

2012

NORTHLAND REGION

annual economic profile

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ECONOMY

The New Zealand economy expanded by 2.3% in the March 2012 year. Economic growth was boosted by the agricultural sector, which grew by 30% over the year. Much of this growth was from the dairy sector which experienced one of its best years ever with high international prices and favourable weather conditions.

Spending in the domestic economy continued to gradually recover during the year to March 2012. Private consumption climbed 2.0% on the back of Rugby World Cup related spending and increased purchases of durable goods, more than offsetting cutbacks in private and public investment. The flood of milk from a buoyant dairy sector helped sustain growth in exports, at a time when import growth began to moderate.

How fast has Northland's economy grown?

This section measures economic performance in Northland during the year to March 2012 and previous years. All GDP estimates are measured in constant 1995/96 prices.

- GDP in Northland measured \$3,377m in the year to March 2012, up 4.2% from a year earlier. New Zealand's GDP increased by 2.3% over the same period.
- Economic growth in Northland averaged 2.1%pa since 2001 compared with an average of 2.5%pa in the national economy.
- Since 2001 growth in Northland reached a high of 5.6% in 2006 and a low of -1.2% in 2009.
- Northland accounted for 2.3% of national GDP.

Figure 1. GDP growth (year to March 2012)

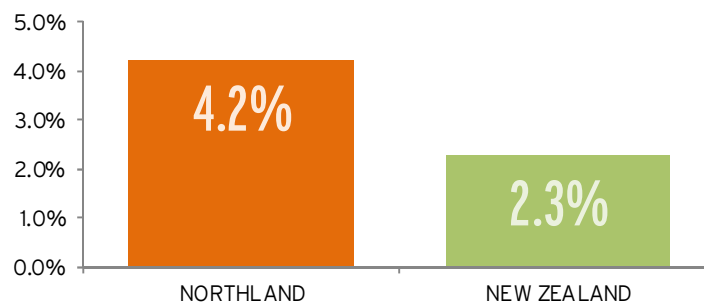


Figure 2. Annual average GDP growth (2002-2012)

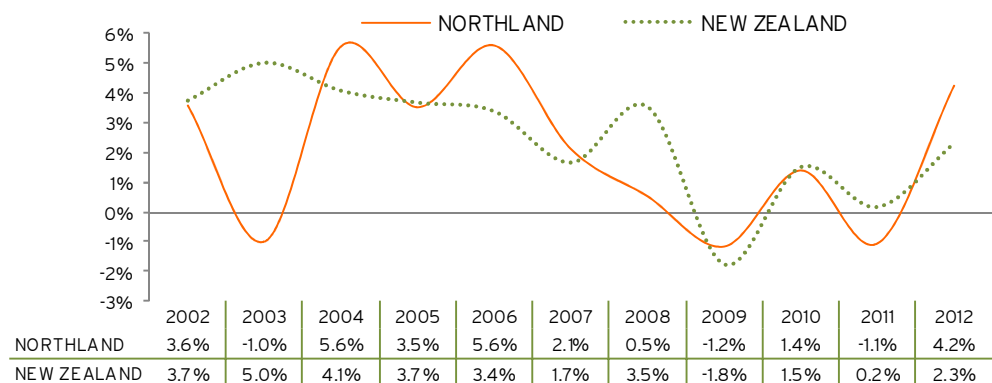


Figure 3. GDP growth last 1, 2, 5 and 10 years

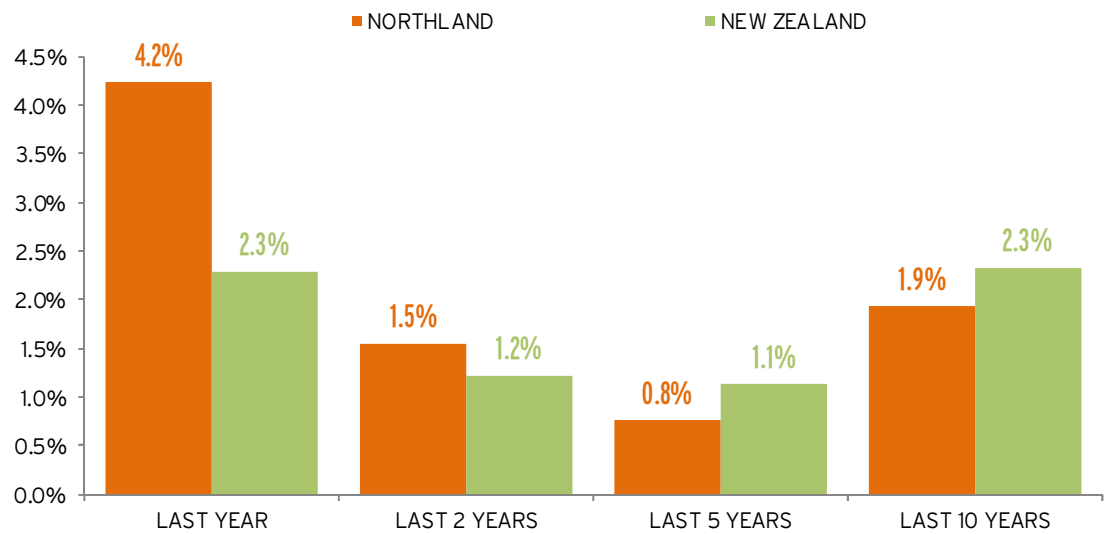


Figure 4 shows how Northland's GDP growth compares with other regions in New Zealand over the last year, two years, five years and 10 years.

- Northland's GDP growth of 4.2% in the year to March 2012 ranked it number 4 among the 16 regions in New Zealand.
- Over the past two years GDP in Northland grew by an average of 1.5%pa ranking it number 7.
- Over the past five years GDP in Northland grew by an average of 0.8%pa ranking it number 11.
- Over the past ten years GDP in Northland grew by an average of 1.9%pa ranking it number 9.

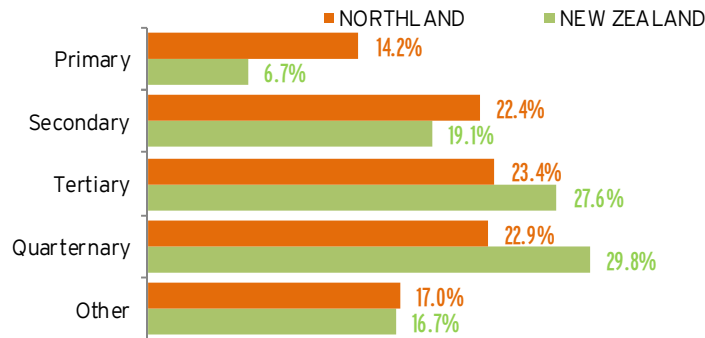
Figure 4. GDP growth decile rankings: last 1, 2, 5 and 10 years

Rank	2011 to 2012		2010 to 2012		2007 to 2012		2002 to 2012	
1	Waikato	6.7%	West Coast	3.5%	West Coast	3.5%	West Coast	3.2%
2	West Coast	6.3%	Waikato	3.3%	Taranaki	2.9%	Marlborough	3.0%
3	Southland	5.4%	Auckland	2.4%	Southland	1.7%	Auckland	3.0%
4	Northland	4.2%	Bay of Plenty	2.3%	Tasman	1.5%	Canterbury	2.3%
5	Bay of Plenty	3.8%	Southland	2.2%	Waikato	1.4%	Bay of Plenty	2.2%
6	Auckland	3.2%	Nelson	1.7%	Auckland	1.4%	Otago	2.2%
7	Nelson	3.2%	Northland	1.5%	Bay of Plenty	1.2%	Tasman	2.1%
8	Tasman	2.9%	Hawke's Bay	0.5%	Wellington	1.1%	Hawke's Bay	2.0%
9	Otago	2.2%	Tasman	0.5%	Marlborough	1.0%	Northland	1.9%
10	Gisborne	2.2%	Marlborough	0.1%	Nelson	0.9%	Gisborne	1.9%
11	Hawke's Bay	1.8%	Wellington	0.1%	Northland	0.8%	Waikato	1.8%
12	Marlborough	1.2%	Gisborne	-0.1%	Otago	0.6%	Wellington	1.8%
13	Manawatu-Wanganui	0.8%	Otago	-0.2%	Manawatu-Wanganui	0.4%	Nelson	1.7%
14	Taranaki	0.3%	Manawatu-Wanganui	-0.2%	Gisborne	0.3%	Taranaki	1.6%
15	Wellington	0.2%	Taranaki	-0.3%	Canterbury	0.2%	Southland	1.5%
16	Canterbury	-1.7%	Canterbury	-1.5%	Hawke's Bay	0.1%	Manawatu-Wanganui	1.5%

What is the industrial structure of Northland's economy?

This section describes the structure of the economy in terms of the broad sectors: primary, secondary, tertiary and quarternary. 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 quarternary sector includes the higher value-adding, knowledge-based service industries. A full definition of the sectors is given in the technical appendix.

Figure 5. Share of total GDP (2012)



- Tertiary industries accounted for the largest proportion of GDP (23.4%) in Northland, which is lower than in the national economy (27.6%).
- Quarternary industries accounted for 22.9% of GDP which was lower than for New Zealand as a whole (29.8%)
- Secondary industries accounted for 22.4% compared with 19.1% in the national economy.
- Primary industries accounted for the smallest proportion in Northland: 14.2% compared with 6.7% in the national economy.

Table 1. 1-digit industries ranked by contribution to GDP (2012)

Rank	Industry	Northland		New Zealand
		GDP (\$m)	% of total	% of total
1	Manufacturing	552	16.3%	12.8%
2	Agriculture, Forestry and Fishing	468	13.9%	5.9%
3	Retail Trade	203	6.0%	5.1%
4	Health Care and Social Assistance	203	6.0%	5.2%
5	Rental, Hiring and Real Estate Services	163	4.8%	5.6%
6	Transport, Postal and Warehousing	162	4.8%	5.2%
7	Public Administration and Safety	157	4.6%	4.1%
8	Construction	124	3.7%	4.2%
9	Education and Training	124	3.7%	3.2%
10	Professional, Scientific and Technical Services	114	3.4%	6.3%
11	Information Media and Telecommunications	89	2.6%	6.1%
12	Financial and Insurance Services	88	2.6%	4.8%
13	Electricity, Gas, Water and Waste Services	81	2.4%	2.2%
14	Wholesale Trade	78	2.3%	5.5%
15	Administrative and Support Services	61	1.8%	1.7%
16	Other Services	54	1.6%	1.9%
17	Accommodation and Food Services	51	1.5%	1.5%
18	Arts and Recreation Services	18	0.5%	1.2%
19	Mining	12	0.4%	0.8%
	Ownership of owner-occupied dwellings	279	8.3%	6.8%
	Unallocated	295	8.7%	9.9%
Total		3,377	100.0%	100%

- Manufacturing was the largest industry in Northland in 2012 accounting for 16.3% of total GDP.
- The second largest industry was agriculture, forestry and fishing (13.9%) followed by retail trade (6.0%).
- The industry most highly represented in Northland relative to the national economy is agriculture, forestry and fishing. This industry contributes 13.9% to the region's economy compared with 5.9% to the national economy. The next most highly represented industries are manufacturing (16.3% compared to 12.8% nationally) and retail trade (6.0% compared with 5.1% nationally).

Figure 6. Share of total GDP (2012)

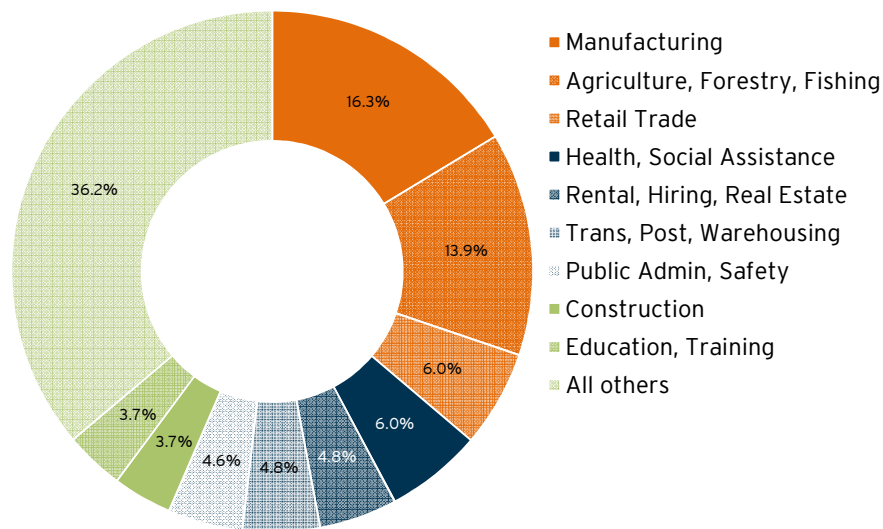


Table 2 on the following page shows 54 industries ranked according to their contribution to GDP. These industry categories are used by Statistics New Zealand in the national accounts. They are a mix of various levels of industries on the ANZSIC-06 classification. Further information about the industrial classification is given in the Technical Notes at the end of the document.

- Petroleum and Coal Product Manufacturing was the largest industry in Northland in 2012 accounting for 9.9% of total GDP.
- The second largest industry was dairy cattle farming (6.6%) followed by health care and social assistance (6%).
- The industry most highly represented in Northland relative to the national economy is petroleum and coal product manufacturing. This industry contributes 9.9% to the region's economy compared with 1.1% to the national economy.
- The next most highly represented industries are forestry and logging (3.4% and 1%) and dairy cattle farming (6.6% and 2.4%).

Table 2. GDP by 54 industry categories (2012)

Rank	Industry	Northland		New Zealand
		GDP (\$m)	% of total	% of total
1	Petroleum and Coal Product Manufacturing	336	9.9%	1.1%
2	Dairy Cattle Farming	222	6.6%	2.4%
3	Health Care and Social Assistance	203	6.0%	5.2%
4	Property Operators and Real Estate Services	135	4.0%	4.3%
5	Central Government Administration, Defence and Public Safety	129	3.8%	3.6%
6	Education and Training	124	3.7%	3.2%
7	Other Store-Based Retailing and Non Store Retailing	119	3.5%	3.3%
8	Professional, Scientific and Technical Services	114	3.4%	6.3%
9	Forestry and Logging	113	3.4%	10%
10	Sheep, Beef Cattle and Grain Farming	82	2.4%	12%
11	Road Transport	79	2.3%	16%
12	Wholesale Trade	78	2.3%	5.5%
13	Finance	70	2.1%	3.3%
14	Dairy Product Manufacturing	70	2.1%	13%
15	Construction Services	66	2.0%	2.4%
16	Administrative and Support Services	61	1.8%	17%
17	Telecommunications, Internet and Library Services	61	1.8%	5.2%
18	Electricity and Gas Supply	60	1.8%	15%
19	Postal, Courier Transport Support, and Warehousing Services	56	1.6%	2.2%
20	Other Services	54	1.6%	19%
21	Accommodation and Food Services	51	1.5%	15%
22	Supermarket, Grocery Stores and Specialised Food Retailing	51	1.5%	1.1%
23	Wood Product Manufacturing	42	1.2%	0.8%
24	Heavy and Civil Engineering Construction	39	1.1%	12%
25	Motor Vehicle and Motor Vehicle Parts and Fuel Retailing	33	1.0%	0.7%
26	Information Media Services	28	0.8%	10%
27	Rental and Hiring Services (except Real Estate)	28	0.8%	13%
28	Local Government Administration	28	0.8%	0.5%
29	Rail, Water, Air and Other Transport	28	0.8%	14%
30	Water, Sewerage, Drainage and Waste Services	21	0.6%	0.7%
31	Non-Metallic Mineral Product Manufacturing	21	0.6%	0.5%
32	Horticulture and Fruit Growing	20	0.6%	0.4%
33	Building Construction	20	0.6%	0.6%
34	Machinery and Other Equipment Manufacturing	19	0.6%	14%
35	Agriculture, Forestry and Fishing Support Services and Hunting	19	0.5%	0.6%
36	Arts and Recreation Services	18	0.5%	12%
37	Meat and Meat Product Manufacturing	15	0.5%	10%
38	Fabricated Metal Product Manufacturing	14	0.4%	10%
39	Mining	12	0.4%	0.8%
40	Auxiliary Finance and Insurance Services	11	0.3%	0.5%
41	Fruit, Oil, Cereal and Other Food Product Manufacturing	10	0.3%	12%
42	Poultry, Deer and Other Livestock Farming	9	0.3%	0.2%
43	Insurance and Superannuation Funds	7	0.2%	10%
44	Transport Equipment Manufacturing	6	0.2%	0.3%
45	Furniture and Other Manufacturing	4	0.1%	0.2%
46	Textile, Leather, Clothing and Footwear Manufacturing	3	0.1%	0.4%
47	Fishing and Aquaculture	3	0.1%	0.1%
48	Polymer Product and Rubber Product Manufacturing	3	0.1%	0.6%
49	Basic Chemical and Chemical Product Manufacturing	3	0.1%	0.3%
50	Seafood Processing	2	0.1%	0.2%
51	Printing	2	0.1%	0.4%
52	Beverage and Tobacco Product Manufacturing	2	0.0%	0.8%
53	Pulp, Paper and Converted Paper Product Manufacturing	0	0.0%	0.8%
54	Primary Metal and Metal Product Manufacturing	0	0.0%	0.3%
	Owner-Occupied Property Operation	279	8.3%	6.8%
	Unallocated	295	8.7%	9.9%
	Total	3,377	100.0%	100.0%

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 Northland's economy taking into account their relative sizes.

