311 | 4.9% |
| Factory Process Workers | 405 | 3.9% | 46,184 | 2.0% |
| Other Labourers | 371 | 3.6% | 63,589 | 2.7% |
| Hospitality, Retail & Service Managers | 338 | 3.3% | 85,656 | 3.6% |
| Chief Execs, General Managers, Legislators | 326 | 3.2% | 89,308 | 3.8% |
| Office Managers & Program Administrators | 303 | 2.9% | 70,081 | 3.0% |
| Automotive & Engineering Trades Workers | 295 | 2.9% | 58,935 | 2.5% |
| Sales Representatives & Agents | 277 | 2.7% | 71,290 | 3.0% |
| Construction Trades Workers | 274 | 2.7% | 55,013 | 2.3% |
| Business, HR & Marketing Professionals | 252 | 2.4% | 119,813 | 5.1% |
| Health Professionals | 217 | 2.1% | 93,097 | 3.9% |
| Road & Rail Drivers | 202 | 2.0% | 50,307 | 2.1% |
| Design, Engineering, Science Professionals | 193 | 1.9% | 76,341 | 3.2% |
| Machine & Stationary Plant Operators | 192 | 1.9% | 32,840 | 1.4% |
| Cleaners & Laundry Workers | 182 | 1.8% | 49,297 | 2.1% |
| Food Trades Workers | 162 | 1.6% | 38,306 | 1.6% |
| Skilled Animal & Horticultural Workers | 161 | 1.6% | 24,480 | 1.0% |
| Hospitality Workers | 160 | 1.5% | 45,510 | 1.9% |
| Other Technicians & Trades Workers | 159 | 1.5% | 35,388 | 1.5% |
| Mobile Plant Operators | 159 | 1.5% | 21,323 | 0.9% |
| General Clerical Workers | 159 | 1.5% | 48,470 | 2.1% |
| Engineering, ICT & Science Technicians | 148 | 1.4% | 44,385 | 1.9% |
| Numerical Clerks | 147 | 1.4% | 43,856 | 1.9% |
| Sales Support Workers | 146 | 1.4% | 26,452 | 1.1% |
| Legal, Social & Welfare Professionals | 142 | 1.4% | 50,241 | 2.1% |
| Health & Welfare Support Workers | 132 | 1.3% | 22,803 | 1.0% |
| Other Clerical & Administrative Workers | 130 | 1.3% | 39,838 | 1.7% |
| Inquiry Clerks & Receptionists | 128 | 1.2% | 35,154 | 1.5% |
| Electrotech & Telecoms Trades Workers | 116 | 1.1% | 28,514 | 1.2% |
| Construction & Mining Labourers | 112 | 1.1% | 23,280 | 1.0% |
| Protective Service Workers | 109 | 1.1% | 30,734 | 1.3% |
| Sports & Personal Service Workers | 106 | 1.0% | 36,792 | 1.6% |
| Food Preparation Assistants | 93 | 0.9% | 18,294 | 0.8% |
| Storepersons | 87 | 0.8% | 21,520 | 0.9% |
| Clerical & Office Support Workers | 75 | 0.7% | 18,244 | 0.8% |
| ICT Professionals | 75 | 0.7% | 54,163 | 2.3% |
| Personal Assistants & Secretaries | 65 | 0.6% | 20,587 | 0.9% |
| Arts & Media Professionals | 39 | 0.4% | 21,503 | 0.9% |
| Total employment | 10,326 | 100% | 2,363,428 | 100% |

Employment in knowledge intensive industries in Horowhenua District

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

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

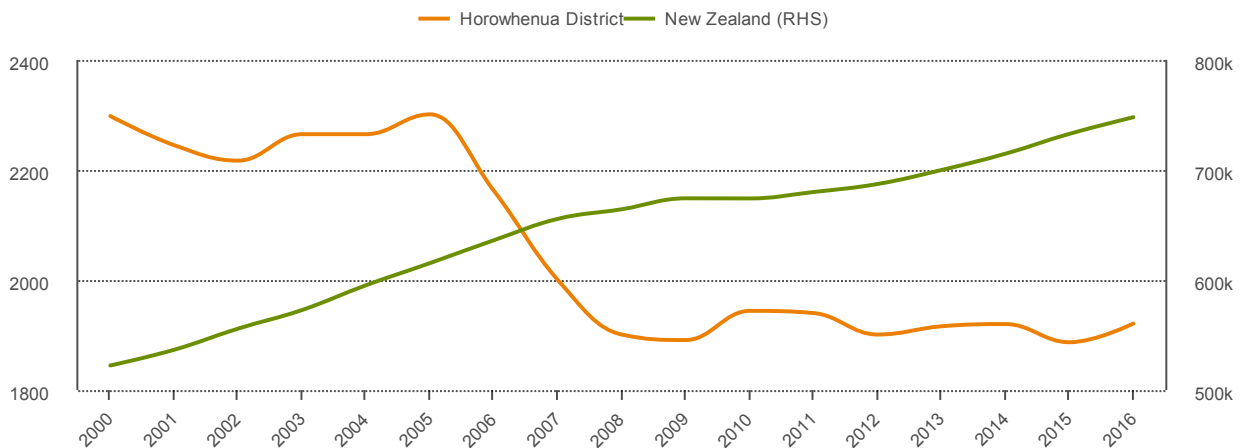
This section describes employment in knowledge intensive industries in Horowhenua District.

Table 14: Employment in knowledge intensive industries (2016)

| | Employment in KI industries 2016 | KI employment as share of total employment 2016 | Annual growth in KI employment 2016 | Annual average growth in KI employment 2006-2016 |
|---------------------|----------------------------------|---|-------------------------------------|--|
| Horowhenua District | 1,921 | 19% | 1.8% | -1.2% |
| New Zealand | 747,938 | 32% | 2.1% | 1.6% |

- During 2016, there were 1,921 jobs in Horowhenua District's knowledge intensive industries. At 19% of total employment, this was lower than in New Zealand (32%).
- During the year March 2016, growth in employment in knowledge intensive industries was 1.8%, compared with a change of 2.1% in New Zealand.

Figure 29: Employment in knowledge intensive industries



What are the top knowledge intensive industries in Horowhenua District?

Table 15: Top 30 knowledge intensive industries in Horowhenua District, 2016

| Rank | Industry | Horowhenua District | | New Zealand | |
|------|---|---------------------|-----------------------|-------------|-----------------------|
| | | Employment | % of total employment | Employment | % of total employment |
| 1 | Primary Education | 373 | 3.6% | 50,974 | 2.2% |
| 2 | Secondary Education | 235 | 2.3% | 34,744 | 1.5% |
| 3 | Other Allied Health Services | 183 | 1.8% | 33,744 | 1.4% |
| 4 | Local Government Administration | 133 | 1.3% | 22,465 | 1.0% |
| 5 | Other Interest Group Services n.e.c. | 109 | 1.1% | 12,265 | 0.5% |
| 6 | Central Government Administration | 92 | 0.9% | 31,135 | 1.3% |
| 7 | Accounting Services | 86 | 0.8% | 23,782 | 1.0% |
| 8 | Pharmaceutical, Cosmetic and Toiletry Goods Retailing | 76 | 0.7% | 10,461 | 0.4% |
| 9 | Management Advice and Other Consulting Services | 60 | 0.6% | 38,023 | 1.6% |
| 10 | Adult, Community and Other Education n.e.c. | 51 | 0.5% | 11,748 | 0.5% |
| 11 | Veterinary Services | 48 | 0.5% | 5,775 | 0.2% |
| 12 | Legal Services | 45 | 0.4% | 17,973 | 0.8% |
| 13 | Libraries and Archives | 43 | 0.4% | 3,707 | 0.2% |
| 14 | General Practice Medical Services | 35 | 0.3% | 15,403 | 0.7% |
| 15 | Computer Systems Design and Related Services | 35 | 0.3% | 40,623 | 1.7% |
| 16 | Dental Services | 34 | 0.3% | 7,144 | 0.3% |
| 17 | Non-depository Financing | 25 | 0.2% | 2,551 | 0.1% |
| 18 | Regulatory Services | 24 | 0.2% | 6,421 | 0.3% |
| 19 | Engineering Design and Engineering Consulting Services | 23 | 0.2% | 25,251 | 1.1% |
| 20 | Religious Services | 22 | 0.2% | 9,129 | 0.4% |
| 21 | Pharmaceutical and Toiletry Goods Wholesaling | 17 | 0.2% | 4,976 | 0.2% |
| 22 | Medical and Surgical Equipment Manufacturing | 17 | 0.2% | 3,202 | 0.1% |
| 23 | Architectural Services | 12 | 0.1% | 8,638 | 0.4% |
| 24 | Optometry and Optical Dispensing | 12 | 0.1% | 2,322 | 0.10% |
| 25 | Other Administrative Services n.e.c. | 11 | 0.1% | 12,604 | 0.5% |
| 26 | Creative Artists, Musicians, Writers and Performers | 10 | 0.09% | 3,533 | 0.1% |
| 27 | On Selling Electricity and Electricity Market Operation | 9 | 0.09% | 1,452 | 0.06% |
| 28 | Other Auxiliary Finance and Investment Services | 7 | 0.07% | 8,828 | 0.4% |
| 29 | Radio Broadcasting | 7 | 0.07% | 2,465 | 0.1% |
| 30 | Motion Picture and Video Production | 6 | 0.06% | 4,500 | 0.2% |

Which qualifications are in demand in Horowhenua District?