- Agriculture, Forestry and Fishing made the largest contribution to overall growth in Northland between 2011 and 2012. The industry grew by 31.9% over the year and contributed 3.5 percentage points to the region's total growth of 4.2%.
- The next largest contributor was manufacturing (1.4 percentage points) followed by electricity, gas, water and waste services (0.2 percentage points).
- The largest detractor from growth over the year was information media and telecommunications which declined by 21.5% and contributed -0.8 percentage points to the total growth of 4.2%. Construction (-0.7 percentage points) and transport, postal and warehousing (-0.1 percentage points) were the next largest detractors.

Table 3. 1-digit industries ranked by % point contribution to GDP growth (2011 -2012)

Rank	Industry	GDP		% point contribution to growth	Annual % growth
		2011	2012		
1	Agriculture, Forestry and Fishing	355	468	3.5%	31.9%
2	Manufacturing	505	552	1.4%	9.2%
3	Electricity, Gas, Water and Waste Services	73	81	0.2%	10.1%
4	Wholesale Trade	72	78	0.2%	9.2%
5	Retail Trade	198	203	0.2%	2.5%
6	Education and Training	120	124	0.1%	3.4%
7	Administrative and Support Services	58	61	0.1%	5.3%
8	Other Services	55	54	0.0%	-0.7%
9	Financial and Insurance Services	89	88	0.0%	-1.1%
10	Public Administration and Safety	158	157	0.0%	-0.6%
11	Arts and Recreation Services	19	18	0.0%	-5.9%
12	Rental, Hiring and Real Estate Services	164	163	0.0%	-0.7%
13	Accommodation and Food Services	53	51	-0.1%	-3.7%
14	Professional, Scientific and Technical Services	117	114	-0.1%	-2.4%
15	Health Care and Social Assistance	206	203	-0.1%	-1.4%
16	Mining	16	12	-0.1%	-25.4%
17	Transport, Postal and Warehousing	167	162	-0.1%	-2.9%
18	Construction	147	124	-0.7%	-15.5%
19	Information Media and Telecommunications	113	89	-0.8%	-21.5%
	Owner-Occupied Property Operation	277	279	0.1%	0.8%
	Unallocated	278	295	0.5%	6.4%
	Total	3,240	3,377	4.2%	4.2%

Table 4. 1-digit industries percentage point contribution to growth: last 1, 2, 5 and 10 years

Industry	Last year	Last 2 years	Last 5 years	Last 10 years
	11 to 12	10 to 12	07 to 12	02 to 12
Agriculture, Forestry and Fishing	3.5%	14%	0.0%	0.0%
Mining	-0.1%	-0.2%	0.0%	0.0%
Manufacturing	14%	0.6%	0.2%	0.2%
Electricity, Gas, Water and Waste Services	0.2%	0.1%	-0.1%	0.1%
Construction	-0.7%	-0.4%	-0.3%	0.1%
Wholesale Trade	0.2%	0.2%	0.1%	-0.1%
Retail Trade	0.2%	0.1%	0.0%	0.2%
Accommodation and Food Services	-0.1%	-0.1%	-0.1%	0.0%
Transport, Postal and Warehousing	-0.1%	0.2%	0.2%	0.1%
Information Media and Telecommunications	-0.8%	-0.3%	0.0%	0.1%
Financial and Insurance Services	0.0%	0.1%	0.1%	0.1%
Rental, Hiring and Real Estate Services	0.0%	-0.2%	-0.1%	0.2%
Professional, Scientific and Technical Services	-0.1%	-0.1%	0.0%	0.0%
Administrative and Support Services	0.1%	0.0%	0.0%	0.1%
Public Administration and Safety	0.0%	0.1%	0.1%	0.2%
Education and Training	0.1%	0.1%	0.1%	0.0%
Health Care and Social Assistance	-0.1%	0.1%	0.1%	0.2%
Arts and Recreation Services	0.0%	0.0%	0.0%	0.0%
Other Services	0.0%	0.0%	0.0%	0.0%
Owner-Occupied Property Operation	0.1%	0.1%	0.0%	0.2%
Unallocated	0.5%	-0.2%	0.5%	0.3%
Total	4.2%	1.5%	0.8%	1.9%

- Over the past 10 years the broad industries making the largest contribution to GDP growth in Northland were public administration and safety (0.2 percentage points), manufacturing (0.2 percentage points), and retail trade (0.2 percentage points).
- The broad industries making the lowest contributions were wholesale trade (-0.1 percentage points), mining (0.0 percentage points), and agriculture, forestry and fishing (0.0 percentage points).

Which detailed industries made the largest contribution to economic growth?

Table 5 shows a ranking of the detailed industries by their contribution to economic growth over the past year.

- Dairy Cattle Farming made the largest contribution to growth in Northland in the year to March 2012. The industry grew by 59.8% over the year and contributed 2.6 percentage points to the region's total growth of 4.2%.
- The next largest contributor was petroleum and coal product manufacturing which contributed 1.5 percentage points followed by forestry and logging (0.6 percentage points).
- The largest detractor from growth over the year was telecommunications, internet and library services which declined by 30.8% and contributed -0.8 percentage points to the total growth of 4.2%. Heavy and Civil Engineering Construction (-0.3 percentage points) and construction services (-0.3 percentage points) were the next largest detractors.

Table 5. 54 industries ranked by percentage point contribution to growth (2011 -2012)

Rank	Industry	GDP (\$ m)		% point contribution to growth	Annual % growth
		2011	2012		
1	Dairy Cattle Farming	139.1	222.2	2.6%	59.8%
2	Petroleum and Coal Product Manufacturing	286.9	335.6	1.5%	17.0%
3	Forestry and Logging	94.7	113.5	0.6%	19.8%
4	Sheep, Beef Cattle and Grain Farming	72.4	82.0	0.3%	13.3%
5	Wholesale Trade	716	78.1	0.2%	9.2%
6	Electricity and Gas Supply	54.0	60.0	0.2%	11.1%
7	Education and Training	120.1	124.2	0.1%	3.4%
8	Administrative and Support Services	57.9	61.0	0.1%	5.3%
9	Finance	67.0	69.7	0.1%	4.1%
10	Supermarket, Grocery Stores and Specialised Food Retailing	48.2	50.8	0.1%	5.3%
11	Information Media Services	25.9	28.4	0.1%	9.9%
12	Machinery and Other Equipment Manufacturing	16.9	19.0	0.1%	13.0%
13	Other Store-Based Retailing and Non Store Retailing	117.2	118.7	0.0%	1.4%
14	Poultry, Deer and Other Livestock Farming	7.5	9.1	0.0%	20.3%
15	Water, Sewerage, Drainage and Waste Services	19.3	20.6	0.0%	7.2%
16	Dairy Product Manufacturing	68.6	69.5	0.0%	1.4%
17	Road Transport	77.9	78.6	0.0%	0.9%
18	Motor Vehicle and Motor Vehicle Parts and Fuel Retailing	32.6	33.3	0.0%	2.2%
19	Fruit, Oil, Cereal and Other Food Product Manufacturing	9.8	10.5	0.0%	7.2%
20	Horticulture and Fruit Growing	19.2	19.8	0.0%	3.1%
21	Auxiliary Finance and Insurance Services	10.3	10.6	0.0%	3.1%
22	Meat and Meat Product Manufacturing	15.2	15.4	0.0%	1.4%
23	Basic Chemical and Chemical Product Manufacturing	2.5	2.6	0.0%	5.9%
24	Textile, Leather, Clothing and Footwear Manufacturing	3.3	3.4	0.0%	1.1%
25	Primary Metal and Metal Product Manufacturing	0.0	0.0	0.0%	0.0%
26	Polymer Product and Rubber Product Manufacturing	2.8	2.8	0.0%	-0.9%
27	Fishing and Aquaculture	3.2	3.2	0.0%	-0.9%
28	Beverage and Tobacco Product Manufacturing	16	15	0.0%	-4.5%
29	Seafood Processing	2.2	2.1	0.0%	-5.6%
30	Pulp, Paper and Converted Paper Product Manufacturing	0.5	0.3	0.0%	-50.1%
31	Printing	2.2	2.0	0.0%	-11.5%
32	Rental and Hiring Services (except Real Estate)	28.2	27.8	0.0%	-1.2%
33	Other Services	54.5	54.2	0.0%	-0.7%
34	Agriculture, Forestry and Fishing Support Services and Hunting	18.9	18.5	0.0%	-2.1%
35	Local Government Administration	28.1	27.7	0.0%	-1.6%
36	Central Government Administration, Defence and Public Safety	129.6	129.1	0.0%	-0.4%
37	Transport Equipment Manufacturing	7.0	6.4	0.0%	-9.0%
38	Property Operators and Real Estate Services	136.3	135.5	0.0%	-0.6%
39	Furniture and Other Manufacturing	5.0	3.9	0.0%	-21.6%
40	Non-Metallic Mineral Product Manufacturing	216	20.6	0.0%	-5.0%
41	Arts and Recreation Services	18.8	17.7	0.0%	-5.9%
42	Fabricated Metal Product Manufacturing	15.1	13.9	0.0%	-7.8%
43	Rail, Water, Air and Other Transport	29.1	27.6	0.0%	-5.2%
44	Wood Product Manufacturing	44.1	42.1	-0.1%	-4.5%
45	Accommodation and Food Services	53.5	51.5	-0.1%	-3.7%
46	Professional, Scientific and Technical Services	117.2	114.4	-0.1%	-2.4%
47	Health Care and Social Assistance	205.5	202.7	-0.1%	-1.4%
48	Building Construction	22.4	19.5	-0.1%	-12.7%
49	Postal, Courier Transport Support, and Warehousing Services	59.6	55.5	-0.1%	-6.8%
50	Insurance and Superannuation Funds	114	7.4	-0.1%	-35.6%
51	Mining	16.4	12.2	-0.1%	-25.4%
52	Construction Services	74.9	66.2	-0.3%	-11.7%
53	Heavy and Civil Engineering Construction	49.9	38.7	-0.3%	-22.4%
54	Telecommunications, Internet and Library Services	87.6	60.6	-0.8%	-30.8%
	Owner-Occupied Property Operation	276.8	279.1	0.1%	0.8%
	Unallocated	277.7	295.4	0.5%	6.4%
	Total	3,240	3,377	4.2%	4.2%

Table 6. 54 industries contribution to growth: last 1, 2, 5 and 10 years

Industry	Last year	Last 2 years	Last 5 years	Last 10 years
	11 to 12	10 to 12	07 to 12	02 to 12
Horticulture and Fruit Growing	0.0%	0.0%	0.0%	-0.1%
Sheep, Beef Cattle and Grain Farming	0.3%	0.1%	0.0%	0.0%
Dairy Cattle Farming	2.6%	0.8%	-0.1%	0.0%
Poultry, Deer and Other Livestock Farming	0.0%	0.0%	0.0%	0.0%
Forestry and Logging	0.6%	0.5%	0.2%	0.1%
Fishing and Aquaculture	0.0%	0.0%	-0.1%	0.0%
Agriculture, Forestry and Fishing Support Services and Hunting	0.0%	0.0%	-0.1%	-0.1%
Mining	-0.1%	-0.2%	0.0%	0.0%
Meat and Meat Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Seafood Processing	0.0%	0.0%	0.0%	0.0%
Dairy Product Manufacturing	0.0%	-0.2%	-0.2%	0.0%
Fruit, Oil, Cereal and Other Food Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Beverage and Tobacco Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Textile, Leather, Clothing and Footwear Manufacturing	0.0%	0.0%	0.0%	0.0%
Wood Product Manufacturing	-0.1%	0.0%	-0.1%	0.0%
Pulp, Paper and Converted Paper Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Printing	0.0%	0.0%	0.0%	0.0%
Petroleum and Coal Product Manufacturing	15%	0.8%	0.6%	0.2%
Basic Chemical and Chemical Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Polymer Product and Rubber Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Non-Metallic Mineral Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Primary Metal and Metal Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Fabricated Metal Product Manufacturing	0.0%	0.0%	0.0%	0.0%
Transport Equipment Manufacturing	0.0%	0.0%	-0.1%	0.0%
Machinery and Other Equipment Manufacturing	0.1%	0.1%	0.0%	0.0%
Furniture and Other Manufacturing	0.0%	0.0%	0.0%	0.0%
Electricity and Gas Supply	0.2%	0.1%	-0.1%	0.0%
Water, Sewerage, Drainage and Waste Services	0.0%	0.0%	0.0%	0.0%
Building Construction	-0.1%	-0.1%	0.0%	0.0%
Heavy and Civil Engineering Construction	-0.3%	-0.2%	-0.1%	0.0%
Construction Services	-0.3%	-0.2%	-0.1%	0.1%
Wholesale Trade	0.2%	0.2%	0.1%	-0.1%
Motor Vehicle and Motor Vehicle Parts and Fuel Retailing	0.0%	0.0%	0.0%	0.0%
Supermarket, Grocery Stores and Specialised Food Retailing	0.1%	0.0%	0.0%	0.0%
Other Store-Based Retailing and Non Store Retailing	0.0%	0.0%	0.0%	0.1%
Accommodation and Food Services	-0.1%	-0.1%	-0.1%	0.0%
Road Transport	0.0%	0.1%	0.0%	0.0%
Rail, Water, Air and Other Transport	0.0%	0.0%	0.0%	0.0%
Postal, Courier Transport Support, and Warehousing Services	-0.1%	0.2%	0.1%	0.1%
Information Media Services	0.1%	0.1%	0.0%	0.0%
Telecommunications, Internet and Library Services	-0.8%	-0.4%	0.0%	0.1%
Finance	0.1%	0.1%	0.0%	0.1%
Insurance and Superannuation Funds	-0.1%	0.0%	0.0%	0.0%
Auxiliary Finance and Insurance Services	0.0%	0.0%	0.0%	0.0%
Rental and Hiring Services (except Real Estate)	0.0%	0.0%	0.0%	0.0%
Property Operators and Real Estate Services	0.0%	-0.2%	-0.1%	0.1%
Professional, Scientific and Technical Services	-0.1%	-0.1%	0.0%	0.0%
Administrative and Support Services	0.1%	0.0%	0.0%	0.1%
Local Government Administration	0.0%	0.0%	0.0%	0.0%
Central Government Administration, Defence and Public Safety	0.0%	0.1%	0.0%	0.2%
Education and Training	0.1%	0.1%	0.1%	0.0%
Health Care and Social Assistance	-0.1%	0.1%	0.1%	0.2%
Arts and Recreation Services	0.0%	0.0%	0.0%	0.0%
Other Services	0.0%	0.0%	0.0%	0.0%
Ownership of owner-occupied dwellings	0.1%	0.1%	0.0%	0.2%
Unallocated	0.5%	-0.2%	0.5%	0.3%
Total	4.2%	1.6%	0.8%	1.9%

In which industries does Northland 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.

Table 7 shows a ranking of 54 industries by their location quotients.

- The industries in which Northland has the largest comparative advantages are petroleum and coal product manufacturing (location quotient = 7.3), forestry and logging (2.8), and dairy cattle farming (2.2).

Table 7. Location quotient as a measure of comparative advantage

Rank	Industry	Location Quotient	Share of total GDP	
			Northland	New Zealand
1	Petroleum and Coal Product Manufacturing	7.3	9.9%	14%
2	Forestry and Logging	2.8	3.4%	12%
3	Dairy Cattle Farming	2.2	6.6%	2.9%
4	Sheep, Beef Cattle and Grain Farming	1.6	2.4%	15%
5	Wood Product Manufacturing	1.4	1.2%	0.9%
6	Horticulture and Fruit Growing	1.3	0.6%	0.4%
7	Dairy Product Manufacturing	1.3	2.7%	16%
8	Road Transport	1.2	2.3%	19%
9	Motor Vehicle and Motor Vehicle Parts and Fuel Retailing	1.2	1.0%	0.8%
10	Fishing and Aquaculture	1.2	0.7%	0.7%
11	Supermarket, Grocery Stores and Specialised Food Retailing	1.1	1.5%	1.3%
12	Poultry, Deer and Other Livestock Farming	1.1	0.3%	0.2%
13	Non-Metallic Mineral Product Manufacturing	1.1	0.6%	0.6%
14	Electricity and Gas Supply	1.0	1.8%	1.8%
15	Health Care and Social Assistance	1.0	6.0%	6.3%
16	Education and Training	1.0	3.7%	3.9%
17	Administrative and Support Services	0.9	1.8%	2.0%
18	Other Store-Based Retailing and Non Store Retailing	0.9	3.5%	3.9%
19	Accommodation and Food Services	0.8	1.5%	1.8%
20	Heavy and Civil Engineering Construction	0.8	1.7%	1.4%
21	Agriculture, Forestry and Fishing Support Services and Hunting	0.8	0.5%	0.7%
22	Building Construction	0.8	0.6%	0.7%
23	Property Operators and Real Estate Services	0.8	4.0%	5.1%
24	Information Media Services	0.7	0.8%	1.2%
25	Water, Sewerage, Drainage and Waste Services	0.7	0.6%	0.9%
26	Other Services	0.7	1.6%	2.3%
27	Construction Services	0.7	2.0%	2.9%
28	Postal, Courier Transport Support, and Warehousing Services	0.6	1.6%	2.6%
29	Auxiliary Finance and Insurance Services	0.6	0.3%	0.6%
30	Rental and Hiring Services (except Real Estate)	0.5	0.8%	1.6%
31	Finance	0.5	2.7%	4.0%
32	Rail, Water, Air and Other Transport	0.5	0.8%	1.7%
33	Transport Equipment Manufacturing	0.5	0.2%	0.4%
34	Professional, Scientific and Technical Services	0.4	3.4%	7.6%
35	Furniture and Other Manufacturing	0.4	0.7%	0.3%
36	Meat and Meat Product Manufacturing	0.4	0.5%	1.2%
37	Arts and Recreation Services	0.4	0.5%	1.4%
38	Mining	0.4	0.4%	1.0%
39	Fabricated Metal Product Manufacturing	0.4	0.4%	1.2%
40	Wholesale Trade	0.3	2.3%	6.6%
41	Machinery and Other Equipment Manufacturing	0.3	0.6%	1.7%
42	Seafood Processing	0.3	0.7%	0.2%
43	Telecommunications, Internet and Library Services	0.3	1.8%	6.2%
44	Fruit, Oil, Cereal and Other Food Product Manufacturing	0.2	0.3%	1.5%
45	Basic Chemical and Chemical Product Manufacturing	0.2	0.7%	0.4%
46	Textile, Leather, Clothing and Footwear Manufacturing	0.2	0.7%	0.5%
47	Insurance and Superannuation Funds	0.2	0.2%	1.2%
48	Printing	0.1	0.7%	0.4%
49	Polymer Product and Rubber Product Manufacturing	0.1	0.7%	0.7%
50	Beverage and Tobacco Product Manufacturing	0.0	0.0%	1.0%
51	Pulp, Paper and Converted Paper Product Manufacturing	0.0	0.0%	1.0%
52	Primary Metal and Metal Product Manufacturing	0.0	0.0%	0.4%

How diversified is Northland's economy?