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

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

| | Field of study | Certificate (level 1-3) | Certificate (level 4) | Diploma (level 5-6) | Degree (level 7+) | Total |
|-------------------|--|----------------------------|--------------------------|------------------------|----------------------|--------|
| Number | | | | | | |
| | Natural and Physical Sciences | 188 | 66 | 59 | 129 | 441 |
| | Information Technology | 171 | 21 | 32 | 63 | 286 |
| | Engineering and Related Technologies | 830 | 648 | 167 | 261 | 1,906 |
| | Architecture and Building | 288 | 433 | 52 | 65 | 839 |
| | Agriculture, Environmental and Related Studies | 373 | 348 | 26 | 49 | 796 |
| | Health | 394 | 113 | 123 | 290 | 920 |
| | Education | 243 | 59 | 49 | 500 | 851 |
| | Management and Commerce | 904 | 242 | 266 | 427 | 1,838 |
| | Society and Culture | 594 | 136 | 163 | 356 | 1,248 |
| | Creative Arts | 293 | 65 | 56 | 116 | 531 |
| | Food, Hospitality and Personal Services | 383 | 197 | 63 | 27 | 670 |
| | Totals | 4,661 | 2,325 | 1,056 | 2,283 | 10,326 |
| % of total | | | | | | |
| | Natural and Physical Sciences | 1.8% | 0.6% | 0.6% | 1.2% | 4.3% |
| | Information Technology | 1.7% | 0.2% | 0.3% | 0.6% | 2.8% |
| | Engineering and Related Technologies | 8.0% | 6.3% | 1.6% | 2.5% | 18.5% |
| | Architecture and Building | 2.8% | 4.2% | 0.5% | 0.6% | 8.1% |
| | Agriculture, Environmental and Related Studies | 3.6% | 3.4% | 0.3% | 0.5% | 7.7% |
| | Health | 3.8% | 1.1% | 1.2% | 2.8% | 8.9% |
| | Education | 2.4% | 0.6% | 0.5% | 4.8% | 8.2% |
| | Management and Commerce | 8.8% | 2.3% | 2.6% | 4.1% | 17.8% |
| | Society and Culture | 5.8% | 1.3% | 1.6% | 3.4% | 12.1% |
| | Creative Arts | 2.8% | 0.6% | 0.5% | 1.1% | 5.1% |
| | Food, Hospitality and Personal Services | 3.7% | 1.9% | 0.6% | 0.3% | 6.5% |
| | Totals | 45.1% | 22.5% | 10.2% | 22.1% | 100% |

- The greatest demand in Horowhenua District in 2016 was for qualifications at the level of Certificate (level 1-3). Approximately 45% of all positions in Horowhenua District required this level of qualification.
- By field of study, the highest demand was for Engineering and Related Technologies. Approximately 18% of all positions in Horowhenua District required this field of study.

Table 17: Change in employment by level of qualification and field of study in Horowhenua District 2006 - 2016

| Field of study | Certificate (level 1-3) | Certificate (level 4) | Diploma (level 5-6) | Degree (level 7+) | Total |
|--|-------------------------|-----------------------|---------------------|-------------------|-------|
| Absolute change | | | | | |
| Natural and Physical Sciences | -20 | -1 | 7 | 3 | -11 |
| Information Technology | -23 | -2 | 4 | 11 | -8 |
| Engineering and Related Technologies | -123 | -21 | -4 | 31 | -118 |
| Architecture and Building | -16 | -24 | 11 | 9 | -21 |
| Agriculture, Environmental and Related Studies | -6 | 20 | 4 | 6 | 25 |
| Health | -39 | -10 | 41 | -141 | -149 |
| Education | -14 | -4 | 12 | 49 | 43 |
| Management and Commerce | -106 | -18 | 56 | 32 | -36 |
| Society and Culture | -51 | -8 | 34 | 4 | -21 |
| Creative Arts | -62 | -11 | 7 | -4 | -69 |
| Food, Hospitality and Personal Services | -18 | 2 | 9 | 3 | -4 |
| Totals | -477 | -76 | 181 | 3 | -370 |
| annual average % change | | | | | |
| Natural and Physical Sciences | -1.0% | -0.1% | 1.2% | 0.2% | -0.2% |
| Information Technology | -1.2% | -0.8% | 1.5% | 2.0% | -0.3% |
| Engineering and Related Technologies | -1.4% | -0.3% | -0.3% | 1.3% | -0.6% |
| Architecture and Building | -0.5% | -0.5% | 2.3% | 1.4% | -0.2% |
| Agriculture, Environmental and Related Studies | -0.2% | 0.6% | 1.7% | 1.3% | 0.3% |
| Health | -0.9% | -0.8% | 4.2% | -3.9% | -1.5% |
| Education | -0.6% | -0.6% | 3.0% | 1.0% | 0.5% |
| Management and Commerce | -1.1% | -0.7% | 2.4% | 0.8% | -0.2% |
| Society and Culture | -0.8% | -0.6% | 2.4% | 0.1% | -0.2% |
| Creative Arts | -1.9% | -1.5% | 1.4% | -0.3% | -1.2% |
| Food, Hospitality and Personal Services | -0.5% | 0.1% | 1.5% | 1.2% | -0.1% |
| Totals | -1.0% | -0.3% | 1.9% | 0.0% | 100% |