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

- Northland had an HHI of 46.0 in 2012 which ranks it number 11 among all 16 regions ranked from most to least diverse. This means that 5 regions had a less diversified economy than Northland.
- Since 2001 Northland's HHI has decreased from 47.6 indicating an increase in industrial diversity. During the same period the national economy has become less diversified with the HHI increasing from 34.4 to 38.9.

Figure 7. Herfindahl-Hirschman Index of industrial diversity

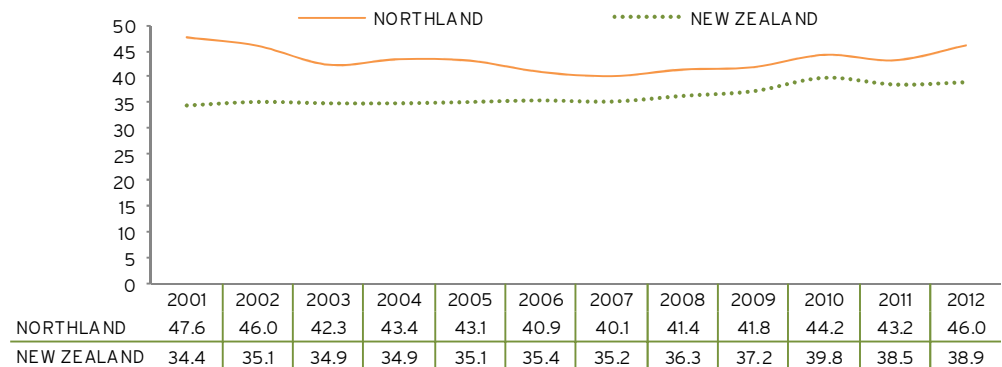


Table 8. Regions ranked by the value of the Herfindahl-Hirschman Index

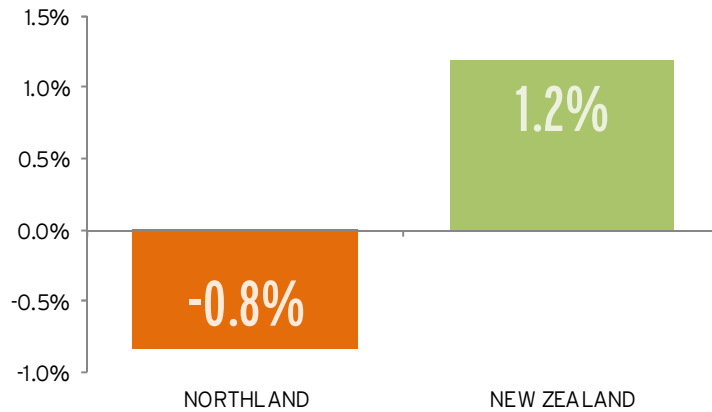
Rank	Region	HHI
1	Canterbury	39.9
2	Bay of Plenty	40.0
3	Hawke's Bay	40.7
4	Tasman	41.4
5	Waikato	42.3
6	Otago	42.3
7	Auckland	44.7
8	Manawatu-Wanganui	44.9
9	Marlborough	45.4
10	Southland	46.0
11	Northland	46.0
12	West Coast	46.1
13	Gisborne	48.6
14	Taranaki	49.9
15	Wellington	50.8
16	Nelson	53.2

EMPLOYMENT AND UNEMPLOYMENT

How fast has employment grown in Northland?

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

Figure 8. Employment growth (year to March 2012)



- Total employment in Northland averaged 62,990 in the March 2012 year, down 0.8% from a year earlier. Employment in New Zealand increased by 1.2% over the same period.
- Employment growth in Northland averaged 1.2%pa since 2001 compared with 1.7%pa in the national economy.
- Employment growth in Northland reached a high of 3.4% in 2002 and a low of -3.5% in 2010.

Figure 9. Annual average employment growth (2002-2012)

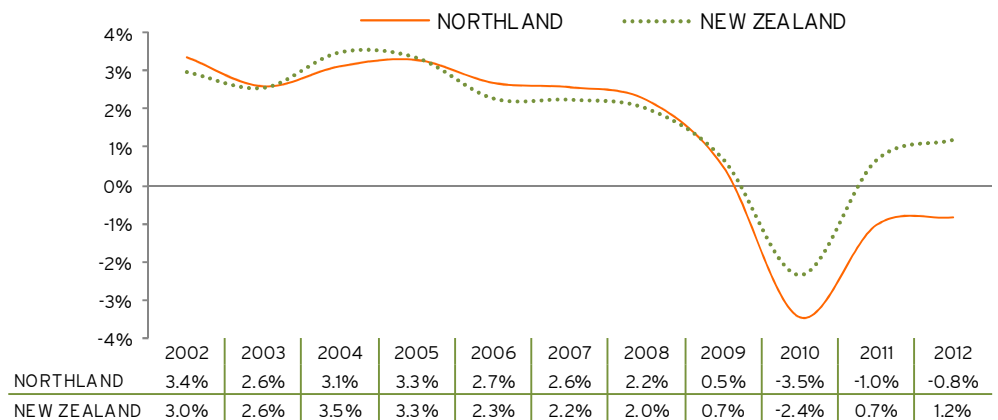


Table 9 shows how Northland's employment growth compares with other regions in New Zealand over the past one, two, five and ten years.

Table 9. Employment growth decile rankings: last 1, 2, 5 and 10 years

Rank	2011 to 2012		2010 to 2012		2007 to 2012		2002 to 2012	
1	Auckland	3.5%	Auckland	2.9%	West Coast	2.2%	Auckland	2.3%
2	West Coast	2.8%	West Coast	1.6%	Auckland	1.1%	West Coast	2.2%
3	Waikato	2.2%	Nelson	1.3%	Tasman	0.8%	Marlborough	1.9%
4	Nelson	2.0%	Waikato	1.0%	Taranaki	0.8%	Bay of Plenty	1.7%
5	Bay of Plenty	0.7%	Bay of Plenty	0.9%	Nelson	0.6%	Tasman	1.6%
6	Otago	0.5%	Taranaki	0.4%	Southland	0.5%	Nelson	1.6%
7	Southland	0.4%	Tasman	0.3%	Bay of Plenty	0.4%	Otago	1.5%
8	Wellington	-0.1%	Southland	0.2%	Wellington	0.3%	Canterbury	1.4%
9	Taranaki	-0.1%	Otago	-0.1%	Otago	0.1%	Waikato	1.4%
10	Canterbury	-0.5%	Canterbury	-0.2%	Waikato	0.1%	Taranaki	1.3%
11	Hawke's Bay	-0.8%	Wellington	-0.3%	Canterbury	0.0%	Wellington	1.2%
12	Northland	-0.8%	Hawke's Bay	-0.6%	Marlborough	-0.2%	Northland	1.1%
13	Tasman	-0.9%	Northland	-0.9%	Hawke's Bay	-0.5%	Hawke's Bay	1.0%
14	Gisborne	-1.2%	Gisborne	-1.1%	Northland	-0.5%	Southland	0.7%
15	Manawatu-Wanganui	-1.8%	Manawatu-Wanganui	-1.4%	Gisborne	-0.6%	Manawatu-Wanganui	0.5%
16	Marlborough	-2.2%	Marlborough	-1.8%	Manawatu-Wanganui	-0.7%	Gisborne	0.3%

- Northland's employment change of -0.8% between 2011 and 2012 ranked it number 12 among the 16 regions.
- Over the past two years (2010 to 2012) employment change in Northland was -0.9%pa ranking it number 13.
- Over the past five years (2007 to 2012) employment change in Northland was -0.5%pa ranking it number 14.
- Over the past ten years (2002 to 2012) employment change in Northland was 1.1%pa ranking it number 12.

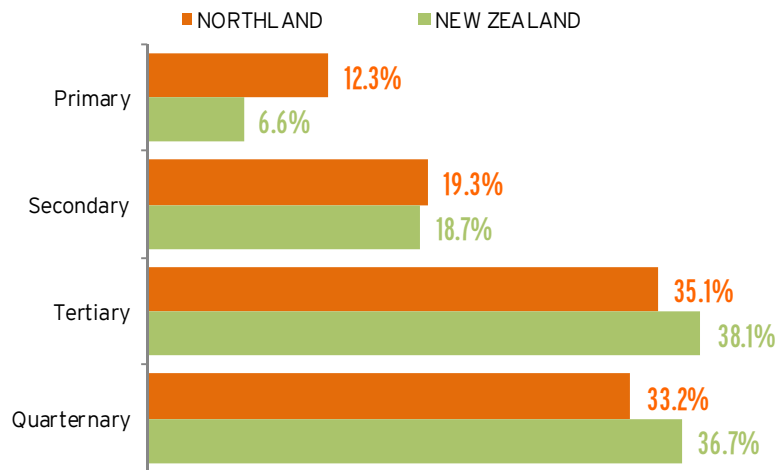
Figure 10. Employment growth over last one, two, five and 10 years



What is the industrial structure of employment in Northland?

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 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 11. Employment by broad sector (2012)



- Tertiary industries accounted for the largest proportion of employment (35.1%) in Northland, which is lower than in the national economy (38.1%).
- Quaternary industries accounted for 33.2% of employment which was lower than in New Zealand (36.7%).
- Secondary accounted for 19.3% in Northland compared with 18.7% in the national economy.
- Primary accounted for 12.3% in Northland compared with 6.6% in the national economy.

Which are the largest employing industries in Northland?

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

Table 10. 1-digit industries ranked by size of employment (2012)

Rank	Industry	Northland		New Zealand
		Employment	% of total	% of total
1	Health Care and Social Assistance	8,009	12.7%	9.9%
2	Agriculture, Forestry and Fishing	7,537	12.0%	6.3%
3	Retail Trade	6,652	10.6%	9.5%
4	Manufacturing	5,730	9.1%	10.2%
5	Education and Training	5,719	9.1%	8.3%
6	Construction	5,671	9.0%	7.8%
7	Accommodation and Food Services	3,818	6.1%	6.2%
8	Professional, Scientific and Technical Services	3,147	5.0%	9.0%
9	Public Administration and Safety	2,609	4.1%	4.7%
10	Other Services	2,582	4.1%	3.8%
11	Transport, Postal and Warehousing	2,394	3.8%	4.3%
12	Administrative and Support Services	2,051	3.3%	4.9%
13	Wholesale Trade	1,981	3.1%	5.2%
14	Rental, Hiring and Real Estate Services	1,690	2.7%	2.3%
15	Arts and Recreation Services	969	1.5%	1.9%
16	Financial and Insurance Services	933	1.5%	2.8%
17	Electricity, Gas, Water and Waste Services	754	1.2%	0.6%
18	Information Media and Telecommunications	515	0.8%	2.0%
19	Mining	230	0.4%	0.3%
Total		62,990	100%	100%

- Among broad industries health care and social assistance was the largest employer in Northland in 2012, accounting for 12.7% of total employment.
- The second largest employer was agriculture, forestry and fishing (12%) followed by retail trade (10.6%).
- The industry most highly represented in Northland relative to the national economy is agriculture, forestry and fishing. This industry accounts for 12.0% of the region's employment compared with 6.3% to the national economy.
- The next most highly represented industries are electricity, gas, water and waste services (1.2% compared with 0.6% nationally) and health care and social assistance (12.7% compared with 9.9% nationally).

Table 11 on the following page shows the 50 detailed industries of the approximately 500 7-digit ANZSIC industry categories which employ the highest number of people in Northland.

Table 11. 50 largest employing 7-digit ANZSIC industries (2012)

Rank	Industry	Northland		New Zealand
		Jobs	% of total	% of total
1	Dairy Cattle Farming	2,564	4.1%	17%
2	Primary Education	2,155	3.4%	2.2%
3	Hospitals (except Psychiatric Hospitals)	2,135	3.4%	2.9%
4	Supermarket and Grocery Stores	1,907	3.0%	2.5%
5	Other Allied Health Services	1,549	2.5%	13%
6	Cafes and Restaurants	1,377	2.2%	2.5%
7	Secondary Education	1,306	2.1%	18%
8	Accommodation	1,269	2.0%	14%
9	Beef Cattle Farming (Specialised)	1,265	2.0%	0.4%
10	House Construction	1,156	1.8%	14%
11	Aged Care Residential Services	1,092	1.7%	14%
12	Road Freight Transport	1,065	1.7%	13%
13	Other Social Assistance Services	947	1.5%	10%
14	Preschool Education	796	1.3%	1.1%
15	Hardware and Building Supplies Retailing	675	1.1%	0.8%
16	Accounting Services	675	1.1%	1.1%
17	Local Government Administration	662	1.1%	0.9%
18	Real Estate Services	628	1.0%	0.9%
19	Central Government Administration	616	1.0%	1.3%
20	Other Automotive Repair and Maintenance	607	1.0%	0.7%
21	Electrical Services	605	1.0%	0.8%
22	Other Agriculture and Fishing Support Services	597	0.9%	0.8%
23	Non-Residential Property Operators	586	0.9%	0.6%
24	Road and Bridge Construction	583	0.9%	0.6%
25	General Practice Medical Services	557	0.9%	0.7%
26	Higher Education	541	0.9%	1.6%
27	Takeaway Food Services	539	0.9%	1.0%
28	Other Interest Group Services n.e.c.	531	0.8%	0.5%
29	Log Sawmilling	523	0.8%	0.3%
30	Cheese and Other Dairy Product Manufacturing	489	0.8%	0.4%
31	Management Advice and Other Consulting Services	482	0.8%	1.5%
32	Other Machinery and Equipment Manufacturing n.e.c.	481	0.8%	0.5%
33	Other Residential Care Services	467	0.7%	0.7%
34	Child Care Services	459	0.7%	0.6%
35	Sheep-Beef Cattle Farming	458	0.7%	0.6%
36	Fuel Retailing	447	0.7%	0.4%
37	Meat Processing	447	0.7%	0.8%
38	Department Stores	439	0.7%	0.7%
39	Other Heavy and Civil Engineering Construction	438	0.7%	0.8%
40	Electricity Distribution	433	0.7%	0.1%
41	Police Services	424	0.7%	0.6%
42	Legal Services	411	0.7%	0.8%
43	Buildings Cleaning Services	410	0.7%	1.1%
44	Banking	410	0.7%	1.1%
45	Site Preparation Services	405	0.6%	0.4%
46	Engineering Design and Engineering Consulting Service	394	0.6%	0.9%
47	Hairdressing and Beauty Services	377	0.6%	0.6%
48	Labour Supply Services	373	0.6%	1.2%
49	Vegetable Growing (Outdoors)	362	0.6%	0.2%
50	Other Store-Based Retailing n.e.c.	358	0.6%	0.5%

Which industries have created the most jobs?

This section investigates which industries have created and lost the most number of jobs in Northland. 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 12. 1-digit industries ranked by number of jobs created (2011 -2012)

Rank		Employment		Jobs created	Annual % growth
		2011	2012		
1	Agriculture, Forestry and Fishing	7,252	7,537	285	3.9%
2	Education and Training	5,551	5,719	168	3.0%
3	Electricity, Gas, Water and Waste Services	674	754	81	12.0%
4	Wholesale Trade	1,910	1,981	71	3.7%
5	Health Care and Social Assistance	7,962	8,009	47	0.6%
6	Public Administration and Safety	2,580	2,609	29	1.1%
7	Arts and Recreation Services	966	969	3	0.3%
8	Mining	229	230	1	0.5%
9	Administrative and Support Services	2,056	2,051	-5	-0.2%
10	Rental, Hiring and Real Estate Services	1,707	1,690	-16	-1.0%
11	Information Media and Telecommunications	545	515	-30	-5.4%
12	Other Services	2,621	2,582	-39	-1.5%
13	Financial and Insurance Services	991	933	-59	-5.9%
14	Transport, Postal and Warehousing	2,462	2,394	-68	-2.7%
15	Professional, Scientific and Technical Services	3,247	3,147	-101	-3.1%
16	Accommodation and Food Services	3,964	3,818	-146	-3.7%
17	Manufacturing	5,925	5,730	-195	-3.3%
18	Retail Trade	6,899	6,652	-246	-3.6%
19	Construction	5,985	5,671	-314	-5.3%
Total		63,523	62,990	-533	-0.8%

- Agriculture, Forestry and Fishing made the largest contribution to employment growth in Northland between 2011 and 2012 with the industry adding 285 jobs.
- The next largest contributor was education and training (168 jobs) followed by electricity, gas, water and waste services (81 jobs).
- The largest detractor from growth over the year was construction in which employment declined by 314.

- Over the past 10 years the broad industries making the largest contribution to employment growth in Northland were health care and social assistance (2,056 jobs), construction (1,478 jobs), and public administration and safety (999 jobs).
- The industries making the lowest contribution to employment growth in Northland were agriculture, forestry and fishing (-2,329 jobs), manufacturing (-371 jobs), and mining (21 jobs).

Table 13. Job creation by broad industries: last 1, 2, 5 and 10 years

Industry	Last year 11 to 12	Last 2 years 10 to 12	Last 5 years 07 to 12	Last 10 years 02 to 12
Agriculture, Forestry and Fishing	285	234	-483	-2,329
Mining	1	-7	-4	21
Manufacturing	-194	-357	-1,118	-371
Electricity, Gas, Water and Waste Services	81	58	103	318
Construction	-314	-639	-881	1,478
Wholesale Trade	71	32	1	228
Retail Trade	-246	-467	-547	442
Accommodation and Food Services	-146	-291	-429	365
Transport, Postal and Warehousing	-67	56	166	265
Information Media and Telecommunications	-29	-19	-6	40
Financial and Insurance Services	-59	-16	-34	185
Rental, Hiring and Real Estate Services	-16	-117	-395	69
Professional, Scientific and Technical Services	-101	-195	-52	610
Administrative and Support Services	-5	-12	110	714
Public Administration and Safety	29	182	315	999
Education and Training	168	224	578	976
Health Care and Social Assistance	47	119	827	2,056
Arts and Recreation Services	3	28	56	273
Other Services	-39	-12	65	427
Total	-533	-1,200	-1,729	6,763

Table 14 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 31 shows the 50 detailed industries that made the lowest contribution to job creation over the same period.

- Other Allied Health Services was the largest creator of jobs in Northland between 2011 and 2012 generating an additional 161 positions. This was followed by dairy cattle farming (+139 jobs) and aged care residential services (+88 jobs).
- Other Social Assistance Services was the industry that experienced the largest fall in employment (-114 jobs) followed by other residential care services (-108 jobs) and road and bridge construction (-108 jobs).

Table 14. The 50 seven-digit industries that created most jobs between 2011 and 2012

Rank	Industry	Jobs		Change
		2011	2012	
1	Other Allied Health Services	1388	1549	161
2	Dairy Cattle Farming	2,425	2,564	139
3	Aged Care Residential Services	1004	1092	88
4	Packaging Services	279	345	66
5	Corporate Head Office Management Services	190	242	52
6	Primary Education	2,103	2,155	52
7	Logging	277	326	49
8	Office Administrative Services	122	170	48
9	Forestry	133	179	46
10	Electricity Distribution	388	433	46
11	Other Machinery and Equipment Manufacturing n.e.c.	442	481	39
12	Combined Primary and Secondary Education	283	319	36
13	Preschool Education	762	796	34
14	Other Agriculture and Fishing Support Services	565	597	32
15	Technical and Vocational Education and Training	113	144	31
16	Secondary Education	1,276	1,306	30
17	Higher Education	514	541	28
18	Waste Remediation and Materials Recovery Services	65	90	25
19	Hospitals (except Psychiatric Hospitals)	2,111	2,135	24
20	Police Services	401	424	23
21	Newspaper Publishing	209	232	23
22	Other Electrical and Electronic Goods Wholesaling	92	115	23
23	Other Fruit and Tree Nut Growing	215	237	22
24	Employment Placement and Recruitment Services	44	65	21
25	Port and Water Transport Terminal Operations	81	102	21
26	Apple and Pear Growing	6	26	20
27	Catering Services	144	163	19
28	Vegetable Growing (Under Cover)	50	67	17
29	Air Conditioning and Heating Services	108	125	17
30	Other Building Installation Services	58	74	16
31	Residential Property Operators	124	140	16
32	Creative Artists, Musicians, Writers and Performers	31	46	16
33	Fruit and Vegetable Wholesaling	164	179	15
34	Liquor and Tobacco Product Wholesaling	17	32	15
35	Timber Wholesaling	36	49	13
36	Other Specialised Food Retailing	68	82	13
37	Commercial Vehicle Wholesaling	30	43	13
38	Automotive Electrical Services	76	89	13
39	Sheep-Beef Cattle Farming	445	458	13
40	Other Goods Wholesaling n.e.c.	118	130	13
41	Hairdressing and Beauty Services	365	377	12
42	Petroleum Refining and Petroleum Fuels Manufacturing	313	324	12
43	Sheep Farming (Specialised)	55	66	12
44	Investigation and Security Services	230	241	11
45	Other Heavy and Civil Engineering Construction	427	438	11
46	Other Machinery and Equipment Repair and Maintenance	113	123	11
47	Ready-Mixed Concrete Manufacturing	75	86	10
48	Other Specialised Machinery and Equipment Manufacturing	5	15	10
49	Specialist Medical Services	77	87	10
50	Other Construction Services n.e.c.	167	177	10

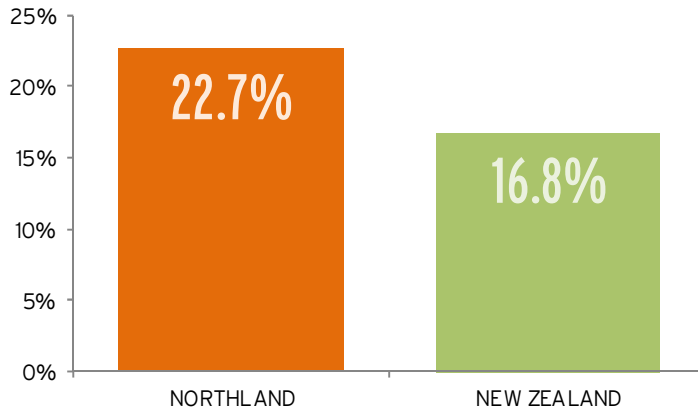
Table 15. The 50 seven-digit industries that lost the most jobs between 2011 and 2012

Rank	Industry	Jobs		Change
		2011	2012	
1	Other Social Assistance Services	1061	947	-114
2	Other Residential Care Services	575	467	-108
3	Road and Bridge Construction	691	583	-108
4	Engineering Design and Engineering Consulting Services	476	394	-83
5	Other Interest Group Services n.e.c.	612	531	-81
6	Labour Supply Services	439	373	-67
7	Log Sawmilling	588	523	-65
8	Buildings Cleaning Services	473	410	-63
9	Postal Services	335	272	-63
10	Wooden Furniture and Upholstered Seat Manufacturing	189	126	-63
11	Non-Residential Building Construction	388	327	-62
12	Accommodation	1331	1269	-62
13	Takeaway Food Services	596	539	-57
14	Adult, Community and Other Education n.e.c.	333	276	-57
15	House Construction	1208	1156	-52
16	Vegetable Growing (Outdoors)	411	362	-49
17	Hardware and Building Supplies Retailing	723	675	-48
18	Boatbuilding and Repair Services	290	251	-39
19	Wired Telecommunications Network Operation	51	15	-36
20	Electrical Services	640	605	-35
21	General Insurance	111	79	-32
22	Banking	441	410	-32
23	Supermarket and Grocery Stores	1938	1907	-32
24	Accounting Services	707	675	-32
25	Electrical, Electronic and Gas Appliance Retailing	221	192	-29
26	Cheese and Other Dairy Product Manufacturing	517	489	-28
27	Fuel Retailing	475	447	-28
28	Painting and Decorating Services	330	305	-25
29	Management Advice and Other Consulting Services	506	482	-24
30	Real Estate Services	652	628	-24
31	Nursery Production (Outdoors)	167	144	-24
32	Concreting Services	155	132	-23
33	Pubs, Taverns and Bars	374	352	-22
34	Meat Processing	469	447	-22
35	Plumbing Services	368	348	-20
36	Structural Steel Fabricating	156	137	-19
37	Kiwifruit Growing	139	119	-19
38	Architectural Aluminium Product Manufacturing	163	144	-19
39	Tyre Retailing	153	137	-16
40	Legal Services	427	411	-16
41	Travel Agency and Tour Arrangement Services	135	121	-15
42	Metal and Mineral Wholesaling	76	62	-14
43	Clubs (Hospitality)	130	118	-13
44	Museum Operation	146	134	-12
45	Other Store-Based Retailing n.e.c.	370	358	-12
46	Footwear Retailing	64	52	-12
47	Cafes and Restaurants	1389	1377	-12
48	Correctional and Detention Services	370	358	-12
49	Stevedoring Services	37	26	-11
50	Shipbuilding and Repair Services	96	85	-11

What proportion of the workforce is self-employed in Northland?

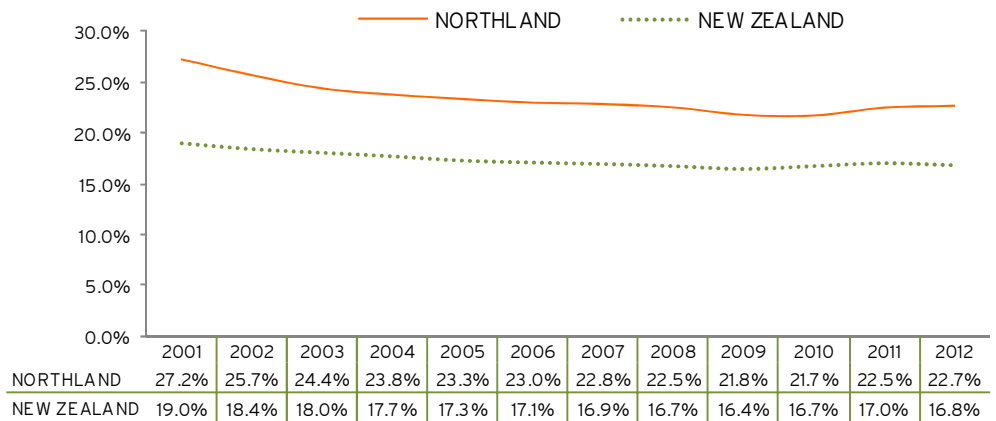
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in Northland with the national economy.

Figure 12. Self-employment rate (year to March 2012)



- Self-employed workers accounted for 22.7% of the workforce in Northland in 2012, which was a higher rate than in the national economy (16.8%).
- A total of 14,277 workers were self-employed in Northland in 2012.
- The self-employment rate reached a high of 27.2% in 2001 and a low of 21.7% in 2010.

Figure 13. Self-employment rate (2001-2012)



Which industries have the highest self-employment rate in Northland?

Self-employment rates differ across industries with agriculture, construction, and rental, hiring and real estate services typically having high self-employment rates. This section describes self-employment rates by industry in Northland.

Table 16. Self-employment by 1-digit industry (2012)

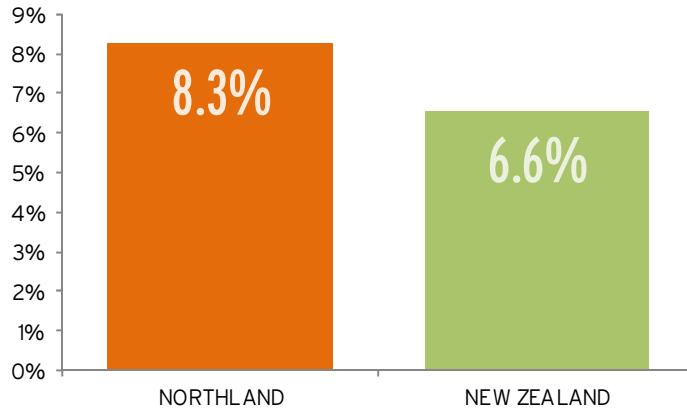
Industry	Northland			New Zealand Self-employment rate
	Employees	Self-employed	Self-employment rate	
Agriculture, Forestry and Fishing	3,829	3,708	49.2%	38.2%
Mining	200	30	13.0%	4.3%
Manufacturing	4,938	792	13.8%	9.9%
Electricity, Gas, Water and Waste Services	715	39	5.2%	6.8%
Construction	3,061	2,610	46.0%	35.1%
Wholesale Trade	1,639	342	17.3%	12.0%
Retail Trade	5,659	993	14.9%	12.1%
Accommodation and Food Services	3,194	624	16.3%	11.9%
Transport, Postal and Warehousing	1,863	531	22.2%	14.8%
Information Media and Telecommunications	425	90	17.5%	18.3%
Financial and Insurance Services	738	195	20.9%	11.9%
Rental, Hiring and Real Estate Services	751	939	55.6%	49.1%
Professional, Scientific and Technical Services	2,031	1,116	35.5%	26.8%
Administrative and Support Services	1,565	486	23.7%	17.6%
Public Administration and Safety	2,450	159	6.1%	3.5%
Education and Training	5,557	162	2.8%	3.2%
Health Care and Social Assistance	7,478	531	6.6%	7.1%
Arts and Recreation Services	780	189	19.5%	16.7%
Other Services	1,841	741	28.7%	23.6%
Total	48,713	14,277	22.7%	16.8%

- Rental, Hiring and Real Estate Services had the highest self-employment rate (55.6%) in Northland in 2012. This was followed by Agriculture, Forestry and Fishing (49.2%) and Construction (46.0%).
- Education and Training had the lowest (2.8%) self-employment rate.

What is Northland's unemployment rate?

The unemployment rate is the number of unemployed people expressed as a percentage of the labour force. An unemployed person is someone of working-age who is without work, but is actively seeking employment and is available to immediately begin work. The labour force is the sum of people who are currently in employment and those that are unemployed.

Figure 14. Unemployment rate (year to March 2012)



- The unemployment rate in Northland was 8.3% in March 2012, which was higher than the national rate of 6.6%.
- Since 2002 the unemployment rate in Northland reached a high of 9.3% in the March 2003 year, and a low of 4.1% in the March 2008 year.

Figure 15. Unemployment rate (2002-2012)

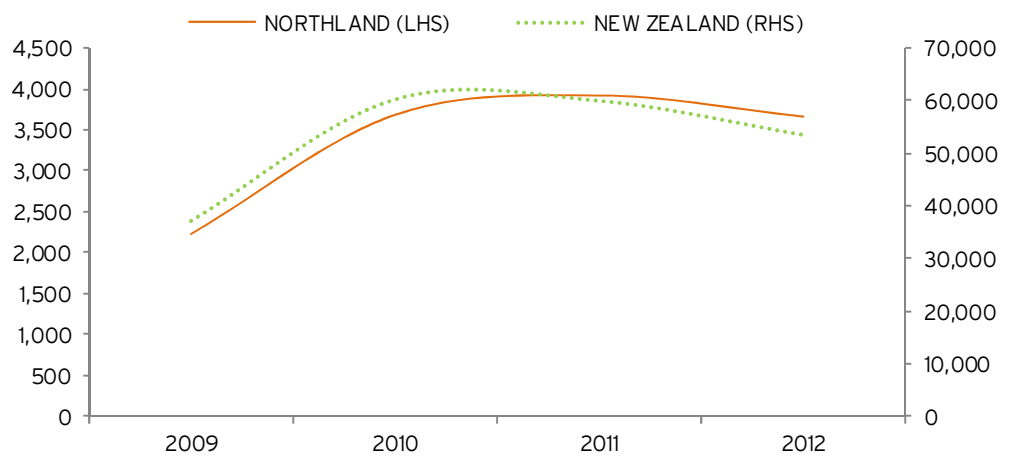


How many unemployment beneficiaries are there in Northland?

The number of unemployment beneficiaries in that national economy has fallen significantly since peaking at more than 65,000 in September 2010 following the recent recession. Gradual improvements to the domestic economy will have contributed slightly to this overall downward trend, but with the underlying unemployment rate still elevated, the government's tightening of benefit eligibility conditions will have also played a significant role.

- There were 3,661 unemployment beneficiaries in Northland in March 2012, down from 3,919 in March 2011.
- The number declined by 6.6% over the year to March 2012 compared with a decrease of 10.8% at the national level.

Figure 16. Number of unemployment beneficiaries (2009-2012)



PERFORMANCE OF KEY INDUSTRIES

How well has the land based primary (agriculture, forestry and mining) industry performed?

The section describes the performance of the first key industry in Northland: land based primary (agriculture, forestry and mining). It compares how the sector has performed relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 17. Economic indicators for the land based primary (agriculture, forestry and mining) industry

Indicator	2012	% of region total	% of national industry	Growth (2011 to 2012)	
				Northland	New Zealand
GDP (\$ million)	\$477.3	14.1%	5.0%	29.6%	15.2%
Employment	7,517	119%	5.5%	4.1%	0.7%
Business Units	5,575	28.1%	7.7%	-2.6%	-17%

Economic output

- The land based primary (agriculture, forestry and mining) industry contributed \$477.3 million towards GDP in Northland in 2012. This amounted to 14.1% of the region's economic output in 2012, down from 17.7% ten years ago.
- Economic output in Northland's land based primary (agriculture, forestry and mining) industry grew by 29.6% in 2012 compared with growth of 15.2% in the industry nationally.
- Growth in the industry in Northland has averaged -0.4%pa over the last ten years, varying from a low of -16% in 2008 to a high of 29.6% in 2012.