- The number of positions in Horowhenua District requiring a Diploma (level 5-6) increased by 181 between 2006 and 2016, ranking it as the qualification level with the largest absolute increase in demand.
- By field of study, Education experienced the highest increase in demand between 2006 and 2016. The number of positions requiring this field of study increased by 43 over the 10 year period.

TOURISM

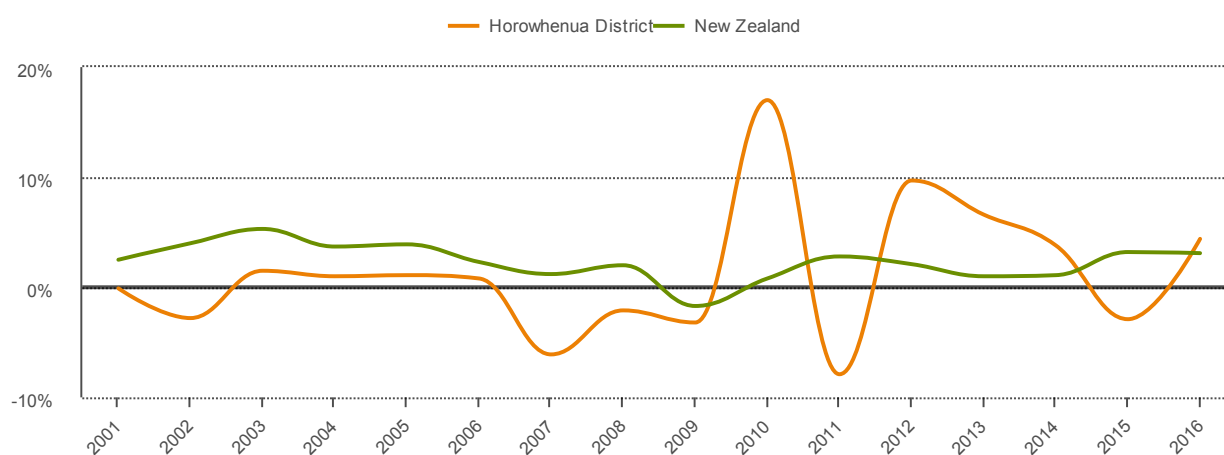
Tourism has grown rapidly in New Zealand since 2000. Not only has the number of overseas tourist arrivals increased substantially, but the level of domestic tourism has also expanded rapidly as spending on leisure by New Zealand residents increased. This section describes the contribution of tourism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

Tourism GDP

Table 18: Tourism GDP (2001-2016)

| Year | Horowhenua District | | New Zealand | |
|------|---------------------|--------|-------------|--------|
| | Level | Change | Level | Change |
| 2000 | \$17.3m | | \$5,798m | |
| 2001 | \$17.3m | -0.1% | \$5,941m | 2.5% |
| 2002 | \$16.8m | -2.8% | \$6,181m | 4.0% |
| 2003 | \$17.1m | 1.5% | \$6,508m | 5.3% |
| 2004 | \$17.2m | 1.0% | \$6,748m | 3.7% |
| 2005 | \$17.4m | 1.1% | \$7,009m | 3.9% |
| 2006 | \$17.6m | 0.8% | \$7,169m | 2.3% |
| 2007 | \$16.5m | -6.1% | \$7,252m | 1.2% |
| 2008 | \$16.1m | -2.1% | \$7,400m | 2.0% |
| 2009 | \$15.6m | -3.2% | \$7,277m | -1.7% |
| 2010 | \$18.3m | 17.0% | \$7,335m | 0.8% |
| 2011 | \$16.8m | -7.9% | \$7,540m | 2.8% |
| 2012 | \$18.5m | 9.7% | \$7,698m | 2.1% |
| 2013 | \$19.7m | 6.6% | \$7,774m | 1.0% |
| 2014 | \$20.4m | 3.8% | \$7,858m | 1.1% |
| 2015 | \$19.9m | -2.9% | \$8,111m | 3.2% |
| 2016 | \$20.7m | 4.4% | \$8,362m | 3.1% |