Figure 17. Output growth in the land based primary (agriculture, forestry and mining) industry

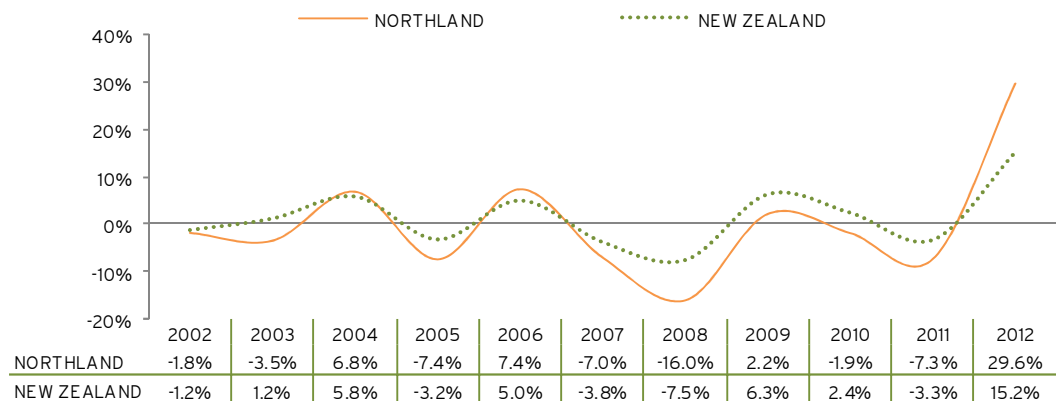
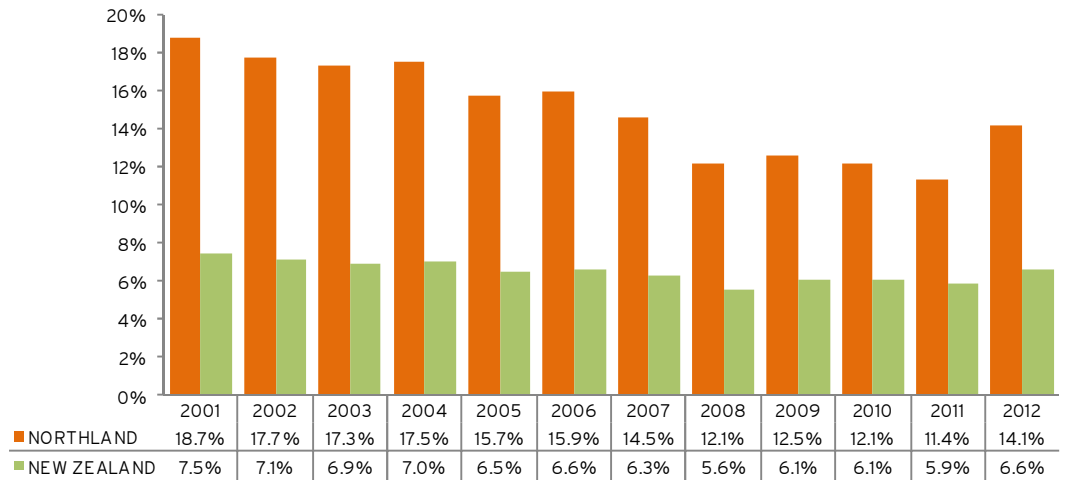


Figure 18. Land based primary (agriculture, forestry and mining)'s share of total economic output



Employment

- The land based primary (agriculture, forestry and mining) industry employed an average of 7,517 persons in Northland in 2012 which was up from 7,219 in 2011.
- Employment growth in the industry averaged -2.5% over the past ten years compared with total employment growth in the region of 1.1%.
- Employment growth in the industry peaked at 5.8% in 2002.

Business units

- Approximately 5,575 business units were in operation in the land based primary (agriculture, forestry and mining) industry in Northland in 2012, which was down from 5726 in 2011.
- The number of business units peaked at 6,876 in 2003.

How well has the fishing and aquaculture industry performed?

The section describes the performance of the second key industry in Northland: fishing and aquaculture. It compares how the sector has performed relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 18. Economic indicators for the fishing and aquaculture industry

Indicator	2012	% of region total	% of national industry	Growth (2011 to 2012)	
				Northland	New Zealand
GDP (\$ million)	\$3.2	0.1%	3.3%	-0.9%	15%
Employment	250	0.4%	6.5%	-4.6%	-12%
Business Units	150	0.8%	9.4%	-2.6%	-1%

Economic output

- The fishing and aquaculture industry contributed \$3.2 million towards GDP in Northland in 2012. This amounted to 0.1% of the region's economic output in 2012, down from 0.3% ten years ago.
- Economic output in Northland's fishing and aquaculture industry declined by 0.9% in 2012 compared with growth of 1.5% in the industry nationally.
- Growth in the industry in Northland has averaged -10.2%pa over the last ten years, varying from a low of -65.1% in 2009 to a high of 77.9% in 2004.

Figure 19. Output growth in the fishing and aquaculture industry

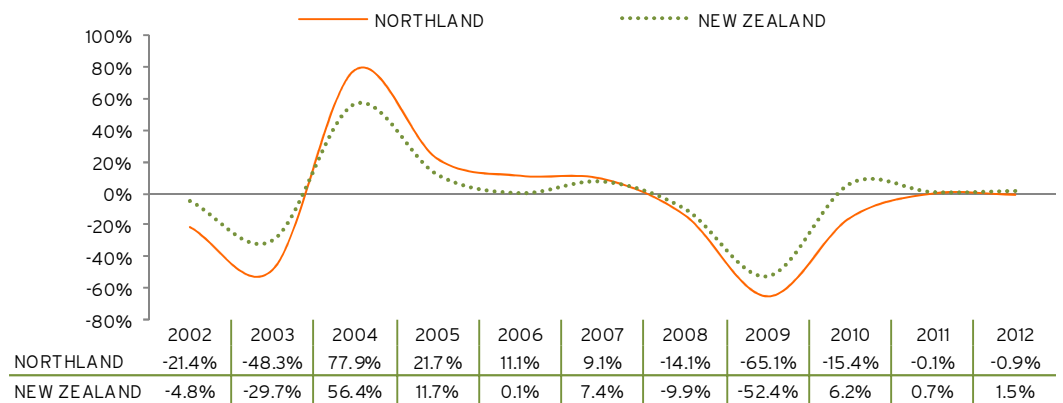
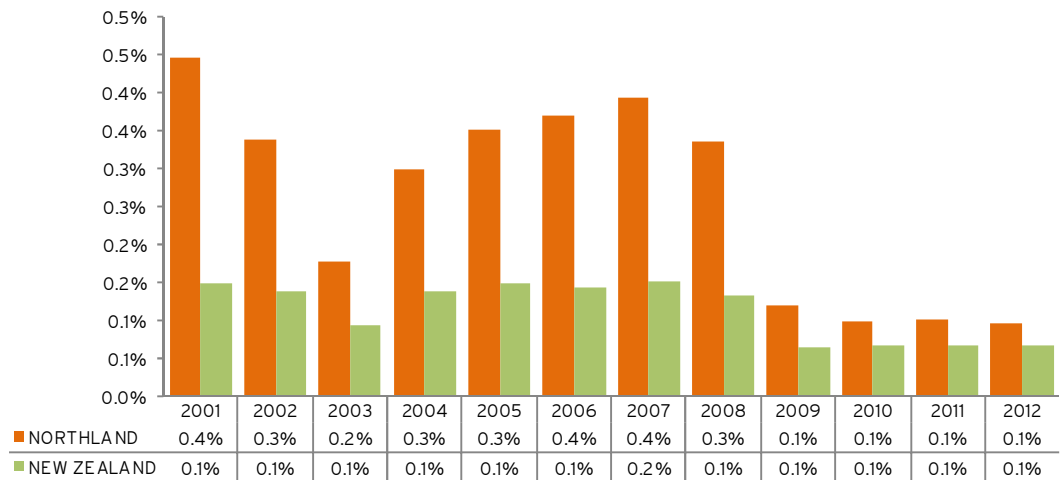


Figure 20. Fishing and aquaculture's share of total economic output



Employment

- The fishing and aquaculture industry employed an average of 250 persons in Northland in 2012 which was down from 262 in 2011.
- Employment growth in the industry averaged -4.5% over the past ten years compared with total employment growth in the region of 1.1%.
- Employment growth in the industry peaked at 4.0% in 2006.

Business units

- Approximately 150 business units were in operation in the fishing and aquaculture industry in Northland in 2012, which was down from 154 in 2011.
- The number of business units peaked at 214 in 2006.

How well has the manufacturing industry performed?

The section describes the performance of the third key industry in Northland: manufacturing. It compares how the sector has performed relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 19. Economic indicators for the manufacturing industry

Indicator	2012	% of region total	% of national industry	Growth (2011 to 2012)	
				Northland	New Zealand
GDP (\$ million)	\$5516	16.3%	3.0%	9.2%	2.0%
Employment	5,730	9.1%	2.6%	-3.3%	-0.2%
Business Units	762	3.8%	3.5%	-3.9%	-16%

Economic output

- The manufacturing industry contributed \$551.6 million towards GDP in Northland in 2012. This amounted to 16.3% of the region's economic output in 2012, down from 17.3% ten years ago.
- Economic output in Northland's manufacturing industry grew by 9.2% in 2012 compared with growth of 2% in the industry nationally.
- Growth in the industry in Northland has averaged 1.3%pa over the last ten years, varying from a low of -3.8% in 2008 to a high of 9.2% in 2012.

Figure 21. Output growth in the manufacturing industry

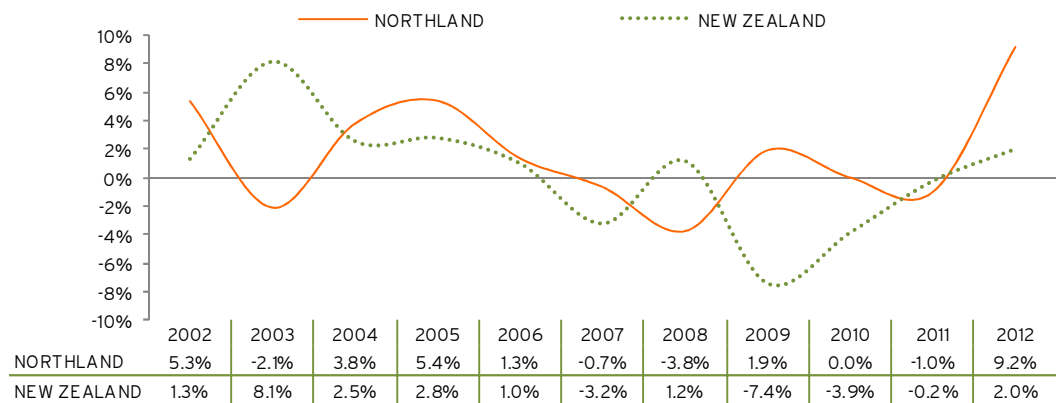
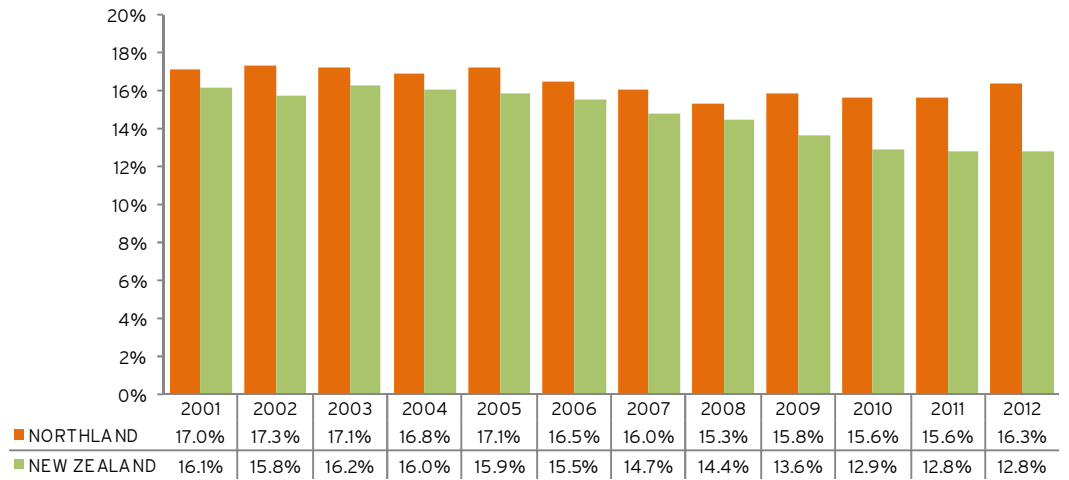


Figure 22. Manufacturing's share of total economic output



Employment

- The manufacturing industry employed an average of 5,730 persons in Northland in 2012 which was down from 5,925 in 2011.
- Employment growth in the industry averaged -0.6% over the past ten years compared with total employment growth in the region of 1.1%.
- Employment growth in the sector peaked at 6.0% in 2002.

Business units

- Approximately 762 business units were in operation in the manufacturing industry in Northland in 2012, which was down from 793 in 2011.
- The number of business units peaked at 859 in 2009.

How well has the infrastructure (utilities and construction) industry performed?

The section describes the performance of the fourth key industry in Northland: infrastructure (utilities and construction). It compares how the sector has performed relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 20. Economic indicators for the infrastructure (utilities and construction) industry

Indicator	2012	% of region total	% of national industry	Growth (2011 to 2012)	
				Northland	New Zealand
GDP (\$ million)	\$205.1	6.1%	2.2%	-7.0%	-6.0%
Employment	6,425	10.2%	3.5%	-3.5%	17%
Business Units	2,275	115%	4.4%	-4.1%	-14%

Economic output

- The infrastructure (utilities and construction) industry contributed \$205.1 million towards GDP in Northland in 2012. This amounted to 6.1% of the region's economic output in 2012, up from 5.7% ten years ago.
- Economic output in Northland's infrastructure (utilities and construction) industry declined by 7% in 2012 compared with a decline of 6% in the industry nationally.
- Growth in the industry in Northland has averaged 2.7%pa over the last ten years, varying from a low of -9.9% in 2009 to a high of 17.4% in 2004.

Figure 23. Output growth in the infrastructure (utilities and construction) industry

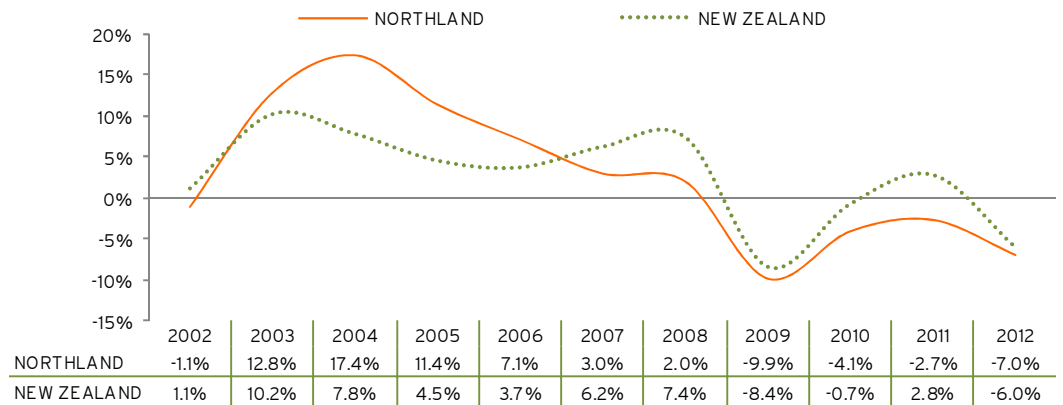
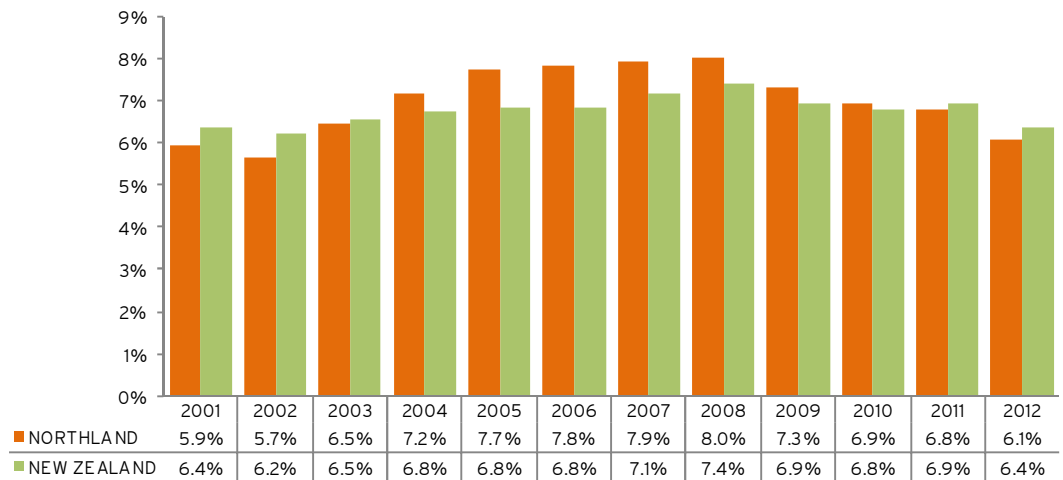


Figure 24. Infrastructure (utilities and construction)'s share of total economic output



Employment

- The infrastructure (utilities and construction) industry employed an average of 6,425 persons in Northland in 2012 which was down from 6,659 in 2011.
- Employment growth in the industry averaged 3.3% over the past ten years compared with total employment growth in the region of 1.1%.
- Employment growth in the industry peaked at 14.0% in 2005.