Figure 30: Annual average tourism GDP growth (2001-2016)



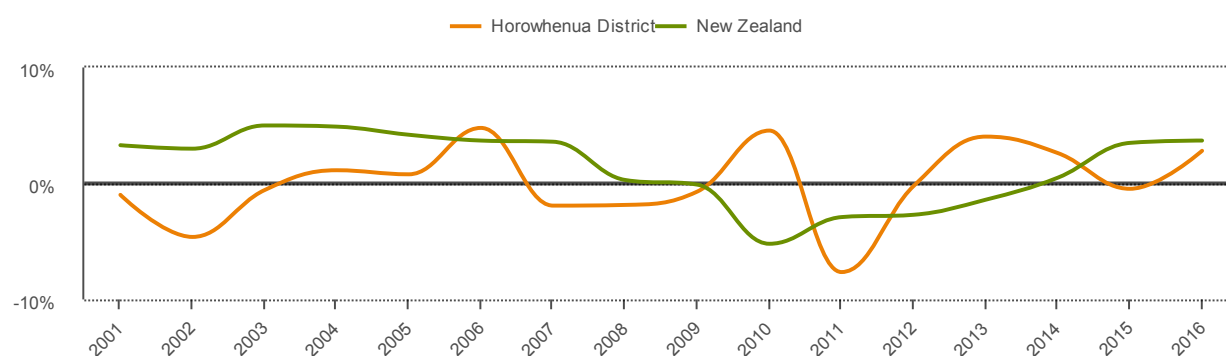
- The tourism industry contributed \$20.7m towards GDP in Horowhenua District in 2016. This amounted to 2.5% of the Horowhenua District's economic output in 2016, up from 2.2% ten years ago.
- Economic output in Horowhenua District's tourism industry increased by 4.4% in 2016, compared with a 3.1% increase in New Zealand.
- Growth in the industry in Horowhenua District has averaged 1.7% over the last ten years, compared with 1.6% in New Zealand.

Tourism Employment

Table 19: Tourism employment (2001-2016)

| Year | Horowhenua District | | New Zealand | |
|------|---------------------|--------|-------------|--------|
| | Level | Change | Level | Change |
| 2000 | 601 | | 149,973 | |
| 2001 | 595 | -1.0% | 154,938 | 3.3% |
| 2002 | 567 | -4.6% | 159,594 | 3.0% |
| 2003 | 564 | -0.6% | 167,652 | 5.0% |
| 2004 | 571 | 1.1% | 175,926 | 4.9% |
| 2005 | 575 | 0.8% | 183,276 | 4.2% |
| 2006 | 603 | 4.8% | 190,143 | 3.7% |
| 2007 | 591 | -1.9% | 196,950 | 3.6% |
| 2008 | 580 | -1.9% | 197,619 | 0.3% |
| 2009 | 576 | -0.7% | 197,490 | -0.1% |
| 2010 | 603 | 4.6% | 187,167 | -5.2% |
| 2011 | 557 | -7.6% | 181,713 | -2.9% |
| 2012 | 555 | -0.2% | 176,883 | -2.7% |
| 2013 | 578 | 4.0% | 174,477 | -1.4% |
| 2014 | 593 | 2.6% | 175,284 | 0.5% |
| 2015 | 590 | -0.5% | 181,500 | 3.5% |
| 2016 | 607 | 2.8% | 188,136 | 3.7% |

Figure 31: Annual average tourism employment growth (2001-2016)



- The tourism industry employed an average of 607 people in Horowhenua District in 2016. This amounted to 5.9% of the Horowhenua District's total employment in 2016, up from 5.6% in 2006.
- Employment growth in the industry in New Zealand has averaged 0.07% over the last ten years, compared with -0.1% in New Zealand.
- Employment in the tourism industry increased by 2.8% 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.

Employment by industry

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

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

Self-employment

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

Employment by occupation

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

Productivity

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

Earnings

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

House prices

House 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. 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).