Business units

- Approximately 2,275 business units were in operation in the infrastructure (utilities and construction) sector in Northland in 2012, which was down from 2373 in 2011.
- The number of business units peaked at 2,568 in 2009.

How well has the health care and social assistance industry performed?

The section describes the performance of the fifth key industry in Northland: health care and social assistance. It compares how the sector has performed relative to the rest of the region's economy in terms of economic output, employment and business unit growth.

Table 21. Economic indicators for the health care and social assistance industry

Indicator	2012	% of region total	% of national industry	Growth (2011 to 2012)	
				Northland	New Zealand
GDP (\$ million)	\$202.7	6.0%	2.7%	-14%	-2.2%
Employment	8,009	12.7%	3.7%	0.6%	14%
Business Units	694	3.5%	3.5%	-2.7%	-0.1%

Economic output

- The health care and social assistance industry contributed \$202.7 million towards GDP in Northland in 2012. This amounted to 6.0% of the region's economic output in 2012, up from 5.5% ten years ago.
- Economic output in Northland's health care and social assistance industry declined by 1.4% in 2012 compared with a decline of 2.2% in the industry nationally.
- Growth in the industry in Northland has averaged 2.7%pa over the last ten years, varying from a low of -6.9% in 2003 to a high of 10.1% in 2007.

Figure 25. Output growth in the health care and social assistance industry

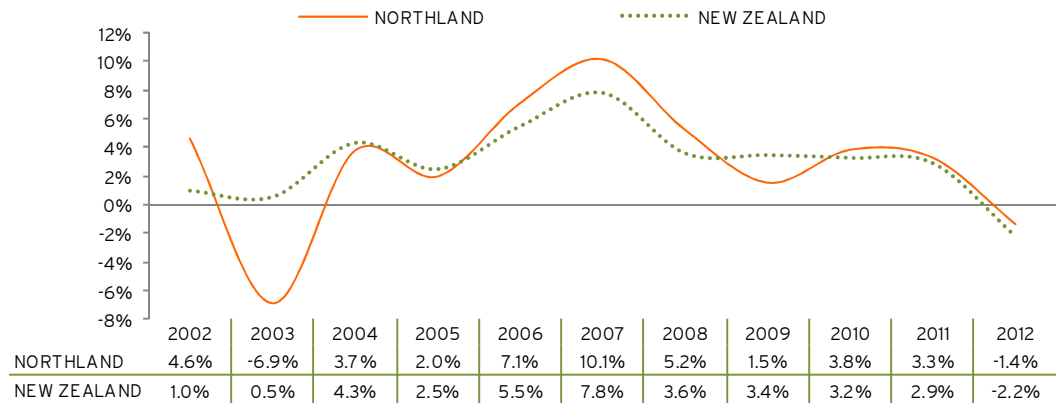
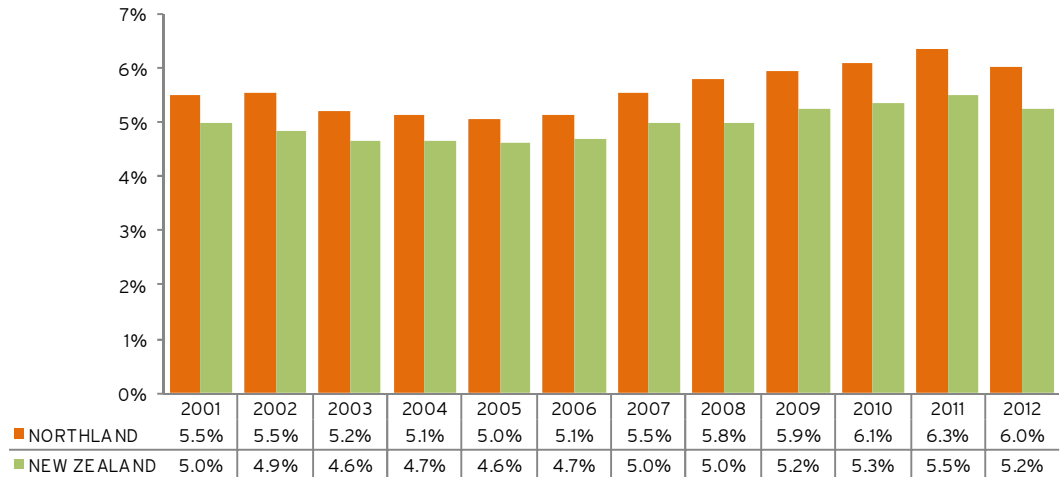


Figure 26. Health care and social assistance's share of total economic output



Employment

- The health care and social assistance industry employed an average of 8,009 persons in Northland in 2012 which was up from 7,962 in 2011.
- Employment growth in the industry averaged 3.0% over the past ten years compared with total employment growth in the region of 1.1%.
- Employment growth in the industry peaked at 10.1% in 2002.

Business units

- Approximately 694 business units were in operation in the health care and social assistance industry in Northland in 2012, which was down from 713 in 2011.
- The number of business units peaked at 713 in 2011.

How well has the tourism-related industry performed?

Tourism has grown rapidly in New Zealand with the number of overseas tourist arrivals doubling since 1992. It is the second largest foreign exchange earner after the dairy industry. This section describes the performance of tourism-related industries in Northland. Because of recent changes to the industrial classification and the way data is presented in the Satellite Tourism Accounts published by Statistics New Zealand we are unable to measure the tourism industry using a definition consistent with the STA and previous Infometrics regional economic profiles. In this section the tourism-related industry is defined as an aggregation of 12 tourist related industries including accommodation, cafés and restaurants and air transport. A full list is provided in the technical appendix. This approach will capture some activity which is not tourism related (eg locals eating in restaurants) and not capture some tourist related activity (eg retail spending by tourists). A comparison at the national level shows that this definition captures about two-thirds of the tourism industry as defined in the satellite tourism accounts.

Table 22. Economic indicators for the tourism-related industry

Indicator	2012	% of region total	% of national industry	Growth (2011 to 2012)	
				Northland	New Zealand
GDP (\$ million)	\$97.3	2.9%	2.1%	-4.9%	1.9%
Employment	4,532	7.2%	2.8%	-3.7%	0.8%
Business Units	985	5.0%	4.3%	-2.2%	-0.5%

Economic output

- The tourism-related industry contributed \$97.3 million towards GDP in Northland in 2012. This amounted to 2.9% of the region's economic output in 2012, down from 3.0% ten years ago.
- Economic output in Northland's tourism-related industry declined by 4.9% in 2012 compared with growth of 1.9% in the industry nationally.
- Growth in the industry in Northland has averaged 1.5%pa over the last ten years, varying from a low of -8.5% in 2009 to a high of 9.6% in 2005.

Figure 27. Output growth in the tourism-related industry

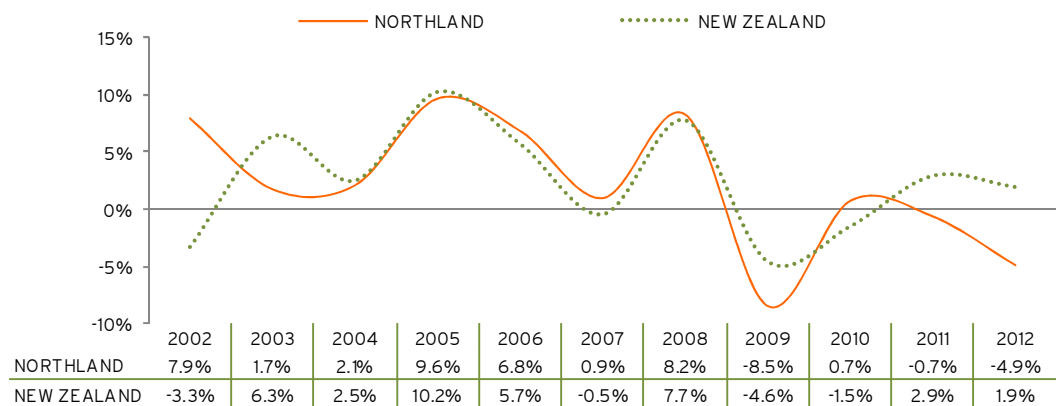
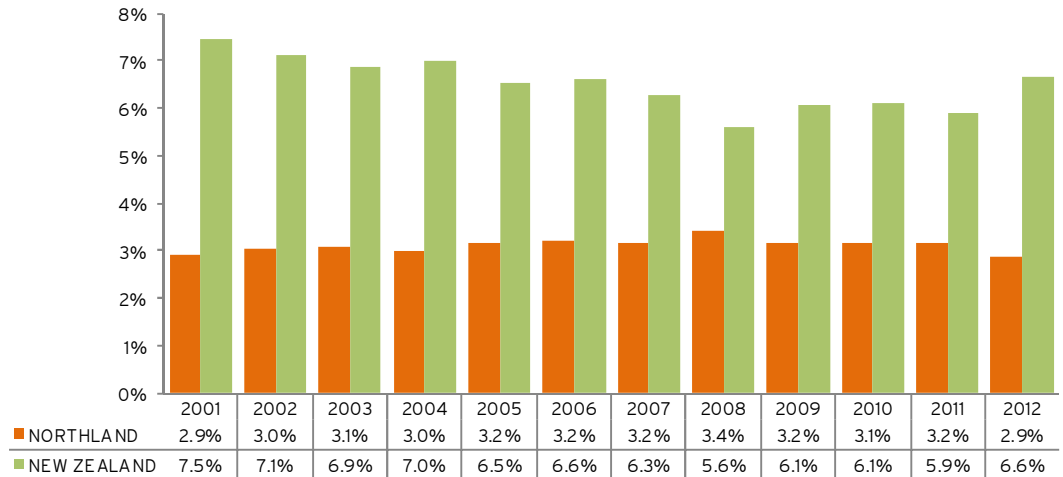


Figure 28. Tourism-related's share of total economic output



Employment

- The tourism-related industry employed an average of 4,532 persons in Northland in 2012 which was down from 4,706 in 2011.
- Employment growth in the industry averaged 0.9% over the past ten years compared with total employment growth in the region of 1.1%.
- Employment growth in the industry peaked at 5.9% in 2005.

Business units

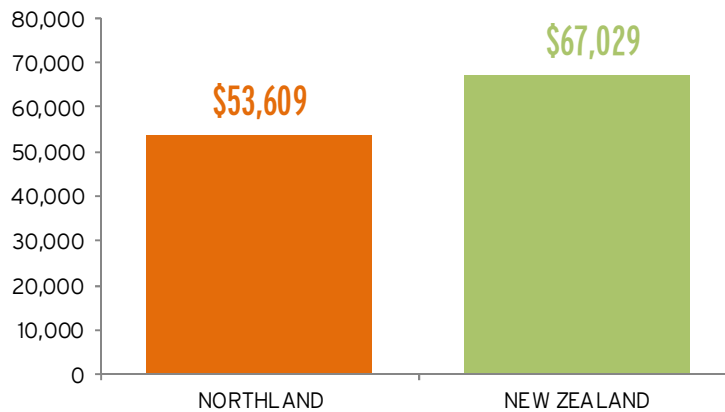
- Approximately 985 business units were in operation in the tourism-related industry in Northland in 2012, which was down from 1007 in 2011.
- The number of business units peaked at 1,045 in 2010.

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 regions, implicitly assumes that each worker has the same access to machinery, technology, and land.

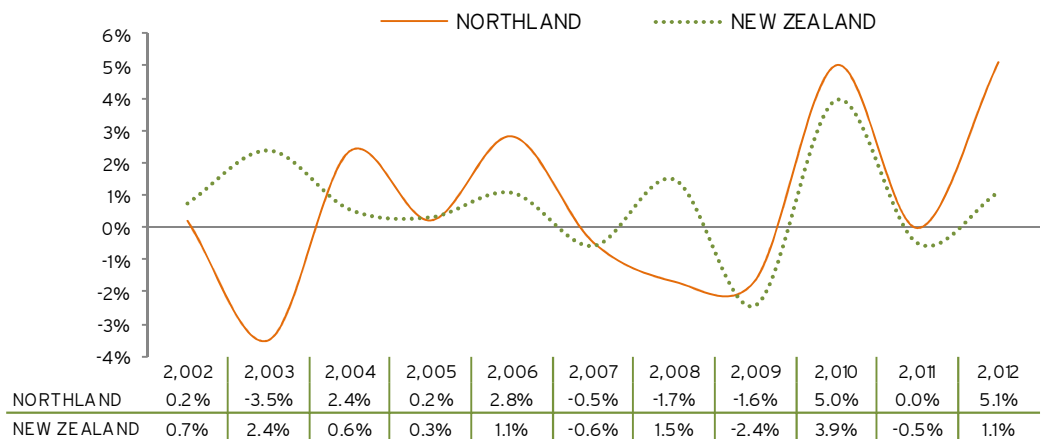
This section describes Northland's productivity level during the year to March 2012 and previous years. Productivity is measured by GDP per employee (in constant 1995/96 prices).

Figure 29. GDP per employee (year to March 2012)



- GDP per employee in Northland measured \$53,609 in the year to March 2012, which was 20% lower than at the national level.
- Productivity in Northland, increased by 5.1% from a year earlier compared with an increase of 1.1% in the national economy.
- Productivity growth in Northland averaged 0.7%pa since 2001 compared with an average of 0.7%pa in the national economy.

Figure 30. Annual average productivity growth (2001-2012)



What are the most productive industries in Northland?

This section ranks industries according to their level of GDP per employee in Northland. 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 23 below ranks broad industries by GDP per employee in Northland 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 23. 1-digit industries ranked by productivity (2012)

Industry	GDP per employee		Capital intensity
	Northland	New Zealand	New Zealand
Information Media and Telecommunications	172,809	208,267	0.66
Electricity, Gas, Water and Waste Services	106,957	233,508	0.86
Rental, Hiring and Real Estate Services	96,618	163,045	0.82
Manufacturing	96,272	83,522	0.42
Financial and Insurance Services	94,074	116,508	0.56
Transport, Postal and Warehousing	67,551	80,769	0.40
Agriculture, Forestry and Fishing	62,130	63,148	0.41
Public Administration and Safety	60,076	58,529	0.20
Mining	53,123	190,460	0.78
Wholesale Trade	39,435	70,877	0.42
Professional, Scientific and Technical Services	36,344	46,785	0.20
Retail Trade	30,490	35,893	0.31
Administrative and Support Services	29,744	23,055	0.20
Health Care and Social Assistance	25,311	35,370	0.22
Construction	21,937	35,886	0.23
Education and Training	21,724	26,052	0.22
Other Services	20,975	34,188	0.22
Arts and Recreation Services	18,304	41,455	0.51
Accommodation and Food Services	13,479	16,297	0.29
Total	53,609	67,029	0.42

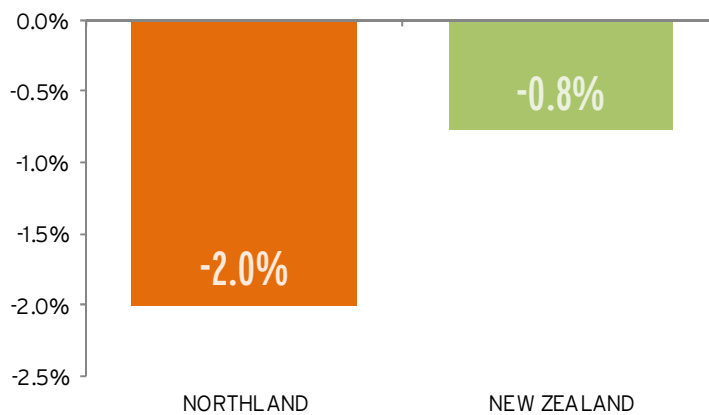
- Information Media and Telecommunications was the industry with the highest GDP per employee in Northland in 2012 with GDP per employee of \$172,809.
- The second highest was electricity, gas, water and waste services (\$106,957) followed by rental, hiring and real estate services (\$96,618).
- The industries with the lowest GDP per employee were accommodation and food services (\$13,479), arts and recreation services (\$18,304) and other services (\$20,975).

BUSINESS GROWTH

How fast did the number of business units grow in Northland?

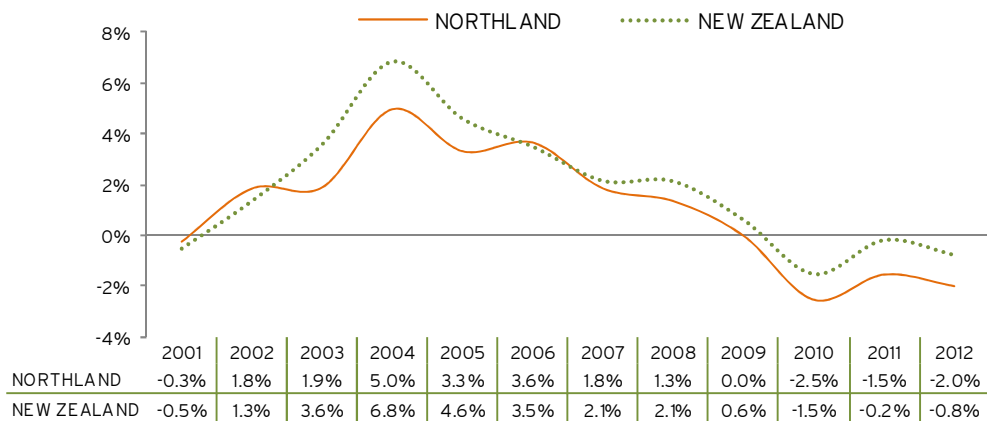
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts Northland's recent performance in business unit growth with other regions in the country.

Figure 31. Business unit growth (year to March 2012)



- A total of 19,809 business units were recorded in Northland in 2012, down 2.0% from a year earlier.
- The number of business units in New Zealand declined by 0.8% over the same period.
- Growth in the number of business units in Northland averaged 1.0%pa since 2000 compared with 1.8%pa in the national economy.
- Business unit growth in Northland varied from a high of 5.0% in 2004 to a low of -2.5% in 2010.

Figure 32. Annual average business unit growth (2001-2012)



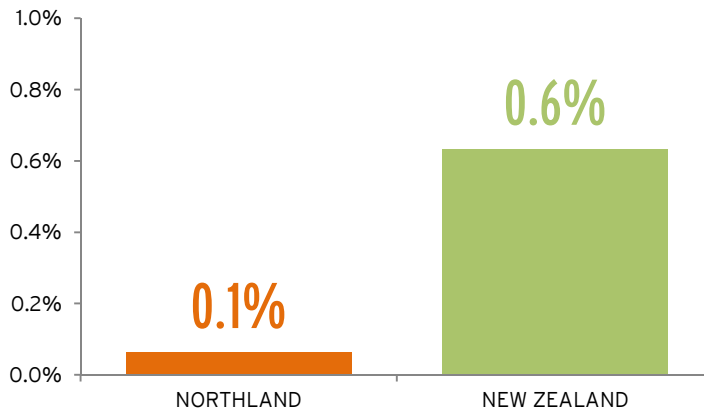
POPULATION GROWTH

New Zealand's population reached 4.4 million in June 2012. The population increased by 0.6% in the June year, which was the lowest growth rate since 2001. The growth slowdown was due to a fall in net migration, with more people leaving New Zealand on a permanent or long term basis than arriving.

How fast has Northland'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 Northland's recent population growth with other regions and the country as a whole.

Figure 33. Population growth (year to June 2012)



- Northland's population was 158,300 in 2012, up 0.1% from a year earlier. New Zealand's total population grew by 0.6% over the same period.
- Population growth in Northland averaged 0.8%pa since 2000 compared with 1.2%pa in the national economy.
- Since 2000 growth in Northland reached a high of 1.3% in 2003 and a low of 0.0%pa in 2001.

Figure 34. Annual population growth (June years)

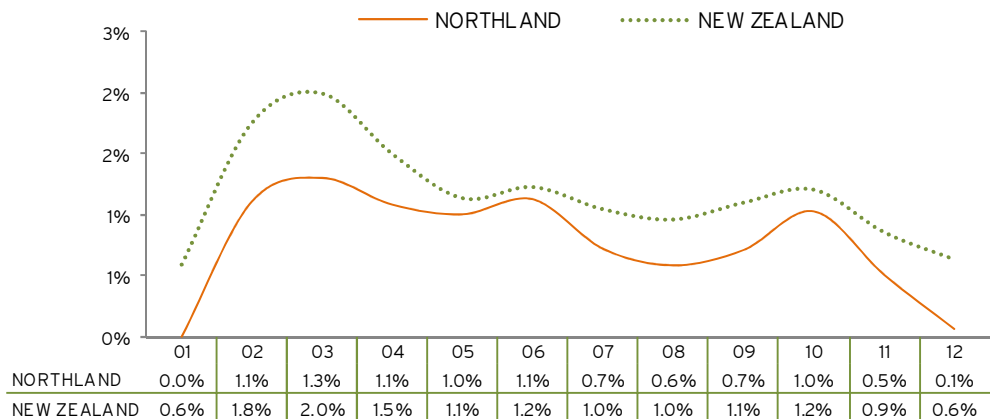
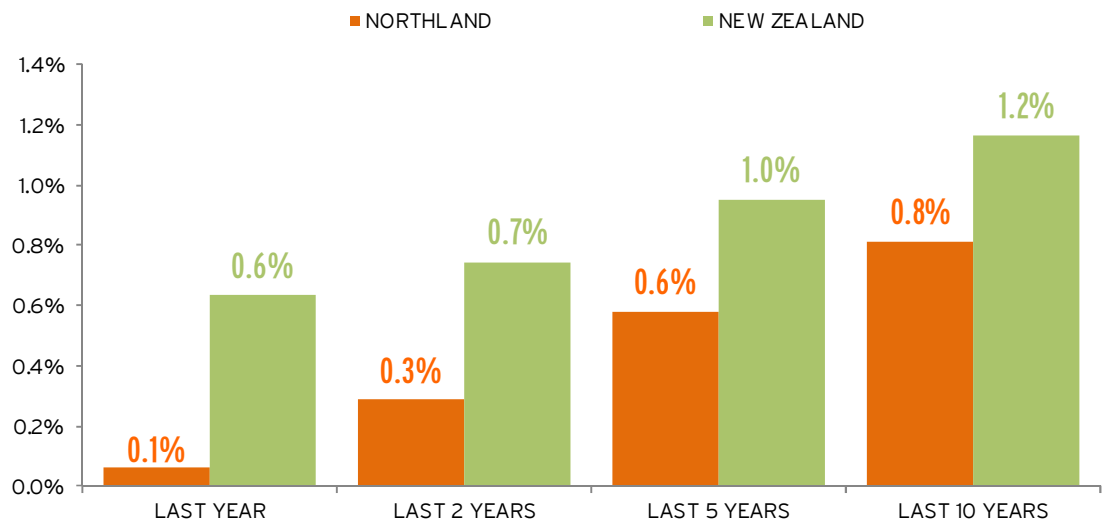


Table 24. Regions ranked by population growth

Rank	2011 to 2012		2010 to 2012		2007 to 2012		2002 to 2012	
1	Auckland	15%	Auckland	16%	Auckland	15%	Auckland	18%
2	Nelson	0.9%	Nelson	12%	Tasman	10%	Tasman	11%
3	Waikato	0.8%	Tasman	12%	Waikato	10%	Waikato	11%
4	Otago	0.7%	Otago	0.9%	Nelson	10%	Marlborough	10%
5	Tasman	0.6%	Waikato	0.8%	Otago	0.9%	Canterbury	10%
6	Wellington	0.5%	Wellington	0.7%	Wellington	0.8%	Otago	10%
7	Gisborne	0.4%	Taranaki	0.5%	Marlborough	0.8%	Bay of Plenty	10%
8	Taranaki	0.4%	Marlborough	0.4%	Bay of Plenty	0.7%	Wellington	10%
9	Marlborough	0.2%	Bay of Plenty	0.4%	Northland	0.6%	Northland	0.8%
10	Northland	0.1%	Southland	0.4%	Taranaki	0.5%	Nelson	0.8%
11	Manawatu-Wanganui	0.0%	West Coast	0.3%	Canterbury	0.4%	West Coast	0.6%
12	Bay of Plenty	0.0%	Northland	0.3%	West Coast	0.4%	Hawke's Bay	0.4%
13	West Coast	0.0%	Manawatu-Wanganui	0.2%	Southland	0.4%	Taranaki	0.4%
14	Southland	0.0%	Gisborne	0.2%	Gisborne	0.4%	Gisborne	0.3%
15	Hawke's Bay	-0.2%	Hawke's Bay	0.1%	Hawke's Bay	0.3%	Manawatu-Wanganui	0.2%
16	Canterbury	-0.3%	Canterbury	-0.6%	Manawatu-Wanganui	0.3%	Southland	0.1%

- Northland's population growth of 0.1% between 2011 and 2012 ranked it number 10 among the 16 regions for rate of population growth.
- Over the past two years (2010 to 2012) population in Northland grew by 0.3%pa ranking it number 12.
- Over the past five years (2007 to 2012) population in Northland grew by 0.6%pa ranking it number 9.
- Over the past ten years (2002 to 2012) population in Northland grew by 0.8%pa ranking it number 9.

Figure 35. Population growth last 1, 2, 5 and 10 years

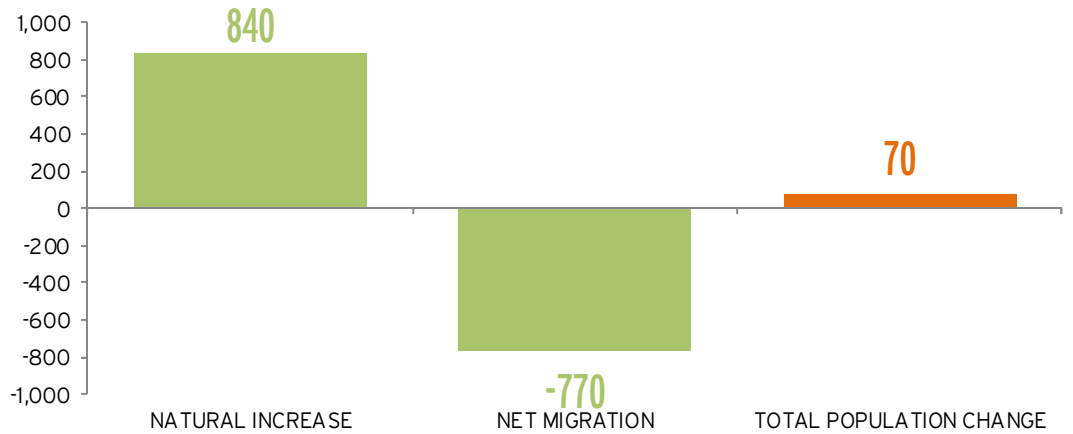


What is the source of Northland's population growth?

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 Northland.

- Northland's population increased by 70 people in the year to June 2012. This net increase was made up of net migration of -770 and natural increase of 840.

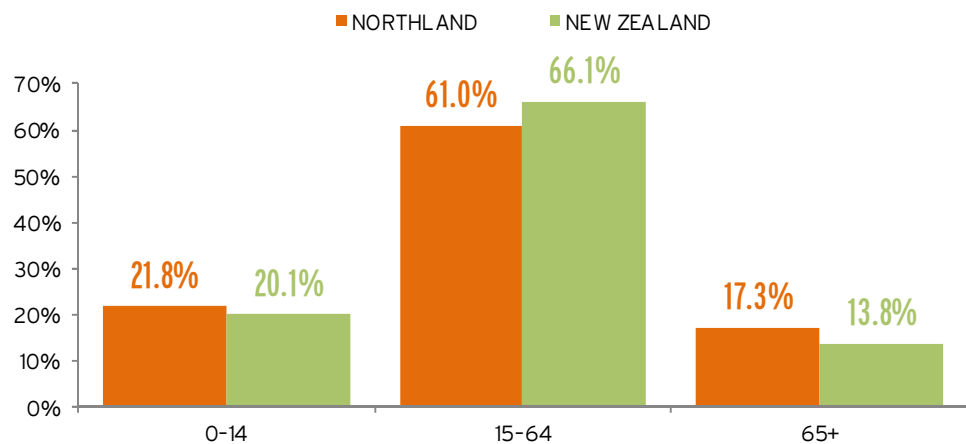
Figure 36. Source of population growth (year to June 2012)



What is the age structure of Northland's population?

- Northland's median age of 41.2 years in 2012 was significantly higher than the median age of the national population (37.0).
- In 2012, 61% of Northland's population was of working age (15-64). This was significantly lower than the proportion of the national population (66.1%).
- Northland had a significantly higher proportion (21.8%) of young people (0-14) than the country as a whole (20.1%) and a significantly higher proportion (17.3%) of people 65 years and older compared with the national (13.8%). Overall the dependency ratio in Northland (64.1%) was higher than in the national economy (51.3%). 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 37. Age composition of the population (year to June 2012)



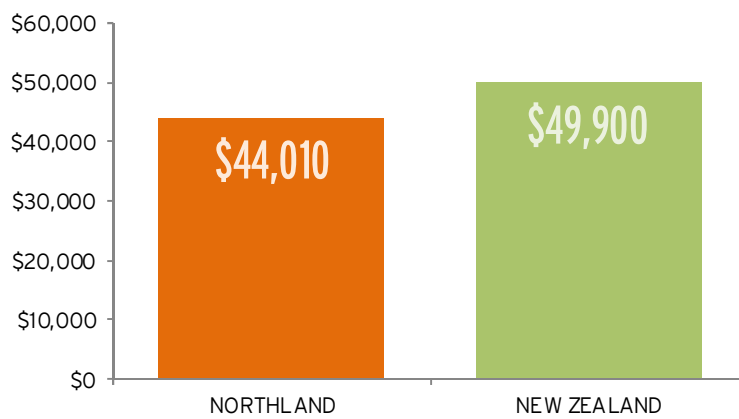
STANDARD OF LIVING

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 2011.

What are the median earnings in Northland?

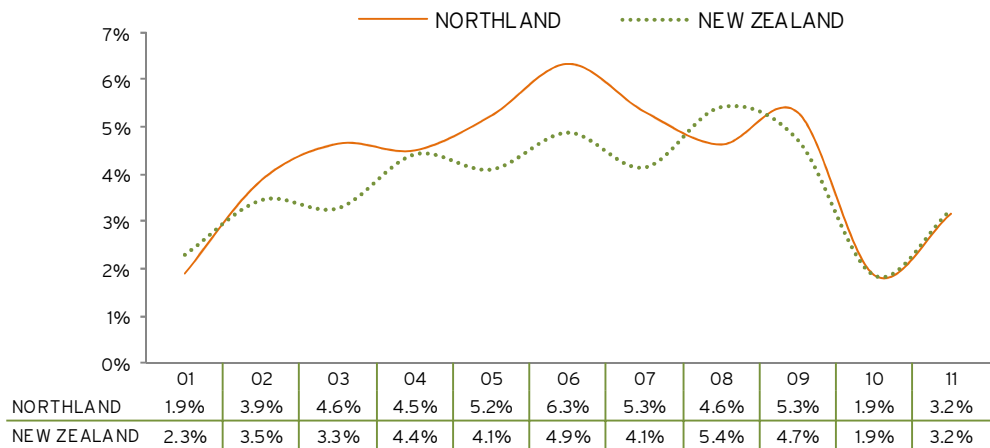
Income earned in the labour market is an important source of household income. This section contrasts Northland's median annual earnings with the country as a whole.

Figure 38. Median annual earnings (year to March 2011)



- The median annual earnings in Northland was \$44,010 in the year to March 2011, which was lower than the national median of \$49,900.
- Median earnings in Northland increased by 3.2% over the year to March 2011 compared with an increase of 3.2% at the national level.
- Since 2001 earnings growth in Northland reached a maximum of 6.3% in 2006 and a minimum of 1.9% in 2010.

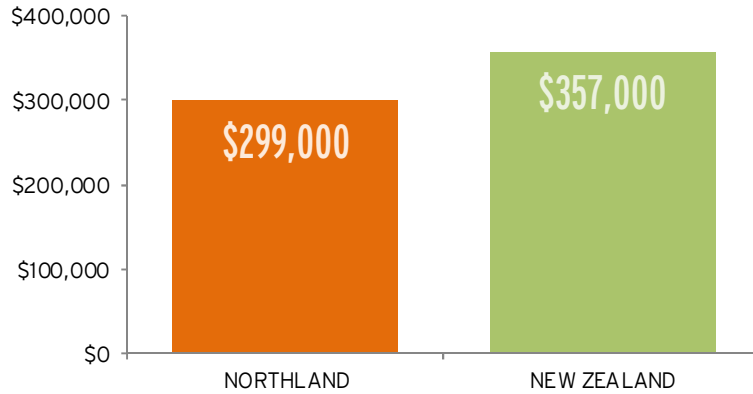
Figure 39. Earnings growth (2001-2011)



How do house prices in Northland compare?

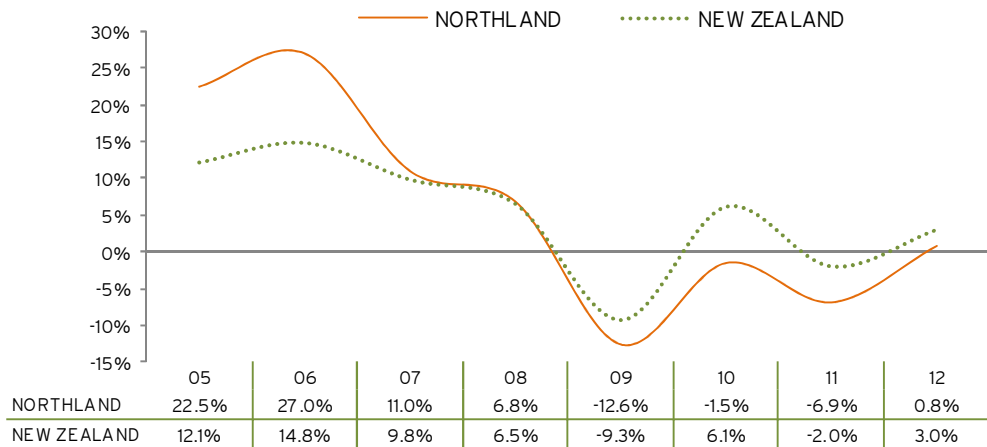
The cost of housing is a major component of household spending. This section describes the cost of housing in Northland relative to the rest of the country.

Figure 40. Median house price (year to March 2012)



- The median house price in Northland was \$299,000 in 2012, which was 16% lower than the national median of \$357,000.
- House prices in Northland increased by 0.8% over the year to March 2012 compared with an increase of 3.0% at the national level.
- Since 2005 house price growth in Northland reached a maximum of 27.0% in 2006 and a minimum of -12.6% in 2009.

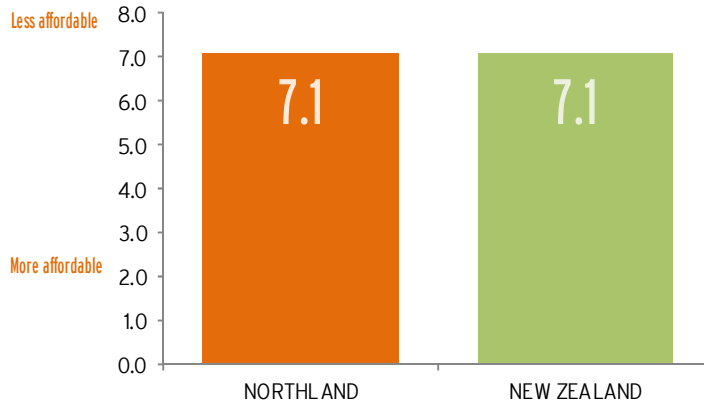
Figure 41. Annual median house price growth (2005-2012)



How affordable is housing in Northland?

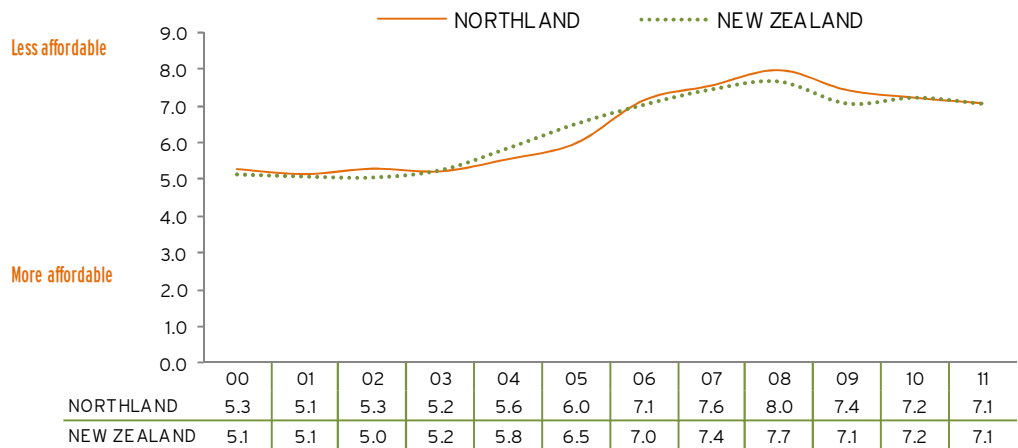
This section investigates the affordability of housing by comparing median house prices with average earnings. We have estimated a housing affordability index which is the ratio of the median house price to annual average earnings measured in the Linked Employer Employee Data. A higher ratio therefore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

Figure 42. Housing affordability index (year to March 2011)



- The housing affordability index in Northland was 7.1 in the year to March 2011, which was higher than the national index of 7.1. This means that housing is less affordable in Northland than in the country as a whole.
- Since 2000 housing in Northland has become more affordable relative to the national average level.

Figure 43. Housing affordability index (2001-2011)



EXPORTS

How fast have exports from Northland grown?

This section investigates Northland's export performance during the year to March 2012 and previous years. Lack of regional specific data on exports by industry requires us to make some assumptions. The main assumption is that the industries in the region have the same export orientation as the national average. Regional exports of industries are thus driven by the economic performance of the industry in the region coupled with the export-output ratio of the industry at the national level. Further details of our method are in the Technical Notes section at the end of this document.

Estimates of exports are presented in constant 1995/96 prices.

- Exports from Northland measured \$872m in the year to March 2012, up 2.9% from a year earlier.
- New Zealand's exports increased by 3.3% over the same period.
- Since 2008, export growth in Northland reached a high of 2.9% in 2012 and a low of -6.0% in 2010.

Figure 44. Export growth (year to March 2012)

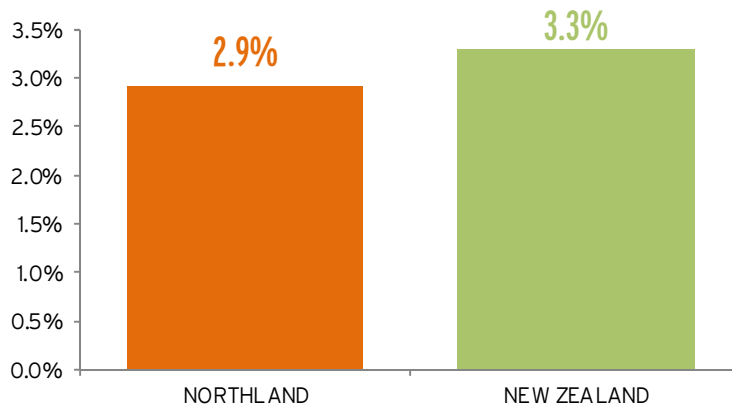
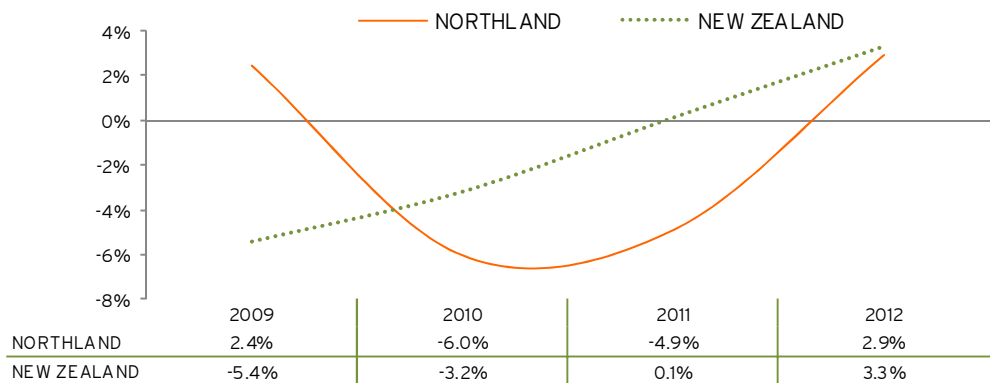
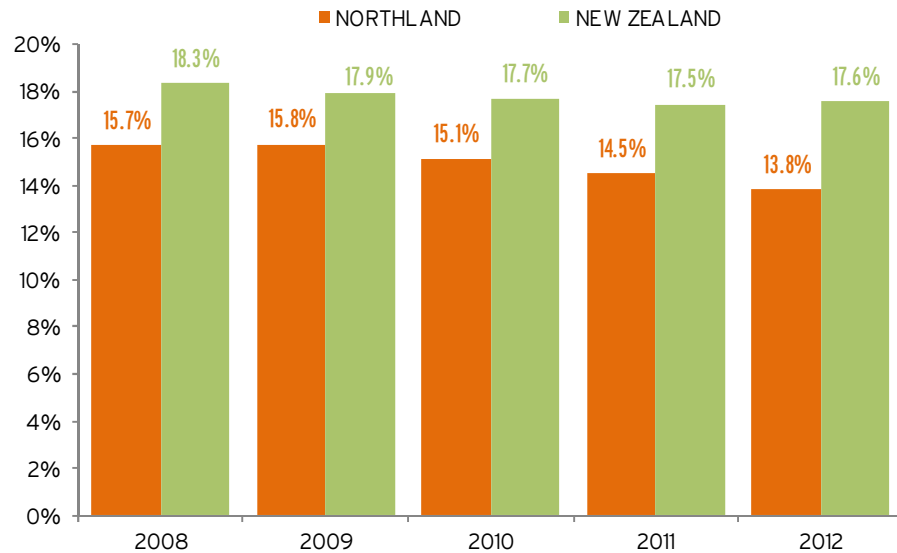


Figure 45. Export growth (2009-2012)



- Northland exported 13.8% of its gross output. This means it has a lower export orientation than the economy as a whole which exported 17.6% of its output.
- The proportion of Northland's gross output that was exported decreased from 15.7% in 2008 to 13.8% in 2012.

Figure 46. Export orientation (% of output exported)



Which industries make the largest contribution to exports?

Table 25 on the next page shows a ranking of 54 industries by their contribution to Northland's total exports.

- Dairy Product Manufacturing was the largest exporting industry in Northland in 2012, accounting for 41.1% of total exports.
- The second largest exporter was fishing and aquaculture (11.3%) followed by wood product manufacturing (5.6%).
- The industry most highly represented in Northland's exports relative to the national economy is petroleum and coal product manufacturing. This industry contributes 3.8% to the district's exports compared with 0.4% to the national economy.
- The next most highly represented exporting industries are fishing and aquaculture (11.3% and 3.2%) and dairy cattle farming (0.2% and 0.1%).

Table 25. 54-industry categories ranked by contribution to total exports (2012)

Rank	Industry	Northland				New Zealand	
		Exports (95/96 prices)		Change (2011-12)		% of total	Change (2011-12)
		(\$ m)	% of total	\$ m	%		
1	Dairy Product Manufacturing	358	41.1%	5	14%	24.8%	7.2%
2	Forestry and Logging	98	11.3%	16	19.8%	0.4%	3.2%
3	Wood Product Manufacturing	49	5.6%	-2	-4.5%	3.3%	0.1%
4	Meat and Meat Product Manufacturing	46	5.3%	1	14%	10.8%	4.4%
5	Accommodation and Food Services	37	4.2%	-1	-3.7%	4.0%	3.3%
6	Horticulture and Fruit Growing	34	3.9%	1	3.1%	2.3%	3.2%
7	Petroleum and Coal Product Manufacturing	33	3.8%	5	17.0%	0.4%	0.0%
8	Rail, Water, Air and Other Transport	23	2.7%	-1	-5.2%	4.4%	0.8%
9	Road Transport	22	2.6%	0	0.9%	17%	0.8%
10	Machinery and Other Equipment Manufacturing	22	2.5%	3	13.0%	6.1%	6.8%
11	Postal, Courier Transport Support, and Warehousing Services	20	2.3%	-1	-6.8%	2.9%	0.8%
12	Education and Training	20	2.3%	1	3.4%	19%	10%
13	Professional, Scientific and Technical Services	14	1.6%	0	-2.4%	2.8%	5.5%
14	Fruit, Oil, Cereal and Other Food Product Manufacturing	12	1.4%	1	7.2%	5.4%	10.5%
15	Administrative and Support Services	11	1.3%	1	5.3%	1.1%	5.1%
16	Poultry, Deer and Other Livestock Farming	9	1.0%	1	20.3%	0.7%	3.0%
17	Sheep, Beef Cattle and Grain Farming	7	0.9%	1	13.3%	0.4%	10.7%
18	Mining	6	0.7%	-2	-25.4%	16%	-14.5%
19	Textile, Leather, Clothing and Footwear Manufacturing	6	0.7%	0	1.1%	2.7%	-8.8%
20	Other Services	6	0.7%	0	-0.7%	0.8%	0.7%
21	Seafood Processing	6	0.6%	0	-5.6%	17%	4.4%
22	Fishing and Aquaculture	5	0.5%	0	-0.9%	3.2%	1.5%
23	Fabricated Metal Product Manufacturing	4	0.4%	0	-7.8%	0.9%	0.8%
24	Central Government Administration, Defence and Public Safety	3	0.3%	0	-0.4%	0.3%	-0.4%
25	Wholesale Trade	3	0.3%	0	9.2%	0.8%	3.1%
26	Transport Equipment Manufacturing	3	0.3%	0	-9.0%	0.6%	6.8%
27	Basic Chemical and Chemical Product Manufacturing	3	0.3%	0	5.9%	12%	-0.1%
28	Non-Metallic Mineral Product Manufacturing	2	0.2%	0	-5.0%	0.1%	-2.1%
29	Finance	2	0.2%	0	4.1%	0.3%	2.8%
30	Arts and Recreation Services	1	0.2%	0	-5.9%	0.3%	-3.8%
31	Dairy Cattle Farming	1	0.2%	1	59.8%	0.1%	52.4%
32	Furniture and Other Manufacturing	1	0.2%	0	-21.6%	0.3%	-5.6%
33	Polymer Product and Rubber Product Manufacturing	1	0.1%	0	-0.9%	10%	-0.1%
34	Beverage and Tobacco Product Manufacturing	1	0.1%	0	-4.5%	17%	-6.9%
35	Information Media Services	1	0.1%	0	9.9%	0.1%	-2.0%
36	Pulp, Paper and Converted Paper Product Manufacturing	0	0.0%	0	-50.1%	4.8%	0.0%
37	Construction Services	0	0.0%	0	-11.7%	0.0%	-8.2%
38	Insurance and Superannuation Funds	0	0.0%	0	-35.6%	0.1%	2.8%
39	Health Care and Social Assistance	0	0.0%	0	-14%	0.0%	-2.2%
40	Agriculture, Forestry and Fishing Support Services and Hunting	0	0.0%	0	-2.1%	0.0%	1.3%
41	Rental and Hiring Services (except Real Estate)	0	0.0%	0	-12%	0.0%	1.9%
42	Other Store-Based Retailing and Non Store Retailing	0	0.0%	0	14%	0.0%	4.7%
43	Printing	0	0.0%	0	-11.5%	0.0%	-1.2%
44	Building Construction	0	0.0%	0	0.0%	0.0%	0.0%
45	Supermarket, Grocery Stores and Specialised Food Retailing	0	0.0%	0	0.0%	0.0%	0.0%
46	Local Government Administration	0	0.0%	0	0.0%	0.0%	0.0%
47	Telecommunications, Internet and Library Services	0	0.0%	0	0.0%	0.0%	0.0%
48	Motor Vehicle and Motor Vehicle Parts and Fuel Retailing	0	0.0%	0	0.0%	0.0%	0.0%
49	Primary Metal and Metal Product Manufacturing	0	0.0%	0	0.0%	3.9%	0.9%
50	Water, Sewerage, Drainage and Waste Services	0	0.0%	0	0.0%	0.0%	0.0%
51	Auxiliary Finance and Insurance Services	0	0.0%	0	0.0%	0.0%	0.0%
52	Heavy and Civil Engineering Construction	0	0.0%	0	0.0%	0.0%	0.0%
53	Property Operators and Real Estate Services	0	0.0%	0	0.0%	0.0%	0.0%
54	Electricity and Gas Supply	0	0.0%	0	0.0%	0.0%	0.0%
Total		872	100.0%	25	2.9%	100.0%	3.3%

TECHNICAL NOTES

Time period

This annual profile reports on March years (eg 2012 refers to the 12 months to March 2012) for all indicators except population. Population statistics are presented for the year to June.

Industrial classification

This report 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.

Gross Domestic Product

Gross Domestic Product for each region and district is estimated by Infometrics. The methodology used in this current report differs from that used in previous regional economic profiles. A top down approach breaks national production-based GDP (published by Statistics New Zealand) down to TA 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 LEED. This captures differences in productivity between TAs and over time. GDP is measured in 1995/96 prices. Further details of this methodology can be obtained from Infometrics.

Employment by industry

Employment in this report is measured as an average of the four quarters making up each year.

Regional employment is estimated by Infometrics' Regional Industry Employment Model (RIEM). The model draws heavily on quarterly and annual Linked Employer Employee Data (LEED) and Business Demography (BD) series published by Statistics New Zealand. RIEM differs from BD in that it is a quarterly series (BD is annual) and it includes both employees and self-employed whereas BD only includes employees. Further details of this methodology can be obtained from Infometrics.

Industry sectors

The report uses four broad industry sectors: primary, secondary, tertiary and quaternary. The quaternary sector includes the higher value-adding, knowledge-based service industries which are: Information Media Services, Telecommunications, Internet and Library Services, Finance, Insurance and Superannuation Funds, Auxiliary Finance and Insurance Services, Professional, Scientific and Technical Services, Local Government Administration, Central Government Administration, Defence and Public Safety, Education and Training, and Health Care and Social Assistance.

Unemployment rate

Regional level unemployment rates are sourced from Statistics New Zealand's Household Labour Force Survey. Trends in the number of unemployment beneficiaries at TA level are used to break down regional unemployment rates to TA level.

Tourism-related sector

The tourism-related sector is defined as all 7-digit ANZSIC06 industries that are closely related to tourism. These include Accommodation (H440000), Cafes and Restaurants (H451100), Takeaway Food Services (H451200), Catering Services (H451300), Pubs, Taverns and Bars (H452000), Clubs (Hospitality) (H453000), Taxi and Other Road Transport (I462300), Rail Passenger Transport (I472000), Water Passenger Transport (I482000), Air

and Space Transport (I490000), Scenic and Sightseeing Transport (I501000), Travel Agency and Tour Arrangement Services (N722000).

Earnings

Earnings data are from the quarterly Linked Employer Employee Data. Average annual earnings are the sum of mean earnings for each quarter of full quarter jobs.

House prices

House price levels (dollar value) are sourced from REINZ. The levels are based on median sale prices for the month when the sale and purchase becomes unconditional.

Business Units

Data on the number of business units are sourced from the Business Demography statistics from Statistics New Zealand.

Population

Demographic statistics are sourced from Statistics New Zealand.

Exports

Lack of regional specific data on exports requires us to employ a modeling approach. The main assumption of our approach is that the industries in the regions have the same export characteristics as those at the national level, i.e., their export orientation (export / gross output ratio) is the same as the national average. The export characteristic of the industry is calculated as an average for the period 2008-2010 and remains constant over time. Thus, an industry's contribution to export growth in a region is different to the country as a whole (or another region) because of the relative importance of the industry in the region compared to the country as a whole (or another region). If a region becomes better represented in an industry with a relatively high export orientation, this industry is expected to make a higher positive contribution to the region's overall export orientation and the latter will improve as a result. We therefore do not account for national level industry specific changes in export orientation nor for regional level industry specific export orientation or changes thereof.

All export estimates are measured in constant 1995/96 prices.